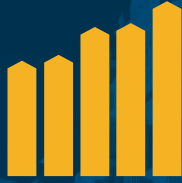




# 2015

ANNUAL REPORT

# Our Franchise



**139** YEARS OF BUSINESS SUCCESS



**7** LOCAL PA COUNTIES SERVED



**717** EMPLOYEES MAKING IT HAPPEN



**17,647** EMPLOYEE VOLUNTEER HOURS



**29** FINANCIAL CENTERS



**7** COMMERCIAL & CORPORATE OFFICES



**3** INVESTMENT OFFICES



**5** INSURANCE OFFICES



**48,884** CONSUMER HOUSEHOLDS

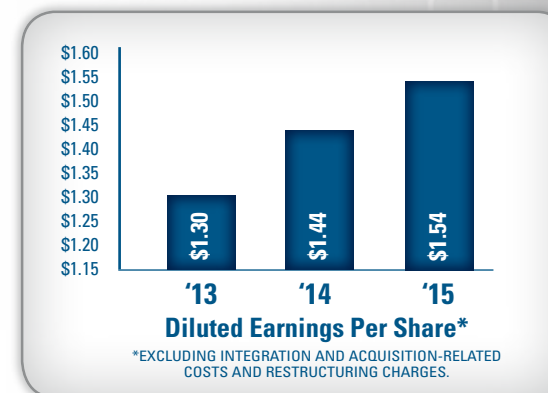
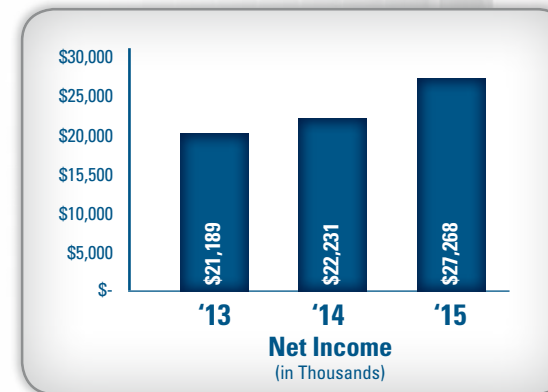
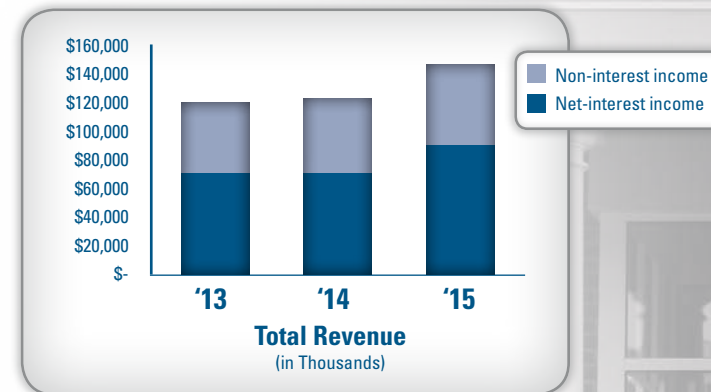
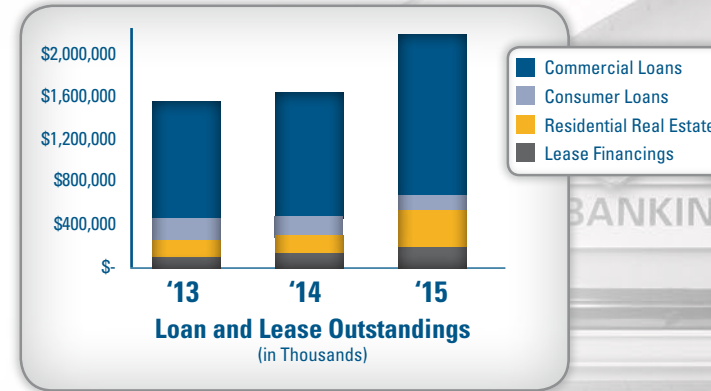


