

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	<div>☐ a multiemployer plan;</div> <div>☒ a single-employer plan;</div> <div>☐ a multiple-employer plan; or</div> <div>☐ a DFE (specify) ____</div>
B This return/report is:	<div>☐ the first return/report;</div> <div>☐ the final return/report;</div> <div>☐ an amended return/report;</div> <div>☐ a short plan year return/report (less than 12 months).</div>
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	<div>☒ Form 5558;</div> <div>☐ automatic extension;</div> <div>☐ the DFVC program;</div> <div>☐ special extension (enter description)</div>

Part II	Basic Plan Information—enter all requested information
1a Name of plan	1b Three-digit plan number (PN) ▶ 002
NATIONAL PENN BANCSHARES, INC. PENSION PLAN	1c Effective date of plan 01/01/1974
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)	2b Employer Identification Number (EIN) 23-2215075
NATIONAL PENN BANCSHARES, INC.	2c Sponsor's telephone number 610-367-6001
P.O. BOX 547 BOYERTOWN, PA 19512-0547	2d Business code (see instructions) 522110
PHILADELPHIA AND READING AVENUES BOYERTOWN, PA 19512-0547	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2010	PAUL FISTNER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") NATIONAL PENN BANCSHARES, INC. P.O. BOX 547 BOYERTOWN, PA 19512-0547	3b Administrator's EIN 23-2215075 3c Administrator's telephone number 610-367-6001
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN	
	4c PN	
5 Total number of participants at the beginning of the plan year	5	1945
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1578
b Retired or separated participants receiving benefits.....	6b	120
c Other retired or separated participants entitled to future benefits.....	6c	224
d Subtotal. Add lines 6a , 6b , and 6c	6d	1922
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	7
f Total. Add lines 6d and 6e	6f	1929
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	68
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NATIONAL PENN BANCSHARES, INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NATIONAL PENN BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>23-2215075</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>29672175</u>
b Actuarial value	2b <u>32639393</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>116</u> <u>5892388</u>
b For terminated vested participants	3b <u>188</u> <u>7011769</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>763539</u>
(2) Vested benefits	3c(2) <u>17847853</u>
(3) Total active	3c(3) <u>1641</u> <u>18611392</u>
d Total	3d <u>1945</u> <u>31515549</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.47</u> %
6 Target normal cost	6 <u>2247521</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/08/2010</u>
Signature of actuary	Date
<u>DENISE M. POLIN</u>	<u>08-05665</u>
Type or print name of actuary	Most recent enrollment number
<u>CONRAD SIEGEL ACTUARIES</u>	<u>717-652-5633</u>
Firm name	Telephone number (including area code)
<u>P.O. BOX 5900, 501 CORPORATE CIRCLE</u> <u>HARRISBURG, PA 17110-0900</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	5279248	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	5279248	0
10	Interest on item 9 using prior year's actual return of <u>-21.93</u> %	-1157739	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		813922
b	Interest on (a) using prior year's effective rate of <u>6.01</u> %		48917
c	Total available at beginning of current plan year to add to prefunding balance		862839
d	Portion of (c) to be added to prefunding balance.....		862839
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	4121509	862839

Part III Funding percentages			
14	Funding target attainment percentage.....	14	87.75 %
15	Adjusted funding target attainment percentage.....	15	103.57 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	117.08 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/24/2009	743308				
10/15/2009	371654				
01/14/2010	371654				
Totals ►			18(b)	1486616	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 1430676
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☒ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.64 %	2nd segment: 6.40 %	3rd segment: 6.56 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	2247521
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	2247521
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	816845	0
36 Additional cash requirement (item 34 minus item 35).....	36	1430676
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	1430676
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A Name of plan NATIONAL PENN BANCSHARES, INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL PENN BANCSHARES, INC.	D Employer Identification Number (EIN) 23-2215075

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
NATIONAL PENN INVESTORS TRUST CO	2201 RIDGEWOOD ROAD, SUITE 180 WYOMISSING, PA 19610

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ARTISAN PARTNERS LIMITED PARTN.

39-1811840

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 52	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

BLOOMBERG TRADEBOOK

731 LEXINGTON AVENUE
NEW YORK, NY 10022

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 71	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	7379	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

CONNORS INVESTOR SERVICES, INC.

23-1716484

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	14153	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

GOLDMAN SACHS ASSET MGMT., L.P.

13-4019460

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 52	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

HAVERFORD TRUST COMPANY

23-2329854

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 51	NONE	15356	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

SUNGUARD INSTITUTIONAL BROKERAGE

FOUR CITY PLACE, SUITE 225
ST. LOUIS, MO 63141

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 71	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	5389	Yes ☐ No ☒

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ARTISAN PARTNERS LIMITED PARTN.	28 52	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ARTISAN INTERNATIONAL INV 39-1811840	1.22% OF ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
GOLDMAN SACHS ASSET MGMT., L.P.	28 52	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
GOLDMAN SACHS STRUCTURED INTL EQUIT 13-4019460	0.85% OF ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	DAVID F. STIRLING	b EIN:	23-1669823
c Position:	ENROLLED ACTUARY		
d Address:	CONRAD SIEGEL ACTUARIES 501 CORPORATE CIRCLE HARRISBURG, PA 17110	e Telephone:	717-652-5633

Explanation: CHANGE IN ACTUARY WITHIN SAME FIRM.

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2009</div> This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan NATIONAL PENN BANCSHARES, INC. PENSION PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL PENN BANCSHARES, INC.	D Employer Identification Number (EIN) 23-2215075	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	7257	1003
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2500000	371654
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	140047	167613
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2544188	1680014
(2) U.S. Government securities.....	1c(2)	7116064	7526476
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	3542806	4691292
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	11482526	19177538
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	2286041	1988491
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	114448	91449

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	29733377	35695530

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	160796
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	160796

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	29733377	35534734
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1486616	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1486616

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	19654	
(B) U.S. Government securities	2b(1)(B)	324376	
(C) Corporate debt instruments	2b(1)(C)	201819	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		545849

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	308352	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	56102	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		364454

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	24228064	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	24235074	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-7010

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	3812533	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		3812533
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		562449
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		6764891

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	873246	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		873246
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	29509	
(4) Other	2i(4)	60779	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		90288
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		963534

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5801357
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PARENTEBEARD LLC

(2) EIN: 23-2932984

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		30000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>NATIONAL PENN BANCSHARES, INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NATIONAL PENN BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>23-2215075</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>23-0906608</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>39</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☒ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 60% Investment-Grade Debt: 35% High-Yield Debt: 0% Real Estate: 0% Other: 5%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

National Penn Bancshares, Inc.
Pension Plan

Financial Statements and
Supplemental Schedules

December 31, 2009 and 2008

National Penn Bancshares, Inc. Pension Plan

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December 31, 2009 and 2008

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Independent Auditors' Report

To the Plan Administrator
National Penn Bancshares, Inc. Pension Plan

We were engaged to audit the accompanying statement of net assets available for benefits of the National Penn Bancshares, Inc. Pension Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the years then ended and the supplemental schedules of (1) Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) and (2) Schedule H, Line 4(j) - Schedule of Reportable Transactions as of and for the year ended December 31, 2009. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by Investors Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the accompanying financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Allentown, Pennsylvania
October 6, 2010

National Penn Bancshares, Inc. Pension Plan

Statement of Net Assets Available for Benefits

December 31, 2009 and 2008

	2009	2008
Assets		
Investments, at fair value:		
Cash and money market funds	\$ 1,680,014	\$ 2,544,189
Mutual funds	1,988,491	2,286,041
U.S. Treasury notes and bonds	863,444	631,685
U.S. Government and governmental agency obligations	5,843,225	6,484,379
Common stock	19,268,987	11,596,974
Corporate bonds and notes	5,511,099	3,542,806
Total Investments	35,155,260	27,086,074
Cash (non-interest bearing)	1,003	7,257
Employer contributions receivable	371,654	2,500,000
Accrued interest and dividends	125,868	126,698
Due from brokers for securities sold	41,745	5,806
Other receivable	-	7,542
	539,267	2,640,046
Total Assets	35,695,530	29,733,377
Liabilities		
Due to brokers for securities purchased	160,796	-
Net Assets Available for Benefits	\$35,534,734	\$29,733,377

See notes to financial statements.

