

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2015
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>3RD FED BANK RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u> 1c Effective date of plan <u>01/01/1955</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NATIONAL PENN BANCSHARES, INC.</u> <u>645 HAMILTON STREET, SUITE 800</u> <u>ALLENTOWN, PA 18101</u>	2b Employer Identification Number (EIN) <u>23-2215075</u> 2c Plan Sponsor's telephone number <u>610-674-1316</u> 2d Business code (see instructions) <u>522120</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/13/2016</u>	<u>STEVEN REEDER</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 158
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 63
a(2) Total number of active participants at the end of the plan year	6a(2) 43
b Retired or separated participants receiving benefits.....	6b 16
c Other retired or separated participants entitled to future benefits.....	6c 50
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 109
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 109
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 6
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1I 3D	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ Round off amounts to nearest dollar.
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan 3RD FED BANK RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NATIONAL PENN BANCSHARES, INC.	D Employer Identification Number (EIN) 23-2215075

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015			
2 Assets:			
a Market value	2a	11345556	
b Actuarial value	2b	11345556	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	15	1111003	1111003
b For terminated vested participants	80	4234906	4234906
c For active participants	63	2503697	2587241
d Total	158	7849606	7933150
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.38 %	
6 Target normal cost	6	26000	

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

SIGN HERE		10/13/2016
Signature of actuary		Date
DENISE M. POLIN, F.S.A.		14-05665
Type or print name of actuary		Most recent enrollment number
CONRAD SIEGEL ACTUARIES		717-652-5633
Firm name		Telephone number (including area code)
P.O. BOX 5900, 501 CORPORATE CIRCLE HARRISBURG, PA 17110-0900		
Address of the firm		

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

Part II	Beginning of Year Carryover and Prefunding Balances
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		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>7.40</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.59</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III	Funding Percentages
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14	Funding target attainment percentage.....	14	143.01 %
15	Adjusted funding target attainment percentage	15	143.01 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	156.27 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and Liquidity Shortfalls
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18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
08/31/2016	4096030	0					
			Totals ►	18(b)	4096030	18(c)	0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	3695056

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c 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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	26000	
b Excess assets, if applicable, but not greater than line 31a	31b	26000	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3695056	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3695056	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury</div> <div>Internal Revenue Service</div> <div>Department of Labor</div> <div>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
<div>A</div> Name of plan 3RD FED BANK RETIREMENT PLAN	<div>B</div> Three-digit plan number (PN) ▶	003
<div>C</div> Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL PENN BANCSHARES, INC.	<div>D</div> Employer Identification Number (EIN) 23-2215075	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

<div>(b)</div> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
NATIONAL PENN INVESTORS TRUST CO. 1340 BROADCASTING ROAD SUITE 100 WYOMISSING, PA 19610

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

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

WILMINGTON TRUST FIDUCIARY SERVICES

902 CARNEGIE CENTER, SUITE 460
PRINCETON, NJ 08540

26-3523944

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	BROKERAGE	8749	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

UBS FINANCIAL SERVICES, INC.

1285 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

13-2638166

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51	INVESTMENT ADVISOR	7586	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

HENDERSON GLOBAL INVESTORS (NA) INC

36-4447766

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

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)

T. ROWE PRICE ASSOCIATES, INC.

52-2264646

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

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

CONESTOGA CAPITAL ADVISORS, LLC

550 E SWEDESFORD SUITE 120
WAYNE, PA 19087

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

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

GOLDMAN SACHS ASSET MANAGEMENT, L.P

13-4019460

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

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

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

ARTISAN PARTNERS LIMITED PARTNERSHI

39-1811840

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
HENDERSON GLOBAL INVESTORS (NA) INC	28 52	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
HENDERSON INTL OPPORTUNITIES I	1.11% OF ASSETS	
36-4447766		
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
T. ROWE PRICE ASSOCIATES, INC.	28 52	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
T. ROWE PRICE INTERNATIONAL DISCOVER	1.21% OF ASSETS	
52-2264646		
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
CONESTOGA CAPITAL ADVISORS, LLC	28 52	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
CONESTOGA SMALL CAP INST	0.90% OF ASSETS	
550 E SWEDES FORD SUITE 120 WAYNE, PA 19087		

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
GOLDMAN SACHS ASSET MANAGEMENT, L.P	28 52	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
GOLDMAN SACHS SATELLITE STRATEGIES	1.07% OF ASSETS
13-4019460	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ARTISAN PARTNERS LIMITED PARTNERSHI	28 52	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARTISAN INTERNATIONAL FUND	1.07% OF ASSETS
39-1811840	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>3RD FED BANK RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>NATIONAL PENN BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>23-2215075</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FIXED INCOME INDEX PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-027</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>FUNDAMENTAL VALUE PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-006</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTERNATIONAL GROWTH PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-011</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTERNATIONAL VALUE PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-038</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID-CAP FUNDAMENTAL VALUE PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-045</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID-CAP GROWTH PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-029</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MONEY MARKET PORTFOLIO</u>				
b Name of sponsor of entity listed in (a): <u>WILMINGTON TRUST</u>				
c EIN-PN <u>26-3523944-003</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0		

a Name of MTIA, CCT, PSA, or 103-12 IE: S&P 500 INDEX PORTFOLIO**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-021	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: SHORT DURATION PORTFOLIO**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-041	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CO GROWTH PORTFOLIO**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CO DIVERSIFIED VALUE PORT.**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-044	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: STRATEGIC BOND PORTFOLIO**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-014	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: STRATEGIC GROWTH PORTFOLIO**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-012	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: TOTAL RETURN REIT PORTFOLIO**b** Name of sponsor of entity listed in (a): WILMINGTON TRUST

c EIN-PN 26-3523944-037	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan 3RD FED BANK RETIREMENT PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL PENN BANCSHARES, INC.	D Employer Identification Number (EIN) 23-2215075	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	75
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	4096030
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	14745
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	565235
(2) U.S. Government securities.....	1c(2)	0	1313696
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	632669
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	2528494
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)	11351333	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	1307213
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	11351333	10458157

