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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
NATIONAL PENN BANCSHARES, INC. PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1974

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

NATIONAL PENN BANCSHARES, INC.

P.O. BOX 547
BOYERTOWN, PA 19512-0547

PHILADELPHIA AND READING AVENUES
BOYERTOWN, PA 19512-0547

2b Employer Identification Number (EIN)
23-2215075

2c Sponsor's telephone number
610-705-9100

2d Business code (see instructions)
522110

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.	09/20/2012	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
610-705-9100

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**	1881
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**	1275
b	Retired or separated participants receiving benefits	**6b**	176
c	Other retired or separated participants entitled to future benefits	**6c**	274
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1725
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	9
f	Total. Add lines **6d** and **6e**	**6f**	1734
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**	53
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 1I

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)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	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)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		39156803
b	Actuarial value	**2b**		36460266
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	150	8689252
b	For terminated vested participants	**3b**	299	9940648
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		528417
	(2) Vested benefits	**3c(2)**		19253399
	(3) Total active	**3c(3)**	1432	19781816
d	Total	**3d**	1881	38411716
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		6.36 %
6	Target normal cost	**6**		110000

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

09/19/2012
Signature of actuary — Date

DENISE M. POLIN, F.S.A. — 11-05665
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 (line 13 from prior year)	3911731	1021343
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	622767	0
9	Amount remaining (line 7 minus line 8)	3288964	1021343
10	Interest on line 9 using prior year's actual return of 13.55%	445655	138392
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of 6.72% except as otherwise provided (see instructions)		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	3734619	1159735

Part III Funding percentages

14	Funding target attainment percentage	14	82.17 %
15	Adjusted funding target attainment percentage	15	82.17 %
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	103.23 %
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
			Totals ► 18(b)	0	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 contributions 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	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	
3.78%	6.31%	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 4

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	110000
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	6845804	1126337
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**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	1236337

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1236337	0	1236337

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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)

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).. . . . . [X] 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

HAVERFORD TRUST SECURITIES, INC.
3 RADNOR CORPORATE CENTER
SUITE 450
RADNOR, PA 19087-4546

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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)

CONNORS INVESTOR SERVICES

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	25130	Yes [ ] No [X]	Yes [ ] No [ ]		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	20858	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

ASSENT LLC

74-3086513

(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 [X] No [ ]	Yes [ ] No [X]	12244	Yes [ ] No [X]

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 FUNDS

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 [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

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

HENDERSON GLOBAL INVESTORS (NA) INC

36-4447766

(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 [X] No [ ]	Yes [ ] No [X]	0	Yes [X] 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
ARTISAN FUNDS	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
HENDERSON GLOBAL INVESTORS (NA) INC	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.
HENDERSON INTERNATIONAL OPPORTUNITI 36-4447766	1.19% 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

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(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:	**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:

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

Explanation:

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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	360	13926
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	110337	129774
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1386867	942075
(2) U.S. Government securities	1c(2)	9796937	9962545
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	3372558	5094031
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	22059391	20464534
(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)	2317799	2209783
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	112554	80038

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	39156803	38896706
Liabilities			
g Benefit claims payable	1g	0	626
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	626
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	39156803	38896080

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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	0	
(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)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3489	
(B) U.S. Government securities	2b(1)(B)	321694	
(C) Corporate debt instruments	2b(1)(C)	184832	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	3592	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		513607
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	405578	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	26791	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		432369
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	20204131	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	20525917	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-321786

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	849363	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		849363
(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)		-315757
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		1157796
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1305415	
(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)		1305415
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)	45988	
(4) Other	2i(4)	67116	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		113104
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1418519
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-260723
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) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] 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.) **4a**		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.) **4b**		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.) **4c**		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.) **4d**		X	
e	Was this plan covered by a fidelity bond? **4e**	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? **4f**		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? **4g**		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? **4h**		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.) **4i**	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.) **4j**		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? **4k**		X	
l	Has the plan failed to provide any benefit when due under the plan? **4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) **4m**			
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. **4n**			

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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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 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** 0

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): 23-0906608

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** 92

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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**

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: 58.5% Investment-Grade Debt: 38.7% High-Yield Debt: 0.0% Real Estate: 0.0% Other: 2.8%

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 Schedule

December 31, 2011 and 2010

National Penn Bancshares, Inc. Pension Plan

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December 31, 2011 and 2010

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ParenteBeard

Independent Auditors' Report

Plan Administrator and Participants
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, 2011 and 2010, and the related statement of changes in net assets available for benefits for the years then ended and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2011. These financial statements and supplemental schedule 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 10, 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 schedule. 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, 2011 and 2010, 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 schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, 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.