National Penn Bancshares, Inc. Pension Plan

Statement of Changes in Net Assets Available for Benefits

Years Ended December 31, 2009 and 2008

	2009	2008
Changes to Net Assets Attributed to		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 4,367,972	(\$8,288,822)
Interest and dividends	910,303	972,835
Net Investment Income (Loss)	5,278,275	(7,315,987)
Employer's contributions	1,486,616	2,500,000
Net Changes	6,764,891	(4,815,987)
Deductions from Net Assets Attributed to		
Benefits paid to participants	873,246	999,836
Administrative expenses	90,288	83,260
Total Deductions	963,524	1,083,096
Net Increase (Decrease) in Net Assets Available for Benefits	5,801,357	(5,899,083)
Net Assets Available for Benefits		
Beginning of year	29,733,377	35,632,460
End of year	<u>\$35,534,734</u>	<u>\$29,733,377</u>

See notes to financial statements.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 1 - Description of Plan

The following brief description of the National Penn Bancshares, Inc. Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan covering substantially all employees of National Penn Bancshares, Inc. and subsidiaries (the Plan sponsor) who have attained 20-1/2 years of age and have completed six months of service. The Plan excludes employees of Panasia Bank who previously participated in the Plan but transferred to Panasia Bank on or before June 21, 2001. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective March 31, 2010, no employee hired after, or terminated on or before March 31, 2010 and is then rehired after March 31, 2010, is eligible to participate in the Plan. Years of credited service will be frozen as of March 31, 2010, however, years of service for vesting will continue to apply.

The Plan evaluated subsequent events for recognition or disclosure through October 6, 2010, the date the financial statements were available to be issued.

Participation

An employee becomes eligible to participate in the Plan on the first day of the year coinciding with or next following the date which the employee has completed one year of service and met the other eligibility requirements. Employees can enroll in the Plan on January 1 and July 1 of each year.

Service Rules

Employees are credited with a year of service for each Plan year during which they have at least 1,000 hours of service.

Pension Benefits

Employees are eligible for normal retirement benefits at age 65 and five years of service or at age 55 and 10 years of service of participation. The Plan also has provisions for early retirement benefits. The normal retirement pension is payable monthly as long as the participant lives, with payments ceasing upon the participant's death. If the present value of the pension does not exceed \$1,000, the participant automatically receives a lump-sum payment. If the present value of the pension is between \$1,000 and \$5,000, the participant has not attained normal retirement age, and the participant does not make an election, the payment will be paid to an individual retirement account in the participant's name at National Penn Bank. Retirement benefits can also be paid in the form of a lump sum, joint and survivor annuity, or life annuity with certain period.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 1 - Description of Plan (Continued)

Pension Benefits (Continued)

Upon termination of employment other than by retirement, disability, or death, a participant may elect to receive a lump sum payment equal to the present value of the pension, as soon as administratively possible after termination of employment.

The amount of the monthly benefit, as defined in the Plan document, depends upon, among other things, the years of service of the employee (limited to 35 years), and the employee's compensation during the service periods (limited to \$50,000 per year).

Death Benefits

The Plan provides for death benefits as defined in the Plan document. In the event of death, the amount of benefit received will depend upon, among other things, the employee's status as of the date of death, and whether the participant was already receiving normal retirement benefits.

Vesting

A participant's retirement benefits vest upon completion of five years of service.

Administrative Costs

Administrative costs, such as for legal, accounting, actuarial, investment advisory, and trustee fees, as well as the PBGC premium, are paid by the Plan.

Note 2 - Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 2 - Summary of Accounting Policies (Continued)

Risks and Uncertainties (Continued)

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their last five years of credited service (capped at \$50,000). The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated Plan benefits.

The actuarial present value of accumulated Plan benefits is determined by the enrolled actuarial firm of Conrad M. Siegel, Inc. and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 2 - Summary of Accounting Policies (Continued)

Actuarial Present Value of Accumulated Plan Benefits (Continued)

The actuarial present value of accumulated plan benefits as of January 1, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Vested benefits:		
Retired participants and beneficiaries currently receiving payments	\$ 5,248,004	\$ 5,072,777
Other participants	<u>19,713,016</u>	<u>17,200,712</u>
Total Vested Benefits	24,961,020	22,273,489
Nonvested benefits	<u>564,090</u>	<u>589,935</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u>\$25,525,110</u>	<u>\$22,863,424</u>

The changes in the actuarial present value of the accumulated plan benefits for the year ended December 31, 2008 are summarized as follows:

Actuarial present value of accumulated plan benefits, at beginning of year	<u>\$22,863,424</u>
Increase (decrease) during the year attributable to:	
Benefits accumulated	1,834,928
Increase for interest due to decrease in discount period	1,785,745
Benefits paid	(999,836)
Change in actuarial assumptions	<u>40,849</u>
Net Increase	<u>2,661,686</u>
Actuarial Present Value of Accumulated Plan Benefits, at End of Year	<u>\$25,525,110</u>

Significant actuarial assumptions underlying the actuarial computations as of December 31, 2008 are:

- a) Mortality - Post-retirement and pre-retirement mortality is based on the IRS 2009 Static Table.
- b) Retirement age - Assumed to be normal retirement age.
- c) Interest rate - 8.00%.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 2 - Summary of Accounting Policies (Continued)

Actuarial Present Value of Accumulated Plan Benefits (Continued)

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

New Accounting Standards

In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification ("Codification") as the sole source of authoritative accounting principles generally accepted in the United States of America. As a result, all references to accounting literature will conform to the appropriate reference within the Codification. The adoption of the Codification, which became effective during September 2009, did not have any impact on the Plan's financial statements.

The FASB issued an interpretation regarding accounting for uncertainty in income taxes. This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and is effective for fiscal years beginning after December 15, 2008. The Plan has adopted the provisions of the pronouncement and the adoption did not impact the amounts reported in the Plan's financial statements.

In June 2009, the FASB issued a new accounting standard related to subsequent events. Effective June 30, 2009, the Plan adopted the standard which provides guidance on accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The adoption of this standard did not have a material effect on the Plan's financial statements.