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	5777	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	5777	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11345556	10458157
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4096030	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4096030

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4071	
(B) U.S. Government securities	2b(1)(B)	11637	
(C) Corporate debt instruments	2b(1)(C)	15871	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		31579
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	37624	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	33220	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		70844
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	9197190	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	9214840	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-17650
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	-196723	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-196723

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		336623
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(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)		-98871
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		4221832

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5084004	
(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)		5084004
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	16335	
(4) Other	2i(4)	8892	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		25227
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5109231

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-887399
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: S. R. SNODGRASS, P.C.

(2) EIN: 25-1616561

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:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
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	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)				
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>3RD FED BANK RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NATIONAL PENN BANCSHARES, INC.</u>	D Employer Identification Number (EIN) <u>23-2215075</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>23-2697472</u> <u>23-0906608</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>44</u>

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2015
v. 150123

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:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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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: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

3RD FED BANK RETIREMENT PLAN
ALLENTOWN, PENNSYLVANIA

AUDIT REPORT
DECEMBER 31, 2015

3RD FED BANK RETIREMENT PLAN
DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Plan Administrator
3rd Fed Bank Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the 3rd Fed Bank Retirement Plan, which comprise the statement of net assets available for benefits as of December 31, 2015 and 2014; the related statement of changes in net assets available for benefits for the years then ended; the statement of accumulated plan benefits as of December 31, 2014; the related statement of changes in accumulated plan benefits for the year 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.

Auditor's 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 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 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 7, which was certified by National Penn Investors Trust Company and Wilmington Trust, the custodian of the 3rd Fed Bank Retirement Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the custodian holds the 3rd Fed Bank Retirement Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the custodian as of December 31, 2015 and 2014, and for the year ended December 31, 2015, that the information provided to the Plan Administrator by the custodian 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 schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j – Schedule of Reportable Transactions as of and for the year ended December 31, 2015, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of 3rd Fed Bank Retirement Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with Department of Labor Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified or provided by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Cranberry Township, Pennsylvania
October 11, 2016

3RD FED BANK RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2015	2014
ASSETS		
Cash and cash equivalents	\$ 565,310	\$ -
Investments, at fair value:		
Fixed income investments	1,946,365	-
Equities	3,835,707	-
Collective trusts	-	11,351,333
Total investments	5,782,072	11,351,333
Accrued interest receivable	14,745	-
Employer contribution receivable	4,096,030	-
Total assets	<u>10,458,157</u>	<u>11,351,333</u>
LIABILITIES		
Amount due broker	-	5,777
Total liabilities	<u>-</u>	<u>5,777</u>
Net assets available for benefits	<u>\$ 10,458,157</u>	<u>\$ 11,345,556</u>

The accompanying notes are an integral part of these financial statements.

3RD FED BANK RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Year Ended December 31,	
	2015	2014
INVESTMENT INCOME		
Net appreciation in fair value of investments	\$ 23,379	\$ 804,314
Interest and dividends	102,423	124
Total investment income	125,802	804,438
EMPLOYER CONTRIBUTIONS	4,096,030	-
Total additions	4,221,832	804,438
BENEFITS PAID DIRECTLY TO PARTICIPANTS	(5,084,004)	(606,466)
ADMINISTRATIVE EXPENSES	(25,227)	(97,740)
Total deductions	(5,109,231)	(704,206)
Net (decrease) increase	(887,399)	100,232
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of the year	11,345,556	11,245,324
End of the year	\$ 10,458,157	\$ 11,345,556

The accompanying notes are an integral part of these financial statements.

3RD FED BANK RETIREMENT PLAN
STATEMENT OF ACCUMULATED BENEFITS

	December 31, 2014
ACTUARIAL PRESENT VALUE OF ACCUMULATED BENEFITS	
Vested benefits:	
Participants currently receiving payments	\$ 1,107,607
Other participants	<u>6,182,498</u>
	7,290,105
Nonvested benefits	<u>75,291</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED BENEFITS	\$ <u><u>7,365,396</u></u>

The accompanying notes are an integral part of these financial statements.

3RD FED BANK RETIREMENT PLAN
STATEMENT OF CHANGES IN ACCUMULATED BENEFITS

	<u>For the Year Ended December 31, 2014</u>
Actuarial present value of accumulated benefits at beginning of year	\$ 6,398,186
Increase (decrease) during the year attributable to:	
Change in actuarial assumptions	482,570
Benefits accumulated and experience gains	635,881
Increase for interest	455,225
Benefits paid to participants	<u>(606,466)</u>
Net increase	<u>967,210</u>
Actuarial present value of accumulated benefits at end of year	<u><u>\$ 7,365,396</u></u>

The accompanying notes are an integral part of these financial statements.

3RD FED BANK RETIREMENT PLAN NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the 3rd Fed Bank Retirement Plan and Trust (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined benefit pension plan covering substantially all employees of 3rd Fed Bank (the “Bank”), which was a wholly owned subsidiary of TF Financial Corporation (the “Company”). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is administered by Administrative Committee (the “Committee”), which is a committee of the Board of Directors of National Penn. National Penn Investors Trust Company has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance.