ParenteBeard LLC

Allentown, Pennsylvania
September 4, 2012

National Penn Bancshares, Inc. Pension Plan

Statement of Net Assets Available for Benefits
December 31, 2011 and 2010

	2011	2010
Assets		
Investments, at fair value:		
Cash and money market funds	$ 942,075	$ 1,386,867
U.S. government agency securities	1,973,146	2,451,125
U.S. Treasury notes and bonds	3,330,204	3,041,971
U.S. government secured mortgage backed	4,659,195	4,303,841
Corporate bonds and notes	5,094,031	3,372,558
Common stock	20,544,572	22,171,945
Mutual funds	2,209,783	2,317,799
Total investments	38,753,006	39,046,106
Cash (non-interest bearing)	13,926	360
Accrued interest and dividends	129,774	110,337
Total assets	38,896,706	39,156,803
Liabilities		
Benefits payable	626	-
Net assets available for benefits	$ 38,896,080	$ 39,156,803

See notes to financial statements

National Penn Bancshares, Inc. Pension Plan

Statement of Changes in Net Assets Available for Benefits
Years Ended December 31, 2011 and 2010

	2011	2010
Additions to Net Assets Attributed to		
Investment income:		
Net appreciation in fair value of investments	$ 211,820	$ 3,821,658
Interest and dividends	945,976	910,661
Total investment income	1,157,796	4,732,319
Deductions from Net Assets Attributed to		
Benefits paid to participants	1,305,415	1,005,923
Administrative expenses	113,104	104,327
Total deductions	1,418,519	1,110,250
Net (decrease) increase in net assets available for benefits	(260,723)	3,622,069
Net Assets Available for Benefits		
Beginning of year	39,156,803	35,534,734
End of year	$ 38,896,080	$ 39,156,803

See notes to financial statements

1. Description of Plan

The following 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 "Company") who have attained 20-1/2 years of age and have completed one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective March 31, 2010, no employee hired or rehired after March 31, 2010 is eligible to participate in the Plan. Years of credited service were frozen as of March 31, 2010; however, years of service for vesting continue to apply.

The Plan evaluated subsequent events for recognition or disclosure through September 4, 2012, the date the financial statements were available to be issued.

Pension Benefits

Participants are eligible for normal retirement benefits at age 65 and five years of service or early retirement at age 55 and 10 years of service. Retirement benefits can be paid in the form of a lump sum payment, 50%, 75%, and 100% joint and survivor annuity, or life annuity with certain period based upon the participant's election. The retirement pension is payable monthly as long as the participant lives, with payments ceasing upon the participant's death if a life annuity. Depending on the joint survivor option elected, upon the participant's death, their beneficiary will continue to receive a retirement pension payable monthly until their 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.

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. Beginning on April 1, 2006, eligible compensation was 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.

Administrative Costs

The Company provides accounting and other administrative services to the Plan at no charge. Such activities are exempt from the Prohibited Transactions Rules of ERISA. Other administrative costs such as Pension Benefit Guaranty Corporation ("PBGC") premiums, professional services and safekeeping fees are paid by the Plan.

Contributions

Employer contributions are recorded in the period to which they are applicable.

2. Summary of Accounting Policies

Basis of Accounting

The accompanying 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.

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 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. Beginning on April 1, 2006, eligible compensation was limited to $50,000 per year. 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 presented below is determined by the Plan's actuary as of January 1, 2011 and 2010. The actuarial present value of accumulated plan benefits 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.

The actuarial present value of accumulated plan benefits as of January 1, 2011 and 2010 is as follows:

	2011	2010
Vested benefits		
Retired participants and beneficiaries currently receiving payments	$ 7,563,921	$ 6,973,890
Other participants	23,074,454	21,394,073
Total vested benefits	30,638,375	28,367,963
Non-vested benefits	385,503	575,615
Total actuarial present value of accumulated plan benefits	$ 31,023,878	$ 28,943,578

The changes in the actuarial present value of the accumulated plan benefits for the year ended December 31, 2010 are summarized as follows:

Actuarial present value of accumulated plan benefits, at beginning of year	$ 28,943,578
Increase (decrease) during the year attributable to:	
Benefits accumulated	765,478
Increase for interest due to decrease in discount period	2,271,894
Benefits paid	(1,005,923)
Change in actuarial assumptions	48,851
Net increase	2,080,300
Actuarial present value of accumulated plan benefits, at end of year	$ 31,023,878

Significant actuarial assumptions underlying the actuarial computations as of December 31, 2010 are:

a) Mortality - Post-retirement and pre-retirement mortality is based on the IRS 2011 Static Table.

b) Retirement age - Assumed to be normal retirement age.

c) Interest rate - 6.36%.

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 Standard

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-04 "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," ("ASU 2011-04"). ASU 2011-04 expands disclosures about fair value measurement and result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. ASU 2011-04 is effective for the plan for the fiscal year ended December 31, 2012.

