



**20
14**
ANNUAL
REPORT

EXPANDING OUR PRESENCE *Through New Locations*



Lehigh Valley Office Grand Opening: January 14, 2014



Groundbreaking for New Financial Center
in Newtown: August 12, 2014



Newtown Office Grand Opening
Set for March 2015

GROWING THE BUSINESS *Through Acquisitions*

MAY 31, 2012

Completed Acquisition of
Javers Group

JANUARY 1, 2014

Completed Acquisition of
Girard Partners, Ltd.

JANUARY 1, 2015

Completed Acquisition
of Valley Green Bank

MAY 1, 2013

Completed Acquisition of The
John T. Fretz Insurance Agency

JULY 1, 2014

Completed Acquisition of
Sternier Insurance Associates

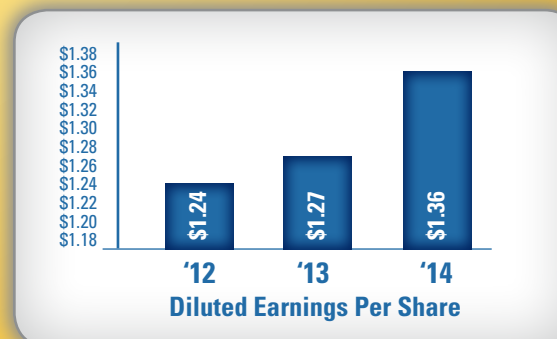
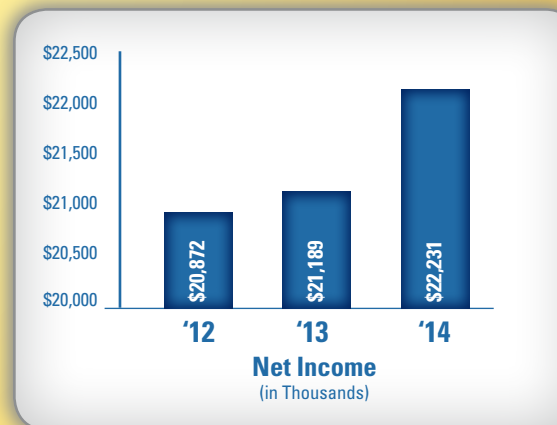
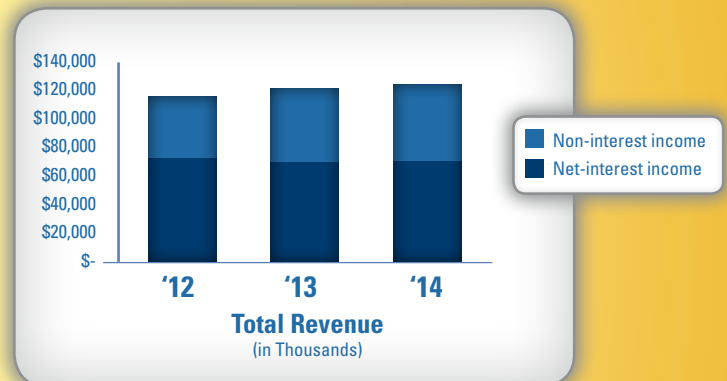
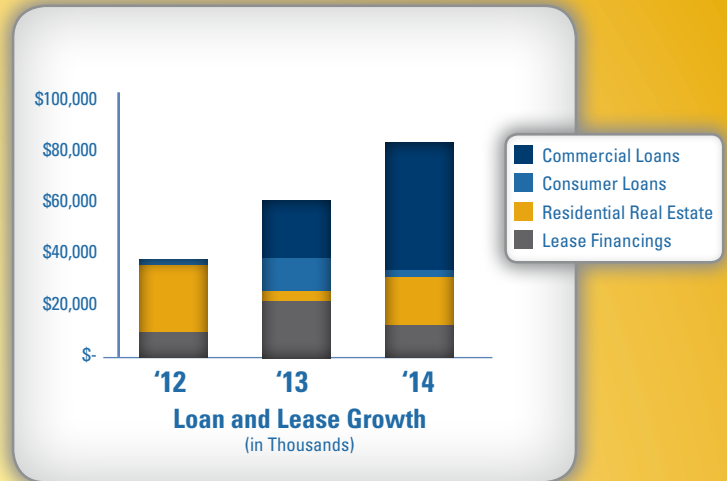
2014 FINANCIAL PERFORMANCE