Note 3 - Fair Value Measurements

The Plan measures on a recurring basis its investments at fair value in accordance with FASB accounting standard, "Fair Value Measurements and Disclosures," which provides the framework for measuring fair value. That framework provides a fair value hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The levels of fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 3 - Fair Value Measurements (Continued)

Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Investments in interest-bearing cash are stated at cost, which approximates fair value. The fair values of money market and mutual funds are based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stocks are valued at the closing price reported in the active market on which the individual securities are traded. Corporate bonds and notes, U.S. Government and governmental agency obligations and state and municipal bond obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings. There were no Level 3 investments.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008:

	Assets at Fair Value as of December 31, 2009			
	(Level 1)	(Level 2)	(Level 3)	Total
Cash and money market funds	\$ 1,680,014	\$ -	\$ -	\$ 1,680,014
Mutual funds:				
Foreign equity funds	1,988,491	-	-	1,988,491
U.S. Treasury notes and bonds	-	863,444	-	863,444
U.S. Government and governmental agency obligations	-	5,843,225	-	5,843,225

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 3 - Fair Value Measurements (Continued)

Assets at Fair Value as of December 31, 2009				
	(Level 1)	(Level 2)	(Level 3)	Total
Common stocks:				
Foreign	\$ 62,250	\$ -	\$ -	\$ 62,250
Domestic:				
Consumer discretion	2,093,351	-	-	2,093,351
Consumer staples	2,061,202	-	-	2,061,202
Energy	1,774,523	-	-	1,774,523
Financials	1,143,332	-	-	1,143,332
Healthcare	3,162,594	-	-	3,162,594
Industrials	2,821,507	-	-	2,821,507
Information technology	4,487,123	-	-	4,487,123
Materials	781,408	-	-	781,408
Telecom services	309,031	-	-	309,031
Utilities	481,217	-	-	481,217
	19,115,288	-	-	19,115,288
American depository receipts	91,449	-	-	91,449
Corporate bonds and notes	-	5,511,099	-	5,511,099
	<u>\$22,937,492</u>	<u>\$12,217,768</u>	<u>\$ -</u>	<u>\$35,155,260</u>

Assets at Fair Value as of December 31, 2008				
	(Level 1)	(Level 2)	(Level 3)	Total
Cash and money market funds	\$ 2,544,189	\$ -	\$ -	\$ 2,544,189
Mutual funds:				
Foreign equity funds	2,286,041	-	-	2,286,041
U.S. Treasury notes and bonds	-	631,685	-	631,685
U.S. Government and governmental agency obligations	-	6,484,379	-	6,484,379

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 3 - Fair Value Measurements (Continued)

Assets at Fair Value as of December 31, 2008				
	(Level 1)	(Level 2)	(Level 3)	Total
Common stocks:				
Domestic:				
Consumer discretion	\$ 937,036	\$ -	\$ -	\$ 937,036
Consumer staples	1,334,888	-	-	1,334,888
Energy	1,253,683	-	-	1,253,683
Financials	1,449,914	-	-	1,449,914
Healthcare	1,848,183	-	-	1,848,183
Industrials	1,638,560	-	-	1,638,560
Information technology	2,113,600	-	-	2,113,600
Materials	316,311	-	-	316,311
Telecom services	336,870	-	-	336,870
Utilities	253,481	-	-	253,481
	11,482,526	-	-	11,482,526
American depository receipts	114,448	-	-	114,448
Corporate bonds and notes		3,542,806	-	3,542,806
	<u>\$16,427,204</u>	<u>\$10,658,870</u>	<u>\$ -</u>	<u>\$27,086,074</u>

Note 4 - Funding Policy

The Company's funding policy is to make annual contributions to the Plan as determined by the Plan's independent actuary in amounts necessary to provide the Plan with assets sufficient to fund participants' benefits by the time they retire. No participant contributions are permitted. The minimum funding requirements of ERISA were met for 2009 and 2008.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Note 5 - Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Equally among individuals in the following two categories:
 - a. Benefits to retired participants and their beneficiaries to whom payment commenced at least three years prior to the termination date, based on Plan provisions in effect during the five-year period ending on such date. The lowest benefit in any pay status during the most recent three-year period shall be considered the benefit in pay status for such period.

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 5 - Plan Termination (Continued)

- b. Benefits with respect to a participant wherein payment would have commenced at least three years prior to the termination date if the participant had actually retired, based on the lowest benefit determined under the Plan provisions in effect during the five-year period ending on such date.
2. All other accrued benefits guaranteed by Federal law (or which would be so guaranteed by Section 4022(b)(5) or 4022B of ERISA).
3. All other (uninsured) vested accrued benefits.
4. All other nonvested accrued benefits under the Plan.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a ceiling, which is adjusted periodically, on the amount of monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

Note 6 - Investments

Investments that represent five percent or more of the Plan's net assets available for benefits consist of the following as of December 31:

	<u>2009</u>	<u>2008</u>
National Penn Bank Cash Management #1	\$1,680,014 *	\$2,544,189

* Does not represent five percent or more of the Plan's net assets available for benefits for respective year, but is shown for comparative purposes.

In 2009 and 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>2009</u>	<u>2008</u>
Mutual funds	\$ 562,450	(\$2,132,255)
U.S. Treasury notes and bonds	63,574	(9,866)
U.S. Government and governmental agency obligations	27,706	153,820
Common stock	3,495,319	(6,254,664)
Corporate bond and notes	218,923	(45,857)
Net Appreciation (Depreciation) in Fair Value of Investments	<u><u>\$4,367,972</u></u>	<u><u>(\$8,288,822)</u></u>

National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 7 - Related Party Transactions

Certain Plan investments are managed by a subsidiary of the Plan sponsor, Investors Trust Company, which is also the Plan's trustee. In addition, the Plan also holds as a Plan investment a money market deposit product of the Plan sponsor. All transactions which may be considered parties-in-interest transactions relate to normal plan management, investment and administrative services, and the related payment of fees.

Note 8 - Tax Status

The Plan obtained its latest determination letter on December 20, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable regulations of the Internal Revenue Code. Therefore, they believe that the Plan is qualified and the related trust is tax-exempt as of the financial statement date.

Note 9 - Information Certified by Custodian

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2009 and 2008. Accordingly, Investor Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying statement of net assets available for benefits as of December 31, 2009 and 2008, the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2009, and the related investment activity reported in the statement of changes in net assets available for benefits for the years ended December 31, 2009 and 2008 and the supplemental Schedule H, Line 4(j) - Schedule of Reportable Transactions for the year ended December 31, 2009.

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
*	National Penn Bank Cash Management #1	Cash and money market fund	\$1,680,014	\$1,680,014	\$1,680,014
	Artisan International Fd-Inv	Mutual fund	49,407	1,221,917	1,020,752
	Goldman Sachs Structured International Fund	Mutual fund	96,774	1,319,842	967,739
				2,541,759	1,988,491
	Federal Home Loan Bank, 5.5%, due 8/13/2014	U.S. Government and Governmental Agency Obligations	245,000	256,594	274,875
	Federal Home Loan Bank, 1.75%, due 8/22/2012	U.S. Government and Governmental Agency Obligations	270,000	269,178	270,278
	Federal Home Loan Mortgage Corporation, 4.75%, due 11/17/2015	U.S. Government and Governmental Agency Obligations	285,000	297,250	308,361
	Federal Home Loan Mortgage Corporation Gold Pool, 5.0%, due 7/1/2018	U.S. Government and Governmental Agency Obligations	65,029	66,919	68,527
	Federal Home Loan Mortgage Corporation Note, 6.0%, due 1/1/2037	U.S. Government and Governmental Agency Obligations	169,582	171,914	180,283
	Federal Home Loan Mortgage Corporation Note, 5.5%, due 11/1/2037	U.S. Government and Governmental Agency Obligations	190,053	198,724	199,308
	Federal Home Loan Mortgage Corporation Note, 5.5%, due 1/1/2038	U.S. Government and Governmental Agency Obligations	152,042	156,699	159,447
	Federal Home Loan Mortgage Corporation Note, 5.0%, due 2/1/2022	U.S. Government and Governmental Agency Obligations	170,726	177,448	179,109
	Federal Home Loan Mortgage Corporation Note, 4.0%, due 3/1/2024	U.S. Government and Governmental Agency Obligations	219,873	223,377	221,544
	Federal Home Loan Mortgage Corporation Gold Pool, 5.5%, due 10/1/2033	U.S. Government and Governmental Agency Obligations	170,311	171,735	179,201