3. Fair Value Measurements

The Plan measures on a recurring basis its investments at fair value in accordance with FASB codification, "Fair Value Measurement," 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 the fair value hierarchy are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices in active markets that are accessible to the Plan for identical unrestricted assets.

Level 2 - 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.

Level 3 - Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The asset'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, 2011 and 2010.

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 and U.S. governmental obligations are valued at the closing price reported in the active market on which the individual securities are traded.

Corporate bonds and notes and U.S. governmental agency obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

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, 2011 and 2010:

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash and money market funds	$ 942,075	$ -	$ -	$ 942,075
U.S. government agency securities	-	1,973,146	-	1,973,146
U.S. Treasury notes and bonds	3,330,204	-	-	3,330,204
U.S. government secured mortgage-backed	-	4,659,195	-	4,659,195
Corporate bonds and notes:				
Financial institutions	-	1,894,797	-	1,894,797
Industrial	-	2,900,327	-	2,900,327
Utilities	-	298,907	-	298,907
Common stock:				
Foreign	79,845	-	-	79,845
Domestic:				
Consumer discretion	2,869,305	-	-	2,869,305
Consumer staples	2,477,959	-	-	2,477,959
Energy	1,894,501	-	-	1,894,501
Financials	1,751,039	-	-	1,751,039
Healthcare	2,839,698	-	-	2,839,698
Industrials	2,738,245	-	-	2,738,245
Information technology	4,029,833	-	-	4,029,833
Materials	707,100	-	-	707,100
Telecome services	450,969	-	-	450,969
Utilities	626,040	-	-	626,040
American depository receipts	80,038	-	-	80,038
Mutual funds, foreign equity funds	2,209,783	-	-	2,209,783
	$ 27,026,634	$ 11,726,372	$ -	$ 38,753,006

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash and money market funds	$ 1,386,867	$ -	$ -	$ 1,386,867
U.S. government agency securities	-	2,451,125	-	2,451,125
U.S. Treasury notes and bonds	3,041,971	-	-	3,041,971
U.S. government secured mortgage-backed	-	4,303,841	-	4,303,841
Corporate bonds and notes:				
Financial institutions	-	1,296,352	-	1,296,352
Industrial	-	1,846,434	-	1,846,434
Utilities	-	229,772	-	229,772
Common stock:				
Foreign	96,973	-	-	96,973
Domestic:				
Consumer discretion	2,654,933	-	-	2,654,933
Consumer staples	2,307,379	-	-	2,307,379
Energy	1,966,112	-	-	1,966,112
Financials	1,817,170	-	-	1,817,170
Healthcare	2,897,109	-	-	2,897,109
Industrials	3,462,127	-	-	3,462,127
Information technology	5,022,508	-	-	5,022,508
Materials	909,573	-	-	909,573
Telecome services	396,597	-	-	396,597
Utilities	581,040	-	-	581,040
American depository receipts	60,424	-	-	60,424
Mutual funds, foreign equity funds	2,317,799	-	-	2,317,799
	$ 28,918,582	$ 10,127,524	$ -	$ 39,046,106

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 2011 and 2010.

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.

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.

   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. Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to applicable limits (discussed subsequently).

3. All other vested accrued benefits (that is, vested benefits not insured by PBGC).

4. All non-vested benefits.

Certain benefits under the Plan are insured by the 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.

6. Investments

No investments represent 5% or more of the Plan's net assets available for benefits at December 31, 2011 or 2010.

In 2011 and 2010, 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:

	2011	2010
U.S. government agency securities	$ 28,828	$ 46,332
U.S. Treasury notes and bonds	230,055	39,232
U.S. government secured mortgage-backed	2,044	5,861
Corporate bonds and notes	150,286	89,028
Common stock	116,364	3,509,693
Mutual funds	(315,757)	131,512
Net appreciation in fair value of investments	$ 211,820	$ 3,821,658

7. Related Party Transactions

Certain plan investments are managed by a subsidiary of the Company, 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.

Administrative expenses of Investor Trust Company are paid by the Plan. Additionally, certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

8. Tax Status

The Plan applied for, but did not receive, a determination letter from the Internal Revenue Service during the Plan year ended December 31, 2011. After the year ended December 31, 2011, the Internal Revenue Service determined and informed the Company by a letter dated May 23, 2012, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC").

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

9. 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 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.

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.

10. Information Certified by Trustee

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 2011 and 2010. 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, 2011 and 2010, the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2011, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2011 and 2010.