At December 31, (Dollars in thousands)

	2014	2013	2012
Cash and interest-earning deposits	\$ 38,565	\$ 69,169	\$ 146,112
Investment securities	368,630	402,284	499,579
Net loans and leases	1,605,963	1,516,990	1,457,116
Other assets	222,163	203,116	202,034
Total assets	\$ 2,235,321	\$ 2,191,559	\$ 2,304,841
Deposits	\$ 1,861,341	\$ 1,844,498	\$ 1,865,333
Borrowings	41,974	37,256	117,276
Other liabilities	47,452	29,299	37,955
Total liabilities	1,950,767	1,911,053	2,020,564
Shareholders' equity	284,554	280,506	284,277
Total liabilities and shareholders' equity	\$ 2,235,321	\$ 2,191,559	\$ 2,304,841

For the years ended December 31,
(Dollars in thousands, except share and per share data)

	2014	2013	2012
Interest income	\$ 75,885	\$ 77,579	\$ 80,654
Interest expense	3,996	5,117	8,174
Net-interest income	71,889	72,462	72,480
Provision for loan and lease losses	3,607	11,228	10,035
Net-interest income after provision for loan and lease losses	68,282	61,234	62,445
Non-interest income	48,651	46,784	40,260
Non-interest expense	87,254	81,133	76,282
Net income before income taxes	29,679	26,885	26,423
Income taxes	7,448	5,696	5,551
Net income	\$ 22,231	\$ 21,189	\$ 20,872
Book value per share	\$ 17.54	\$ 17.22	\$ 16.95
Net income per share:			
Basic	1.37	1.28	1.25
Diluted	1.36	1.27	1.24
Dividends declared per share	0.80	0.80	0.80
Weighted average shares outstanding	16,234,959	16,605,232	16,761,184
Period end shares outstanding	16,221,607	16,287,812	16,770,232



To our family **OF SHAREHOLDERS, CUSTOMERS AND EMPLOYEES:**

By every measure, 2014 was a successful year for Univest Corporation of Pennsylvania. Despite a slow start to the year, as a result of the harsh winter, confidence in the economy grew and brought with it opportunities for Univest to welcome new relationships and invest in the business for long-term success. We reported net income of \$22.2 million for the year, a 5% increase from \$21.2 million in 2013.

The year 2014 could be recorded as a year of change and rapid growth through acquisition for the Corporation. We completed two strategic acquisitions tied to Univest Wealth Management and Univest Insurance to further reduce our reliance on net interest income, the traditional revenue source for banks. During the fourth quarter, we obtained all of the necessary approvals to complete a third acquisition, which closed January 1, 2015, to acquire Valley Green Bank. This acquisition is the most notable transaction as it will expand our service area to the growing Philadelphia marketplace and fuel future organic growth for our non-banking operations.

During the year we also opened new offices, elevated our brand through multi-channel marketing and communications initiatives, invested in talent to strengthen our sales efforts, implemented changes to maximize efficiency, and continued to be a good corporate citizen by supporting our local communities.

We are pleased with all of our achievements, most of which were made possible by the determined efforts of our employees. Our actions have put Univest in a better position to serve our growing market, strengthen our franchise and enhance shareholder value. We are determined to continue to differentiate Univest in the competitive marketplace we serve by delivering superior service, helping our customers remain safe and secure, serving attractive market niches, adding high-value products and convenience solutions and growing our revenue streams so we can continue to pay consistent dividends to our valued shareholders.