On June 3, 2014, National Penn Bancshares, Inc. (“National Penn”), the parent company of National Penn Bank, entered into an Agreement and Plan of Merger (the “Merger Agreement”) with the Company pursuant to which the Company was merged with and into National Penn (the “Merger”). As part of the transaction, the Bank was also merged with and into National Penn Bank. Pursuant to the requirements contained in the Merger Agreement, the Company’s Board of Directors adopted resolutions which provided to freeze the status of the Plan effective October 15, 2014 (“the freeze date”). Accordingly, no additional participants will enter the Plan after October 15, 2014; no additional years of credited service for benefit accrual purposes will be earned after the freeze date under the Plan; and compensation earned by participants after the freeze date will not be taken into account under the Plan.

Effective April 1, 2016, National Penn Bancshares, Inc. was purchased by BB&T Corporation. BB&T has indicated its intention to merge the frozen balances in the 3rd Fed Bank Retirement Plan into the BB&T Corporation Pension Plan effective December 31, 2016.

Pension Benefits

Employees were eligible to become participants after completing one year of service and attaining 21 years of age. The normal form of pension payable to an unmarried participant is a single life annuity. A participant is 100 percent vested upon attainment of his/her early or normal retirement date; otherwise, the participant becomes vested in his/her accrued benefit after five years of service.

Death and Disability Benefits

If a vested, married, active employee dies, a death benefit equal to 50 percent of the value of the employee’s accumulated pension benefits is paid to the employee’s spouse. No death benefits are payable to unmarried employees under this Plan, except when necessary requirements are met. Active employees who become totally and permanently disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they became disabled.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies of the Plan:

Basis of Accounting

The accompanying financial statements 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Participant Accounts

Under the Plan provisions, amounts are credited by the Bank to participants' hypothetical accounts. The accounts are allocated compensation credits and investment credits at the end of every plan year. The compensation credits are allocated based on a percentage of participants' certified compensation as defined in the Plan document for that particular year.

Valuation of Investments and Income Recognition

Investments of the Plan are stated 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. Note 3 - Fair Value Measurements provides additional disclosure related to valuation methodologies.

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

Actuarial Present Value of Accumulated Plan Benefits

Accumulated Plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services 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. The accumulated Plan benefits are based on career average compensation. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee service rendered as of the valuation date.

Conrad Siegal Actuaries (the "Actuary") estimates the actuarial present value of accumulated Plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits earned by the participants 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant assumptions underlying the actuarial computations as of December 31, 2015 and 2014, are as follows:

Actuarial cost method	· Unit Credit Actuarial Cost Method
Assumed average rate of on investment	· 7.25 percent per year pre-retirement compounded annually
Mortality scale	· RP-2014 White Collar Mortality Table
Retirement	· Retirement is assumed at normal retirement age

These 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.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Income Tax Status

The Internal Revenue Service has determined and informed the Bank by a letter dated March 31, 2010, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and tax counsel believe that the Plan is in compliance with the applicable requirements of the 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 Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015, 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 the years prior to 2012.

Administrative Expenses

Administrative expenses of the Plan relating to investment management and recording fees are paid by the Plan. Fees relating to accounting, miscellaneous administrative expenses, and the insurance premium of the Pension Benefit Guaranty Corporation are paid by the Plan's sponsor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. Under this guidance, investments measured at net asset value, as a practical expedient for fair value, are excluded from the fair value hierarchy. Instead, an entity would be required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the Statement of Net Assets Available for Benefits. The amendment also removes the requirement to make certain disclosures for these investments if the NAV is not measured as a practical expedient for fair value. The Plan elected to early adopt this guidance as of December 31, 2015, as permitted and has applied this guidance retrospectively as required. The adoption has no impact on the Plan Statement of Net Assets Available for Benefits and Statement of Changes in Net Assets Available for Benefits as of December 31, 2015 and 2014.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contract, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. This guidance simplifies the required disclosures related to employee benefit plans. Part I eliminates the requirement to measure and disclose the fair value of fully benefit-responsive investment contracts. Contract value is the only required measure for fully benefit-responsive investment contracts. This guidance also concluded that fully benefit-responsive investment contracts are limited to direct investment holdings between the plan and the issuer. The guidance also clarifies that indirect investments in fully benefit-responsive investment contracts should not be reflected as fully benefit-responsive investment contracts and, therefore, should be reported at fair value. Part II eliminates the requirement to disclose individual investments which comprise 5 percent or more of total net assets available for benefits, as well as the net appreciation or depreciation of fair value by type. Additionally, plans are no longer required to disaggregate the fair value of investments by nature, characteristics and risks, but shall classify them by general type of plan asset. Part III allows plans to measure investments using values from the end of the calendar month closest to the plan's fiscal year end. The Plan elected to early adopt Part II of this guidance as of December 31, 2015, as permitted and has applied this guidance retrospectively as required. Parts I and III of this guidance are not applicable to the Plan. Additionally, other than the elimination of the above noted disclosures, the early adoption of Part II of the Update did not have a material impact on the Plan's financial statements.

NOTE 3 - FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles establish a fair value hierarchy which requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value. A financial instrument's level within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement.

The three levels of the fair value hierarchy are described below:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Level II: Pricing inputs are other than the quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level III: Valuations are derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015 and 2014, respectively.

