



## **The Stability of National Penn... and the Safety of Your Savings**

In this challenging economic environment, we'd like to provide you with the following information about National Penn, which speaks to the stability of our company and the safety of your deposits.

### **Credit Culture**

National Penn is the fifth largest bank holding company headquartered in Pennsylvania and has had a responsible and prudent credit culture since our founding 134 years ago. We have diverse assets and a broad revenue stream, all of which contribute to our stability.

### **Exposure to Subprime Lending**

As described in our June 30, 2008 Quarterly Report on Form 10-Q viewable on the "Documents/SEC filings" section of this Web site, National Penn had no participation in subprime mortgages in the second quarter 2008 and has had minimal participation historically.

### **Exposure to Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) Equity**

National Penn does not own any Freddie Mac common or preferred stock, nor any Fannie Mae preferred stock. We own an immaterial amount of Fannie Mae common stock – 1,780 shares as of June 30, 2008.

### **Capitalization**

To protect against potential losses, our holding company, National Penn Bancshares, Inc., and our banking subsidiaries are all "well-capitalized," as defined in government banking regulations.

### **Regulation**

The U.S. financial services industry is highly regulated. National Penn and our banking subsidiaries are each supervised by various government bank regulators.

### **FDIC Insurance (increased on October 3, 2008)**

Customers' deposits are insured by the Federal Deposit Insurance Corporation. The amount of basic coverage went to \$250,000 from \$100,000, as part of the Emergency Economic Stabilization Act signed into law on October 3. The total amount of coverage is based on the ownership of the account. For example, while the basic coverage is now \$250,000, a couple can have a joint account covered up to \$500,000 and the husband and wife can each have an additional \$250,000 covered in single accounts. In addition, each person can have up to \$250,000 covered in certain retirement accounts.

Some bank holding companies, such as National Penn, have separately chartered banks, each offering FDIC-insured deposit accounts. This enables customers to open similar FDIC-insured accounts at each bank.

For more details, please visit the FDIC Web site at [www.fdic.gov/deposit](http://www.fdic.gov/deposit). The site also has calculator to help you calculate simple FDIC insurance coverage. The calculator is available at [www.fdic.gov/edie](http://www.fdic.gov/edie).

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