**10,006** BUSINESS CUSTOMERS

## 2015 Financial Performance

At December 31, (Dollars in thousands)	2015	2014	2013
Cash and interest-earning deposits	\$ 60,799	\$ 38,565	\$ 69,169
Investment securities	370,760	368,630	402,284
Net loans and leases	2,161,385	1,605,963	1,516,990
Other assets	286,507	222,163	203,116
<b>Total assets</b>	<b>\$ 2,879,451</b>	<b>\$ 2,235,321</b>	<b>\$ 2,191,559</b>
Deposits	\$ 2,394,360	\$ 1,861,341	\$ 1,844,498
Borrowings	73,588	41,974	37,256
Other liabilities	49,929	47,452	29,299
Total liabilities	2,517,877	1,950,767	1,911,053
Shareholders' equity	361,574	284,554	280,506
Total liabilities and shareholders' equity	<b>\$ 2,879,451</b>	<b>\$ 2,235,321</b>	<b>\$ 2,191,559</b>

For the years ended December 31, (Dollars in thousands, except share and per share data)	2015	2014	2013
Interest income	\$ 101,459	\$ 75,885	\$ 77,579
Interest expense	8,065	3,996	5,117
Net-interest income	93,394	71,889	72,462
Provision for loan and lease losses	3,802	3,607	11,228
Net-interest income after provision for loan and lease losses	89,592	68,282	61,234
Non-interest income	52,949	48,651	46,784
Non-interest expense	105,515	87,254	81,133
Net income before income taxes	37,026	29,679	26,885
Income taxes	9,758	7,448	5,696
<b>Net income</b>	<b>\$ 27,268</b>	<b>\$ 22,231</b>	<b>\$ 21,189</b>
Book value per share	\$ 18.51	\$ 17.54	\$ 17.22
Net income per share:			
Basic	1.39	1.37	1.28
Diluted	1.39	1.37	1.28
Dividends declared per share	0.80	0.80	0.80
Weighted average shares outstanding	19,663,039	16,234,959	16,605,232
Period end shares outstanding	19,530,930	16,221,607	16,287,812



## 2015 Financial Highlights



**\$2.9b**  
TOTAL ASSETS

**57.35%**  
DIVIDENDS DECLARED  
PAYOUT RATIO

**1.09%**  
ROAA\*

**3.96%**  
NIM

**12.86%**  
ROATE\*

\*EXCLUDING INTEGRATION AND ACQUISITION-RELATED COSTS AND RESTRUCTURING CHARGES.

## To our family of Shareholders, Customers and Employees

We are pleased to once again share a report which highlights a successful 2015 and our ability to build the business for long-term success in a year of continued change and volatility for the economy, our marketplace and the financial industry. Univest Corporation of Pennsylvania reported net income of \$27.3 million for the year, a 23% increase from \$22.2 million in 2014. Our diversified earnings and disciplined business approach led to another year of solid performance. We were pleased to continue sharing our success through consistent dividends for our loyal shareholders.

We completed the strategic acquisition of Valley Green Bank on January 1, 2015. This acquisition expanded our service area to the growing Philadelphia marketplace and brought organic growth opportunities for our non-banking operations. During the fourth quarter, we announced our definitive merger agreement to acquire Fox Chase Bancorp, Inc., parent company of Fox Chase Bank which had approximately \$1.1 billion in total assets, \$768 million in loans and \$765 million in deposits at December 31, 2015. The acquisition of Fox Chase will make Univest the ninth largest bank headquartered in Pennsylvania and the largest locally headquartered bank in the Bucks, Montgomery and Philadelphia region by deposit market share.

Our growth was a result of acquisitions, organic growth and the accomplishment of key strategic initiatives. During the year, our success was achieved because of efficiencies gained and new opportunities realized from the rollout of our branch optimization plan which included the consolidation of six offices and opening two financial centers featuring a new, modern branch model. We organically grew our non-banking operations, upheld our reputation in our core communities and further built brand equity in our expansion markets, invested in improved customer experiences and acquired and retained top talent to strengthen the capabilities of our workforce.

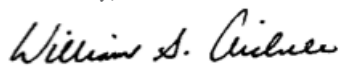
In June, H. Paul Lewis retired from the Board of Directors after seven years of service. His loyalty and strategic contributions helped Univest grow, specifically in the lower Bucks County community. We recognize and thank Paul for his leadership and service to Univest and the community. We also had the privilege, in June, to welcome Glenn E. Moyer, former Secretary of Banking and Securities for the Commonwealth of Pennsylvania, as a Director and Charles H. Zimmerman, Department Chair for the Philadelphia Biblical Theological Seminary and Teaching Pastor for Calvary Church of Souderton, as an Alternate Director to the Board.