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Federal Government Loan Mortgage Corporation Gold Pool, 5.0%, due 2/1/2034	U.S. Government and Governmental Agency Obligations	197,154	\$ 198,201	\$ 202,793
	Federal Government Loan Mortgage Corporation Gold Pool, 5.0%, due 2/1/2034	U.S. Government and Governmental Agency Obligations	167,895	168,446	172,697
	Federal Government Loan Mortgage Corporation, 6.0%, due 6/1/2031	U.S. Government and Governmental Agency Obligations	14,673	14,503	15,722
	Federal National Mortgage Association, 5.5%, due 1/1/2025	U.S. Government and Governmental Agency Obligations	109,783	112,562	116,151
	Federal National Mortgage Association, 5.5%, due 11/1/2018	U.S. Government and Governmental Agency Obligations	103,199	106,521	110,041
	Federal National Mortgage Association, 5.5%, due 5/1/2028	U.S. Government and Governmental Agency Obligations	376,363	381,655	396,686
	Federal National Mortgage Association, 5.5%, due 11/1/2032	U.S. Government and Governmental Agency Obligations	45,587	46,071	47,962
	Federal National Mortgage Association, 6.0%, due 9/1/2033	U.S. Government and Governmental Agency Obligations	108,635	112,233	116,033
	Federal National Mortgage Association, 5.5%, due 7/1/2033	U.S. Government and Governmental Agency Obligations	104,088	106,495	109,397
	Federal National Mortgage Association, 5.5%, due 10/1/2033	U.S. Government and Governmental Agency Obligations	130,928	132,688	137,606
	Federal National Mortgage Association, 5.5%, due 1/1/2021	U.S. Government and Governmental Agency Obligations	186,129	187,438	198,190
	Federal National Mortgage Association, 4.0%, due 11/1/2020	U.S. Government and Governmental Agency Obligations	169,702	173,547	171,246
	Federal National Mortgage Association, 5.5%, due 11/1/2033	U.S. Government and Governmental Agency Obligations	144,449	145,051	151,816

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Federal National Mortgage Association, 5.5%, due 4/1/2035	U.S. Government and Governmental Agency Obligations	168,020	\$ 168,204	\$ 176,489
	Federal National Mortgage Association, 5.5%, due 1/1/2020	U.S. Government and Governmental Agency Obligations	357,623	363,609	381,226
	Federal National Mortgage Association, 5.5%, due 2/1/2037	U.S. Government and Governmental Agency Obligations	187,404	195,779	196,531
	Federal National Mortgage Association, 4.5%, due 1/1/2039	U.S. Government and Governmental Agency Obligations	179,763	184,370	179,619
	Federal National Mortgage Association, 5.0%, due 4/1/2023	U.S. Government and Governmental Agency Obligations	104,913	105,635	109,750
	Federal National Mortgage Association, 5.5%, due 1/1/2023	U.S. Government and Governmental Agency Obligations	137,839	137,904	146,055
	Government National Mortgage Association, 5.5%, due 4/15/2035	U.S. Government and Governmental Agency Obligations	102,173	102,900	107,588
	Government National Mortgage Association, 6.0%, due 4/15/2037	U.S. Government and Governmental Agency Obligations	118,685	120,354	125,592
	Government National Mortgage Association, 6.0%, due 9/15/2034	U.S. Government and Governmental Agency Obligations	146,982	152,801	156,462
	Government National Mortgage Association, 6.0%, due 9/15/2038	U.S. Government and Governmental Agency Obligations	261,575	264,517	276,640
				<u>5,671,322</u>	<u>5,843,225</u>

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	US Treasury IX Note, 1.875%, due 7/15/2013	US Treasury Notes & Bonds	340,000	\$ 388,417	\$ 421,464
	US Treasury Inflation Bond, 1.375%, due 7/15/2018	US Treasury Notes & Bonds	440,000	422,014	441,980
				810,431	863,444
	Aflac Inc.	Common Stock	7,752	341,361	358,530
	AT & T Inc.	Common Stock	11,025	321,164	309,031
	Adtran Inc.	Common Stock	1,935	42,094	43,634
	Aeropostale Inc.	Common Stock	2,825	91,716	96,191
	Air Products and Chemicals Inc.	Common Stock	900	50,337	72,954
	Altera Corporation	Common Stock	11,385	194,080	257,643
	Abbott Labs	Common Stock	1,200	49,744	64,788
	Ametek Inc.	Common Stock	4,496	108,482	171,927
	Amgen Inc.	Common Stock	4,922	289,039	278,438
	Amphenal Corporation CL A	Common Stock	3,503	102,043	161,769
	Apple Computer Inc.	Common Stock	1,968	149,498	414,721
	Astronics Corp Com.	Common Stock	6,150	98,329	52,582
	Astronics Corp CL B Com.	Common Stock	1,538	25,418	12,607
	Automatic Data Processing Corp	Common Stock	1,000	33,901	42,820
	BJ's Wholesale Club Inc.	Common Stock	2,255	74,235	73,761
	BMC Software Inc.	Common Stock	1,748	58,748	70,095
	Bank of New York Mellon Corp.	Common Stock	1,400	42,823	39,158
	Bard (C.R.) Inc.	Common Stock	1,140	78,876	88,806
	Becton Dickinson & Co.	Common Stock	1,350	76,346	106,461
	Benihana Inc.	Common Stock	3,050	33,933	12,810
	Benihana Inc. CL A	Common Stock	7,000	77,948	26,530
	Broadridge Finl. Sol LLC	Common Stock	6,285	100,937	141,790
	C H Robinson Worldwide Inc	Common Stock	2,910	155,696	170,904
	Career Education Corp	Common Stock	2,350	48,759	54,778
	Catalyst Health Solutions Inc.	Common Stock	2,553	73,942	93,108
	Caterpillar Inc.	Common Stock	1,275	42,744	72,662
	Ceradyne Inc.	Common Stock	3,500	23,443	67,270
	Chevron Corp.	Common Stock	5,703	419,958	439,074
	Coach Inc.	Common Stock	2,109	50,755	77,042
	Coca Cola Co.	Common Stock	800	39,897	45,600
	Conocophillips	Common Stock	1,850	112,818	94,479

