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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div><br><br><b>This Form is Open to Public Inspection</b> |
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|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                               | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>NATIONAL PENN BANCSHARES, INC. PENSION PLAN</u>                                                                                                                                                 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>01/01/1974</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>002</u>                                                  | <b>1c</b> Effective date of plan<br><u>01/01/1974</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                     | <u>002</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>01/01/1974</u>                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>NATIONAL PENN BANCSHARES, INC.</u><br><br><u>P.O. BOX 547</u><br><u>BOYERTOWN, PA 19512-0547</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>23-2215075</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>610-705-9100</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>522110</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>23-2215075</u> | <b>2c</b> Sponsor's telephone number<br><u>610-705-9100</u> | <b>2d</b> Business code (see instructions)<br><u>522110</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>23-2215075</u>                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>610-705-9100</u>                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>522110</u>                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |

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

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

|                                                                                                            |                                                                                                 |                               |                                                                                   |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature.<br><br><b>Signature of plan administrator</b> | <u>10/11/2013</u><br><br>Date | <u>PAUL FISTNER</u><br><br>Enter name of individual signing as plan administrator |
| <b>SIGN HERE</b>                                                                                           | <b>Signature of employer/plan sponsor</b>                                                       | Date                          | Enter name of individual signing as employer or plan sponsor                      |
| <b>SIGN HERE</b>                                                                                           | <b>Signature of DFE</b>                                                                         | Date                          | Enter name of individual signing as DFE                                           |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                                                                 |                               | Preparer's telephone number (optional)                                            |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address<br><br>NATIONAL PENN BANCSHARES, INC.<br><br>P.O. BOX 547<br>BOYERTOWN, PA 19512-0547                                                                                                                                                                                        |           | <b>3b</b> Administrator's EIN<br>23-2215075                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | <b>3c</b> Administrator's telephone number<br>610-705-9100                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name                                                                                                                                                                                                                 |           | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                               |           | <b>5</b> 1742                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                                |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                                     | <b>6a</b> | 1157                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                                    | <b>6b</b> | 203                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                     | <b>6c</b> | 304                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                              | <b>6d</b> | 1664                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                             | <b>6e</b> | 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                               | <b>6f</b> | 1674                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                                        | <b>6g</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                            | <b>6h</b> | 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                  |           | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 1G 1I                                                                                                                                                                                                                                                              |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                         |           | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                              |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |           | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
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| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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.

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

|                                                                                                                                                                                                                 |                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>                 |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>                                                                                                                               |                                          |
| <b>2</b> Assets:                                                                                                                                                                                                |                                          |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> <u>38896080</u>                |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>39022326</u>                |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                            |                                          |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b> <u>185</u> <u>9906186</u>      |
| <b>b</b> For terminated vested participants.....                                                                                                                                                                | <b>3b</b> <u>269</u> <u>9541692</u>      |
| <b>c</b> For active participants:                                                                                                                                                                               |                                          |
| <b>(1)</b> Non-vested benefits.....                                                                                                                                                                             | <b>3c(1)</b> <u>208279</u>               |
| <b>(2)</b> Vested benefits.....                                                                                                                                                                                 | <b>3c(2)</b> <u>16552293</u>             |
| <b>(3)</b> Total active .....                                                                                                                                                                                   | <b>3c(3)</b> <u>1288</u> <u>16760572</u> |
| <b>d</b> Total .....                                                                                                                                                                                            | <b>3d</b> <u>1742</u> <u>36208450</u>    |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   | <input type="checkbox"/>                 |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                                |
| <b>b</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 ..... | <b>4b</b>                                |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>7.10</u> %                   |
| <b>6</b> Target normal cost.....                                                                                                                                                                                | <b>6</b> <u>119000</u>                   |

**Statement by Enrolled Actuary**

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

|                                                                                |                               |                                        |
|--------------------------------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                               |                               | <u>10/11/2013</u>                      |
|                                                                                | Signature of actuary          | Date                                   |
| <u>DENISE M. POLIN, F.S.A.</u>                                                 |                               | <u>11-05665</u>                        |
|                                                                                | Type or print name of actuary | Most recent enrollment number          |
| <u>CONRAD SIEGEL ACTUARIES</u>                                                 |                               | <u>717-652-5633</u>                    |
|                                                                                | Firm name                     | Telephone number (including area code) |
| <u>P.O. BOX 5900, 501 CORPORATE CIRCLE</u><br><u>HARRISBURG, PA 17110-0900</u> |                               |                                        |
|                                                                                | Address of the firm           |                                        |

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

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

**Schedule SB (Form 5500) 2012**  
**v. 120126**

| <b>Part II</b> |                                                                                                                                            | <b>Beginning of Year Carryover Prefunding Balances</b> |                        |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------|
|                |                                                                                                                                            | (a) Carryover balance                                  | (b) Prefunding balance |
| <b>7</b>       | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                            | 3734619                                                | 1159735                |
| <b>8</b>       | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                         | 1236337                                                | 0                      |
| <b>9</b>       | Amount remaining (line 7 minus line 8) .....                                                                                               | 2498282                                                | 1159735                |
| <b>10</b>      | Interest on line 9 using prior year's actual return of <u>3.02</u> % .....                                                                 | 75448                                                  | 35024                  |
| <b>11</b>      | Prior year's excess contributions to be added to prefunding balance:                                                                       |                                                        |                        |
|                | <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                            |                                                        | 0                      |
|                | <b>b</b> Interest on (a) using prior year's effective interest rate of <u>6.36</u> % except as otherwise provided (see instructions) ..... |                                                        | 0                      |
|                | <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                              |                                                        | 0                      |
|                | <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                            |                                                        | 0                      |
| <b>12</b>      | Other reductions in balances due to elections or deemed elections .....                                                                    | 954613                                                 | 0                      |
| <b>13</b>      | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                         | 1619117                                                | 1194759                |

| <b>Part III</b> |                                                                                                                                                                  | <b>Funding Percentages</b> |          |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------|
| <b>14</b>       | Funding target attainment percentage .....                                                                                                                       | <b>14</b>                  | 100.00 % |
| <b>15</b>       | Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b>                  | 107.77 % |
| <b>16</b>       | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b>                  | 91.90 %  |
| <b>17</b>       | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b>                  | %        |

| <b>Part IV</b>                                                                           |                                   | <b>Contributions and Liquidity Shortfalls</b> |   |
|------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------|---|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                               |   |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees               |   |
|                                                                                          |                                   |                                               |   |
|                                                                                          |                                   |                                               |   |
|                                                                                          |                                   |                                               |   |
|                                                                                          |                                   |                                               |   |
|                                                                                          |                                   |                                               |   |
|                                                                                          |                                   |                                               |   |
| <b>Totals ►</b>                                                                          |                                   | <b>18(b)</b>                                  | 0 |
|                                                                                          |                                   | <b>18(c)</b>                                  | 0 |

|                                                                                                                                                                                             |            |         |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------|---------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                        |            |         |         |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                                                                                        | <b>19a</b> | 0       |         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                          | <b>19b</b> | 0       |         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                                     | <b>19c</b> | 0       |         |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                                 |            |         |         |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                              |            |         |         |
| <b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |            |         |         |
| <b>c</b> If line 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**

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54% | 2nd segment:<br>6.85% | 3rd segment:<br>7.52 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 65                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 119000             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 119000             |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 119000              | 0                  | 119000        |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |   |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               | 0 |  |

|                                                                                                                                                                                                               |                                                                                                                                                                                                                |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>2012</b>                                    |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

**Part I Service Provider Information (see instructions)**

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

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

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

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

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

**(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

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**(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

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

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

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

CONNORS INVESTOR SERVICES

23-1716484

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28 51                  | NONE                                                                                              | 26150                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

