

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>NATIONAL PENN BANCSHARES, INC. CAPITAL ACCUMULATION</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1989</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1989</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1989</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>NATIONAL PENN BANCSHARES, INC.</u> <u>P.O. BOX 547</u> <u>BOYERTOWN, PA 19512-0547</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>23-2215075</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>610-369-6535</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>522110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>23-2215075</u>	2c Sponsor's telephone number <u>610-369-6535</u>	2d Business code (see instructions) <u>522110</u>	
2b Employer Identification Number (EIN) <u>23-2215075</u>					
2c Sponsor's telephone number <u>610-369-6535</u>					
2d Business code (see instructions) <u>522110</u>					

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.	10/07/2011	PAUL FISTNER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/07/2011	PAUL FISTNER
	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

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

Form 5500 (2010)
v.092307.1

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	3b Administrator's EIN 23-2215075 3c Administrator's telephone number 610-369-6535
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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	2319
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	2238
b Retired or separated participants receiving benefits.....	6b	5
c Other retired or separated participants entitled to future benefits.....	6c	279
d Subtotal. Add lines 6a , 6b , and 6c	6d	2522
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	2522
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	2039
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	130
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:
 2E 2F 2G 2J 2K 2R 2T 3D

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	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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) ☒ **1** **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010	
A Name of plan NATIONAL PENN BANCSHARES, INC. CAPITAL ACCUMULATION	B Three-digit plan number (PN) ▶ 001
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	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY PRIAC

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	040006	2522	01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	12283823
5 Current value of plan's interest under this contract in separate accounts at year end	5	10397208

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year	7b	11611583
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c Additions: (1) Contributions deposited during the year	7c(1)	1375148	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	401361	
(4) Transferred from separate account	7c(4)	583868	
(5) Other (specify below)	7c(5)	2475254	

▶ **LOAN REPAYMENTS TRANSFERS IN, MISC. IN**

(6) Total additions	7c(6)	4835631
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d Total of balance and additions (add b and c(6))	7d	16447214
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	2008990	
(2) Administration charge made by carrier	7e(2)	1222	
(3) Transferred to separate account	7e(3)	407276	
(4) Other (specify below)	7e(4)	1745903	

▶ **LOAN INITIATIONS TRANSFERS OUT, MISC. OUT FORFEITURE DEBITS**

(5) Total deductions	7e(5)	4163391
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f Balance at the end of the current year (subtract e(5) from d)	7f	12283823
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE C</div> <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>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

<div>A Name of plan</div> <div>NATIONAL PENN BANCSHARES, INC. CAPITAL ACCUMULATION</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>NATIONAL PENN BANCSHARES, INC.</div>	<div>D Employer Identification Number (EIN)</div> <div>23-2215075</div>

Part I

Service Provider Information (see instructions)

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64	NONE	11755	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

PRUDENTIAL INVESTMENT MANAGEMENT SE

13-4122960

(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?
63 71	NONE	1616	Yes ☒ No ☐	Yes ☒ No ☐	120	Yes ☒ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(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?
			Yes ☐ No ☐	Yes ☐ No ☐		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
(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.	
(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.	
(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: GRANT THORNTON,LLP	b EIN: 36-6055558
c Position: AUDITOR	
d Address: 2001 MARKET STREET, SUITE 3100 PHILADELPHIA, PA 19103-7080	e Telephone: 215-561-4200

Explanation: RESIGNED DUTIES

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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>NATIONAL PENN BANCSHARES, INC. CAPITAL ACCUMULATION</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE 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	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP VALUE/CRM FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-440</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1926687</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DRYDEN S&P INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-123</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>7010353</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP GROWTH/TIMESSQUARE FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIRMENT INS.</u>		
c EIN-PN <u>06-1050034-186</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1460168</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan NATIONAL PENN BANCSHARES, INC. CAPITAL ACCUMULATION	B Three-digit plan number (PN) ►	001
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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	103103	1604085
(2) Participant contributions	1b(2)	222717	240321
(3) Other.....	1b(3)	2184153	2308196
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	9070518	10397208
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	40913519	47188614
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	11611583	12283823
(15) Other	1c(15)	555472	460331