		December 31, 2015			
		Level I	Level II	Level III	Total
Assets:					
Fixed income investments:					
U.S. government agency securities	\$	-	\$ 253,736	\$ -	\$ 253,736
U.S. treasury notes and bonds		-	367,813	-	367,813
Mortgage-backed securities		-	692,147	-	692,147
Corporate bonds		-	632,669	-	632,669
Equities					
Domestic common stock		2,528,494	-	-	2,528,494
Mutual funds		1,307,213	-	-	1,307,213
Total assets at fair value	\$	<u>3,835,707</u>	<u>\$ 1,946,365</u>	<u>\$ -</u>	<u>\$ 5,782,072</u>
		December 31, 2014			
		Level I	Level II	Level III	Total
Assets:					
Investment in collective trusts	\$	-	\$ 11,351,333	\$ -	\$ 11,351,333
Total assets at fair value	\$	<u>-</u>	<u>\$ 11,351,333</u>	<u>\$ -</u>	<u>\$ 11,351,333</u>

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, 2015 and 2014.

Collective investment trust funds The collective investment trust funds fair value is classified in Level II using the asset fair value provided by Wilmington Trust, the custodian of the fund. Net asset value ("NAV") unit price is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market.

Common stock Valued at the closing price reported on the active market on which the individual securities are traded.

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

U.S. government agency securities, U.S. treasury notes and bonds, mortgage-backed securities, and corporate bonds	Valued based on yields currently available on comparable securities of issues with similar credit ratings.
Mutual funds	Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish the daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The Plan custodian engages a third-party pricing agent as well as an internal pricing service to determine fair value. Furthermore, although the Plan believes the 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 estimate of fair value measurement at the reporting date.

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2014:

December 31, 2014

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Investment in collective trusts	\$ 11,351,333	N/A	Daily	Daily

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments are defined as cash, evidence of ownership interest in an entity, or a contract which creates an obligation or right to receive or deliver cash or another financial instrument from/to a second entity on potentially favorable or unfavorable terms. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced liquidation or sale. If a quoted market price is available for a financial instrument, the fair value would be calculated based upon the market price per trading unit of the instrument.

Investments, accrued interest receivable, and cash and cash equivalents would be considered financial instruments. At December 31, 2015 and 2014, the carrying amounts of these financial instruments approximate fair value.

NOTE 5 - FUNDING POLICY

The Bank's funding policy is to make annual contributions to the Plan that are between the minimum amount required to satisfy the funding standards of ERISA and the maximum tax-deductible contribution for federal income tax purposes, such that all employees' benefits will be fully provided for by the time they retire.

NOTE 6 - PLAN TERMINATION

The Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

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

- (1) To that portion of participant accrued benefit which is derived from participant contributions made to the Plan.
- (2) Equally among:
 - (a) Retired participants and their beneficiaries to whom payment commenced at least three years prior to the date of termination.
 - (b) Participants who could have retired and received payment of their benefits at least three years prior to the date of termination.
- (3) To all benefits guaranteed and insured by the Pension Benefit Guaranty Corporation.
- (4) To all other vested accrued benefits not insured by the Pension Benefit Guaranty Corporation.
- (5) To all other accrued benefits provided under the Plan.

Any excess funds shall revert to the employer.

NOTE 7 - INFORMATION CERTIFIED BY THE CUSTODIAN

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The custodian of the Plan, National Penn Investors Trust Company and Wilmington Trust, has certified that the data included in the following financial statements and supplemental schedules is complete and accurate:

- Investments at fair value as shown in the Statement of Net Assets Available for Benefits as of December 31, 2015 and 2014;
- Investment activity (interest and dividend income, net appreciation in fair value of investments) as shown in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2015 and 2014;
- Schedule of assets held for investment purposes as of and for the year ended December 31, 2015; and
- Schedule of reportable (5 percent) transactions at December 31, 2015.

NOTE 8 - RISKS AND UNCERTAINTIES

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.

Plan contributions are made and the actuarial present value of accumulated Plan benefits is 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 assumption 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.

NOTE 9 - SUBSEQUENT EVENTS

The Plan assessed events occurring subsequent to December 31, 2015 through October 11, 2016, for potential recognition and disclosure in the financial statements.

SUPPLEMENTAL SCHEDULES

3RD FED BANK RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER IDENTIFICATION NUMBER 23-1151162
PLAN NUMBER 003
DECEMBER 31, 2015