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Copart Inc.	Common Stock	1,825	\$ 56,097	\$ 66,831
	Corporate Office Properties	Common Stock	3,350	111,560	122,710
	Covance Inc.	Common Stock	1,365	60,526	74,488
	Cryolife Inc.	Common Stock	10,150	88,445	65,163
	Cubic Corp	Common Stock	1,720	67,942	64,156
	Cullen/Frost Bankers Inc.	Common Stock	2,195	115,368	109,750
	Daktronics Inc.	Common Stock	7,400	193,472	68,154
	Danaher Corp.	Common Stock	6,285	289,390	472,632
	Darden Restaurants Inc.	Common Stock	9,318	306,815	326,782
	Dentsply International Inc.	Common Stock	1,710	49,945	60,141
	Disney (Walt) Company Holdings	Common Stock	3,300	87,441	106,425
	E I Du Pont De Nemours Co.	Common Stock	2,025	56,293	68,182
	Eaton Corp.	Common Stock	1,200	83,778	76,344
	Eaton Vance Corp.	Common Stock	1,435	45,500	43,638
	Energen Corp	Common Stock	1,095	50,888	51,246
	Euronet Worldwide Inc.	Common Stock	4,300	94,152	94,385
	Exxon Mobil Corporation	Common Stock	6,845	380,371	466,761
	FMC Corp.	Common Stock	2,889	129,839	161,091
	Factset Research Systems Inc.	Common Stock	1,592	86,695	104,865
	Flow Intl Corp.	Common Stock	19,700	180,322	60,676
	Forest Laboratories Inc.	Common Stock	6,750	202,815	216,742
	General Electric Co.	Common Stock	9,342	287,594	141,344
	General Mills Inc.	Common Stock	3,743	243,470	265,042
	Greif Inc. CL	Common Stock	1,615	72,585	87,178
	HCC Insurance Holdings Inc.	Common Stock	3,005	85,650	84,050
	Harris Corp.	Common Stock	2,143	85,478	101,900
	Hewlett-Packard Co.	Common Stock	10,604	489,358	546,212
	Hormel Foods Corp.	Common Stock	2,705	86,309	104,007
	Hubbell Inc. CL	Common Stock	1,625	53,668	76,862
	Intel Corp.	Common Stock	2,950	61,275	60,180
	International Bus Machs Corp	Common Stock	2,717	278,396	355,655
	Intuit Inc.	Common Stock	9,555	246,429	293,625
	Inventiv Health Inc.	Common Stock	6,500	112,344	105,105
	Johnson & Johnson	Common Stock	8,520	492,711	548,773
	Kensley Nash Corp.	Common Stock	2,750	54,969	70,125
	L-3 Communications Holdings	Common Stock	1,393	90,654	121,121
	Laboratory Corp of American Holdings	Common Stock	2,887	182,190	216,063
	Landec Corporation	Common Stock	13,300	104,414	82,992
	Lennox International Inc.	Common Stock	1,495	46,313	58,365

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Liveperson Inc.	Common Stock	16,600	\$ 73,717	\$ 115,702
	Lockheed Martin Corp	Common Stock	500	38,646	37,675
	Lowes Companies Inc.	Common Stock	1,900	57,690	44,441
	MDU Resources Group Inc.	Common Stock	5,136	92,033	121,210
	McCormick & Company Inc.	Common Stock	11,447	413,576	413,580
	McGrath Rentcorp	Common Stock	4,550	107,937	101,738
	McGraw Hill Cos Inc.	Common Stock	5,998	242,265	200,993
	McKesson HBOC Inc.	Common Stock	4,399	256,073	274,938
	Measurement Specialties Inc.	Common Stock	7,500	175,416	75,375
	Medtronic Inc.	Common Stock	1,200	55,565	52,776
	Meridian Bioscience Inc.	Common Stock	4,475	107,245	96,436
	Microsoft Corp.	Common Stock	16,959	471,916	516,910
	Middleby Corp.	Common Stock	2,125	116,565	104,168
	NVE Corp.	Common Stock	1,750	57,688	72,240
	NYSE Euronext	Common Stock	3,000	65,789	75,900
	Natus Medical Inc.	Common Stock	4,950	93,817	73,211
	Netflix	Common Stock	2,025	75,754	111,557
	Nicor Inc.	Common Stock	5,764	249,565	242,664
	Noble Energy Inc.	Common Stock	2,431	132,576	173,136
	Nutrisystem Inc.	Common Stock	1,650	27,682	51,430
	Occidental Petroleum Corp.	Common Stock	5,652	286,336	459,790
	Oneok Inc.	Common Stock	1,483	43,855	66,097
	Oracle Corp.	Common Stock	14,732	219,642	361,376
	Pepsico Inc.	Common Stock	8,006	416,331	486,765
	Perficient Inc.	Common Stock	14,000	165,916	118,020
	Perrigo Co.	Common Stock	2,290	56,192	91,211
	PetMed Express Inc.	Common Stock	2,300	39,395	40,618
	Pfizer Inc.	Common Stock	7,466	197,561	135,807
	Phillips-Van Heusen Corp.	Common Stock	2,915	78,988	118,582
	Pioneer Drilling Co.	Common Stock	7,500	67,888	59,250
	Polycom, Inc.	Common Stock	3,172	57,692	79,205
	T Rowe Price Group Inc.	Common Stock	4,283	153,285	228,070
	Procter & Gamble Co.	Common Stock	1,200	60,694	72,756
	Qualcomm Inc.	Common Stock	4,808	210,715	222,418
	Rollins Inc.	Common Stock	6,980	101,981	134,574
	Rosetta Resources Inc.	Common Stock	2,600	36,730	51,792
	Ross Stores	Common Stock	2,564	78,556	109,508

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	SEI Investments Company	Common Stock	4,030	\$ 78,998	\$ 70,606
	Sigma Aldrich Corp	Common Stock	6,113	251,661	309,012
	Staples Inc.	Common Stock	12,235	205,187	300,859
	Steris Corp	Common Stock	2,585	77,118	72,302
	Stryker Corp.	Common Stock	6,580	245,466	331,435
	Superior Energy Services Inc.	Common Stock	1,245	40,881	30,241
	Target Corp.	Common Stock	1,000	40,899	48,370
	Techne Corp.	Common Stock	675	41,282	46,278
	Toro Co.	Common Stock	1,436	57,272	60,039
	Tupperware Brands Corp.	Common Stock	1,790	49,682	83,360
	II-VI Inc.	Common Stock	2,175	40,825	69,165
	Union Pacific Corp	Common Stock	1,125	57,729	71,888
	United Technologies Corp.	Common Stock	8,010	406,728	555,974
	VF Corporation	Common Stock	3,865	285,360	283,073
	Wal-Mart Stores	Common Stock	1,375	72,274	73,494
	Walgreen Company	Common Stock	14,330	369,685	526,198
	Wells Fargo & Co.	Common Stock	2,711	72,378	73,170
	Western Digital Corp	Common Stock	2,405	58,318	106,181
	Nokia Corp Spon Adr	Common Stock	2,775	43,400	35,659
	Novartis AG Spon Adr	Common Stock	1,025	54,551	55,791
	Accenture PLC CL	Common Stock	1,500	57,829	62,249
				<u>17,011,320</u>	<u>19,268,987</u>
	AllState Life, 5.375 %, due 4/30/2013	Corporate Bonds and Notes	255,000	258,777	272,205
	Citigroup Inc., 2.125%, due 4/30/2012	Corporate Bonds and Notes	270,000	271,688	272,889
	Credit Suisse FB USA Inc., 6.125%, 11/15/2011	Corporate Bonds and Notes	320,000	339,959	345,082
	Consolidated Edison Co. of NY., 5.85%, due 4/1/2018	Corporate Bonds and Notes	390,000	400,803	417,745
	General Electric Corp., 5.00%, due 2/1/2013	Corporate Bonds and Notes	390,000	398,203	412,604
	General Electric Cap, 3.00%, due 12/9/2011	Corporate Bonds and Notes	265,000	272,854	273,167