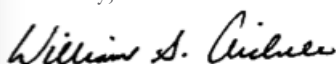
Our success and commitment to the communities we serve goes well beyond our financial solutions. For 138 years, we have fostered a work environment that encourages employees to become involved in their community. In 2014, we continued that tradition and increased awareness of our “Committed to Local” giving program. As a company, we gave back more than \$1.2 million dollars to local nonprofit organizations and our employees volunteered more than 15,500 hours.

Throughout our rich history, we have been blessed with strong leaders on our board, on our senior leadership team and across the organization. This past July, K. Leon Moyer, President and CEO of Univest Bank and Trust Co., announced his retirement effective January 1, 2015. Leon was one of our longest tenured employees, dedicating 44 years of service to Univest. His loyalty and strategic contributions helped Univest evolve into a strong, stable organization. We want to recognize and thank Leon for his passion, leadership and service to Univest and our community. We are pleased to offer our congratulations rather than say farewell as Leon will continue to share his expertise on the Board of Directors for both Univest Corporation and Univest Bank and Trust Co.

Effective January 1, 2015, we also welcomed two new members to Univest Corporation’s Board of Directors. Jay R. Goldstein, former President and Chief Executive Officer of Valley Green Bank, was appointed to the board in addition to remaining in his role as President of the Valley Green Bank Division. Michael L. Turner, one of the founders of Valley Green Bank and a Valley Green Bank board member prior to the acquisition, was also appointed. We are delighted to have Jay and Michael’s expertise and leadership to help us continue to move Univest forward.

As you review the 2014 Annual Report, we trust you will be pleased with our accomplishments and plans for continued growth and stability. Univest is operating from a position of strength and therefore we are confident our future is bright. We know the strength of our integrated business coupled with the talents of our capable and motivated employees will drive our performance and enable us to become a premiere financial solutions provider. On behalf of the entire Univest family, thank you for your support and investment.

Sincerely,



William S. Aichele
Chairman



Jeffrey M. Schweitzer
President and Chief Executive Officer



William S. Aichele, Jeffrey M. Schweitzer

2014 HIGHLIGHTS

Growing the Business | Building our Brand | Strengthening our Connections & Communities

Our strong performance in 2014 is not tied to one area of our business. As we move forward towards our vision, balanced growth and contributions across our entire network is most important. Contributions from all areas of the company – front line sales to back office support – enabled us to achieve our increased earnings and strong performance compared to our peers. Together, we've achieved the following significant milestones, positioning us well to build upon our momentum and achieve steady and stable growth as we move forward.

- Improvements in the economy were felt locally as borrowing demand started to increase consistently throughout the year. Our loan portfolio increased \$85.1 million from December 2013.
- Deposits increased \$16.8 million from December 2013 primarily in demand deposits. We continue to focus on growing demand deposits by promoting awareness of our suite of convenience features available both online and via our mobile app.
- We continued to improve our asset quality, with a \$5.9 million reduction in non-accrual loans and a \$9 million reduction in non-performing assets, respectively from December 31, 2013.
- In addition to locations we added through acquisitions, there were two notable efforts to enhance the franchise and better serve our communities. The first was the grand opening of our Lehigh Valley Regional Office on January 14. This new 10,000-square-foot facility houses employees from corporate banking, mortgage banking, wealth management and equipment financing. On August 12, we broke ground on a new financial center in Newtown, Bucks County. This facility is the first new model we are introducing to the marketplace that focuses on a customer experience that delivers highly personalized service and leading edge technology solutions. We opened the new financial center to customers on February 2, 2015.

Thank You FOR 44 REWARDING YEARS



The New Year brought a major change for me and my family as I started my retirement after 44 years of service to Univest Corporation. Time has a way of moving very rapidly and often it seems these years have gone by with surprising speed. Since I first became a Univest employee, many things have changed in our industry. We navigated through an ever-changing regulatory environment that in some instances helped us grow to become “more than a bank,” while others brought increased costs and new requirements. We weathered varying economic cycles by remaining disciplined and working hard to evolve the business and position Univest as a leading financial services organization. Our expansion into new markets and lines of business has grown significantly. Today, we are in a position to better serve our customers and communities with comprehensive financial solutions.