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 23-2215075 Plan Number: 002
December 31, 2011

(a)	Identity of Issue (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	942,075	$ 942,075	$ 942,075
	Federal Home Loan Bank Note, 5.5%, due 8/13/2014	U.S. government agency securities	320,000	343,059	360,656
	Federal Home Loan Mortgage Corporation Note, 4.75%, due 11/17/2015	U.S. government agency securities	355,000	377,789	406,542
	Federal National Mortgage Association Note, 4.62%, due 10/15/2014	U.S. government agency securities	255,000	281,784	283,341
	Federal Home Loan Mortgage Corporation Note, 1.75%, due 9/10/2015	U.S. government agency securities	370,000	375,485	381,744
	Federal National Mortgage Association Note, 5.375%, due 6/12/2017	U.S. government agency securities	255,000	292,211	308,099
	Federal National Mortgage Association Note, 2.625%, due 11/20/2014	U.S. government agency securities	220,000	223,628	232,764
				1,893,956	1,973,146
	U.S. Treasury Inflation Note, 1.375%, due 7/15/2018	U.S. Treasury notes and bonds	390,000	406,694	463,671
	U.S. Treasury Inflation IX Note, 1.25%, due 4/15/2014	U.S. Treasury notes and bonds	275,000	296,533	308,330
	U.S. Treasury Note, 1.875%, due 4/30/2014	U.S. Treasury notes and bonds	215,000	218,813	222,794
	U.S. Treasury Inflation Note, 0.50%, due 4/15/2015	U.S. Treasury notes and bonds	420,000	431,588	459,186
	U.S. Treasury Note, 1.25%, due 9/30/2015	U.S. Treasury notes and bonds	340,000	340,751	348,820
	U.S. Treasury Note, 2.625%, due 11/15/2020	U.S. Treasury notes and bonds	235,000	232,669	252,992
	U.S. Treasury Note, 3.625%, due 2/15/2021	U.S. Treasury notes and bonds	365,000	377,317	423,772
	U.S. Treasury Note, 3.125%, due 5/15/2022	U.S. Treasury notes and bonds	315,000	321,561	351,716
	U.S. Treasury Note, 2.375%, due 6/30/2018	U.S. Treasury notes and bonds	265,000	265,898	283,963
	U.S. Treasury Inflation Index Note, 2.375%, due 6/30/2018	U.S. Treasury notes and bonds	200,000	212,873	214,960
				3,104,697	3,330,204
	Federal Home Loan Mortgage Corporation Gold Pool 5.0%, due 7/1/2018	U.S. government secured mortgage backed	35,206	36,229	37,913
	Federal Home Loan Mortgage Corporation Note 5.5%, due 11/1/2037	U.S. government secured mortgage backed	90,231	94,347	98,027
	Federal Home Loan Mortgage Corporation Note 5.5%, due 1/1/2038	U.S. government secured mortgage backed	72,322	74,536	78,570
	Federal National Mortgage Association 4.5%, due 5/1/2040	U.S. government secured mortgage backed	106,994	112,577	113,434
	Federal Home Loan Mortgage Corporation 5.0%, due 2/1/2022	U.S. government secured mortgage backed	70,142	72,904	75,493
	Federal Home Loan Mortgage Corporation 4.0%, due 3/1/2024	U.S. government secured mortgage backed	86,523	87,902	90,832
	Federal Home Loan Mortgage Corporation Gold Pool 5.5%, due 10/1/2033	U.S. government secured mortgage backed	90,601	91,358	98,737
	Federal Home Loan Mortgage Corporation Gold Pool 4.0%, due 1/1/2041	U.S. government secured mortgage backed	258,226	266,821	271,215
	Federal Government Loan Mortgage Corporation Gold Pool 5.0%, due 2/1/2034	U.S. government secured mortgage backed	81,816	82,251	88,026
	Federal Government Loan Mortgage Corporation Gold Pool 5.0%, due 2/1/2034	U.S. government secured mortgage backed	64,341	64,552	69,225
	Federal National Mortgage Association 5.5%, due 1/1/2025	U.S. government secured mortgage backed	61,866	63,432	67,910
	Federal National Mortgage Association 5.5%, due 11/1/2018	U.S. government secured mortgage backed	62,383	64,391	67,922
	Federal National Mortgage Association 5.5%, due 5/1/2028	U.S. government secured mortgage backed	184,594	187,190	201,577
	Federal National Mortgage Association 4.5%, due 4/1/2041	U.S. government secured mortgage backed	318,159	336,056	338,808
	Federal National Mortgage Association 5.5%, due 11/1/2032	U.S. government secured mortgage backed	18,679	18,877	20,418
	Federal National Mortgage Association 6.0%, due 9/1/2033	U.S. government secured mortgage backed	103,628	107,061	115,515
	Federal National Mortgage Association 5.5%, due 7/1/2033	U.S. government secured mortgage backed	75,280	77,021	82,289
	Federal National Mortgage Association 5.5%, due 4/01/2034	U.S. government secured mortgage backed	157,570	167,073	172,239
	Federal National Mortgage Association 5.0%, due 6/01/2035	U.S. government secured mortgage backed	285,856	301,558	309,125

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 23-2215075 Plan Number: 002
December 31, 2011