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 23-2215075

PN: 002

December 31, 2009

(a)	Identity of Issuer (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Goldman Sachs Group, 5.5%, due 11/15/2014	Corporate Bonds and Notes	355,000	\$ 369,907	\$ 378,909
	Glaxosmithkline Capital Income, 5.65%, due 5/15/2018	Corporate Bonds and Notes	380,000	391,123	409,864
	JP Morgan Chase & Co., 4.75%, 5/1/2013	Corporate Bonds and Notes	255,000	277,326	274,435
	J P Morgan Chase & Co, 2.20%, due 6/15/2012	Corporate Bonds and Notes	210,000	273,800	273,751
	International Bus. Machs Corp., 5.7%, due 9/14/2017	Corporate Bonds and Notes	310,000	328,048	338,923
	Oracle Corp., 3.75%, due 7/8/2014	Corporate Bonds and Notes	430,000	450,709	443,678
	SBC Communications Inc., 5.625%, due 6/15/2016	Corporate Bonds and Notes	290,000	299,725	311,530
	Verizon Pennsylvania Ser., 5.65%, due 11/15/2011	Corporate Bonds and Notes	345,000	355,810	365,590
	Wal-Mart Stores, 5.375%, due 4/5/2017	Corporate Bonds and Notes	320,000	329,024	344,288
	Wachovia Corp., 5.70%, 8/1/2013	Corporate Bonds and Notes	350,000	339,556	376,439
				<u>5,357,312</u>	<u>5,511,099</u>
	Total Investments			<u>\$33,072,158</u>	<u>\$35,155,260</u>

* Party-in-interest as defined by ERISA.

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(j) - Schedule of Reportable Transactions

EIN: 23-2215075

PN: 002

For the Year Ended December 31, 2009

<u>Identity of Party Involved (a)</u>	<u>Description of Asset (b)</u>	<u>Number of Transactions</u>	<u>Aggregate Purchase Price (c)</u>	<u>Aggregate Selling Price (d)</u>	<u>Expense Incurred (f)</u>	<u>Cost of Asset (g)</u>	<u>Current Value of Asset on Transaction Date (h)</u>	<u>Net Gain (Loss) (i)</u>
Category (i) Individual Transactions								
None								
Category (iii) Series of Transactions								
Goldman Sachs Structured International Fund	Mutual Fund	1	\$541,719	\$ -	\$ -	\$ 541,719	\$541,719	\$ -
		2	-	915,000	-	1,346,621	915,000	(431,621)

SB Actuary Signature
National Penn Bancshares, Inc. Pension Plan
EIN: 23-2215075
Plan Number: 002

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

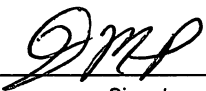
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan NATIONAL PENN BANCSHARES, INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF National Penn Bancshares, Inc.	D Employer Identification Number (EIN) 23-2215075
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value	2a	29,672,175	
b Actuarial value	2b	32,639,393	
3 Funding target/participant count breakdown	(1) Number of participants		(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	116	5,892,388
b For terminated vested participants	3b	188	7,011,769
c For active participants:			
(1) Non-vested benefits	3c(1)		763,539
(2) Vested benefits	3c(2)		17,847,853
(3) Total active	3c(3)	1,641	18,611,392
d Total	3d	1,945	31,515,549
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.47 %	
6 Target normal cost	6	2,247,521	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>10-8-2010</u>
	Signature of actuary	Date
Denise M. Polin		08-05665
	Type or print name of actuary	Most recent enrollment number
Conrad Siegel Actuaries		(717) 652-5633
	Firm name	Telephone number (including area code)
P.O. Box 5900, 501 Corporate Circle		
Harrisburg	PA 17110-0900	
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	5,279,248	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	5,279,248	0
10 Interest on item 9 using prior year's actual return of <u>(21.93)</u> %	(1,157,739)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		813,922
b Interest on (a) using prior year's effective rate of <u>6.01</u> %		48,917
c Total available at beginning of current plan year to add to prefunding balance		862,839
d Portion of (c) to be added to prefunding balance		862,839
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	4,121,509	862,839

Part III Funding percentages

14 Funding target attainment percentage	14	87.75 %
15 Adjusted funding target attainment percentage	15	103.57 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	117.08 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/24/2009	743,308				
10/15/2009	371,654				
01/14/2010	371,654				
Totals ►			18(b)	1,486,616	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	1,430,676

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.64 %	2nd segment: 6.40 %	3rd segment: 6.56 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	2,247,521
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	2,247,521
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	816,845	0
36 Additional cash requirement (item 34 minus item 35)	36	1,430,676
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	1,430,676
38 Interest-adjusted excess contributions for current year (see instructions)	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Schedule SB, line 19 - Discounted Employer Contributions

Name of Plan: National Penn Bancshares, Inc. Pension Plan

EIN: 23-2215075

PN: 002

Plan Year: 1/1/2009 - 12/31/2009

Effective Interest Rate: 6.47%
Late Quarterly Interest Rate: 11.47%

Contribution Date	Applicable Plan Year	Contribution Amount	Interest Adjusted Contribution
4/24/2009	2009	743,308	728,608
10/15/2009	2009	371,654	353,777
1/14/2010	2009	371,654	348,291

Total

1,486,616

1,430,676

Schedule SB, line 22 – Description of Weighted Average Retirement Age

Plan Year: January 1, 2009 to December 31, 2009

Plan Name: National Penn Bancshares, Inc. Pension Plan

EIN: 23-2215075 **Plan #** 002

The description of weighted average retirement age is contained in the first page of the attached Schedule SB, Part V - Statement of Actuarial Assumptions/Methods.

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Name of Plan: National Penn Bancshares, Inc. Pension Plan

EIN: 23-2215075

PN: 002

Plan Year: 1/1/2009 - 12/31/2009

Interest Rates

First Segment (1 to 60 months):	5.64%
Second Segment (61 to 240 months):	6.40%
Third Segment (Beyond 240 months):	6.56%

Salary

2.00% Annual Increase

Withdrawal

Rates vary by length of service:

<u>Years</u>	<u>Rate</u>	<u>Years</u>	<u>Rate</u>	<u>Years</u>	<u>Rate</u>
0-1	23.0000%	4	12.5000%	10-14	6.0000%
2	19.5000%	5-9	9.0000%	15 or more	3.0000%
3	16.0000%				

Mortality

IRS 2009 Static Table

Disability

No disability was assumed.

Retirement

Normal Retirement Age, or age on valuation date, if greater.

Schedule SB, Part V - Statement of Actuarial Assumptions/Methods

Name of Plan: National Penn Bancshares, Inc. Pension Plan

EIN: 23-2215075

PN: 002

Plan Year: 1/1/2009 - 12/31/2009

Preretirement Death Benefit

Liabilities computed on the assumption that all participants will have spouses of the same age at the date of eligibility for the benefit.

Expenses

Plan-related expenses expected to be paid from plan assets during the plan year.

Actuarial Value of Assets

Average of the Adjusted Market Values as of the valuation date and the 2 preceding valuation dates. The averaging is adjusted for contributions, distributions and expected earnings, using an assumed interest rate of 8.00% (but not in excess of the applicable third segment rate for that year). The resulting value may not be less than 90% nor more than 110% of the Adjusted Market Value of Assets.