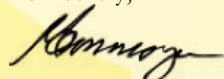
To the extent I have been successful, I owe a collective thanks to many individuals who have given me a bountiful number of opportunities. It has been a tremendously gratifying experience and a privilege. I did not just have colleagues and customers, but rather friendships that grew over the years. I believe our greatest asset as an organization is our employees.

- Improving our efficiency ratio remained an area of focus throughout 2014. In several areas of the company we implemented positive change, introduced new systems and refined processes to maximize efficiency and reduce costs going forward. Most notably, we outsourced our core bank operating system to Jack Henry, which not only made us more efficient but also significantly enhanced our disaster recovery capabilities.
- Our marketing strategy continued to evolve as demand for digital and mobile content increased among consumers online. By complementing traditional mass advertising channels with digital, social and online advertising, we've further built our company brand, optimized our targeting capabilities, improved campaign success and increased lead generation across our integrated platform of solutions.
- Along with building our convenience solutions, Univest also got more social in 2014 to strengthen connections with our customers, employees and communities. We introduced our blog – My Univest, established two Twitter handles and significantly grew engagement with fans on Facebook, YouTube and LinkedIn. Our growing social success earned us recognition by the Independent Community Bankers Association as one of the top 50 community bank leaders in social media.
- Univest continued our support of the neighborhoods we serve by participating in 99 community events. Through our financial literacy program, we educated more than 3,500 students. Buck and Penny, our eaglet mascots, continued to generate excitement at events and in schools as we educated local youth about the importance of saving and managing money.
- Throughout the year, financial institutions were faced with a rapid rise in fraud. Univest responded by making investments to enhance our risk management capabilities in tandem with aligning our operations team to address potential risks and compromises to our system. These changes have brought Univest a significant level of protection and enhanced readiness to cope with a regional disaster.

I have learned from many of them while also having the pleasure of mentoring several. Univest has a unique corporate culture highlighted by unwavering ethical business standards and strong ties to community, faith and family. It has been a home away from home for me which is why it was easy to dedicate my career to one incredible company.

While this chapter of my life is ending, I have enjoyed every opportunity afforded to me and will never forget the experiences that shaped me personally and professionally. Thank you for helping to make my 44-year career rewarding and memorable. As I begin this next phase, I am excited to remain connected through my role on the Board of Directors and continued service to our community.

Sincerely,



K. Leon Moyer

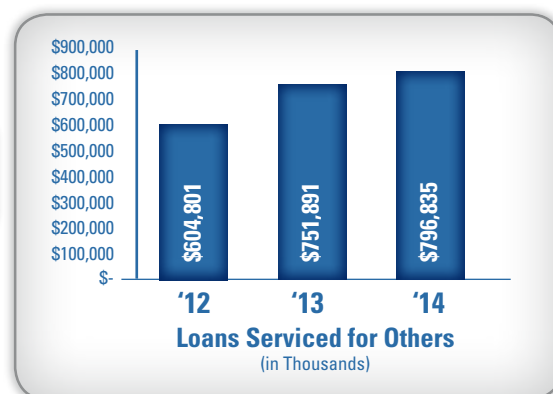
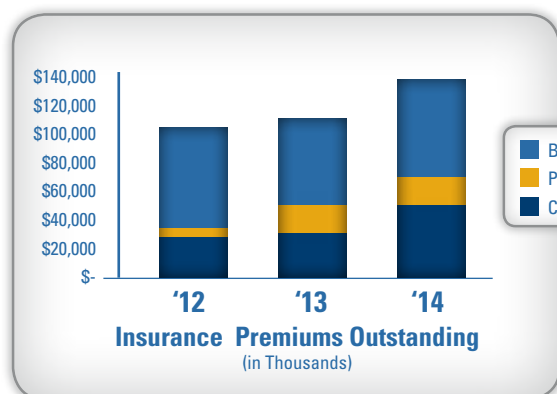
INTEGRATION HIGHLIGHTS *Steady Progress Towards Our Vision*

Over the last 15 years, one of our strategies has been to expand in areas that complement our traditional banking roots and business model to become a comprehensive financial solutions provider. Our vision is clear - we are committed to becoming “the best integrated financial solutions provider in the market.” As a result, we have remained focused on adding other financial operations to diversify our earnings stream by providing additional sources of non-interest income.

