

FACTS**WHAT DOES NATIONAL PENN BANCSHARES, INC. ("NATIONAL PENN") DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- social security number and income
- account balances and payment history
- credit history and credit scores

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons National Penn chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does National Penn share?	Can you limit this sharing?
For our everyday business purposes -such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes -to offer our products and services to you	Yes	Yes
For joint marketing with other financial companies	Yes	Yes
For our affiliates' everyday business purposes -information about your transactions and experiences	Yes	Yes
For our affiliates' everyday business purposes -information about your creditworthiness	No	No
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	No	No

To limit our sharing

- Call toll free 1.800.822.3321 **or**
- Visit any of our Branch Offices - see locations at nationalpenn.com.

Please note: If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

Questions?

Call 1.800.822.3321



Also part of the National Penn family:
 HomeTowne Heritage Bank
 KNBT ■ Nittany Bank

Who we are

Who is providing this notice?

National Penn Bancshares, Inc., National Penn Bank and its HomeTowne Heritage Bank, KNBT and Nittany Bank divisions and its financial service affiliates described below.

What we do

How does National Penn protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. If you discover inaccuracies, notify us immediately (see: "To limit our sharing"). We will investigate fully and promptly.

How does National Penn collect my personal information?

We collect your personal information, for example, when you

- open an account or deposit money
- pay your bills or apply for a loan
- use your credit or debit card

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on your account – unless you tell us otherwise.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

National Penn's financial services affiliates consist of National Penn Wealth Management, N.A., including its National Penn Investors Trust Company and services provided by National Penn Investment Services; National Penn Capital Advisors, Inc and its Resources for Retirement division.; Institutional Advisors LLC; National Penn Insurance Services Group, Inc., including its Higgins Insurance division; and Caruso Benefits Group, Inc.

Non-affiliates

National Penn does not share with Non-Affiliates so they can market to you.

Joint Marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Our joint marketing partners include companies that sell specific products or services such as **ValuePlus** benefits, credit cards, insurance, or retail merchant services.

Other important information

For important information concerning our online privacy practices, see our online Terms of Use Disclosure located on our Web site. You may have other privacy protections under state laws, such as California, Massachusetts, Nevada or Vermont. To the extent these state laws apply, we will comply with them with regard to our information security practices.