Changes in Non-Prescribed Actuarial Assumptions and Methods

	Prior	Current
Actuarial Value of Assets	Market Value	See Above

Schedule SB, Part V - Summary of Plan Provisions
National Penn Bancshares, Inc. Pension Plan
EIN: 23-2215075
Plan Number: 002

National Penn Bancshares, Inc. Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

Eligibility to Participate

An employee becomes a participant in the Plan on the January 1 or July 1 following the date he satisfies the following conditions:

- Completion of one year of service.
- Attainment of age 20 1/2.

Provided he is:

- A member of the Covered Class of employees, is a nonunion employee, and is not a leased employee.

Covered Class of employees, prior to April 1, 2006, excluded:

- Any employee of National Penn Mortgage Company who:
 - was hired on or after June 1, 1999, or
 - was a participant in the Plan and transferred to National Penn Mortgage Company after May 31, 2000.

Normal Retirement Benefits

Normal Retirement Date

A participant is eligible for his normal retirement pension after attainment of age 65.

Normal Retirement Benefit

The normal retirement pension is payable monthly as long as the participant lives, with payments ceasing upon the participant's death.

Normal Retirement Pension Formula

If the participant retires as of his normal retirement date, his monthly pension will be equal to 1/12 of the sum of:

The accrued benefit as of March 31, 2006; plus 1.0% of average annual compensation multiplied by years of benefit service earned after March 31, 2006.

"Year of benefit service" is explained under Service Rules.

Average Annual Compensation – "Average annual compensation" means the participant's annual compensation averaged over the five consecutive year period which produces the highest average in the last ten consecutive years including the current plan year.

National Penn Bancshares, Inc. Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

For the purpose of determining average annual compensation, the Plan does not take into account:

- A year in which less than 1,000 hours are credited.

Compensation – For the purposes of the Plan, "compensation" means the participant's total earnings reportable as W-2 wages for the plan year. The Plan does not count bonuses, expense reimbursements of any kind, or income from the exercise of stock options.

For benefit accruals earned after March 31, 2006, compensation for any year is limited to \$50,000.

Accrued Benefit

The accrued benefit on any date other than the normal retirement date is determined according to the normal retirement pension formula, but based upon compensation and benefit service to date.

Payment Options

A participant may elect to receive his monthly pension in one of these optional forms of payment:

- Lifetime Pension.
- Joint and Survivor Pension with a 100%, 75%, or 50% survivor annuity.
- Lifetime Pension with Certain Period with guaranteed payments for 120 or 180 months.
- Lump Sum, but only if the value of the benefit does not exceed \$10,000. A lump sum payment is automatic if the value of the vested benefit does not exceed \$5,000.

If the participant elects to receive the distribution in a lump sum, the participant may request that the taxable portion of the payment be transferred directly to an individual retirement account (IRA). If the former participant is a member of another qualified retirement plan which accepts rollover contributions, he may elect to have the distribution transferred to that plan.

If the participant is married at the time payments are to begin, the automatic form of payment for him will be a joint and 50% survivor pension with the spouse named as survivor annuitant. If the participant is not married at the time payments are to begin, the automatic form of payment will be a lifetime pension.

Employment after Retirement – If a participant in pay status returns to employment, retirement benefits will not be suspended.

Distributions under Qualified Domestic Relations Order

With respect to a participant, no distribution will be made before the earlier of: (1) the earliest time as of which the participant qualifies for a distribution, or (2) the later of his attainment of age 50 or the date he could receive distribution if he terminated employment.

National Penn Bancshares, Inc. Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

Other Retirement Benefits

Late Retirement

If a participant continues working after his normal retirement date, his pension will not commence until he actually retires. The late retirement benefit is the greater of:

- The actuarial equivalent of the normal retirement benefit; or
- The normal retirement benefit determined under the pension formula using current service and compensation.

The normal retirement pension payment options are all available at late retirement.

Early Retirement

A participant is eligible for early retirement after attainment of age 55 and completion of ten years of vesting service. The early retirement benefit is the actuarial equivalent of the pension accrued to the date of early retirement.

Death Benefits

If a vested participant dies before beginning to receive a retirement pension benefit, his surviving spouse is entitled to receive a 50% survivor benefit. Payment will begin on the date on which the participant first would have been eligible for retirement. The amount of the survivor benefit is equal to the 50% survivor benefit payable under the joint and 50% survivor pension option, based upon the pension accrued to the date of death and reduced for early commencement of benefits, if applicable. The surviving spouse may elect another form of payment.

Any excess of the present value of the participant's vested accrued benefit over the present value of the 50% survivor benefit will be payable to the participant's named beneficiary. With the spouse's written consent, the participant may elect to waive payment of the 50% survivor benefit and to have the entire death benefit paid to his named beneficiary upon his death.

If the participant dies, his named beneficiary may elect the form of payment. However, at the time he names the beneficiary, the participant also has the option of electing the form of payment that his beneficiary must receive.

Termination of Employment Benefits

Vesting in Accrued Benefit

If employment terminates other than by retirement, disability, or death, the amount payable from the Plan is based upon the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
0-4 Years	0%
5 or More Years	100%

National Penn Bancshares, Inc. Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

Time of Payment

No pension payment is available under the Plan prior to retirement or death with one exception. If the present value of the vested accrued benefit is no more than \$10,000 at the time of termination, the lump sum value will be available following a one-year waiting period. However, if the present value of the vested accrued benefit is no more than \$5,000 at the time of termination, the lump sum value will be paid as soon as administratively possible.

Forfeiture and Restoration

Any portion of a participant's accrued benefit that is not vested when his employment terminates will be forfeited:

- If he does not return to employment before incurring a forfeiture break-in-service; or
- If his vested accrued benefit is distributed to him.

A forfeiture break-in-service is a period of five consecutive vesting years of service in which the participant is credited with 500 or fewer hours of service.

Cashout Rule – The cashout rule applies if a participant terminates employment and receives a full distribution of the vested portion of his accrued benefit before completing a full forfeiture break-in-service period. Upon distribution of the vested portion of the accrued benefit, the nonvested portion is forfeited. If the vested accrued benefit is less than \$5,000, it will automatically be distributed. If there is no vested accrued benefit, the nonvested accrued benefit will be forfeited upon the participant's termination.

If the participant returns to employment before incurring a forfeiture break-in-service and he repays the amount previously distributed with interest, the employer is obligated to restore the forfeited portion of the accrued benefit. Repayment must be made by the end of the five-year period ending on the earlier of: (1) the fifth year following reemployment, or (2) the end of the forfeiture break-in-service period.

Employee Contributions

Voluntary Employee Contribution

Voluntary nondeductible employee contributions are not permitted.

Mandatory Employee Contribution

Mandatory employee contributions have never been required under the Plan.

Rollover Accounts

Rollover or transfer contributions are not permitted.

National Penn Bancshares, Inc. Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

Service Rules

Eligibility Service Rules

An employee is credited with a year of eligibility service when he completes at least 1,000 hours of service in the 12-month period beginning on his date of employment. Additional eligibility service periods are measured using the plan year beginning with the plan year that commences after the date of employment.

Vesting Service Rules

A participant is credited with a year of vesting service for each vesting period during which he has at least 1,000 hours of service. A participant will incur a break-in-service if he is credited with 500 or fewer hours of service in the vesting period. A "vesting period" is the 12-month period coinciding with the plan year.