HAVERFORD TRUST COMPANY

23-2329854

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27 51                  | NONE                                                                                              | 22507                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

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

ASSENT LLC

74-3086513

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 33 71                  | NONE                                                                                              | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 9008                                                                                                                                                                            | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                          |

**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)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28 52                  | NONE                                                                                              | 0                                                                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

HENDERSON GLOBAL INVESTORS (NA) INC

36-4447766

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

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

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                        |                                                                                                   |                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                             | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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<br>(see instructions) | (c) Enter amount of indirect compensation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| ARTISAN FUNDS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 28 52                                   | 0                                         |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ARTISAN INTERNATIONAL INV</p> <p>39-1811840</p> </div> <div style="width: 40%;"> <p style="text-align: center;">(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>1.22% OF ASSETS</p> </div> </div>                        |                                         |                                           |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="text-align: center;">(a) Enter service provider name as it appears on line 2</p> <p>HENDERSON GLOBAL INVESTORS (NA) INC</p> </div> <div style="width: 20%;"> <p style="text-align: center;">(b) Service Codes<br/>(see instructions)</p> <p style="text-align: center;">28 52</p> </div> <div style="width: 20%;"> <p style="text-align: center;">(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div> |                                         |                                           |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</p> <p>HENDERSON INTERNATIONAL OPPORTUNITI</p> <p>36-4447766</p> </div> <div style="width: 40%;"> <p style="text-align: center;">(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>1.20% OF ASSETS</p> </div> </div>              |                                         |                                           |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="text-align: center;">(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p style="text-align: center;">(b) Service Codes<br/>(see instructions)</p> </div> <div style="width: 20%;"> <p style="text-align: center;">(c) Enter amount of indirect compensation</p> </div> </div>                                                                                                                          |                                         |                                           |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p style="text-align: center;">(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>                                                                                                  |                                         |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>NATIONAL PENN BANCSHARES, INC. PENSION PLAN</u>                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>002</u>                                                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>NATIONAL PENN BANCSHARES, INC.</u>                                                                                                                                                                   | <b>D</b> Employer Identification Number (EIN)<br><br><u>23-2215075</u>                                                                                                                                                                                                       |                                                                                           |

|          | Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 | (a) Beginning of Year | (b) End of Year |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> | 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. <b>Round off amounts to the nearest dollar.</b> 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. |                 |                       |                 |
|          | <b>Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
| <b>a</b> | Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       | 13926                 | 13311           |
| <b>b</b> | Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
|          | <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1b(1)</b>    | 0                     | 0               |
|          | <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1b(2)</b>    | 0                     | 0               |
|          | <b>(3)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1b(3)</b>    | 129774                | 101086          |
| <b>c</b> | General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
|          | <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(1)</b>    | 942075                | 2904998         |
|          | <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(2)</b>    | 9962545               | 8767384         |
|          | <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |                       |                 |
|          | <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(3)(A)</b> | 0                     | 0               |
|          | <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(3)(B)</b> | 5094031               | 4506760         |
|          | <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
|          | <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(4)(A)</b> | 0                     | 0               |
|          | <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(4)(B)</b> | 20464534              | 22362343        |
|          | <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(5)</b>    | 0                     | 0               |
|          | <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(6)</b>    | 0                     | 0               |
|          | <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(7)</b>    | 0                     | 0               |
|          | <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(8)</b>    | 0                     | 0               |
|          | <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(9)</b>    | 0                     | 0               |
|          | <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>1c(10)</b>   |                       |                 |
|          | <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(11)</b>   | 0                     | 0               |
|          | <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(12)</b>   | 0                     | 0               |
|          | <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(13)</b>   | 2209783               | 2697152         |
|          | <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(14)</b>   |                       |                 |
|          | <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(15)</b>   | 80038                 | 88620           |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 0                     | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 38896706              | 41441654        |

**Liabilities**

|                                                                           |           |     |       |
|---------------------------------------------------------------------------|-----------|-----|-------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 626 | 3748  |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 0   | 0     |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 0   | 0     |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 0   | 27771 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 626 | 31519 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 38896080 | 41410135 |
|-----------------------------------------------------------|-----------|----------|----------|

**Part II Income and Expense Statement**

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

**Income****a Contributions:**

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

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

|                                                                                                      |                 |        |        |
|------------------------------------------------------------------------------------------------------|-----------------|--------|--------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 3095   |        |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> | 302727 |        |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> | 195031 |        |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> | 0      |        |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> | 0      |        |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> | 2949   |        |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |        | 503802 |

|                                                                                           |                 |        |        |
|-------------------------------------------------------------------------------------------|-----------------|--------|--------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> | 0      |        |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> | 509446 |        |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> | 32669  |        |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |        | 542115 |

|                 |              |  |   |
|-----------------|--------------|--|---|
| (3) Rents ..... | <b>2b(3)</b> |  | 0 |
|-----------------|--------------|--|---|

|                                                                                           |                 |          |        |
|-------------------------------------------------------------------------------------------|-----------------|----------|--------|
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 13594942 |        |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 13265109 |        |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |          | 329833 |

|                                                                                                    |                 |         |         |
|----------------------------------------------------------------------------------------------------|-----------------|---------|---------|
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                 | <b>2b(5)(A)</b> | 0       |         |
| <b>(B)</b> Other .....                                                                             | <b>2b(5)(B)</b> | 2318257 |         |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> ..... | <b>2b(5)(C)</b> |         | 2318257 |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (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) |            | 487370    |
| c Other income.....                                                                            | 2c     |            | 0         |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 4181377   |

**Expenses**

|                                                                                     |       |         |         |
|-------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                 |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....     | 2e(1) | 1516847 |         |
| (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) |         | 1516847 |
| 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) | 48657   |         |
| (4) Other .....                                                                     | 2i(4) | 101818  |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |         | 150475  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |         | 1667322 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 2514055 |
| l Transfers of assets:                                  |       |  |         |
| (1) To this plan.....                                   | 2l(1) |  |         |
| (2) From this plan .....                                | 2l(2) |  |         |

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: 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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**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.).....

**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.).....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |          |
| <b>4c</b>                                                                                                                                                                                                                     |     |    |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |          |
| <b>4d</b>                                                                                                                                                                                                                     |     |    |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 30000000 |
| <b>4e</b>                                                                                                                                                                                                                     |     |    |          |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |          |
| <b>4f</b>                                                                                                                                                                                                                     |     |    |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |          |
| <b>4g</b>                                                                                                                                                                                                                     |     |    |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |          |
| <b>4h</b>                                                                                                                                                                                                                     |     |    |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |          |
| <b>4i</b>                                                                                                                                                                                                                     |     |    |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... |     | X  |          |
| <b>4j</b>                                                                                                                                                                                                                     |     |    |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |          |
| <b>4k</b>                                                                                                                                                                                                                     |     |    |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |          |
| <b>4l</b>                                                                                                                                                                                                                     |     |    |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     |    |          |
| <b>4m</b>                                                                                                                                                                                                                     |     |    |          |
| <b>n</b> 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. ....                                      |     |    |          |
| <b>4n</b>                                                                                                                                                                                                                     |     |    |          |

**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) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |
|              |             |

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u>  |
| <b>2</b> 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):<br><br>EIN(s): <u>23-0906608</u> |          |           |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |           |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>48</u> |

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

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                                        |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                                            | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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).....                                                                                                                                                                                                                           | <b>6c</b>                    |                                        |                                         |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> 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?.....                                                                                                | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> 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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

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

- 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 lines (a) through (c)

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

Stock: 60.7% Investment-Grade Debt: 32.1% High-Yield Debt: 0.0% Real Estate: 0.0% Other: 7.2%

- 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 line 19(b)?