(a)	Identity of Issue (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Federal National Mortgage Association 5.5%, due 10/1/2033	U.S. government secured mortgage backed	72,526	$ 73,501	$ 79,278
	Federal National Mortgage Association 5.5%, due 1/1/2021	U.S. government secured mortgage backed	99,016	99,712	107,749
	Federal National Mortgage Association 5.0%, due 2/1/2036	U.S. government secured mortgage backed	221,308	235,416	239,256
	Federal National Mortgage Association 4.0%, due 11/1/2020	U.S. government secured mortgage backed	89,288	91,311	94,922
	Federal National Mortgage Association 5.5%, due 11/1/2033	U.S. government secured mortgage backed	91,191	91,571	99,681
	Federal National Mortgage Association 5.5%, due 4/1/2035	U.S. government secured mortgage backed	96,097	96,202	104,929
	Federal National Mortgage Association 5.5%, due 1/1/2020	U.S. government secured mortgage backed	174,920	177,848	190,453
	Federal National Mortgage Association 5.5%, due 2/1/2037	U.S. government secured mortgage backed	267,945	283,160	292,302
	Federal National Mortgage Association 4.5%, due 1/1/2039	U.S. government secured mortgage backed	96,075	98,537	102,310
	Federal National Mortgage Association 5%, due 4/1/2023	U.S. government secured mortgage backed	58,419	58,821	62,877
	Federal National Mortgage Association 5.5%, due 1/1/2023	U.S. government secured mortgage backed	64,900	64,931	70,469
	Federal National Mortgage Association 4.5%, due 12/01/2039	U.S. government secured mortgage backed	81,440	87,077	86,725
	Federal National Mortgage Association 4.5%, due 12/1/2039	U.S. government secured mortgage backed	167,057	174,470	177,899
	Federal National Mortgage Association 4%, due 12/1/2040	U.S. government secured mortgage backed	136,329	142,315	143,337
	Government National Mortgage Association 5.5%, due 4/15/2035	U.S. government secured mortgage backed	70,270	70,770	79,173
	Government National Mortgage Association 6%, due 4/15/2037	U.S. government secured mortgage backed	64,592	65,501	73,222
	Government National Mortgage Association 6.0%, due 9/15/2034	U.S. government secured mortgage backed	92,293	95,947	104,919
	Government National Mortgage Association 6.0%, due 9/15/2038	U.S. government secured mortgage backed	134,491	136,004	152,419
				4,449,230	4,659,195
	AllState Life, 5.375 %, 4/30/2013	Corporate bonds and notes	365,000	378,651	385,414
	Bank of NY Mellon, 5.375 %, 5/15/2014	Corporate bonds and notes	335,000	360,708	359,438
	General Electric Cap. Corp., 4.625%, 1/7/2021	Corporate bonds and notes	285,000	295,672	295,673
	JP Morgan Chase & Co., 4.25%, 10/15/2020	Corporate bonds and notes	325,000	319,499	327,282
	US Bancorp, 2.45%, 7/27/2015	Corporate bonds and notes	250,000	257,835	256,213
	Wachovia Corp., 5.70%, 8/1/2013	Corporate bonds and notes	255,000	257,500	270,777
	Coca Cola Co., 4.875%, 03/15/2019	Corporate bonds and notes	240,000	264,240	281,064
	GlaxoSmithKline, 5.65%, due 5/15/2018	Corporate bonds and notes	270,000	291,966	324,975
	International Bus. Machines Corp., 5.7%, due 9/14/2017	Corporate bonds and notes	380,000	412,205	460,134
	Merck & Co Inc., 3.875%, 1/15/2021	Corporate bonds and notes	360,000	360,949	405,277
	Occidental Petroleum Corp., 4.1%, 2/1/2021	Corporate bonds and notes	205,000	209,205	229,660
	Oracle Corp., 3.75%, due 7/8/2014	Corporate bonds and notes	265,000	279,664	285,002
	SBC Communications Inc., 5.625%, due 6/15/2016	Corporate bonds and notes	370,000	392,275	424,453
	Wal-Mart Stores, 5.375%, due 4/5/2017	Corporate bonds and notes	415,000	441,866	489,762
	Consolidated Edison Co. of NY, 5.85%, 4/1/2018	Corporate bonds and notes	245,000	261,436	298,907
				4,783,671	5,094,031
	AT & T Inc.	Common Stock	14,913	413,178	450,969
	Abbott Labs	Common Stock	1,400	64,083	78,722
	Adtran Inc.	Common Stock	1,250	27,193	37,700
	Advance Auto Parts Inc.	Common Stock	1,145	72,190	79,726
	Aeropostale Inc.	Common Stock	2,807	60,754	42,807
	Air Products and Chemicals Inc.	Common Stock	900	50,337	76,671
	Altera Corporation	Common Stock	10,020	170,811	371,742
	American Financial Group Inc.	Common Stock	3,040	80,553	112,146
	Ametek Inc.	Common Stock	3,674	59,099	154,675
	Amgen Inc.	Common Stock	7,197	421,918	462,119
	Apache Corp.	Common Stock	850	90,496	76,993
	Apple Computer Inc.	Common Stock	1,233	93,664	499,365
	AptarGroup Inc.	Common Stock	1,910	98,900	99,645
	Astronics Corp.	Common Stock	6,606	94,166	236,561
	Avista Corp.	Common Stock	4,475	101,102	115,231