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	7583087	10565076
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	72244152	85047654

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	64145	85678
k Total liabilities (add all amounts in lines 1g through 1j)	1k	64145	85678

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	72180007	84961976
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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)	3124206	
(B) Participants	2a(1)(B)	5951078	
(C) Others (including rollovers)	2a(1)(C)	566001	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		9641285

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	143262	
(F) Other	2b(1)(F)	401360	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		544622

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	51287	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	928456	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		979743

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	1744430	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	2745563	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-1001133

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	4022626	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		4022626
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		1418961
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		4498576
c Other income.....	2c		68153
d Total income. Add all income amounts in column (b) and enter total.....	2d		20172833

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7219250	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	148694	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		7367944
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	22920	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		22920
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7390864

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		12781969
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

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: KPMG

(2) EIN: 13-5565207

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.).....		X	
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.		X	

- 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)

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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>NATIONAL PENN BANCSHARES, INC. CAPITAL ACCUMULATION</u>	B Three-digit plan number (PN) ▶ <u>001</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
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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>647891</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>22-1211670</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	

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)
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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
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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
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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.
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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) 2010
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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- 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): _____



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

Participants and Administrator

National Penn Bancshares, Inc. Capital Accumulation Plan:

We have audited the accompanying statements of net assets available for benefits of the National Penn Bancshares, Inc. Capital Accumulation Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and



Regulations for Reporting Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

June 29, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 11-K

**[X] ANNUAL REPORT PURSUANT TO SECTION 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2010

OR

**[] TRANSITION REPORT PURSUANT TO SECTION 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: _____ to _____

000-22537-01

(Commission File Number)

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN
(Full title of the plan)**

**NATIONAL PENN BANCSHARES, INC.
P. O. Box 547
Philadelphia and Reading Avenues,
Boyertown, PA 19512**

**(Name of issuer of the securities held pursuant
to the plan and the address of its principal executive office)**

Notices and communications from the Securities and Exchange Commission
relating to this Report should be forwarded to:

National Penn Bancshares, Inc.
Philadelphia and Reading Avenues
Boyertown, Pennsylvania 19512

Attention: Michael J. Hughes
Group Executive Vice President and
Chief Financial Officer

With copies to:

H. Anderson Ellsworth, Esquire
Group Executive Vice President and Chief Legal Officer
National Penn Bank
P. O. Box 547
Boyertown, Pennsylvania 19512

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

FORM 11-K

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**REPORT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Participants and Administrative Committee
National Penn Bancshares, Inc. Capital Accumulation Plan

We have audited the accompanying statements of net assets available for benefits of the National Penn Bancshares, Inc. Capital Accumulation Plan (the "Plan") as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the National Penn Bancshares, Inc. Capital Accumulation Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, line 4i - Schedule of Assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP
Philadelphia, Pennsylvania
June 29, 2011

NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN

FINANCIAL STATEMENTS

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2010	2009
ASSETS		
Investments at fair value	\$80,895,052	\$ 69,734,179
Receivables:		
Employer contributions	1,604,085	103,103
Employee contributions	240,321	222,717
Notes receivable from participants	2,308,196	2,184,153
Total receivables	4,152,602	2,509,973
Total assets	85,047,654	72,244,152
LIABILITIES		
Other	85,678	64,145
Total liabilities	85,678	64,145
Net assets available for plan benefits	\$84,961,976	\$ 72,180,007

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2010
Additions to net assets	
Investment income	
Net appreciation in fair value of investments	\$ 9,935,639
Interest and dividend income	452,647
Total investment income	10,388,286
Interest income on notes receivable from participants	143,262
Contributions:	
Employer (net of forfeitures)	3,124,206
Participants	5,951,078
Rollovers	566,001
Total contributions	9,641,285
Total additions	20,172,833
Deductions from net assets	
Distributions to participants	7,219,250
Other	171,614
Total deductions	7,390,864
Net increase	12,781,969
Net assets available for plan benefits beginning of year	72,180,007
Net assets available for plan benefits end of year	\$ 84,961,976

See accompanying notes to financial statements.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE A – DESCRIPTION OF THE PLAN

The National Penn Bancshares, Inc. Capital Accumulation Plan (the “Plan”) is a defined contribution plan covering substantially all employees of National Penn Bancshares, Inc. and its direct and indirect subsidiaries (collectively, the “Company”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Company is the Plan Administrator, and Prudential Retirement Services is the Directed Record-Keeper of the Plan. The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

1. Eligibility

All full- and part-time employees of the Company are eligible for participation in the Plan on the first day of the month following 30 days of employment. All newly-eligible employees are automatically enrolled at a contribution rate of 3% of base compensation, subject to “opt-out” procedures.