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

# **National Penn Bancshares, Inc. Pension Plan**

Financial Statements and  
Supplementary Information

December 31, 2012 and 2011



# **National Penn Bancshares, Inc. Pension Plan**

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December 31, 2012 and 2011

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## **Independent Auditors' Report**

Participants and Plan Administrator  
National Penn Bancshares, Inc. Pension Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of National Penn Bancshares, Inc. Pension Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") 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 National Penn Investors Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. 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 a certification from the trustee as of December 31, 2012 and 2011 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

## **Disclaimer of Opinion**

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

## **Other Matter**

The supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2012 is required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

## **Report on Form and Content in Compliance With DOL Rules and Regulations**

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, is presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink that reads "ParenteBeard LLC". The script is cursive and fluid, with the letters connected.

Allentown, Pennsylvania  
October 10, 2013

## National Penn Bancshares, Inc. Pension Plan

### Statement of Net Assets Available for Benefits

December 31, 2012 and 2011

|                                         | <u>2012</u>              | <u>2011</u>              |
|-----------------------------------------|--------------------------|--------------------------|
| <b>Assets</b>                           |                          |                          |
| Investments, at fair value:             |                          |                          |
| Cash and money market funds             | \$ 2,904,998             | \$ 942,075               |
| U.S. government agency securities       | 1,855,063                | 1,973,146                |
| U.S. Treasury notes and bonds           | 2,611,316                | 3,330,204                |
| U.S. government secured mortgage-backed | 4,301,005                | 4,659,195                |
| Corporate bonds and notes               | 4,506,760                | 5,094,031                |
| Common stock                            | 22,450,963               | 20,544,572               |
| Mutual funds                            | <u>2,697,152</u>         | <u>2,209,783</u>         |
| <br>Total investments                   | <br>41,327,257           | <br>38,753,006           |
| <br>Cash (non-interest bearing)         | <br>13,311               | <br>13,926               |
| <br>Accrued interest and dividends      | <br><u>101,086</u>       | <br><u>129,774</u>       |
| <br>Total assets                        | <br><u>41,441,654</u>    | <br><u>38,896,706</u>    |
| <br><b>Liabilities</b>                  |                          |                          |
| Due to brokers                          | 27,771                   | -                        |
| Benefits payable                        | <u>3,748</u>             | <u>626</u>               |
| <br>Total liabilities                   | <br><u>31,519</u>        | <br><u>626</u>           |
| <br>Net assets available for benefits   | <br><u>\$ 41,410,135</u> | <br><u>\$ 38,896,080</u> |

See notes to financial statements

**National Penn Bancshares, Inc. Pension Plan**

## Statement of Changes in Net Assets Available for Benefits

Years Ended December 31, 2012 and 2011

|                                                                 | <u>2012</u>          | <u>2011</u>          |
|-----------------------------------------------------------------|----------------------|----------------------|
| <b>Additions to Net Assets Attributed to</b>                    |                      |                      |
| Investment income:                                              |                      |                      |
| Net appreciation in fair value of investments                   | \$ 3,135,460         | \$ 211,820           |
| Interest and dividends                                          | <u>1,045,917</u>     | <u>945,976</u>       |
| Total investment income                                         | <u>4,181,377</u>     | <u>1,157,796</u>     |
| <b>Deductions from Net Assets Attributed to</b>                 |                      |                      |
| Benefits paid to participants                                   | 1,516,847            | 1,305,415            |
| Administrative expenses                                         | <u>150,475</u>       | <u>113,104</u>       |
| Total deductions                                                | <u>1,667,322</u>     | <u>1,418,519</u>     |
| Net increase (decrease) in net assets available<br>for benefits | 2,514,055            | (260,723)            |
| <b>Net Assets Available for Benefits</b>                        |                      |                      |
| Beginning of year                                               | <u>38,896,080</u>    | <u>39,156,803</u>    |
| End of year                                                     | <u>\$ 41,410,135</u> | <u>\$ 38,896,080</u> |

*See notes to financial statements*

# **National Penn Bancshares, Inc. Pension Plan**

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Notes to Financial Statements  
December 31, 2012 and 2011

## **1. Description of the 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 October 10, 2013, the date the financial statements were available to be issued.

### **Pension Benefits**

Participants are eligible for normal retirement benefits at age 65 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.

## **National Penn Bancshares, Inc. Pension Plan**

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Notes to Financial Statements  
December 31, 2012 and 2011

### **Death and Disability 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. The Plan does not provide for disability 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.

## **2. Summary of Significant Accounting Policies**

### **Basis of Accounting**

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

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 gains and losses on investments bought and sold as well as held during the year.

## National Penn Bancshares, Inc. Pension Plan

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Notes to Financial Statements  
December 31, 2012 and 2011

### 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 such as retirement, death, disability, and termination of employment are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits presented below is determined by the Plan's actuary as of January 1, 2012 and 2011. 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, 2012 is as follows:

|                                                                     |                      |
|---------------------------------------------------------------------|----------------------|
| Vested benefits                                                     |                      |
| Retired participants and beneficiaries currently receiving payments | \$ 9,105,424         |
| Other participants                                                  | <u>23,172,380</u>    |
| Total vested benefits                                               | 32,277,804           |
| Non-vested benefits                                                 | <u>181,762</u>       |
| Total actuarial present value of accumulated plan benefits          | <u>\$ 32,459,566</u> |

## National Penn Bancshares, Inc. Pension Plan

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Notes to Financial Statements  
December 31, 2012 and 2011

The changes in the actuarial present value of the accumulated plan benefits for the year ended December 31, 2011 are summarized as follows:

|                                                                               |                      |
|-------------------------------------------------------------------------------|----------------------|
| Actuarial present value of accumulated plan benefits,<br>at beginning of year | <u>\$ 31,023,878</u> |
| Increase (decrease) during the year<br>attributable to:                       |                      |
| Benefits accumulated                                                          | 264,966              |
| Increase for interest due to decrease in<br>discount period                   | 2,425,339            |
| Benefits paid                                                                 | (1,305,415)          |
| Change in actuarial assumptions                                               | <u>50,798</u>        |
| Net increase                                                                  | <u>1,435,688</u>     |
| Actuarial present value of accumulated plan benefits,<br>at end of year       | <u>\$ 32,459,566</u> |

Significant actuarial assumptions underlying the actuarial computations are as follows:

- a) Mortality - Post-retirement and pre-retirement mortality is based on the IRS 2012 Static Table.
- b) Retirement age - Assumed to be normal retirement age.
- c) Interest rate - 8.00%.

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.

The mortality-post retirement and pre-retirement mortality changed from the IRS 2011 Static Table to the IRS 2012 Static Table resulting in an increase of \$50,798 in actuarial present value of accumulated benefits for the year ended December 31, 2011.

### Reclassification

Certain prior period amounts are reclassified to conform with the current year's presentation.

## National Penn Bancshares, Inc. Pension Plan

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Notes to Financial Statements  
December 31, 2012 and 2011

### 3. Fair Value Measurements

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as 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. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

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

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets, and other observable inputs.

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

The 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, 2012 and 2011

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 value ("NAV") of the shares held by the Plan at year-end.

The fair values of common stock 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.