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 23-2215075 Plan Number: 002
December 31, 2011

(a)	Identity of Issue (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	BMC Software Inc.	Common Stock	1,558	$ 54,280	$ 51,071
	Ball Corp.	Common Stock	9,725	348,425	347,280
	Baxter INTL Inc. Corp.	Common Stock	4,410	265,313	218,207
	Becton Dickinson & Co.	Common Stock	1,000	56,553	74,720
	Benihana Inc.	Common Stock	11,850	125,368	121,226
	Blackrock Inc.	Common Stock	500	79,211	89,120
	Bob Evans Farms	Common Stock	2,730	92,827	91,564
	Broadridge Finl. Sol LLC	Common Stock	3,095	49,706	69,792
	Bryn Mawr Bank Corp.	Common Stock	3,925	79,554	76,498
	C.H. Robinson Worldwide Inc.	Common Stock	3,790	215,301	264,466
	CVS/Caremark Corp.	Common Stock	2,700	97,633	110,106
	Cantel Medical Corp.	Common Stock	2,060	46,294	57,536
	Caterpillar Inc.	Common Stock	750	25,144	67,950
	Ceradyne Inc.	Common Stock	3,500	23,443	93,730
	Chevron Corp.	Common Stock	5,946	450,777	632,654
	Church and Dwight Co. Inc.	Common Stock	2,810	121,282	128,586
	Coca Cola Co.	Common Stock	800	39,897	55,976
	Colgate Palmolive Co.	Common Stock	2,998	266,755	276,985
	Commerce Bancshares Inc.	Common Stock	1,885	71,592	71,856
	Conocophillips	Common Stock	800	48,786	58,296
	Cooper Cos Inc.	Common Stock	665	46,622	46,896
	Copart Inc.	Common Stock	1,235	37,961	59,144
	Corporate Office Properties	Common Stock	5,200	149,195	110,552
	Cryolife Inc.	Common Stock	15,150	116,457	72,720
	Cubic Corp.	Common Stock	1,145	45,229	49,911
	Danaher Corp.	Common Stock	5,247	120,798	246,819
	Darden Restaurants Inc.	Common Stock	8,618	283,766	392,808
	Diamond Offshore Drilling Co.	Common Stock	2,632	188,960	145,444
	Disney (Walt) Company Holdings	Common Stock	3,300	87,441	123,750
	Discover Financial Services Co.	Common Stock	11,750	315,401	282,000
	Dresser-Rand Group Inc.	Common Stock	1,035	57,549	51,657
	E I Du Pont De Nemours Co.	Common Stock	2,025	56,293	92,705
	Eaton Corp.	Common Stock	1,400	48,870	60,942
	Exxon Mobil Corporation	Common Stock	7,055	401,782	597,982
	Factset Research Systems Inc.	Common Stock	1,247	76,085	108,838
	FairChild Semiconductor INTL Inc.	Common Stock	5,735	106,957	69,049
	Federated Investors Inc. CL B Funds	Common Stock	12,200	306,737	184,830
	Flow Intl Corp.	Common Stock	28,250	209,704	98,875
	Flowers Foods Inc.	Common Stock	3,051	69,621	57,908
	Fuel Systems Solutions Inc.	Common Stock	2,650	74,775	43,699
	Fulton Financial Corp.	Common Stock	7,475	71,924	73,330
	Arthur J Gallagher & Co.	Common Stock	2,010	64,500	67,214
	General Mills Inc.	Common Stock	6,606	214,850	266,948
	Harris Corp.	Common Stock	1,498	59,751	53,988
	Hewlett-Packard Co.	Common Stock	8,009	376,678	206,312
	Hormel Foods Corp.	Common Stock	3,715	59,268	108,812
	Hubbell Inc. CL B	Common Stock	165	38,476	77,892
	Imax Corp.	Common Stock	5,175	74,714	94,858
	Incontact, Inc.	Common Stock	11,350	53,843	50,281
	Intel Corp.	Common Stock	2,950	61,275	71,538
	International Bus Machs Corp.	Common Stock	2,862	303,832	526,265
	JPMorgan Chase & Co.	Common Stock	2,400	99,100	79,800
	Johnson & Johnson	Common Stock	8,920	524,349	584,974
	Johnson Controls Inc.	Common Stock	3,200	106,105	100,032
	J2 Global Inc.	Common Stock	2,410	58,807	67,817
	KIT Digital Inc.	Common Stock	7,600	76,730	64,220
	Kensey Nash Corp.	Common Stock	2,750	54,969	52,773
	L-3 Communications Holdings	Common Stock	1,263	82,943	84,217
	Laboratory Corp. of American Holdings	Common Stock	2,382	150,321	204,781
	Liveperson Inc.	Common Stock	12,550	55,732	157,503
	McCormick & Company Inc.	Common Stock	10,657	385,033	537,326
	McDonalds Corp.	Common Stock	1,000	61,900	100,330
	McGrath Rentcorp	Common Stock	4,110	97,500	119,149
	McGraw Hill Cos. Inc.	Common Stock	10,379	402,583	466,744
	McKesson HBOC Inc.	Common Stock	4,079	237,445	317,795
	Medicis Pharmaceutical - CL A	Common Stock	3,905	109,231	129,841
	Meridian Bioscience Inc.	Common Stock	4,475	107,245	84,309
	Metlife Inc.	Common Stock	2,200	86,912	68,596
	Microsoft Corp.	Common Stock	20,174	549,584	523,717
	Middleby Corp.	Common Stock	2,125	116,565	199,835
	NVE Corp.	Common Stock	1,750	57,688	97,177
	NYSE Euronext	Common Stock	1,600	35,087	41,760
	Nutrisystem, Inc.	Common Stock	5,600	94,403	72,408
	Oracle Corp.	Common Stock	13,492	201,155	346,070

