



January 2010

To Our Valued Customers:

In 2009, National Penn took steps to strengthen our balance sheet and improve our performance. Today, with the economy showing signs of subtle recovery, we believe we are well-positioned for growth and profitability in 2010 and beyond.

Although the proactive measures we took last year resulted in a net loss, our core performance remained strong. We are well-capitalized, and our expenses are under control. We have moved to a number one deposit market share position in Berks and Centre Counties and remain number one and two in Northampton and Lehigh Counties, respectively. Furthermore, we implemented several organizational and management changes that have better aligned us for cross-selling and improved customer service. All of these things are designed to make us a more efficient organization, bolster our financial position, and enhance our leadership team now and for the long term.

As we emerge from the economic downturn, we will continue to do what has made us successful for more than 130 years: provide customers with the best in financial products delivered with the best in customer service.

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