## National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements  
December 31, 2012 and 2011

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

|                                         | Assets at Fair Value as of December 31, 2012 |                     |             |                      |
|-----------------------------------------|----------------------------------------------|---------------------|-------------|----------------------|
|                                         | Level 1                                      | Level 2             | Level 3     | Total                |
| Cash and money market funds             | \$ 2,904,998                                 | \$ -                | \$ -        | \$ 2,904,998         |
| U.S. government agency securities       | -                                            | 1,855,063           | -           | 1,855,063            |
| U.S. Treasury notes and bonds           | 2,611,316                                    | -                   | -           | 2,611,316            |
| U.S. government secured mortgage-backed | -                                            | 4,301,005           | -           | 4,301,005            |
| Corporate bonds and notes:              |                                              |                     |             |                      |
| Financial institutions                  | 1,580,138                                    | -                   | -           | 1,580,138            |
| Industrial                              | 2,628,430                                    | -                   | -           | 2,628,430            |
| Utilities                               | 298,192                                      | -                   | -           | 298,192              |
| Common stock:                           |                                              |                     |             |                      |
| Foreign                                 | 99,750                                       | -                   | -           | 99,750               |
| Domestic:                               |                                              |                     |             |                      |
| Consumer discretion                     | 2,765,518                                    | -                   | -           | 2,765,518            |
| Consumer staples                        | 2,503,807                                    | -                   | -           | 2,503,807            |
| Energy                                  | 2,159,073                                    | -                   | -           | 2,159,073            |
| Financials                              | 2,388,458                                    | -                   | -           | 2,388,458            |
| Healthcare                              | 3,337,598                                    | -                   | -           | 3,337,598            |
| Industrials                             | 3,169,670                                    | -                   | -           | 3,169,670            |
| Information technology                  | 4,459,034                                    | -                   | -           | 4,459,034            |
| Materials                               | 797,547                                      | -                   | -           | 797,547              |
| Telecom services                        | 316,469                                      | -                   | -           | 316,469              |
| Utilities                               | 365,419                                      | -                   | -           | 365,419              |
| American depository receipts            | 88,620                                       | -                   | -           | 88,620               |
| Mutual funds, foreign equity funds      | 2,697,152                                    | -                   | -           | 2,697,152            |
|                                         | <u>\$ 35,171,189</u>                         | <u>\$ 6,156,068</u> | <u>\$ -</u> | <u>\$ 41,327,257</u> |

## National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements  
December 31, 2012 and 2011

|                                         | 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              |
| Telecom 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            |
|                                         | <u>\$ 32,120,665</u>                         | <u>\$ 6,632,341</u> | <u>\$ -</u> | <u>\$ 38,753,006</u> |

## National Penn Bancshares, Inc. Pension Plan

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Notes to Financial Statements  
December 31, 2012 and 2011

### 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 2012 and 2011.

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:

- a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- b) Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to applicable limitations (discussed subsequently).
- c) All other vested accrued benefits (that is, vested benefits not insured by PBGC).
- d) 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.

## National Penn Bancshares, Inc. Pension Plan

Notes to Financial Statements  
December 31, 2012 and 2011

### 6. Investments

No investments represent 5% or more of the Plan's net assets available for benefits at December 31, 2012 or 2011.

In 2012 and 2011, 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:

|                                               | 2012                | 2011              |
|-----------------------------------------------|---------------------|-------------------|
| U.S. government agency securities             | \$ (7,655)          | \$ 28,828         |
| U.S. Treasury notes and bonds                 | 57,260              | 230,055           |
| U.S. government secured mortgage-backed       | (118,509)           | 2,044             |
| Corporate bonds and notes                     | 86,091              | 150,286           |
| Common stock                                  | 2,630,903           | 116,364           |
| Mutual funds                                  | 487,370             | (315,757)         |
| Net appreciation in fair value of investments | <u>\$ 3,135,460</u> | <u>\$ 211,820</u> |

### 7. Related Party Transactions

Certain of the Plan's investments are managed by a subsidiary of the Company, National Penn 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.

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 Internal Revenue Service ("IRS") 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, 2012, 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 2009.

## **National Penn Bancshares, Inc. Pension Plan**

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Notes to Financial Statements  
December 31, 2012 and 2011

### **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 2012 and 2011. Accordingly, National Penn Investors 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, 2012 and 2011, the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2012, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2012 and 2011.

**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, 2012

| (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              | 2,904,998                            | \$ 2,904,998 | \$ 2,904,998      |
|     | Federal Home Loan Mortgage Corporation Note, 0.625% due 12/29/2014        | U.S. government agency securities       | 265,000                              | 265,882      | 266,712           |
|     | Federal Home Loan Mortgage Corporation Note, 2.375%, due 1/13/2022        | U.S. government agency securities       | 315,000                              | 328,901      | 329,074           |
|     | Federal National Mortgage Association Note, 1.00%, due 3/8/2017           | U.S. government agency securities       | 335,000                              | 332,270      | 339,271           |
|     | Federal Home Loan Mortgage Corporation Note, 1.75%, due 9/10/2015         | U.S. government agency securities       | 370,000                              | 375,486      | 383,557           |
|     | Federal National Mortgage Association Note, 5.375%, due 6/12/2017         | U.S. government agency securities       | 255,000                              | 292,211      | 306,633           |
|     | Federal National Mortgage Association Note, 2.625%, due 11/20/2014        | U.S. government agency securities       | 220,000                              | 223,628      | 229,816           |
|     |                                                                           |                                         |                                      | 1,818,378    | 1,855,063         |
|     | U.S. Treasury Inflation Note, 1.375%, due 7/15/2018                       | U.S. Treasury notes and bonds           | 390,000                              | 406,694      | 486,993           |
|     | U.S. Treasury Inflation IX Note, 1.25%, due 4/15/2014                     | U.S. Treasury notes and bonds           | 275,000                              | 296,533      | 309,870           |
|     | U.S. Treasury Note, 1.875%, due 4/30/2014                                 | U.S. Treasury notes and bonds           | 215,000                              | 218,813      | 219,711           |
|     | U.S. Treasury Inflation Note, 0.50%, due 4/15/2015                        | U.S. Treasury notes and bonds           | 420,000                              | 431,588      | 467,796           |
|     | U.S. Treasury Note, 1.25%, due 9/30/2015                                  | U.S. Treasury notes and bonds           | 340,000                              | 340,751      | 348,500           |
|     | U.S. Treasury Note, 2.625%, due 11/15/2020                                | U.S. Treasury notes and bonds           | 235,000                              | 232,669      | 257,912           |
|     | U.S. Treasury Note Inflation Index Note, 0.625%, due 7/15/2021            | U.S. Treasury notes and bonds           | 200,000                              | 212,873      | 233,340           |
|     | U.S. Treasury Inflation Index Note, 2.375%, due 6/30/2018                 | U.S. Treasury notes and bonds           | 265,000                              | 265,898      | 287,194           |
|     |                                                                           |                                         |                                      | 2,405,819    | 2,611,316         |
|     | Federal Home Loan Mortgage Corporation Gold Pool 5.0%, due 7/1/2018       | U.S. government secured mortgage-backed | 25,240                               | 25,974       | 27,154            |
|     | Federal Home Loan Mortgage Corporation Pool 5.5%, due 11/1/2037           | U.S. government secured mortgage-backed | 52,951                               | 55,367       | 57,198            |
|     | Federal Home Loan Mortgage Corporation Pool 5.5%, due 1/1/2038            | U.S. government secured mortgage-backed | 43,804                               | 45,145       | 47,317            |
|     | Federal Home Loan Mortgage Corporation Pool 4.5%, due 5/1/2040            | U.S. government secured mortgage-backed | 71,477                               | 75,207       | 76,966            |
|     | Federal Home Loan Mortgage Corporation Pool 5.0%, due 2/1/2022            | U.S. government secured mortgage-backed | 42,684                               | 44,365       | 45,941            |
|     | Federal Home Loan Mortgage Corporation Pool 4.5%, due 5/1/2039            | U.S. government secured mortgage-backed | 185,085                              | 198,214      | 198,596           |
|     | Federal Home Loan Mortgage Corporation Pool 4.0%, due 10/1/2039           | U.S. government secured mortgage-backed | 290,085                              | 312,839      | 311,261           |
|     | Federal Home Loan Mortgage Corporation Pool 4.0%, due 3/1/2024            | U.S. government secured mortgage-backed | 41,645                               | 42,309       | 44,040            |
|     | Federal Home Loan Mortgage Corporation Pool 4.0%, 12/1/2040               | U.S. government secured mortgage-backed | 326,664                              | 350,755      | 349,007           |
|     | Federal Home Loan Mortgage Corporation Pool 4.0%, due 1/1/2041            | U.S. government secured mortgage-backed | 199,943                              | 206,597      | 213,619           |
|     | Federal Government Loan Mortgage Corporation Gold Pool 4.0%, due 1/1/2041 | U.S. government secured mortgage-backed | 42,482                               | 42,708       | 45,923            |
|     | Federal Government Loan Mortgage Corporation Gold Pool 5.0%, due 2/1/2034 | U.S. government secured mortgage-backed | 29,322                               | 29,418       | 31,697            |
|     | Federal National Mortgage Association Pool 5.5%, due 1/1/2025             | U.S. government secured mortgage-backed | 45,372                               | 46,520       | 49,650            |
|     | Federal National Mortgage Association Pool 5.5%, due 11/1/2018            | U.S. government secured mortgage-backed | 42,939                               | 44,321       | 46,515            |
|     | Federal National Mortgage Association Pool 5.5%, due 5/1/2028             | U.S. government secured mortgage-backed | 126,514                              | 128,293      | 137,951           |
|     | Federal National Mortgage Association Pool 4.5%, due 4/1/2041             | U.S. government secured mortgage-backed | 247,868                              | 261,811      | 268,590           |
|     | Federal National Mortgage Association Pool 6.0%, due 9/1/2033             | U.S. government secured mortgage-backed | 70,771                               | 73,115       | 79,051            |
|     | Federal National Mortgage Association Pool 5.5%, due 7/1/2033             | U.S. government secured mortgage-backed | 47,514                               | 48,612       | 52,217            |
|     | Federal National Mortgage Association Pool 5.5%, due 4/01/2034            | U.S. government secured mortgage-backed | 104,895                              | 111,222      | 115,280           |
|     | Federal National Mortgage Association Pool 5.0%, due 6/01/2035            | U.S. government secured mortgage-backed | 186,270                              | 196,501      | 202,476           |
|     | Federal National Mortgage Association Pool 5.5%, due 1/1/2021             | U.S. government secured mortgage-backed | 70,817                               | 71,315       | 76,716            |

