

Reuters – July 29, 2010

UPDATE 1-National Penn Q2 profit beats Wall Street

- * Provision for loan losses down 33 pct

- * Net interest income up 12 pct

July 29 (Reuters) - National Penn Bancshares Inc ([NPBC.O](#)) reported a quarterly profit that topped Wall Street estimates, helped by higher net interest income and lower provision for loan losses.

"Asset quality improved during the quarter with a decline in classified and non-performing loans, which resulted in a reduced loan-loss provision," Chief Executive Scott Fainor said in a statement.

For the second quarter, the bank holding company reported net loss applicable to common shareholders of \$5.5 million, or 4 cents a share, compared with a loss of \$9.6 million, or 11 cents a share, a year earlier.

Excluding items, profit was 8 cents a share. Analysts on average were expecting 1 cent a share, according to Thomson Reuters I/B/E/S.

Net interest income for the quarter rose 12 percent to \$68.6 million, while provision for loan losses fell 33 percent to \$25 million.

Shares of the company closed at \$6.61 Wednesday on Nasdaq. (Reporting by Tenzin Dekeva in Bangalore; Editing by Vyas Mohan)