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity		(e) Current Value	
			(d) Cost		
	FNMA DTD 04/15/2013 .875% 05/21/2018	50,000	\$ 49,696	\$	49,532
	FNMA DTD 10/01/2013 1.625% 11/27/2018	50,000	50,600		50,361
	FHLMC NOTE DTD 01/13/2012 2.375% 01/13/2022	50,000	50,672		50,695
	FHLMC NOTE DTD 01/30/2012 1% 03/08/2017	50,000	50,330		50,042
	FNMA DTD 06/08/2007 5.375% 06/12/2017	50,000	54,646		53,104
	US TREASURY NOTE DTD 02/15/2006 4.5% 02/15/2036	50,000	64,328		64,078
	US TREASURY NOTE DTD 11/16/2015 3% 11/15/2045	65,000	65,030		64,804
	US TREASURY INFLATION INDEX NOTE DTD 04/30/2014 .125% 04/15/2019	50,000	51,071		50,455
	US TREASURY INFLATION INDEX NOTE DTD 07/15/2008 1.375% 07/15/2018	50,000	58,161		57,095
	US TREASURY INFLATION INDEX NOTE DTD 07/29/2011 .625% 07/15/2021	40,000	43,427		42,488
	US TREASURY DTD 05/15/2013 1.75% 05/15/2023	50,000	48,541		48,713
	US TREASURY DTD 06/30/2014 1.625% 06/30/2019	40,000	40,306		40,180
	BANK OF NY MELLON BK DTD 09/23/2011 3.55% 09/23/2021-2021	50,000	53,054		52,450
	GEN ELEC CAP CORP DTD 01/07/2011 4.625% 01/07/2021	50,000	55,555		54,919
	JPMORGAN CHASE & CO DTD 10/21/2010 4.25% 10/15/2020	50,000	53,777		53,042
	WELLS FARGO COMPANY DTD 03/08/2012 3.5% 03/08/2022	50,000	52,751		51,518
	APPLE INC. DTD 05/06/2014 3.45% 05/06/2024	50,000	52,960		51,797
	COCA COLA CO DTD 11/01/2013 3.2% 11/01/2023	100,000	105,409		103,468
	GLAXOSMITHKLINE CAP INC. DTD 05/13/2008 5.65% 05/15/2018	50,000	56,151		54,494
	MERCK & CO INC. DTD 12/10/2010 3.875% 01/15/2021	50,000	53,850		53,603
	OCCIDENTAL PETROLEUM CORP DTD 12/16/10 4.1% 02/01/2021	50,000	54,331		52,458
	TARGET CORP DTD 01/12/2012 2.9% 01/15/2022	50,000	51,007		50,857
	CONSOLIDATED EDISON CO OF NY DTD 04/01/2008 5.85% 04/01/2018	50,000	56,696		54,065
	FHLMC POOL # G06231 DTD 01/01/2014 4% 12/01/2040	42,552	45,318		45,092
	FHLMC POOL #G08615 DTD 11/1/2014 3.5% 11/01/2044	118,870	123,657		122,460
	FHLMC 3.5% 02/01/2045	69,290	71,802		71,382
	FHLMC POOL # G08669 DTD 09/01/2015 4% 09/01/2045	49,336	52,173		52,158
	FHLMC POOL # G08654 DTD 07/01/2015 3.5% 07/01/2045	186,296	192,896		191,922
	FHLMC POOL # FG G08681 DTD 12/01/2015 3.5% 12/01/2045	90,000	93,009		92,718
	FHLMC POOL # A97040 DTD 02/01/2011 4% 02/01/2041	38,879	41,722		41,196
	FANNIE MAE DTD 11/01/2015 4.5% 06/01/2044	39,158	42,474		42,389
	FNMA POOL #AC8512 DTD 12/01/2009 4.5% 12/01/2039	30,336	32,839		32,830
	ADVANCE AUTO PARTS INC.	80	12,787		12,003
	AMETEK INC. COM	275	14,997		14,737
	APPLE INC. COM	720	91,705		75,787
	BALL CORP	1,050	75,806		76,367
	BANK HAWAII CORP	155	10,025		9,750
	BEMIS COMPANY COM	250	11,767		11,173
	BIG LOTS INC.	125	5,955		4,818
	BROADRIDGE FINL SOL LLC COM	245	12,951		13,164
	BROWN & BROWN INC. COM	430	14,330		13,803
	C. H. ROBINSON WORLDWIDE INC. COM	775	54,785		48,066

3RD FED BANK RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Continued)
EMPLOYER IDENTIFICATION NUMBER 23-1151162
PLAN NUMBER 003
DECEMBER 31, 2015

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity	(d) Cost	(e) Current Value
	CADENCE DESIGN SYSTEMS, INC. COM	465	9,235	9,677
	CHURCH AND DWIGHT CO INC. COM	170	14,364	14,430
	CISCO SYSTEMS INC. COM	2,455	70,458	66,666
	COLGATE PALMOLIVE CO COM	1,030	71,803	68,619
	COMMERCE BANCSHARES INC. COM	347	15,229	14,740
	DELUXE CORPORATION COM	295	19,286	16,089
	DICK'S SPORTING GOODS INC.	220	11,821	7,777
	DISCOVER FINANCIAL SERVICES COM	1,175	69,652	63,004
	DOVER CORP COM	835	57,575	51,194
	DR PEPPER SNAPPLE GROUP COM	455	40,392	42,406
	EXXON MOBIL CORPORATIONS COM	380	32,478	29,621
	FACTSET RESEARCH SYSTEMS INC. COM	105	17,037	17,070
	FOOT LOCKER INC. COM	120	7,504	7,811
	FRANKLIN RESOURCES INC. COM	1,250	50,015	46,025
	ARTHUR J GALLAGHER & CO COM	205	9,979	8,393
	GENUINE PARTS CO COM	850	80,756	73,007
	GILEAD SCIENCES COM	545	64,313	55,149
	HEN INC. COM	145	9,992	7,347
	HANES BRANDS INC. COM	245	8,392	7,210
	HARRIS CORPORATION COM	180	14,117	15,642
	HOLLYFRONTIER CORP COM	185	7,682	7,380
	HORMEL FOODS CORP COM	195	11,245	15,421
	HUBBELL INC. COM	90	9,988	9,094
	INTEL CORP COM	2,125	67,087	73,206
	JOHNSON & JOHNSON COM	670	68,645	68,822
	J2 GLOBAL INC.	165	11,476	13,583
	L-3 COMMUNICATIONS HOLDINGS COM	80	9,617	9,561
	LIBIDOS HOLDINGS INC. COM	170	9,469	9,564
	MACYS INC.	1,210	81,045	42,356
	MANPOWER GROUP COM	80	6,885	6,743
	MARSH & MCLENNAN CO COM	1,380	80,304	76,521
	MCCORMICK & COMPANY INC. NON VTG SHS COM	675	50,477	57,753
	MCDONALDS CORP COM	550	55,458	64,977
	MCKESSON HBOC INC. COM	340	78,898	67,058
	MEDNAX INC. COM	195	14,333	13,974
	MEREDITCH CORP COM	210	11,337	9,083
	MICROSOFT CORP COM	1,610	70,619	89,323
	ORACLE CORP COM	1,715	75,057	62,649
	PANERA BREAD COMPANY CL A COM	50	8,816	9,739
	PAREXEL INTERNATIONAL CORP COM	210	14,047	14,305
	PEPSICO INC. COM	720	69,135	71,942