**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, 2012

| (a) | Identity of Issue (b)                                             | Description of Investment (c)           | Number of Shares or Principal Amount | Cost (d)   | Current Value (e) |
|-----|-------------------------------------------------------------------|-----------------------------------------|--------------------------------------|------------|-------------------|
|     | Federal National Mortgage Association Pool 5.0%, due 2/1/2036     | U.S. government secured mortgage-backed | 139,041                              | \$ 147,905 | \$ 150,957        |
|     | Federal National Mortgage Association Pool 4.0%, due 11/1/2020    | U.S. government secured mortgage-backed | 61,845                               | 63,246     | 66,533            |
|     | Federal National Mortgage Association Pool 5.5%, due 4/1/2035     | U.S. government secured mortgage-backed | 51,185                               | 51,241     | 55,930            |
|     | Federal National Mortgage Association Pool 5.5%, due 1/1/2020     | U.S. government secured mortgage-backed | 149,009                              | 151,503    | 161,421           |
|     | Federal National Mortgage Association Pool 5.5%, due 2/1/2037     | U.S. government secured mortgage-backed | 160,270                              | 169,370    | 174,326           |
|     | Federal National Mortgage Association Pool 4.5%, due 1/1/2039     | U.S. government secured mortgage-backed | 57,590                               | 59,066     | 62,226            |
|     | Federal National Mortgage Association Pool 5%, due 4/1/2023       | U.S. government secured mortgage-backed | 36,743                               | 36,995     | 39,785            |
|     | Federal National Mortgage Association Pool 5.5%, due 1/1/2023     | U.S. government secured mortgage-backed | 58,236                               | 58,263     | 62,982            |
|     | Federal National Mortgage Association Pool 4.5%, due 4/1/2039     | U.S. government secured mortgage-backed | 44,410                               | 47,484     | 47,985            |
|     | Federal National Mortgage Association Pool 4.5%, due 12/1/2039    | U.S. government secured mortgage-backed | 337,380                              | 359,181    | 364,539           |
|     | Federal National Mortgage Association Pool 4%, due 12/1/2040      | U.S. government secured mortgage-backed | 87,578                               | 91,423     | 93,971            |
|     | Federal National Mortgage Association Pool 4%, due 7/1/2040       | U.S. government secured mortgage-backed | 293,138                              | 309,901    | 314,449           |
|     | Government National Mortgage Association Pool 6%, due 4/15/2037   | U.S. government secured mortgage-backed | 48,007                               | 48,682     | 53,590            |
|     | Government National Mortgage Association Pool 6.0%, due 9/15/2034 | U.S. government secured mortgage-backed | 74,285                               | 77,226     | 83,274            |
|     | Government National Mortgage Association Pool 6.0%, due 9/15/2038 | U.S. government secured mortgage-backed | 82,301                               | 83,227     | 91,872            |
|     |                                                                   |                                         |                                      | 4,165,321  | 4,301,005         |
|     | Bank of NY Mellon, 3.55 %, 9/23/2021                              | Corporate bonds and notes               | 335,000                              | 357,432    | 365,003           |
|     | General Electric Cap. Corp., 4.625%, 1/7/2021                     | Corporate bonds and notes               | 285,000                              | 295,672    | 323,276           |
|     | JP Morgan Chase & Co., 4.25%, 10/15/2020                          | Corporate bonds and notes               | 325,000                              | 319,499    | 361,442           |
|     | US Bancorp, 2.45%, 7/27/2015                                      | Corporate bonds and notes               | 250,000                              | 257,835    | 261,298           |
|     | Wells Fargo Company, 2.625%, 12/15/2016                           | Corporate bonds and notes               | 255,000                              | 262,428    | 269,119           |
|     | Coca Cola Co., 4.875%, 03/15/2019                                 | Corporate bonds and notes               | 240,000                              | 264,240    | 286,274           |
|     | GlaxoSmithKline, 5.65%, 5/15/2018                                 | Corporate bonds and notes               | 270,000                              | 291,966    | 328,871           |
|     | International Bus. Machines Corp., 5.7%, 9/14/2017                | Corporate bonds and notes               | 380,000                              | 412,205    | 458,911           |
|     | Merck & Co Inc., 3.875%, 1/15/2021                                | Corporate bonds and notes               | 360,000                              | 360,949    | 404,010           |
|     | Occidental Petroleum Corp., 4.1%, 2/1/2021                        | Corporate bonds and notes               | 205,000                              | 209,205    | 234,397           |
|     | SBC Communications Inc., 5.625%, 6/15/2016                        | Corporate bonds and notes               | 370,000                              | 392,275    | 424,678           |
|     | Wal-Mart Stores, 5.375%, 4/5/2017                                 | Corporate bonds and notes               | 415,000                              | 441,866    | 491,289           |
|     | Consolidated Edison Co. of NY, 5.85%, 4/1/2018                    | Corporate bonds and notes               | 245,000                              | 261,436    | 298,192           |
|     |                                                                   |                                         |                                      | 4,127,008  | 4,506,760         |
|     | AT & T Inc.                                                       | Common Stock                            | 9,388                                | 260,103    | 316,469           |
|     | Advance Auto Parts Inc.                                           | Common Stock                            | 1,145                                | 72,190     | 82,841            |
|     | American Financial Group Inc.                                     | Common Stock                            | 3,040                                | 80,553     | 120,141           |
|     | Ametek Inc.                                                       | Common Stock                            | 5,511                                | 59,099     | 207,048           |
|     | Amgen Inc.                                                        | Common Stock                            | 4,487                                | 263,047    | 386,779           |
|     | Apache Corp.                                                      | Common Stock                            | 850                                  | 90,496     | 66,725            |
|     | Apple Computer Inc.                                               | Common Stock                            | 1,023                                | 151,910    | 544,413           |
|     | AptarGroup Inc.                                                   | Common Stock                            | 1,910                                | 98,900     | 91,145            |
|     | Astronics Corp.                                                   | Common Stock                            | 5,106                                | 70,782     | 116,825           |
|     | BMC Software Inc.                                                 | Common Stock                            | 1,558                                | 54,280     | 61,728            |
|     | Ball Corp.                                                        | Common Stock                            | 8,610                                | 316,791    | 385,298           |
|     | Baxter INTL Inc. Corp.                                            | Common Stock                            | 4,410                                | 265,313    | 293,971           |
|     | Becton Dickinson & Co.                                            | Common Stock                            | 1,000                                | 56,553     | 78,190            |
|     | Blackrock Inc.                                                    | Common Stock                            | 500                                  | 79,211     | 103,355           |
|     | Bob Evans Farms                                                   | Common Stock                            | 2,730                                | 92,827     | 109,746           |
|     | Broadridge Finl. Sol LLC                                          | Common Stock                            | 3,095                                | 49,706     | 70,813            |
|     | Bryn Mawr Bank Corp.                                              | Common Stock                            | 3,925                                | 79,554     | 87,410            |
|     | C.H. Robinson Worldwide Inc.                                      | Common Stock                            | 4,400                                | 254,996    | 278,168           |
|     | CVS/Caremark Corp.                                                | Common Stock                            | 2,700                                | 97,633     | 130,545           |
|     | Cadence Design Systems, Inc.                                      | Common Stock                            | 5,405                                | 69,772     | 73,022            |
|     | Callidus Software Inc.                                            | Common Stock                            | 13,250                               | 59,886     | 60,155            |
|     | Cantel Medical Corp.                                              | Common Stock                            | 3,090                                | 46,295     | 91,866            |
|     | Carter's Inc.                                                     | Common Stock                            | 1,245                                | 70,590     | 69,284            |
|     | Charles River Labs International, Inc.                            | Common Stock                            | 2,315                                | 82,332     | 86,743            |
|     | Chevron Corp.                                                     | Common Stock                            | 5,746                                | 437,121    | 621,372           |
|     | Church and Dwight Co. Inc.                                        | Common Stock                            | 1,955                                | 84,379     | 104,729           |
|     | Cisco Systems Inc.                                                | Common Stock                            | 3,000                                | 50,052     | 58,948            |
|     | Coca Cola Co.                                                     | Common Stock                            | 1,600                                | 39,897     | 58,000            |
|     | Colgate Palmolive Co.                                             | Common Stock                            | 2,998                                | 266,755    | 313,411           |
|     | Commerce Bancshares Inc.                                          | Common Stock                            | 1,979                                | 71,583     | 69,384            |

