



January 2012

## **2011 Milestones Position National Penn as Clean, Strong, and Efficient**

Dear Valued Customers:

Thank you for your business and for choosing National Penn!

Given the accomplishments of 2011, National Penn is a clean, strong and efficient company positioned for growth. Three consecutive common stock dividend increases, combined with our strong fundamentals and financial performance, resulted in improved returns to our shareholders.

The strength of our balance sheet is a competitive advantage that has been recognized by Forbes Magazine which recently ranked National Penn 15<sup>th</sup> of the 100 largest banks on its list of America's Best Banks.

Other fourth quarter highlights include:

- Strong return on assets
- Net interest margin increase over 2010
- Continuous improvement of asset quality metrics
- 2012 first quarter common stock cash dividend increased to \$0.05 per share
- Continuing to enhance strong balance sheet

We are very pleased with the overall results of 2011 which reflect strong internal generation of capital from enhanced profitability.

As the economy continues to recover, we will continue to focus on our vision statement of being the most highly regarded financial institution within the markets we serve while providing you, our valued customers, with our wide range of banking, insurance, investment and trust services.

I appreciate your support and confidence in our organization!

Sincerely,

*Scott V. Fainor*