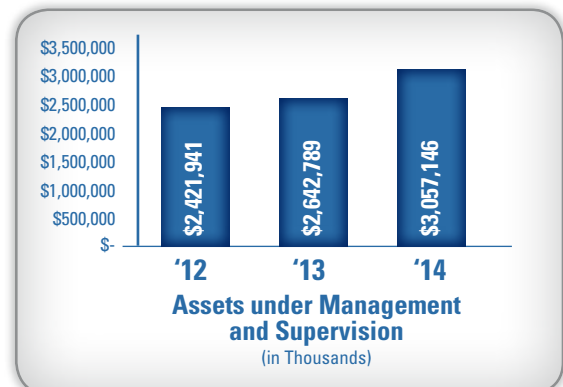
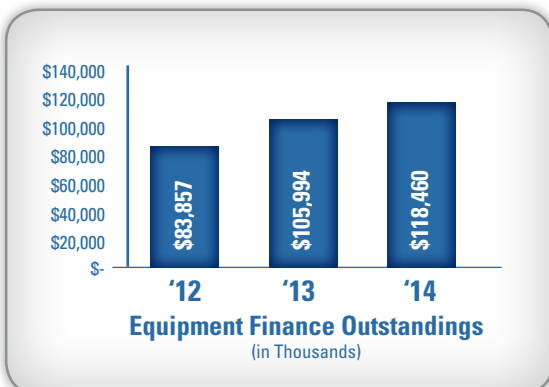
The two acquisitions we completed in 2014 – Girard Partners, Ltd. and Sterner Insurance Associates – were directly tied to our integrated vision. We realize that to achieve our vision our role must be to help customers secure a broad range of financial solutions and information that will accommodate their long-term financial needs. Being in a highly-commoditized business, we also realize that to compete successfully we must continue to strive for excellence by providing personalized and innovative customer experiences balanced with solutions delivered through the latest technology.

The increased performance of our fee-generating lines of business was the result of both organic growth and growth through acquisition. Here are several highlights of our integrated successes in 2014.

- Our diversified businesses contributed \$45.7 million in revenue and \$13.7 million in pre-tax income, representing 38.0% and 46.2% of our total revenue and pre-tax income, respectively.
- Univest Capital, Inc. benefited from stable margins and strong credit performance throughout 2014, growing its overall level of equipment financing by \$12.5 million from December 2013.
- Univest Insurance continued to benefit from the May 1, 2013 acquisition of The John T. Fretz Insurance Agency, Inc., and also experienced significant growth from the July 1, 2014 acquisition of Sterner Insurance Associates. Sterner Insurance Associates marks Univest’s eighth insurance acquisition since 1999.
- Sterner Insurance Associates, which now operates under the Univest Insurance brand, brought Univest a significant insurance presence in the Lehigh Valley in addition to already being accretive to earnings within the first six months. The Lehigh Valley insurance team, led by Alan Sterner – founder and former President and CEO of Sterner Insurance Associates – added more than \$28 million of written premium to our book of business.
- Since we started our Mortgage Banking business in 2008, it has contributed significant revenue as a result of the attractive rate environment which fueled strong refinancing activity in 2012 and 2013. In 2014, the higher interest rate environment decreased refinance volume and purchase volume remained below historical norms. However, we saw a resurgence of activity and pipeline growth in our Mortgage Banking area during the second half of the year as we recruited several high producing loan consultants. The significant drop in interest rates at year end also contributed to the growth in our loan pipeline, which ended the year at its highest level in more than a year.