**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, 2012

| (a) | Identity of Issue (b)                 | Description of Investment (c) | Number of<br>Shares or<br>Principal<br>Amount | Cost (d)  | Current<br>Value (e) |
|-----|---------------------------------------|-------------------------------|-----------------------------------------------|-----------|----------------------|
|     | Conocophillips                        | Common Stock                  | 800                                           | \$ 37,091 | \$ 46,392            |
|     | Cooper Cos Inc.                       | Common Stock                  | 910                                           | 67,337    | 84,157               |
|     | Copart Inc.                           | Common Stock                  | 2,470                                         | 37,961    | 72,865               |
|     | Corelogic Inc.                        | Common Stock                  | 2,625                                         | 67,230    | 70,665               |
|     | Corporate Office Properties           | Common Stock                  | 5,200                                         | 149,195   | 129,896              |
|     | Cryolife Inc.                         | Common Stock                  | 15,150                                        | 116,457   | 94,385               |
|     | Cubic Corp.                           | Common Stock                  | 1,145                                         | 45,229    | 54,925               |
|     | Cubist Pharmaceuticals Inc.           | Common Stock                  | 1,480                                         | 69,770    | 62,234               |
|     | Darden Restaurants Inc.               | Common Stock                  | 5,138                                         | 169,180   | 231,570              |
|     | Diamond Offshore Drilling Co.         | Common Stock                  | 2,632                                         | 188,960   | 178,871              |
|     | Disney (Walt) Company Holdings        | Common Stock                  | 3,300                                         | 87,441    | 164,307              |
|     | Discover Financial Services Co.       | Common Stock                  | 11,750                                        | 315,401   | 452,963              |
|     | E I Du Pont De Nemours Co.            | Common Stock                  | 2,025                                         | 56,293    | 91,081               |
|     | Exco Resources, Inc.                  | Common Stock                  | 18,565                                        | 142,800   | 125,685              |
|     | Exxon Mobil Corporation               | Common Stock                  | 6,355                                         | 363,312   | 550,025              |
|     | Factset Research Systems Inc.         | Common Stock                  | 1,247                                         | 76,085    | 109,811              |
|     | Flow Intl Corp.                       | Common Stock                  | 38,885                                        | 246,601   | 136,098              |
|     | Flowserve Corporation                 | Common Stock                  | 1,995                                         | 256,795   | 292,866              |
|     | Fuel Systems Solutions Inc.           | Common Stock                  | 6,990                                         | 146,369   | 102,828              |
|     | Fulton Financial Corp.                | Common Stock                  | 7,475                                         | 71,924    | 71,835               |
|     | Arthur J Gallagher & Co.              | Common Stock                  | 2,010                                         | 64,500    | 69,647               |
|     | General Mills Inc.                    | Common Stock                  | 8,051                                         | 273,594   | 325,421              |
|     | Harris Corp.                          | Common Stock                  | 1,498                                         | 59,751    | 73,342               |
|     | Hormel Foods Corp.                    | Common Stock                  | 2,745                                         | 43,793    | 85,671               |
|     | Hubbell Inc. CL B                     | Common Stock                  | 1,165                                         | 38,476    | 98,594               |
|     | Imax Corp.                            | Common Stock                  | 5,175                                         | 74,714    | 116,334              |
|     | Intel Corp.                           | Common Stock                  | 15,635                                        | 413,674   | 322,394              |
|     | International Bus Machs Corp.         | Common Stock                  | 3,162                                         | 365,289   | 605,681              |
|     | iRobot Corporation                    | Common Stock                  | 5,060                                         | 102,195   | 94,824               |
|     | JPMorgan Chase & Co.                  | Common Stock                  | 2,400                                         | 99,100    | 105,526              |
|     | Johnson & Johnson                     | Common Stock                  | 9,470                                         | 562,076   | 663,847              |
|     | J2 Global Inc.                        | Common Stock                  | 2,410                                         | 58,807    | 73,746               |
|     | L-3 Communications Holdings           | Common Stock                  | 1,263                                         | 79,591    | 96,771               |
|     | Laboratory Corp. of American Holdings | Common Stock                  | 2,382                                         | 150,321   | 206,329              |
|     | Liveperson Inc.                       | Common Stock                  | 9,690                                         | 43,031    | 127,327              |
|     | Marsh and McLennan Co.                | Common Stock                  | 11,365                                        | 390,097   | 391,752              |
|     | McCormick & Company Inc.              | Common Stock                  | 8,857                                         | 320,000   | 562,685              |
|     | McDonalds Corp.                       | Common Stock                  | 1,500                                         | 108,455   | 132,315              |
|     | McGrath Rentcorp                      | Common Stock                  | 4,110                                         | 97,500    | 119,594              |
|     | McGraw Hill Cos. Inc.                 | Common Stock                  | 9,364                                         | 363,213   | 511,930              |
|     | McKesson HBOC Inc.                    | Common Stock                  | 4,079                                         | 237,445   | 395,500              |
|     | Meridian Bioscience Inc.              | Common Stock                  | 7,300                                         | 155,098   | 147,825              |
|     | Microsoft Corp.                       | Common Stock                  | 20,174                                        | 549,584   | 538,841              |
|     | Middleby Corp.                        | Common Stock                  | 1,425                                         | 78,167    | 182,699              |
|     | Minerals Technologies Inc.            | Common Stock                  | 2,120                                         | 73,072    | 84,630               |
|     | NVE Corp.                             | Common Stock                  | 2,400                                         | 92,005    | 133,176              |
|     | Nutrisystem, Inc.                     | Common Stock                  | 11,865                                        | 153,711   | 96,944               |
|     | Oceaneering International Inc.        | Common Stock                  | 825                                           | 42,923    | 44,377               |
|     | Omnicare Inc.                         | Common Stock                  | 1,920                                         | 65,617    | 69,312               |
|     | Oracle Corp.                          | Common Stock                  | 14,582                                        | 232,398   | 485,872              |
|     | Panera Bread Company CL A             | Common Stock                  | 560                                           | 41,124    | 88,945               |
|     | Parker-Hannifin Corp.                 | Common Stock                  | 2,125                                         | 184,651   | 180,753              |
|     | Pepsico Inc.                          | Common Stock                  | 7,162                                         | 405,180   | 490,096              |
|     | Perrigo Co.                           | Common Stock                  | 1,345                                         | 33,004    | 139,920              |
|     | Pfizer Inc.                           | Common Stock                  | 14,696                                        | 338,092   | 368,565              |
|     | Pioneer Energy Services Corp.         | Common Stock                  | 15,280                                        | 118,320   | 110,933              |
|     | PowerSecure International Inc.        | Common Stock                  | 22,700                                        | 141,668   | 177,287              |
|     | Procter & Gamble Co.                  | Common Stock                  | 1,200                                         | 60,694    | 81,468               |
|     | Qualcomm Inc.                         | Common Stock                  | 8,288                                         | 419,429   | 512,692              |
|     | Quality Systems Inc.                  | Common Stock                  | 6,130                                         | 140,755   | 106,417              |
|     | Quest Diagnostics Inc.                | Common Stock                  | 1,000                                         | 60,246    | 58,270               |
|     | Rayonier Inc.                         | Common Stock                  | 1,970                                         | 84,497    | 102,105              |
|     | Raytheon Co.                          | Common Stock                  | 4,475                                         | 252,987   | 257,581              |
|     | Rollins Inc.                          | Common Stock                  | 2,217                                         | 25,151    | 48,863               |
|     | Rosetta Resources Inc.                | Common Stock                  | 1,950                                         | 27,548    | 88,374               |
|     | Ross Stores                           | Common Stock                  | 2,018                                         | 30,914    | 109,154              |
|     | Schlumberger Ltd.                     | Common Stock                  | 900                                           | 64,860    | 62,369               |
|     | Shutterfly Inc.                       | Common Stock                  | 5,035                                         | 161,186   | 150,395              |
|     | TJX Companies Inc.                    | Common Stock                  | 10,920                                        | 277,281   | 463,554              |
|     | Tiffany & Company                     | Common Stock                  | 800                                           | 46,104    | 45,872               |
|     | Toro Co.                              | Common Stock                  | 2,992                                         | 68,620    | 128,596              |
|     | Triangle Capital Corp.                | Common Stock                  | 3,525                                         | 53,958    | 89,852               |
|     | Tupperware Brands Corp.               | Common Stock                  | 1,365                                         | 46,337    | 87,497               |
|     | II-VI Inc.                            | Common Stock                  | 4,785                                         | 48,724    | 87,231               |
|     | Tyler Technologies Inc.               | Common Stock                  | 4,075                                         | 71,622    | 197,393              |
|     | U.S. Bancorp                          | Common Stock                  | 12,335                                        | 391,466   | 393,980              |
|     | Union Pacific Corp.                   | Common Stock                  | 600                                           | 30,788    | 75,432               |
|     | United Technologies Corp.             | Common Stock                  | 5,200                                         | 261,900   | 426,452              |
|     | VF Corporation                        | Common Stock                  | 1,995                                         | 147,294   | 301,185              |
|     | Valspar Corp.                         | Common Stock                  | 2,330                                         | 89,316    | 145,392              |
|     | Vectren Corp.                         | Common Stock                  | 3,960                                         | 111,258   | 116,424              |