2. Contributions

Participants may contribute up to 100% of eligible pre-tax compensation, as defined by the Plan and subject to applicable limits under the Internal Revenue Code. The Plan also includes an option to make after-tax (“Roth”) contributions which generally allow tax free distributions at retirement. Participants who have attained the age of 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also roll-over amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company makes a matching cash contribution to the Plan equal to 50% of each participant’s contribution up to a maximum of 7% of eligible pretax compensation for the Plan year. The Plan also permits a discretionary profit sharing contribution to be allocated to employees based upon an award schedule, which is approved annually by the Compensation Committee of the Board of Directors and is based upon the Company’s achievement of certain financial targets.

Participants direct all contributions, including Company matching contributions and discretionary profit sharing contributions, into various investment options offered by the Plan. The Plan currently offers nine mutual funds, three pooled separate accounts, a guaranteed income fund, a self-directed brokerage account and Company common stock as investment options for participants. Under the self-directed brokerage option, participants may direct investments from holdings already in the plan to any listed stock or mutual fund.

3. Participant Accounts and Vesting

Each participant’s account is credited with their contributions and allocations of (a) the Company’s contributions; (b) net earnings from their respective investment elections; and (c) an allocation of administrative expenses, if applicable.

Upon entry into the Plan, participants are 100% vested in their contributions and net earnings from their respective investment elections. Vesting of Company contributions is based on years of service. Participants are vested at a rate of 25% for each of the first two years of service and 50% for the third year of service, and a participant is 100% vested after three years of credited service. Upon death, disability or retirement, as defined by the Plan, all contributions and net earnings from participant investment elections vest 100%.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE A – DESCRIPTION OF THE PLAN – Continued

4. Payment of Benefits

If a participant's employment with the Company is terminated for any reason other than death, disability or retirement and their account balance does not exceed \$5,000, the Plan will automatically distribute a lump-sum payment to the participant. If the account balance is greater than \$5,000 or the termination is a result of the preceding circumstances, the participant has the option of receiving a lump-sum payment or maintaining the account balance with the Plan for an annual fee.

5. Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their account balance. Loan terms range to a maximum of 5 years but can extend for up to a 15-year period if used for the purchase of a primary residence. Loans to participants are secured by the balance in their respective account. Interest rates are fixed at the time of borrowing at the current prime rate plus 2%, and interest rates for participant loans ranged from 5.25% to 10.25% at December 31, 2010. Principal and interest payments are paid ratably through biweekly payroll deductions and are added to the participants account balance.

6. Forfeited Accounts

Forfeiture of terminated participants' non-vested accounts are used to reduce administrative expenses of the Plan, and then used to reduce Company contributions. For the period ending December 31, 2010 and December 31, 2009, forfeited non-vested amounts totaled \$204,126 and \$101,870, respectively. The forfeited non-vested accounts were used to pay \$22,920 for administrative expenses during 2010.

7. Plan Expenses

Administrative expenses of the Plan are paid by the Company and/or unallocated Plan forfeitures.

NOTE B – SUMMARY OF ACCOUNTING POLICIES

A summary of the Plan's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared using the accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates. Loans to participants have been classified as notes receivable from participants. Previously, loans to participants were classified as investments.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE B – SUMMARY OF ACCOUNTING POLICIES – Continued

2. Investment Valuation and Income Recognition

The Plan's investments are stated at fair value, except for the portion of investments participants have allocated to fully benefit-responsive investment contracts, which are measured at the contract value. Refer to Note D – Investments in Insurance Contracts for additional discussion. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. The value of the units of the pooled separate accounts is determined by the issuer of the pooled separate accounts based on the fair market value of the underlying investments. National Penn Bancshares, Inc. ("NPBC") common stock is valued at its quoted market price.