- Univest Investments and our Wealth Management businesses achieved strong organic growth, benefiting from the lower interest rate environment and consumers seeking more attractive investment alternatives.
- Wealth Management also benefited from the Girard Partners, Ltd. acquisition which added more than \$500 million in assets under management, growing Univest's total assets under management to more than \$3.0 billion and further strengthening our advisory capabilities. Girard Partners, which began operating as A Univest Wealth Management Company, continued to grow and was accretive to earnings in its first year. Kevin B. Norris, President of Girard Partners, Ltd. was also appointed President of Univest Wealth Management in July 2014.
- Our definitive agreement to purchase Valley Green Bank, which was approved in December and became effective January 1, 2015, added more than \$425 million in assets to our balance sheet. Acquiring Valley Green Bank provides us with a presence in the fast-growing Philadelphia marketplace and gives us access to an expanded customer base to sell our complete array of financial services. While the acquisition will increase our revenue from core banking, we are confident in our ability to grow our non-banking revenue at an accelerated pace as well. This balanced growth will help us achieve our goal of 60% of our revenue coming from the core banking operations and 40% coming from our other financial operations.
- All three of the acquisitions we completed from January 1, 2014 through January 1, 2015 brought immediate growth. Yet, what is most promising, is that each of these entities has significant potential to achieve solid organic growth both in top line revenue and net income for years to come.
- We have chosen to retain the strong brand identity for two of our most recent acquisitions as we see value in the brand equity each acquired entity has established in the markets it serves. Our integrated brand for both entities seen below has been well received.



Univest Corporation of Pennsylvania

Listing as of January 1, 2015

Senior Leadership Team

Jeffrey M. Schweitzer

President and Chief Executive Officer

Michael S. Keim

Senior Executive Vice President and Chief Financial Officer

Duane J. Brobst

Senior Executive Vice President and Chief Risk Officer

Hugh W. Connelly

President, Univest Capital, Inc.

Ronald R. Flaherty

President, Univest Insurance, Inc.

Jay R. Goldstein

President, Valley Green Bank Division

Edward D. Hughes

President, Mortgage Banking

Philip C. Jackson

President, Corporate Banking

Kevin B. Norris

President, Univest Wealth Management

Louis P. Spinelli

President, Consumer Banking

Eric W. Conner

Executive Vice President and Chief Technology Officer

M. Theresa Schwartz

Executive Vice President and Director of Human Resources

Annette D. Szygiel

Executive Vice President and Chief Experience Officer

Board of Directors

Listing as of January 1, 2015

William S. Aichele *†

Chairman of Univest Corporation of Pennsylvania and of Univest Bank and Trust Co.; Retired President and CEO of Univest Corporation of Pennsylvania

Douglas C. Clemens*

President, Clemens Food Group

R. Lee Delp*†

Principal, R.L. Delp & Company

Jay R. Goldstein*

President, Valley Green Bank Division

H. Paul Lewis*†

Vice President and Sales Agent, Bucks County Commercial Realty, Inc.; Retired Executive Vice President, Univest Bank and Trust Co.

William G. Morral, CPA*

Accountant and Financial Consultant; Former Senior Vice President and Chief Financial Officer, Moyer Packing Company

K. Leon Moyer*†

Retired President and CEO, Univest Bank and Trust Co.

Thomas Scannapieco*

President and CEO, Scannapiecco Development Corporation

Mark A. Schlosser*

Secretary/Treasurer, Schlosser Steel, Inc.

Jeffrey M. Schweitzer*†

President and CEO, Univest Corporation of Pennsylvania, Univest Bank and Trust Co.

P. Gregory Shelly*†

President, Shellys US LBM LLC

Michael L. Turner*

Partner/Attorney, Marshall, Dennehey, Warner, Coleman & Goggin

Margaret K. Zook*

Board Chair, The Penn Foundation; Director of Church and Community Relations, Living Branches

* Director of Univest Corporation of Pennsylvania

† Director of Univest Bank and Trust Co.

Other Wholly-Owned Subsidiaries

Univest Bank and Trust Co.

Univest Capital, Inc.

Univest Insurance, Inc.

Univest Investments, Inc.

Allied Benefits Group, LLC

Delview, Inc.