**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, 2012

| (a) | Identity of Issue (b)          | Description of Investment (c) | Number of<br>Shares or<br>Principal<br>Amount | Cost (d)             | Current<br>Value (e) |
|-----|--------------------------------|-------------------------------|-----------------------------------------------|----------------------|----------------------|
|     | Waddell & Reed Financial Inc.  | Common Stock                  | 1,835                                         | \$ 71,661            | \$ 63,895            |
|     | Walgreen Co.                   | Common Stock                  | 9,505                                         | 245,209              | 351,780              |
|     | Watsco Inc.                    | Common Stock                  | 610                                           | 39,841               | 45,689               |
|     | Wells Fargo & Co.              | Common Stock                  | 4,000                                         | 110,202              | 136,720              |
|     | Western Digital Corp.          | Common Stock                  | 1,055                                         | 25,582               | 44,827               |
|     | John Wiley & Sons, Inc.        | Common Stock                  | 1,868                                         | 84,872               | 72,721               |
|     | Wisconsin Energy Corp.         | Common Stock                  | 6,757                                         | 202,997              | 248,995              |
|     | World Fuel Services Corp.      | Common Stock                  | 2,105                                         | 60,351               | 86,663               |
|     | Covidien PLC                   | Common Stock                  | 1,900                                         | 101,967              | 109,706              |
|     | Eaton Corp. PLC                | Common Stock                  | 2,700                                         | 106,014              | 146,286              |
|     | Ceragon Newtorks LTD           | Common Stock                  | 8,475                                         | 92,962               | 37,375               |
|     | Novartis Ag Spon Adr           | Common Stock                  | 1,400                                         | 76,853               | 88,620               |
|     | Accenture PLC CL               | Common Stock                  | 1,500                                         | 58,219               | 99,750               |
|     |                                |                               |                                               | <u>17,383,938</u>    | <u>22,450,963</u>    |
|     | Artisan International Fd-Inv   | Mutual fund                   | 57,196                                        | 1,367,558            | 1,406,440            |
|     | Henderson International FD-Inv | Mutual fund                   | 60,257                                        | <u>1,127,414</u>     | <u>1,290,712</u>     |
|     |                                |                               |                                               | <u>2,494,972</u>     | <u>2,697,152</u>     |
|     |                                |                               |                                               | <u>\$ 35,300,434</u> | <u>\$ 41,327,257</u> |

\* 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

(File Gov't Forms)