The change in fair value of investments during the year is measured by the difference between the fair value at year-end and the fair value at the beginning of the year, and the change in contract value of investment contracts during the year is measured by the difference between the contract value at year-end and the contract value at the beginning of the year and are reflected in the statements of changes in net assets available for benefits as net appreciation in fair value of investments.

The purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date.

3. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Under certain circumstances, delinquent loans may be treated as distributions from the Plan by netting the loan receivable to the balance of the participant's account.

4. Distributions to Participants

Distributions are recorded when paid.

5. Risks and Uncertainties

Participants direct all contributions of the plan into various investment options. 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 participants' account balances and the amounts reported in the statement of net assets available for benefits. As of December 31, 2010 and 2009, 12% and 11%, respectively, of the Plan's assets were invested in the common stock of National Penn Bancshares, Inc. (quoted market price of \$8.03 and \$5.79 per share, respectively). As of June 15, 2011, the market price of National Penn Bancshares, Inc. stock was \$6.85.

6. Recent Accounting Pronouncements

In September 2010, the FASB issued guidance which requires disclosure and measurement changes related to participant loans. The updated guidance requires that participant loans are measured at their unpaid principal balance plus any accrued but unpaid interest, and are classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. The provisions of the guidance were effective for fiscal years ending after December 15, 2010, with retrospective application. The Plan adopted this guidance effective December 31, 2010, and the Plan's financial statements have been reclassified accordingly. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009. Previously, loans to participants were classified as investments. Interest income related to participant loans has been classified as interest income on notes receivable from participants, and the adoption of this pronouncement did not impact the statements of changes in net assets available for benefits.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following table presents the fair value of investments representing 5% or more of the Plan's net assets at December 31, 2010 and 2009:

	Asset Class	December 31,	
		2010	2009
Investments, at fair value			
Guaranteed Income Fund	Guaranteed income fund	12,283,823	11,611,583
NPBC common stock	Common stock	10,565,076	7,583,087
Allianz NFJ Dividend Value A	Mutual fund	9,157,328	7,914,768
PIMCO Total Return Admin	Mutual fund	8,803,024	7,936,652
Dryden S&P 500(R) Index Fund	Pooled separate account	7,010,353	6,501,626
American Funds EuroPacific Gr R4	Mutual fund	6,850,865	6,007,317
American Funds Inc Fund of Amer R4	Mutual fund	6,849,524	6,210,398
American Funds Growth Fund of Amer R4	Mutual fund	6,582,736	5,686,716
Victory Special Value A	Mutual fund	5,448,558	4,637,998

For the year ended December 31, 2010, the Plan's investments (including realized and unrealized gains and losses) appreciated (depreciated) in value as follows:

	Year Ended December 31, 2010
Mutual funds	\$ 5,445,233
NPBC common stock	3,021,569
Pooled separate accounts	1,429,278
Guaranteed income fund	(1,330)
Self-directed brokerage	40,889
Net appreciation in fair value of investments	<u>\$ 9,935,639</u>

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting guidelines establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement:

Level 1 – Unadjusted quoted prices in active markets (i.e. generally traded on exchanges) that are accessible at the measurement date for identical unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 – Prices or valuation techniques that require inputs are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS – Continued

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the Plan's valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of alternative methodologies or assumptions to determine the fair value of certain financial instruments could result in a change to the reported fair value.

Mutual funds

The shares of mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end. Because the inputs to these assets are unadjusted quoted prices in an active market, the measurements are classified as Level 1 investments.

Guaranteed income fund

The Guaranteed Income Fund ("GIF") is a fully benefit-responsive investment fund and is classified as a Level 2 investment. The GIF is valued based upon the participant contributions made in the fund, plus earnings at guaranteed crediting rates, less withdrawals and fees.

Pooled separate accounts

Pooled separate accounts ("PSAs") are comprised of non-benefit-responsive investment contracts and are classified as Level 2 investments. Investments in pooled separate accounts are valued on a per unit market value basis as determined by the issuer, which reflects the fair value of the underlying investments comprising the separate pooled funds.