In October, we promoted our Chief Financial Officer, Michael S. Keim, to President of Univest Bank and Trust Co. and expanded the bank leadership team to strengthen our focus on organic growth across Univest's widening marketplace. Disruption in the marketplace created by big banks acquiring smaller community banks will no doubt bring Univest significant opportunities in 2016 to gain market share and leverage our 140 years of solid performance and local commitment. We are confident that the changes made in 2015 have put us in a strong position to build the business in the years ahead.

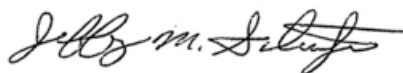
Our success and commitment to the communities we serve goes well beyond our financial performance and diverse financial offerings. In 2015, we continued our philanthropic tradition and increased awareness of our "Committed to Local" giving program. As a company, we gave back more than \$1.5 million to local, nonprofit organizations and our employees volunteered more than 17,600 hours of their time.

As you review the 2015 Annual Report, we trust you will be pleased with our accomplishments and plans for continued growth and stability. We are well-positioned to seize opportunities, strengthen our franchise and enhance shareholder value. On behalf of the entire Univest family, thank you for your support and investment.

Sincerely,



William S. Aichele  
Chairman



Jeffrey M. Schweitzer  
President and CEO



Jeffrey M. Schweitzer, William S. Aichele

## 2015 Highlights

2015 was a year of successful growth and significant change as we worked to integrate the people, systems and cultures of three acquisitions – completed from January 2014 to January 2015 – into the Univest family. These included: Girard Partners, Ltd. (completed January 1, 2014 and now operating as a Univest Wealth Management Firm), Sterner Insurance Associates (completed July 1, 2014 and now operating under Univest Insurance, Inc.) and Valley Green Bank (completed January 1, 2015 and operating as a Division of Univest Bank and Trust Co.). The significant growth through acquisition coupled with market disruption created a perfect storm of opportunity for Univest.

As a result, we focused much of 2015 on building relationships, investing in the business to improve systems and convenience solutions, ensuring the safety of our customers and ultimately positioning Univest as the local financial solutions partner of choice. Whether it was through marketing and communications campaigns, enhanced customer experiences, new products and technology advances or other one-on-one efforts to build relationships, we remained focused on evolving the business so we can remain relevant and serve our customers today, tomorrow and well into the future.

We are pleased with all of our achievements, most of which were made possible by the earnest work of more than 700 employees. Together we achieved the following accomplishments:

- Revenue increased 21% over 2014.
- Earnings per share increased more than 7% over 2014 after adjusting both 2015 and 2014 net income for integration and acquisition-related and restructuring charges, as applicable.
- Our loan portfolio increased \$552 million from December 2014 as borrowing demand increased steadily in conjunction with improvements in the local economy. In addition to the \$381 million in loans acquired as a result of the Valley Green Bank acquisition, we experienced strong organic loan growth of 11%.
- We continued to improve our asset quality with non-accrual loans down \$3.2 million from December 2014 to \$14.2 million at December 31, 2015.
- Deposits increased \$533 million from December 2014 due to the acquisition of Valley Green Bank combined with 8% organic growth.
- We raised \$50 million in capital through the issuance of subordinated debt to enhance our regulatory capital and support the growth occurring at Univest both organically and through acquisition.
- The first of Univest's newly designed financial centers was opened in Newtown, Bucks County during the first quarter of 2015. This facility features an improved customer experience that delivers highly personalized service in a digitally engaging, contemporary environment. In the fall, we opened a second financial center in Collegeville, Montgomery County. The new model has been well-received and is strengthening Univest's positive image as a progressive financial solutions provider.