NATIONAL PENN BANCSHARES, INC. PENSION PLAN

DISTRIBUTION OF ACTIVE MEMBERS BY AGE, SERVICE & COMPENSATION AS OF 01/01/2012

| Attained Age | Years of Credited Service to Date |              |               |               |       |       |       |       |       |     | Total          |
|--------------|-----------------------------------|--------------|---------------|---------------|-------|-------|-------|-------|-------|-----|----------------|
|              | <1                                | 1-4          | 5-9           | 10-14         | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ |                |
| Under 25     | 0                                 | 17           | 0             | 0             | 0     | 0     | 0     | 0     | 0     | 0   | 17             |
| 25-29        | 2                                 | 77<br>\$633  | 7             | 1             | 0     | 0     | 0     | 0     | 0     | 0   | 87<br>\$743    |
| 30-34        | 2                                 | 69<br>\$708  | 28<br>\$1,975 | 4             | 0     | 0     | 0     | 0     | 0     | 0   | 103<br>\$1,145 |
| 35-39        | 1                                 | 63<br>\$747  | 25<br>\$2,263 | 12            | 0     | 0     | 0     | 0     | 0     | 0   | 101<br>\$1,529 |
| 40-44        | 0                                 | 78<br>\$758  | 30<br>\$2,687 | 15            | 12    | 1     | 0     | 0     | 0     | 0   | 136<br>\$2,393 |
| 45-49        | 1                                 | 106<br>\$842 | 32<br>\$2,633 | 13            | 9     | 9     | 7     | 0     | 0     | 0   | 177<br>\$2,700 |
| 50-54        | 2                                 | 134<br>\$764 | 53<br>\$3,047 | 22<br>\$5,822 | 8     | 4     | 2     | 4     | 0     | 0   | 229<br>\$2,413 |
| 55-59        | 2                                 | 111<br>\$761 | 42<br>\$2,992 | 22<br>\$6,721 | 11    | 9     | 7     | 1     | 5     | 0   | 210<br>\$4,272 |
| 60-64        | 3                                 | 82<br>\$687  | 40<br>\$2,947 | 21<br>\$5,377 | 15    | 3     | 3     | 0     | 0     | 1   | 168<br>\$3,029 |
| 65-69        | 1                                 | 19           | 13            | 4             | 1     | 0     | 1     | 1     | 2     | 1   | 43<br>\$4,925  |
| 70+          | 0                                 | 9            | 5             | 3             | 0     | 0     | 0     | 0     | 0     | 0   | 17             |
| Total        | 14                                | 765          | 275           | 117           | 56    | 26    | 20    | 6     | 7     | 2   | 1,288          |

Average Age: 48.3 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: 1/1/2012 - 12/31/2012

---

### Interest Rates

|                                                               | <u>MAP-21</u> | <u>Pre MAP-21</u> |
|---------------------------------------------------------------|---------------|-------------------|
| First Segment (1 to 60 months):                               | 5.54%         | 2.06%             |
| Second Segment (61 to 240 months):                            | 6.85%         | 5.25%             |
| Third Segment (Beyond 240 months):                            | 7.52%         | 6.32%             |
| (Results in an Effective Interest Rate of 7.10% under MAP-21) |               |                   |

### Salary

0.00% Annual Increase

### Withdrawal

Rates vary by length of service:

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

### Mortality

IRS 2012 Static Table

Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

### Disability

No disability was assumed.

### Retirement

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

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

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

EIN: 23-2215075

PN: 002

Plan Year: 1/1/2012 - 12/31/2012

---

### **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

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><hr/> <small>Department of Labor<br/>Employee Benefits Security Administration</small><br><hr/> <small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><hr/> <b>2012</b><br><hr/> <b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **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.

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

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|

| Part I Basic Information |                                                                                                                                                                                                          |                            |                    |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------|
| <b>1</b>                 | Enter the valuation date:      Month <u>01</u> Day <u>01</u> Year <u>2012</u>                                                                                                                            |                            |                    |
| <b>2</b>                 | Assets:                                                                                                                                                                                                  |                            |                    |
|                          | a Market value .....                                                                                                                                                                                     | <b>2a</b>                  | 38896080           |
|                          | b Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | 39022326           |
| <b>3</b>                 | Funding target/participant count breakdown:                                                                                                                                                              | (1) Number of participants | (2) Funding Target |
|                          | a For retired participants and beneficiaries receiving payment .....                                                                                                                                     | <b>3a</b>                  | 185      9906186   |
|                          | b For terminated vested participants .....                                                                                                                                                               | <b>3b</b>                  | 269      9541692   |
|                          | c For active participants:                                                                                                                                                                               |                            |                    |
|                          | (1) Non-vested benefits .....                                                                                                                                                                            | <b>3c(1)</b>               | 208279             |
|                          | (2) Vested benefits .....                                                                                                                                                                                | <b>3c(2)</b>               | 16552293           |
|                          | (3) Total active .....                                                                                                                                                                                   | <b>3c(3)</b>               | 1288      16760572 |
|                          | d Total .....                                                                                                                                                                                            | <b>3d</b>                  | 1742      36208450 |
| <b>4</b>                 | If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                             |                            |                    |
|                          | a Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                  |                    |
|                          | 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 ..... | <b>4b</b>                  |                    |
| <b>5</b>                 | Effective interest rate .....                                                                                                                                                                            | <b>5</b>                   | 7.10%              |
| <b>6</b>                 | Target normal cost .....                                                                                                                                                                                 | <b>6</b>                   | 119000             |

**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.

|                      |                                                                                                                                                                                                                                              |                                                                                                                                             |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SIGN<br/>HERE</b> | <br>Signature of actuary<br>Denise M. Polin, F.S.A.<br><hr/> Type or print name of actuary<br>Conrad Siegel Actuaries<br><hr/> Firm name<br>P.O. Box 5900, 501 Corporate Circle<br>Harrisburg      PA      17110-0900<br>Address of the firm | <u>10-11-2013</u><br>Date<br>1105665<br><hr/> Most recent enrollment number<br>717-652-5633<br><hr/> Telephone number (including area code) |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|

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 Prefunding Balances**

|                                                                                                                                           | (a) Carryover balance | (b) Prefunding balance |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                  | 3734619               | 1159735                |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                               | 1236337               | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                     | 2498282               | 1159735                |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>3.02%</u> .....                                                       | 75448                 | 35024                  |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                            |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                           |                       | 0                      |
| <b>b</b> Interest on (a) using prior year's effective interest rate of <u>6.36%</u> except as otherwise provided (see instructions) ..... |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                             |                       | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                           |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                         | 954613                | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                              | 1619117               | 1194759                |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 100.00% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 107.77% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 91.90%  |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %       |

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

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b> 0                  |

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

|                                                                                                                         |            |   |
|-------------------------------------------------------------------------------------------------------------------------|------------|---|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                    | <b>19a</b> | 0 |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0 |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 0 |

**20** Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---------|---------|---------|---------|
| 0       | 0       | 0       | 0       |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                       |                       |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54% | 2nd segment:<br>6.85% | 3rd segment:<br>7.52%                               |
|                                                                                                                                                                                              |                       |                       | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       | <b>22</b> 65                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |           |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... |           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      |           | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....                            |           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment .....                                   | <b>27</b> |                                                                     |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>          | 119000             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 0                   | 0                  |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> 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 ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..                                                            | <b>34</b>           | 119000             |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 119000              | 0                  | 119000        |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>           | 0                  |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>           | 0                  |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |   |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               | 0 |  |

**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 22 - Description of Weighted Average Retirement Age**

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

EIN: 23-2215075

PN: 002

Plan Year: 1/1/2012 - 12/31/2012

---

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

National Penn Bancshares, Inc. Pension Plan  
Actuarial Valuation as of January 1, 2012  
**Summary of Plan Provisions**

---

### **Eligibility to Participate**

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

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

Provided he is:

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

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

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

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.

National Penn Bancshares, Inc. Pension Plan  
Actuarial Valuation as of January 1, 2012  
**Summary of Plan Provisions**

---

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.

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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.

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## **Termination of Employment Benefits**

### Vesting in Accrued Benefit

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

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

### 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.

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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.

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

**Service with Predecessor Employers**

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

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***CHANGES IN PLAN PROVISIONS SINCE THE LAST VALUATION***

None

***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<br>similar party | (c) Description of investment<br>including maturity date, rate of<br>interest, collateral, par, or<br>maturity value | (d) Cost | (e) Current<br>Value |
|-----|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------|----------------------|
|-----|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------|----------------------|

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