Common stocks

NPBC common stock and common stocks held in participant-directed brokerage accounts are stated at fair value as quoted on a recognized securities exchange and are valued at the last reported sales price on the last business day of the Plan year and are classified as Level 1 investments.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS – Continued

The following table sets forth the Company's financial assets that were recorded at fair values on a recurring basis by level within the fair value hierarchy.

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2010				
Mutual funds:				
Value funds	\$ 16,006,852	\$ 16,006,852	\$ -	\$ -
Blended funds	12,299,423	12,299,423	-	-
Growth funds	10,079,315	10,079,315	-	-
Fixed income funds	8,803,024	8,803,024	-	-
Total mutual funds	<u>47,188,614</u>	<u>47,188,614</u>	<u>-</u>	<u>-</u>
Guaranteed income fund	12,283,823	-	12,283,823	-
NPBC common stock	10,565,076	10,565,076	-	-
Pooled separate accounts				
Index funds	7,010,353	-	7,010,353	-
Value funds	1,926,687	-	1,926,687	-
Growth funds	1,460,168	-	1,460,168	-
Total pooled separate accounts	<u>10,397,208</u>	<u>-</u>	<u>10,397,208</u>	<u>-</u>
Self-directed brokerage	460,331	460,331	-	-
Total plan assets at fair value	<u>\$ 80,895,052</u>	<u>\$ 58,214,021</u>	<u>\$ 22,681,031</u>	<u>\$ -</u>
December 31, 2009				
Mutual funds:				
Value funds	\$ 14,125,166	\$ 14,125,166	\$ -	\$ -
Blended funds	10,645,315	10,645,315	-	-
Growth funds	8,206,386	8,206,386	-	-
Fixed income funds	7,936,652	7,936,652	-	-
Total mutual funds	<u>40,913,519</u>	<u>40,913,519</u>	<u>-</u>	<u>-</u>
Guaranteed income fund	11,611,583	-	11,611,583	-
NPBC common stock	7,583,087	7,583,087	-	-
Pooled separate accounts				
Index funds	6,501,626	-	6,501,626	-
Value funds	1,420,413	-	1,420,413	-
Growth funds	1,148,479	-	1,148,479	-
Total pooled separate accounts	<u>9,070,518</u>	<u>-</u>	<u>9,070,518</u>	<u>-</u>
Self-directed brokerage	555,472	555,472	-	-
Total plan assets at fair value	<u>\$ 69,734,179</u>	<u>\$ 49,052,078</u>	<u>\$ 20,682,101</u>	<u>\$ -</u>

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE D – INVESTMENT IN INSURANCE CONTRACTS

The GIF is a group annuity insurance product issued by Prudential Retirement Insurance and Annuity Company (“PRIAC”), Hartford, CT and is backed by the full faith and creditworthiness of the issuer. Guarantees are based on the claims-paying ability of PRIAC and not on the value of the securities within the insurer’s general account. The credit rating of the issuer at December 31, 2010 was A2 as reported by Moody’s Investors Service. Deposits made to the GIF are deposited in PRIAC’s general account. Payment obligations under the GIF represent an insurance claim supported by all general account assets. The GIF does not operate like a mutual fund, variable annuity product, or conventional fixed rate individual annuity product. Expenses related to the GIF are calculated by PRIAC and incorporated in the GIF crediting rate. Past interest rates are not indicative of future interest rates.

Contract Operation

Under the group annuity insurance contract that supports this product, participants may ordinarily direct permitted withdrawal or transfers of all or a portion of their account balance at Contract Value within reasonable timeframes. Contract Value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. Contract Value is also often referred to as “Book Value”. The contract is effected directly between the Plan (or the Plan’s trustee) and the issuer. The repayment of principal and interest credited to participants is a financial obligation of the issuer. There are no reserves against contract value for credit risk of the contract issuer or otherwise. Given these provisions, the Plan considers this contract to be benefit responsive.