The Plan will take into account service with predecessor employers for vesting purposes as noted below.

Benefit Service Rules

For purposes of this section, a "completed month" shall mean a calendar month in which an employee is credited with at least one hour of service.

A participant is credited with a year of benefit service for each benefit period during which the participant completes at least 1,000 hours of service. A "benefit period" is the 12-month period coinciding with the plan year. However, in the initial and final year of employment, service will be credited to the completed month.

If the employee terminates and receives a distribution of his vested accrued pension, upon reemployment the Plan will take into account service credited before the termination. However, his accrued benefit will be reduced by the actuarial equivalent of his distribution.

The Plan will take into account service with predecessor employers for benefit purposes as noted below:

Service with Predecessor Employers

	Eligibility and Vesting Service	Benefit Service
Sellersville Savings & Loan Association	All Service	January 1, 1991
First Lehigh Bank	All Service	July 1, 1993
Chestnut Hill National Bank	All Service	January 1, 1994
Central Penn Savings Association	All Service	July 1, 1994
Elverson National Bank	All Service	January 1, 1999
Bernville Bank	All Service	January 1, 2001
Kutztown Branch – PNC Bank	All Service	November 16, 2001
First Service Bank	All Service	February 25, 2003
Hometowne Heritage Bank	All Service	December 12, 2003

National Penn Bancshares, Inc. Pension Plan
Actuarial Valuation as of January 1, 2009
Summary of Principal Plan Benefit Provisions

Peoples Bank of Oxford	All Service	June 10, 2004
Pennsurance, Inc	All Service – Vesting Only	July 1, 2004
D.E. Love Associates, Inc.	All Service – Vesting Only	December 1, 2004
Krombolz Agency, Inc.	All Service – Vesting Only	January 1, 2005
Nittany Financial Corp.	All Service	April 1, 2006
Resources for Retirement, Inc.	All Service	April 10, 2006
KNBT	All Service	July 1, 2008
Christiana Bank	All Service	July 1, 2008
Caruso Benefits Group	All Service	July 1, 2008

Actuarial Equivalent

Actuarial equivalence is determined based on the following mortality and interest assumptions:

Mortality table:	Preretirement – UP1984
	Postretirement – UP1984
Interest rate:	Preretirement – 7.0%
	Postretirement – 7.0%

Early retirement benefits are reduced on the basis of tabular factors incorporated into the Plan. If average pay is over the integration level, special early retirement reduction may apply to the portion of benefit resulting from excess average pay.

However, for the purpose of determining the amount of a lump sum payment, the actuarial equivalence determination will use the Code section 417 interest rates, and the Code section 417 mortality table.

Code section 417 interest rates

The Code section 417 interest rates are the Transitional Segment Rates for the second month preceding the first day of the plan year that contains the annuity starting date.

Code Section 417 Mortality Table

The Code section 417 mortality table is the Applicable Mortality Table released annually by the Internal Revenue Service.

Schedule SB, line 25 – Change in Method

Plan Year: 01/01/2009 to 12/31/2009

Plan Name: National Penn Bancshares, Inc. Pension Plan

EIN: 23-2215075 **Plan #** 002

The following changes in funding method were made for the actuarial valuation for the plan and plan year stated above:

Changes in Funding Method that required the agreement of the plan sponsor

Actuarial value of assets:

Current – Average of the Adjusted Market Values as of the valuation date and the 2 preceding valuation dates. The averaging is adjusted for contributions, distributions, and expected earnings, using an assumed interest rate of 8.00% (but not in excess of the applicable third segment rate for that year). The resulting value may not be less than 90% nor more than 110% of the Adjusted Market Value of Assets.

Prior – Market value as determined by the trustee adjusted for discounted employer contributions receivable.

Internal Revenue Service approval is not required for the changes in funding method shown here because the changes meet the requirements of the Regulation 1.430(g)-1(f)(3) and Notice 2009-22 for the 2009 plan year.

ATTACHMENT TO SCHEDULE SB LINE 26 - SCHEDULE OF ACTIVE PARTICIPANT DATA
EIN: 23--2215075
PLAN NUMBER: 002

NATIONAL PENN BANCSHARES, INC. PENSION PLAN

(File Gov't Forms)

DISTRIBUTION OF ACTIVE MEMBERS BY AGE, SERVICE & COMPENSATION AS OF 01/01/2009

Attained Age	Years of Credited Service to Date										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	35 \$22,325	52 \$23,724	1	0	0	0	0	0	0	0	88 \$23,228
25-29	47 \$31,979	75 \$27,712	21 \$38,893	2	0	0	0	0	0	0	145 \$30,907
30-34	51 \$39,176	44 \$40,519	24 \$37,466	10	0	0	0	0	0	0	129 \$39,502
35-39	55 \$43,028	46 \$44,526	24 \$40,002	18	5	1	0	0	0	0	149 \$45,631
40-44	74 \$53,536	65 \$46,857	22 \$59,201	19	11	8	1	0	0	0	200 \$55,645
45-49	94 \$52,812	62 \$49,387	41 \$64,337	25 \$65,204	10	4	4	2	0	0	242 \$55,663
50-54	95 \$48,733	68 \$58,906	46 \$58,584	25 \$69,124	9	8	5	4	2	0	262 \$58,824
55-59	90 \$52,858	39 \$72,615	37 \$44,977	28 \$81,995	12	8	3	0	2	1	220 \$59,448
60-64	54 \$56,308	28 \$52,303	43 \$57,920	21 \$53,419	3	6	3	2	1	0	161 \$55,852
65-69	16	2	2	5	2	0	0	1	1	0	29 \$39,955
70+	3	3	7	3	0	0	0	0	0	0	16
Total	614	484	268	156	52	35	16	9	6	1	1,641

Average Age: 45.5 Years Average Service to Date: 4.9 Years

Schedule H, line 4i - Schedule of Assets (Held At End of Year)

Plan Name National Penn Bancshares, Inc. Pension Plan Employer I.D. #: 23-2215075 Plan Number: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value

Schedule of Assets (Held At End of Year) is contained in the attached audit report.

Schedule H, line 4i - Schedule of Assets (Acquired and Disposed of Within Year)

Plan Name National Penn Bancshares, Inc. Pension Plan Employer I.D. #: 23-2215075 Plan Number: 002

(a) Identity of issue, borrower, lessor, or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(c) Costs of acquisitions	(d) Proceeds of dispositions
<hr/>	<hr/>	<hr/>	<hr/>

Schedule of Assets (Acquired and Disposed of Within Year) is contained in the attached audit report if this schedule is required.

Schedule H, line 4j - Schedule of Reportable Transactions

Plan Name: National Penn Bancshares, Inc. Pension Plan

Employer I.D. #: 23-2215075

Plan Number: 002

(a) Identity of party involved	(b) Description of asset (including interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
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Schedule of Reportable Transactions is contained in the attached audit report.

Schedule C, line 2(h) - Formula Description

Plan Name: National Penn Bancshares, Inc. Pension Plan

Employer I.D. #: 23-2215075

Plan Number: 002

(a) Name of Investment Fund (Source of Compensation)	(b) Name of Investment Adviser (Service Provider)	(c) Formula as Percentage of Assets	(d) Other Formula, if any

See line 3(e) of Schedule C for a description of the applicable formulas for each fund manager