Girard Partners, Ltd.

TCG Investment Advisory, Inc.

Please visit univest.net for a complete list of locations for Univest Corporation and our subsidiaries.

LOOKING AHEAD

Many years ago we identified the long-term future of Univest would be first built on our people, then our electronic and marketing capabilities. These three elements, and the way in which each was developed, are the essence of our company today. They also form the foundation for us to succeed tomorrow. Our electronic capabilities have evolved as technology advances have transformed the way we do business and how our customers interact with us. We are on the leading edge of technology for community financial organizations, constantly enabling the creative delivery of the latest in electronic financial information, experiences and solutions across all of our lines of business and subsidiaries. Today, marketing is more than a function; it is a way of life and an essential part of our business success. Product and service delivery has been redefined. We are strengthening customer interactions through multi-channel delivery efforts and the integration of a sales philosophy in all business units has strengthened our culture immeasurably.

From one end of Univest to the other, our people are and will continue to provide the management and leadership for tomorrow, connecting vision with capability and service. Whether our customers need a banking product, insurance, wealth management or home loan solution, they can look to Univest and be confident that they will receive highly personalized service delivered by knowledgeable employees.

To grow the business and deepen relationships, our focus in 2015 remains tied to three strategic priorities:

- grow top line revenue
- maximize efficiency and manage cost
- expand and optimize the capabilities of Univest to better serve our customers and communities

We experienced many positive changes this past year and anticipate change to be rapid and constant as we move forward and navigate an industry in transition. Merger and acquisition opportunities are rising and we are in a strong, well-capitalized position to continue growing through strategic acquisitions. As we pursue these opportunities, we will remain disciplined in our acquisition approach to ensure we only move forward if the organization operates and serves our market or a contiguous market, is accretive to earnings – typically in the first full year of operation, is a cultural fit and enhances our capabilities by growing our solutions, expanding our service area or strengthening our professional expertise.

Our focused and prudent approach to business has been at the core of Univest's success for 138 years. It is the reason we have been able to assist our customers in achieving their financial dreams while serving the needs of our four publics – employees, customers, shareholders and communities. Using our mission and core values as our guiding principles, we are poised to move forward and provide for you, our valued shareholders, an investment you can rely on and a company of which you can be proud.

All of our employees wish to thank you for your continued support – and we look forward to working together to serve you and the needs of our communities in 2015 and beyond.

SHAREHOLDER INFORMATION

Shareholders' Meeting

The Annual Shareholders' Meeting will take place at 10:45 a.m., Tuesday, April 21, 2015, in the Board Room at Univest Plaza, 14 North Main Street, Souderton, Pennsylvania.

Univest Stock Transfer Agent

For more information on Univest Corporation of Pennsylvania common stock, please contact Broadridge Corporate Issuer Solutions or visit the investor relations section at www.univest.net.

Regular Mail Communications:

Broadridge Corporate Issuer Solutions, Inc.
PO Box 1342
Brentwood, NY 11717

Phone Number: 866-321-8021

Email Address: shareholder@broadridge.com

Website: <https://investor.broadridge.com>

Overnight Mail Communications:

Broadridge Corporate Issuer Solutions, Inc.
ATTN: IWS
1155 Long Island Avenue
Edgewood, NY 11717

Univest Shareholder Information Hotline

For more information on Univest Corporation of Pennsylvania, please call 877.723.5571 or 215.721.2434.

Common Stock Information

Traded on the NASDAQ National Market, Symbol: UVSP.

Market Makers For Univest Corporation of Pennsylvania Common Stock

Boenning & Scattergood, Inc.

Goldman Sachs & Co.

Griffin Financial Group LLC

Janney Montgomery Scott LLC

Keefe Bruyette & Woods, Inc.

Morgan Stanley & Co., Inc.

UBS Securities LLC

"He gives strength to the weary and increases the power of the weak... but those who hope in the Lord will renew their strength. They will soar on wings like eagles; they will run and not grow weary, they will walk and not be faint."

- Isaiah 40:29, 31