Contract/Fair Value

December 31,	
2010	2009
\$ 12,283,823	\$ 11,611,583

The concept of a value other than Contract Value does not apply to this insurance company issued under general account backed evergreen (no maturity date) group annuity spread product even upon a discontinuance of the contract in which case Contract Value would be paid no later than 90 days from the date the sponsor provides notice to discontinue. This contract’s operation is different than many other evergreen group annuity products in the market by virtue of the fact that a Market Value (fair value) Adjustment does not apply upon a discontinuance. This annuity contract, and therefore the liability of the insurer, is not backed by specific securities of its general account, and therefore the market value of the securities in the insurer’s general account does not represent the fair value. The Plan owns a promise to receive interest at crediting rates which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract. This product is not a traditional Guaranteed Investment Contract (“GIC”), and therefore there are no known cashflows that could be discounted. As a result, the fair value amount shown materially approximates the Contract Value.

Interest Crediting Rates

Interest is credited on contract balances using a single “portfolio rate” approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rate resets are reviewed on a semi-annual basis.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE D– INVESTMENTS IN INSURANCE CONTRACTS – Continued

When establishing interest crediting rates for this product, the Plan considers many factors, including current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Average Yield Information

<u>Information</u>	<u>2010</u>	<u>2009</u>
Average yield earned by the Plan	3.40%	3.40%
Average yield credited to participants	3.40%	3.40%
Earned yield less credited yield	0.00%	0.00%

The Average Earnings Yield is calculated by dividing the earnings credited to the plan on the last day of the plan year by the end of plan year Fair Value and then annualizing the result. The Average Crediting Rate Yield shown is calculated by dividing the earnings credited to the participants on the last day of the plan year by the end of plan year Fair Value and then annualizing the result. As a result of current GIF product construction, no adjustment will be required to mediate between the average earnings credited to the plan and the average earnings credited to the participants. For products whose Fair Value differs from Contract Value and/or for products that have multiple rate changes during the plan year, these reported yields may differ from the actual earnings rates crediting to the plan as well as the actual crediting rates paid to participants during the full plan year.

Events

Generally, there are not any events that could limit the ability of the Plan to transact at Contract Value paid within 90 days or in rare circumstances, Contract Value paid over time. There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than Contract Value paid either within 90 days or over time.

As previously discussed, the Plan reports investment contracts at the contract value. Refer to NOTE B and C for additional details.

NOTE E – RELATED PARTY TRANSACTIONS

Investment choices under the Plan at December 31, 2010 include NPBC common stock and the Institutional Advisors Large Cap mutual fund. A subsidiary of the Plan sponsor serves as investments advisor to the mutual fund.

NOTE F - PLAN TERMINATION

Although it has not expressed any intent 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 of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

NOTE G - INCOME TAX STATUS

On June 20, 2002, the Internal Revenue Service stated that the prototype adopted by the Plan, as then designed, qualifies under Section 401(a) of the Internal Revenue Code ("IRC"). The Plan was amended on January 1, 2008 and has not received a determination letter specific to the Plan itself; however the Plan administrator believes that the Plan is designed and is being operated in accordance with the prototype document. Therefore, no provision for income taxes or reserves for uncertain tax positions have been recorded in the Plan's financial statements. In February 2010, the Plan was amended to comply with the Economic Growth and Tax Relief and Reconciliation Act of 2001 ("EGTRRA"). The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods.