National Penn Bancshares, Inc. Pension Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
EIN: 23-2215075 Plan Number: 002
December 31, 2011

(a)	Identity of Issue (b)	Description of Investment (c)	Number of Shares or Principal Amount	Cost (d)	Current Value (e)
	Panera Bread Company CL A	Common Stock	725	$ 53,241	$ 102,551
	Pepsico Inc.	Common Stock	5,092	266,082	337,854
	Perrigo Co.	Common Stock	1,345	33,004	130,868
	Pfizer Inc.	Common Stock	12,896	299,581	279,069
	Pioneer Drilling Company	Common Stock	9,200	78,436	89,056
	PowerSecure International Inc.	Common Stock	13,985	97,577	69,226
	Procter & Gamble Co.	Common Stock	1,200	60,694	80,052
	Progressive Corp Ohio	Common Stock	10,348	202,546	201,889
	Protective Life Copr.	Common Stock	3,030	65,700	68,357
	Qualcomm Inc.	Common Stock	6,743	317,591	368,842
	Rollins Inc.	Common Stock	2,217	25,151	49,262
	Rosetta Resources Inc.	Common Stock	1,950	27,548	84,825
	Ross Stores	Common Stock	3,548	54,352	168,636
	Shutterfly Inc.	Common Stock	2,985	107,094	67,939
	TJX Companies Inc.	Common Stock	6,060	307,751	391,173
	Techne Corp.	Common Stock	650	40,384	44,369
	Toro Co.	Common Stock	1,496	68,620	90,747
	Triangle Capital Corp.	Common Stock	3,525	53,958	67,398
	Tupperware Brands Corp.	Common Stock	1,365	46,337	76,399
	II-VI Inc.	Common Stock	4,785	48,724	87,853
	Tyler Tecnologies Inc.	Common Stock	4,075	71,622	122,698
	Under Armour Inc.	Common Stock	1,200	29,988	86,148
	Union Pacific Corp.	Common Stock	600	30,789	63,564
	United Technologies Corp.	Common Stock	6,810	333,296	497,743
	VF Corporation	Common Stock	2,570	189,748	326,364
	Valspar Corp.	Common Stock	2,330	89,317	90,800
	Vectren Corp.	Common Stock	3,960	111,258	119,711
	Waddell & Reed Financial Inc.	Common Stock	1,835	71,661	45,453
	Wal-Mart Stores	Common Stock	1,375	72,274	82,170
	Walgreen Co.	Common Stock	13,165	339,630	435,235
	Watson Inc.	Common Stock	610	39,841	40,053
	Wells Fargo & Co.	Common Stock	4,000	110,202	110,240
	Western Digital Corp.	Common Stock	1,055	25,582	32,652
	John Wiley & Sons, Inc.	Common Stock	1,868	84,872	82,939
	Wisconsin Energy Corp.	Common Stock	11,187	336,084	391,097
	World Fuel Services Corp.	Common Stock	2,105	60,352	88,368
	Ceragon Newtorks LTD	Common Stock	8,475	92,963	65,257
	Novartis Ag Spon Adr	Common Stock	1,400	76,853	80,038
	Accenture PLC CL	Common Stock	1,500	58,219	79,845
				16,866,208	20,544,572
	Artisan International Fd-Inv	Mutual fund	57,196	1,367,558	1,134,190
	Henderson International FD-Inv	Mutual fund	60,257	1,127,414	1,075,593
				2,494,972	2,209,783
				$ 34,534,809	$ 38,753,006