3RD FED BANK RETIREMENT PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Continued)
EMPLOYER IDENTIFICATION NUMBER 23-1151162
PLAN NUMBER 003
DECEMBER 31, 2015

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity	(d) Cost	(e) Current Value
	QUALCOMM INC. COM	675	47,057	33,740
	RAYTHEON CO COM NEW	565	61,990	70,359
	SCHLUMBERGER LTD COM	465	38,408	32,434
	SILGAN HOLDINGS INC. COM	220	12,194	11,818
	SIRONA DENTAL SYSTEMS INC. COM	140	14,137	15,340
	SYNOPSYS INC. COM	185	9,386	8,438
	TJX COMPANIES INC. COM	1,085	74,934	76,937
	TORCHMARK CORP COM	630	35,241	36,011
	TORO CO COM	235	16,277	17,171
	TRUSTMARK CORP COM	510	12,671	11,750
	TUPPERWARE BRANDS CORP COM	110	7,496	6,122
	U.S. BANCORP COM	1,970	88,588	84,060
	UNION PACIFIC CORP COM	595	65,676	46,529
	UNITED TECHNOLOGIES CORP COM	495	58,596	47,555
	UNITED THERAPEUTICS CORP COM	55	10,245	8,614
	UNITEDHEALTH GROUP INC. COM	500	62,296	58,820
	V F CORPORATION COM	775	57,710	48,244
	VALSPAR CORPORATION COM	200	17,220	16,590
	VARIAN MEDICAL SYSTEMS INC. COM	510	41,347	41,208
	WADDELL & REED FINANCIAL INC. CL A COM	270	13,561	7,738
	WALGREENS BOOTS ALLIANCE INC. COM	710	62,609	60,460
	WATSCO INC. COM	115	14,179	13,470
	WEBSTER FINANCIAL CORP COM	425	16,417	15,806
	WORLD FUEL SERVICES CORP COM	195	9,935	7,500
	TE CONNECTIVITY LTD COM	885	64,051	57,180
	ARTISAN INTERNATIONAL FUND	9,710	310,442	278,284
	HENDERSON INTERNATIONAL OPPORTUNITIES FUND - I	10,694	308,017	282,439
	T ROWE PRICE INTERNATIONAL DISCOVERY FUND	3,770	205,315	203,407
	CONESTOGA SMALL CAP INSTITUTIONAL	4,430	165,620	158,799
	GOLDMAN SACHS SATELLITE STRATEGIES	51,721	421,524	384,285
			\$ 6,082,504	\$ 5,782,072

3RD FED BANK RETIREMENT PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EMPLOYER IDENTIFICATION NUMBER 23-1151162
PLAN NUMBER - 003
DECEMBER 31, 2015

(a) Identity of Party Involved	(b) Description of Assets (Including Interest Rate and Maturity in Case of Loan)	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Assets	(h) Current Value or Asset on Transaction Date	(i) Net Gain or (Loss)
<u>Type (i) Transactions - a single transaction in excess of 5 percent of the fair value of Plan assets</u>								
	Goldman Sachs Satellite Strategies	\$ 680,000				\$ 680,000	\$ 680,000	\$ -
	Fundamental Value Portfolio		\$ 657,479			\$ 351,171	\$ 657,479	\$ 306,308

Type (ii) Transactions - series of transactions other than securities transactions in excess of 5 percent of the fair value of Plan assets

- None -

Type (iii) Transactions - series of security transactions of the same issue aggregating in excess of 5 percent of the fair value of Plan assets

Fixed Income Index Portfolio	\$ 1,823,095.00	\$ 1,839,052	\$ (15,957.00)
Fundamental Value Portfolio	\$ 1,501,998.00	\$ 1,390,877	\$ 111,121.00
International Growth Portfolio	\$ 869,259.00	\$ 820,655	\$ 48,604.00
International Value Portfolio	\$ 712,800.00	\$ 666,242	\$ 46,558.00
Mid-Cap Fundamental Value Portfolio	\$ 295,810.00	\$ 272,639	\$ 23,171.00
Mid-Cap Growth Portfolio	\$ 182,896.00	\$ 170,686	\$ 12,210.00
Money Market Portfolio	\$ 310,768.00	\$ 310,768	\$ -
S&P 500 Index Portfolio	\$ 998,529.00	\$ 940,339	\$ 58,190.00
Short Duration Portfolio	\$ 1,312,881.00	\$ 1,315,567	\$ (2,686.00)
Small Company Growth Portfolio	\$ 168,244.00	\$ 155,265	\$ 12,979.00
Small Company Diversified Value Portfolio	\$ 300,632.00	\$ 277,987	\$ 22,645.00
Strategic Bond Portfolio	\$ 918,077.00	\$ 922,035	\$ (3,958.00)
Strategic Growth Portfolio	\$ 1,561,300.00	\$ 1,452,146	\$ 109,154.00
Total Return REIT Portfolio	\$ 715,330.00	\$ 737,968	\$ (22,638.00)

Type (iv) Transactions - transactions in securities with a person if any single transaction was in excess of 5 percent of the fair value of Plan assets

- None -

ATTACHMENT TO SCHEDULE SB LINE 26 - SCHEDULE OF ACTIVE PARTICIPANT DATA

EIN: 23--2215075
PLAN NUMBER: 003

(File Gov't Forms)