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

**EIN 23-2215075
Plan No. 001**

**SUPPLEMENTAL INFORMATION
Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2010**

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par or maturity value	Shares	Current Value
Prudential Retirement Insurance and Annuity Company	Guaranteed Income Fund	420,202	\$ 12,283,823
National Penn Bancshares, Inc. *	NPBC common stock	1,315,701	10,565,076
Allianz Global Inv Fund Mgmt LLC	Allianz NFJ Dividend Value A	806,813	9,157,328
Pacific Investment Management Co LLC	PIMCO Total Return Admin	811,339	8,803,024
Quantitative Management Associates	Dryden S&P 500(R) Index Fund	85,163	7,010,353
Capital Research and Management Company	American Funds EuroPacific Gr R4	168,409	6,850,865
Capital Research and Management Company	American Funds Inc Fund of Amer R4	414,369	6,849,524
Capital Research and Management Company	American Funds Growth Fund of Amer R4	218,044	6,582,736
Victory Capital Management Inc.	Victory Special Value A	334,473	5,448,558
Cramer Rosenthal McGlynn, LLC	Mid Cap Value / CRM Fund	140,698	1,926,687
Aston Asset Management LLC	Aston/Tamro Small Cap N	85,101	1,800,731
TimesSquare Capital Management, LLC	Mid Cap Growth / TimesSquare Fund	80,823	1,460,168
Nuveen Fund Advisors, Inc.	Nuveen Small Cap Select R3	75,215	970,268
Institutional Advisors LLC **	Institutional Advisors Large Cap	48,147	725,580
Self-directed Brokerage	Self-directed brokerage	460,331	460,331
Participant Loans*	5.25% - 10.25%; maturity dates vary through 2035		2,308,196
Total assets held for investment		<u>5,464,828</u>	<u>\$ 83,203,248</u>

* Party-in-interest

** Subsidiary of the Plan Sponsor

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized, in the Borough of Boyertown, Commonwealth of Pennsylvania, on this 29th day of June, 2011.

NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN

By National Penn Bancshares, Inc.,
as Plan Administrator

By: /s/ Scott V. Fainor
Scott V. Fainor
President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.

23 Consent of Independent Registered Public Accounting Firm.

Consent of Independent Registered Public Accounting Firm

National Penn Bancshares, Inc. Participants and Administrative Committee
National Penn Bancshares, Inc. Capital Accumulation Plan:

We consent to the incorporation by reference in the registration statement (No. 333-158890) on Form S-8 of National Penn Bancshares, Inc. and subsidiaries (the “Company”) of our report dated June 29, 2011 with respect to the statements of net assets available for benefits of the National Penn Bancshares, Inc. Capital Accumulation Plan as of December 31, 2010 and 2009, the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2010 which report appears in the December 31, 2010 annual report on Form 11-K of the National Penn Bancshares, Inc. Capital Accumulation Plan.

/s/ KPMG LLP
Philadelphia, PA
June 29, 2011

**NATIONAL PENN BANCSHARES, INC.
CAPITAL ACCUMULATION PLAN**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009**

**EIN 23-2215075
Plan No. 001**

**SUPPLEMENTAL INFORMATION
Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2010**

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par or maturity value	Shares	Current Value
Prudential Retirement Insurance and Annuity Company	Guaranteed Income Fund	420,202	\$ 12,283,823
National Penn Bancshares, Inc. *	NPBC common stock	1,315,701	10,565,076
Allianz Global Inv Fund Mgmt LLC	Allianz NFJ Dividend Value A	806,813	9,157,328
Pacific Investment Management Co LLC	PIMCO Total Return Admin	811,339	8,803,024
Quantitative Management Associates	Dryden S&P 500(R) Index Fund	85,163	7,010,353
Capital Research and Management Company	American Funds EuroPacific Gr R4	168,409	6,850,865
Capital Research and Management Company	American Funds Inc Fund of Amer R4	414,369	6,849,524
Capital Research and Management Company	American Funds Growth Fund of Amer R4	218,044	6,582,736
Victory Capital Management Inc.	Victory Special Value A	334,473	5,448,558
Cramer Rosenthal McGlynn, LLC	Mid Cap Value / CRM Fund	140,698	1,926,687
Aston Asset Management LLC	Aston/Tamro Small Cap N	85,101	1,800,731
TimesSquare Capital Management, LLC	Mid Cap Growth / TimesSquare Fund	80,823	1,460,168
Nuveen Fund Advisors, Inc.	Nuveen Small Cap Select R3	75,215	970,268
Institutional Advisors LLC **	Institutional Advisors Large Cap	48,147	725,580
Self-directed Brokerage	Self-directed brokerage	460,331	460,331
Participant Loans*	5.25% - 10.25%; maturity dates vary through 2035		2,308,196
Total assets held for investment		<u>5,464,828</u>	<u>\$ 83,203,248</u>

* Party-in-interest

** Subsidiary of the Plan Sponsor