* A party-in-interest as defined by ERISA

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 01/01/2011

Attained Age	Years of Credited Service to Date										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	0	53 $512	1	0	0	0	0	0	0	0	54 $530
25-29	2	77 $660	16	1	0	0	0	0	0	0	96 $869
30-34	1	77 $716	32 $2,232	5	0	0	0	0	0	0	115 $1,252
35-39	1	70 $759	27 $2,337	14	1	0	0	0	0	0	113 $1,641
40-44	0	97 $735	31 $2,689	17	16	4	1	0	0	0	166 $2,571
45-49	3	116 $855	41 $3,065	20	10	7	6	0	0	0	203 $2,689
50-54	1	141 $773	47 $2,668	22 $6,225	7	6	3	5	1	0	233 $2,724
55-59	3	117 $774	47 $2,995	26 $7,263	13	8	7	0	4	0	225 $4,104
60-64	2	72 $641	46 $3,005	23 $5,587	12	4	4	0	0	1	164 $3,098
65-69	1	21 $747	9	6	2	0	0	1	2	1	43 $4,378
70+	0	9	7	4	0	0	0	0	0	0	20
Total	14	850	304	138	61	29	21	6	7	2	1,432

Average Age: 47.3 Years Average Service to Date: 5.9 Years

The plan is hard frozen. Average annual accrued benefits are shown in lieu of compensation.

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: 1/1/2011 - 12/31/2011

Interest Rates

First Segment (1 to 60 months):	3.78%
Second Segment (61 to 240 months):	6.31%
Third Segment (Beyond 240 months):	6.57%

(Results in an Effective Interest Rate of 6.36%)

Salary

0.00% Annual Increase

Withdrawal

Rates vary by length of service:

Years	Rate	Years	Rate	Years	Rate
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 2011 Static Table

Disability

No disability was assumed.

Retirement

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

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.

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

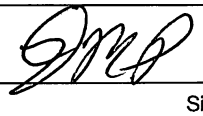
Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	2a		39156803
b	Actuarial value	2b		36460266
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	150	8689252
b	For terminated vested participants	3b	299	9940648
c	For active participants:			
(1)	Non-vested benefits	3c(1)		528417
(2)	Vested benefits	3c(2)		19253399
(3)	Total active	3c(3)	1432	19781816
d	Total	3d	1881	38411716
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		6.36%
6	Target normal cost	6		110000

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



Signature of actuary

9-19-2012
Date

Denise M. Polin, F.S.A.
Type or print name of actuary

1105665
Most recent enrollment number

Conrad Siegel Actuaries
Firm name

717-652-5633
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 (line 13 from prior year)	3911731	1021343
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	622767	0
9	Amount remaining (line 7 minus line 8)	3288964	1021343
10	Interest on line 9 using prior year's actual return of 13.55%	445655	138392
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38 from prior year)		0
	b Interest on (a) using prior year's effective rate of 6.72% except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	3734619	1159735

Part III Funding percentages

14	Funding target attainment percentage	14	82.17%
15	Adjusted funding target attainment percentage	15	82.17%
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	103.23%
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
		Totals ► 18(b)	0	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 contributions 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	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] 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:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
3.78%	6.31%	6.57%	

b Applicable month (enter code)	**21b**	4
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 contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		**31a**	110000
b Excess assets, if applicable, but not greater than 31a		**31b**	0
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	6845804		1126337
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**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		**34**	1236337

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	1236337	0	1236337

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

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

Name of Plan: National Penn Bancshares, Inc. Pension Plan
EIN: 23-2215075
PN: 002
Plan Year: 1/1/2011 - 12/31/2011

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

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.

No new participants will enter the Plan after March 31, 2010.

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.

Benefit accruals ceased March 31, 2010.

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.

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.

Benefit accruals ceased March 31, 2010.

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.

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:

Years of Service	Vesting Percentage
0–4 Years	0%
5 or More Years	100%

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.

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
Sellersvile 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
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: UP1984

Interest rate: 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.

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.

CHANGES IN PRINCIPAL PLAN BENEFIT PROVISIONS SINCE THE LAST VALUATION

Participation and benefit accruals ceased March 31, 2010.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR

None

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 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

Schedule SB, line 32 - Schedule of Amortization Bases

Name of Plan: National Penn Bancshares, Inc. Pension Plan
EIN: 23-2215075
PN: 002
Plan Year: 1/1/2011 - 12/31/2011

Type of Base (shortfall or Waiver)	Initial Date	Amortization Base	Amortization Installment	Present Value of Remaining Amortization Installment	Remaining Amortization Years
shortfall	1/1/2011	6,845,804	1,126,337	6,845,804	7
		$ 6,845,804	$ 1,126,337	$ 6,845,804	