3RD FED BANK RETIREMENT PLAN

DISTRIBUTION OF ACTIVE MEMBERS BY AGE & SERVICE AS OF 01/01/2015

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	3	0	0	0	0	0	0	0	0	3
25-29	0	4	2	0	0	0	0	0	0	0	6
30-34	0	5	5	0	0	0	0	0	0	0	10
35-39	0	1	2	1	0	0	0	0	0	0	4
40-44	1	0	0	1	1	0	0	0	0	0	3
45-49	0	2	4	1	0	0	0	0	0	0	7
50-54	0	3	5	0	1	0	0	0	0	0	9
55-59	0	2	3	4	2	0	0	0	0	2	13
60-64	0	1	0	1	0	0	0	1	0	0	3
65-69	1	0	0	0	1	0	0	0	0	0	2
70+	0	1	1	1	0	0	0	0	0	0	3
Total	2	22	22	9	5	0	0	1	0	2	63

Average Age: 45.9 Years Average Service to Date: 8.2 Years

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

Name of Plan: 3rd Fed Bank Retirement Plan

EIN: 23-2215075

PN: 003

Plan Year: 1/1/2015 - 12/31/2015

Interest Rates

	<u>HATFA</u>	<u>Pre MAP-21</u>
First Segment (1 to 60 months):	4.72%	1.15%
Second Segment (61 to 240 months):	6.11%	4.06%
Third Segment (Beyond 240 months):	6.81%	5.15%

(Results in an Effective Interest Rate of 6.38% under HATFA)

Salary

Not Applicable

Withdrawal

2003 Society of Actuaries Select and Ultimate Turnover Table. Sample rates are shown below.

<u>Age</u>	<u>Years of Service</u>			
	<u>Less than 2</u>	<u>2, 3, and 4</u>	<u>5 through 9</u>	<u>10 and Greater</u>
20	17.99%	14.19%		
30	18.61%	13.58%	8.39%	4.84%
40	15.91%	10.35%	6.01%	4.15%
50	15.60%	8.90%	5.32%	3.49%
60	13.63%	7.84%	2.12%	0.20%

Mortality

IRS 2015 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: 3rd Fed Bank Retirement Plan

EIN: 23-2215075

PN: 003

Plan Year: 1/1/2015 - 12/31/2015

Preretirement Survivor Death Benefit

Liabilities computed on the assumption that 75% of participants will have spouses of the same age at the date of eligibility for the benefit.

Lump Sum Distributions

70% assumed to elect a lump sum distribution valued using the IRS 2015 Applicable Mortality Table.

Expenses

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

Actuarial Value of Assets

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

Changes in Non-Prescribed Actuarial Assumptions and Methods

	Prior	Current
Withdrawal	Service Only Based Table	See Above

Schedule H, line 4j – Schedule of Reportable Transactions

Plan Name: 3rd Fed Bank Retirement Plan

Employer I.D. #: 23-2215075

Plan Number: 003

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

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan 3RD FED BANK RETIREMENT PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF National Penn Bancshares, Inc.	D Employer Identification Number (EIN) 23-2215075	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>		
2	Assets:		
	a Market value	2a	11,345,556
	b Actuarial value	2b	11,345,556
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	15	1,111,003
	b For terminated vested participants	80	4,234,906
	c For active participants	63	2,503,697
	d Total	158	7,849,606
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	6.38%
6	Target normal cost	6	26,000

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary Denise M. Polin, F.S.A. Type or print name of actuary Conrad Siegel Actuaries Firm name P.O. Box 5900, 501 Corporate Circle Harrisburg PA 17110-0900 Address of the firm	<u>10-13-2016</u> Date 1405665 Most recent enrollment number 717-652-5633 Telephone number (including area code)
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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) 2015
v. 150123

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

21 Discount rate:				
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	26,000										
b Excess assets, if applicable, but not greater than line 31a	31b	26,000										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement			0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3,695,056										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	3,695,056										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

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

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

Schedule C, line 2(h) – Formula Description

Plan Name: 3rd Fed Bank Retirement Plan
Employer I.D. #: 23-2215075
Plan Number: 003

(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
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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: 3rd Fed Bank Retirement Plan

EIN: 23-2215075

PN: 003

Plan Year: 1/1/2015 - 12/31/2015

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, line 19 - Discounted Employer Contributions

Name of Plan: 3rd Fed Bank Retirement Plan

EIN: 23-2215075

PN: 003

Plan Year: 1/1/2015 - 12/31/2015

Effective Interest Rate: 6.38%

Late Quarterly Interest Rate: 11.38%

Contribution Date	Applicable Plan Year	Contribution Amount	Interest Adjusted Contribution
8/31/2016	2015	4,096,030	3,695,056

Total

4,096,030

3,695,056

Schedule SB, Part V - Summary of Plan Provisions
3rd Fed Bank Retirement Plan
EIN: 23-2215075
Plan Number: 003

3rd Fed Bank Retirement Plan
Actuarial Valuation as of January 1, 2015
Summary of Plan Provisions

3rd Fed Bank Retirement Plan is a defined benefit pension plan that was established January 1, 1955, and was last amended and restated effective as of January 1, 2012. The plan year begins January 1 and ends December 31.

ELIGIBILITY TO PARTICIPATE

Participation under this Plan was frozen effective October 15, 2014, with respect to employees scheduled to participate on or after that date.

NORMAL RETIREMENT BENEFIT

Normal Retirement Date

A participant is eligible for his normal retirement pension as of the first day of the month on or after the participant satisfies the following conditions:

- Attainment of age 65.
- Participation in the Plan for five years.

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

Benefit accruals were frozen effective October 15, 2014.

Accrued Benefit

Benefit accruals were frozen effective October 15, 2014.

Retirement Payment Options

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

- **Lifetime Pension**
- **Lifetime Pension with Guaranteed Period** with guaranteed payments for 120 or 240 months.
- **Joint and Survivor Pension** with 100%, 75%, or 50% survivor pension.
- **Lump Sum Payment** – If the present value of the vested pension does not exceed \$5,000, this is the only payment option. This payment option is not available if the Plan does not meet certain Internal Revenue Code funding requirements.

If the participant is married at the time payments are to begin, the automatic form of payment 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.

3rd Fed Bank Retirement Plan
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Employment after Retirement. If a participant in pay status returns to employment, retirement benefits will not be suspended.

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 normal retirement benefit as actuarially increased; or
- The normal retirement benefit determined under the pension formula using compensation and benefit service as of October 15, 2014.

Early Retirement

A participant is eligible for early retirement after attainment of age 55 and completion of 5 years of vesting service. The early retirement pension is the actuarial equivalent of the pension accrued to the date of early retirement.

Disability Retirement

A participant will be eligible for a disability retirement if he meets all of the following requirements as of the date he becomes disabled:

- Becomes totally and permanently disabled and remains so for six months

If the participant was actively employed at the time of disability, the participant's disability retirement pension will be his unreduced accrued pension at the date of disability.

If the participant was vested and terminated employment prior to the time of disability, the participant's disability retirement pension will be the early retirement actuarial equivalent of his accrued pension at the date of disability.

DEATH BENEFIT

Preretirement Survivor Benefit

If a participant dies after he has become vested under the Plan but before he begins to receive a retirement pension benefit, his surviving spouse will receive a 50% survivor benefit. Payment will begin on the date on which he first would have been eligible for retirement. The amount of his surviving spouse's benefit is equal to the 50% survivor benefit payable under the joint and 50% survivor pension option, based upon his vested accrued pension at the date of death and reduced for early commencement of benefits, if applicable. If the participant is not married at the time of death, no benefit will be paid by the Plan.

3rd Fed Bank Retirement Plan
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Summary of Plan Provisions

TERMINATION OF EMPLOYMENT BENEFITS

Vesting in Accrued Pension

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

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

Time of Payment

After termination of employment, a participant may elect to receive his vested accrued pension as soon as administratively possible after the date of severance. The forms of payment available before the participant meets the requirements for early retirement are: Lump Sum Payment, Lifetime Pension, and Joint and 75% or 50% Survivor Pension

If the present value of the participant's vested accrued benefit does not exceed \$1,000, the Plan will automatically distribute the amount in cash, if the participant does not elect a rollover to an IRA or another qualified plan. If the present value of the participant's vested accrued benefit is greater than \$1,000 but does not exceed \$5,000 and the participant makes no election, the Plan will automatically roll over the present value of the vested accrued benefit to an IRA.

SERVICE RULES

Vesting Service Rules

An employee is credited with a year of vesting service when he completes at least 1,000 hours of service in a plan year.

Benefit Service Rules

Benefit service was frozen October 15, 2014.

ACTUARIAL EQUIVALENCE

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

Mortality table:	Preretirement – UP1984
	Postretirement – UP1984
Interest rate:	Preretirement – 6%
	Postretirement – 6%

For the purpose of determining the amount of a lump sum, the actuarial equivalence determination will include the use of the Code section 417 mortality table and the Code section 417 interest rates, if such use produces a greater benefit.

3rd Fed Bank Retirement Plan
Actuarial Valuation as of January 1, 2015
Summary of Plan Provisions

Early Retirement – For the purpose of determining an early retirement benefit, the accrued benefit is reduced 5/9% for each of the first 60 months and 5/18% for each of the next 60 months. The lump sum payment option will be equal to the greater of the present value of the early retirement benefit or the present value of the normal retirement benefit, in each instance subject to the Code section 417 mortality table and the Code section 417 interest rates requirements.

Code Section 417 Mortality Table

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

Code Section 417 Interest Rates

The Code section 417 interest rates are the Segment Rates for the fourth month preceding the annuity starting date.

CHANGES IN PLAN PROVISIONS SINCE THE LAST VALUATION

Participation and benefit accruals were frozen effective October 15, 2014.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR

None.

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

Plan Name: 3rd Fed Bank Retirement Plan

Employer I.D. #: 23-2215075

Plan Number: 003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
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Schedule of Assets (Held At End of Year) is contained in the attached audit report.

Schedule SB, line 24 – Change in Actuarial Assumptions

Plan Year: 01/01/2015 to 12/31/2015

Plan Name: 3rd Fed Bank Retirement Plan

EIN: 23-2215075 **Plan #** 003

The following changes were made in the non-prescribed actuarial assumptions used for the actuarial valuation for the plan and plan year stated above:

Changes in non-prescribed actuarial assumptions

	<u>Prior</u>	<u>Current</u>
Withdrawal Table	Service Only Based Table	2003 Society of Actuaries Select and Ultimate Turnover Table

The changes in actuarial assumptions described above were made to reflect recent and expected future experience in order that the actuarial assumptions continue to each be reasonable (taking into account the experience of the plan and reasonable expectations) or which would, in the aggregate, continue to result in a total contribution equivalent to that which would be determined if each such assumption were reasonable, and which, in combination, offer the best estimate of anticipated experience under the plan.

Internal Revenue Service approval is not required since

1) The aggregate unfunded vested benefits as of the close of the preceding plan year of this plan and all other plans maintained by the contributing sponsor and members of such sponsor's controlled groups (if any) which are covered by title IV does not exceed \$50 million, OR

2) The change in assumptions (determined after taking into account any changes in interest rate and mortality table) results in a decrease in the funding shortfall of the plan for the current plan year that does not exceed \$50 million, and that does not exceed \$5 million and that is 5% or more of the funding target of the plan before such change.