- In addition to locations we added through acquisitions and two new financial centers, Univest invested in our facilities in 2015 to improve customer and employee experiences. Our corporate headquarters underwent construction for a new main entrance to enhance handicap accessibility and improve security. The new lobby features historical photographs depicting our growth as well as the growth of Souderton, the hometown of our headquarters since 1876. Other office renovations occurred at Univest Plaza and at one of our Chester County locations.
- We also implemented positive change in other areas of the company, introduced new systems and refined processes to maximize efficiency and reduce costs. Most notably, we converted former Valley Green Bank customers to the Univest core banking platform in April and implemented a new deposit platform with enhanced workflow which will generate efficiencies and improve the customer experience.
- 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.
- Strategic brand partnerships also helped build awareness for Univest throughout the year in many of our markets. We continued partnerships with WFMZ, PBS39 and the Iron Pigs in the Lehigh Valley; WNPV and Suburban One Sports in Bucks and Montgomery counties, and two new significant partnerships in our southern region. In Chester County we partnered with Uptown Entertainment Alliance to bring West Chester Borough its first downtown theater in the historic Pennsylvania National Guard Armory. Our sponsorship of the Delaware River Waterfront Corporation's Spruce Street Harbor Park, a true summer oasis for the community and a tourist destination, brought significant visibility to the Univest brand in Philadelphia.
- In a commodity business, it is critical to continue to innovate with products that differentiate one financial provider from another. After a nine-month beta program, Univest launched Univest Prime<sup>SM</sup> which offers Univest small business clients bundled services for one monthly subscription fee. Univest also introduced Perks@Work to our business customers as a gateway to deliver consultative services, educational seminars and financial savings to their employees.
- Univest continued to enhance its social media presence by consistently working to strengthen social connections through our blog – My Univest, Twitter, Facebook, YouTube and LinkedIn. Successfully building our social network and engaging individuals in our content led to Univest being recognized for the second consecutive year by the Independent Community Bankers Association. In 2015, Univest was awarded the #2 spot among the top 50 community bank leaders in social media.
- Expenses related to risk management and technology continued to increase across the industry as a result of rising fraud and cyber security. We recognize that the weakest link in cyber security is the human factor. As a result, we implemented additional training for employees and customers in an attempt to mitigate these risks through proactive education. In addition, we continued to invest in hardware and software solutions that monitor for threats to the Univest network so they can be neutralized before serious damage can occur. Mid-year, we implemented a secure email solution to protect our customers' information and a more secure remote access process for employees.
- Improving experiences for our biggest asset – our employees – remains a top priority. Happy, satisfied employees help deliver superior experiences to our customers. In 2015, Univest enhanced its employee Wellness Program and our efforts were recognized by the American Heart Association. Univest was honored as a Gold Level Fit Friendly Worksite for our commitment to promoting a wellness culture, promoting physical activity and supporting healthy eating options.



### Solid Growth



**\$381m**

ACQUISITIVE LOAN GROWTH AS A RESULT OF THE ACQUISITION OF VALLEY GREEN BANK

**11%**

ORGANIC LOAN GROWTH FOR THE YEAR ENDED DECEMBER 31, 2015

**\$386m**

ACQUISITIVE DEPOSIT GROWTH AS A RESULT OF THE ACQUISITION OF VALLEY GREEN BANK

**8%**

ORGANIC DEPOSIT GROWTH FOR THE YEAR ENDED DECEMBER 31, 2015

**UNIVEST**  
BANKING | INSURANCE | INVESTMENTS

# Integration Highlights

Diversifying our revenue and earnings streams and expanding in areas that complement our traditional banking roots and business model have proven successful to Univest in both good and challenging economic times.

2015 was the first year since 2011 that Univest did not grow its non-banking business through acquisition. While largely fueled by momentum generated from acquisitions over the last few years, our growth in our non-banking lines of business in 2015 was 100% attributed to organic growth.

Here are several highlights of our 2015 integrated successes:

- Our diversified businesses contributed \$14.9 million in pre-tax income, representing over 40% of our total pre-tax income.
- Univest Insurance continued to benefit from the acquisitions of John T. Fretz Insurance Agency and Sterner Insurance Associates, which were completed in 2013 and 2014 respectively. These two agencies continue to outperform expectations. Combined with the efforts of our existing team, we realized record results with respect to new business sales.
- In addition to continuing to grow our equipment finance outstandings, Univest Capital adopted a new, innovative platform through nCino in 2015 to not only help streamline sales execution and processing for the small ticket financing subsidiary, but also to gain efficiencies for our small business lending program.
- Since we started our Mortgage Banking business in 2008, it has contributed significant revenue as a result of strong refinancing activity through 2013 and a resurgence in new home purchases in 2014 and 2015. The housing market rebounded even more in 2015, fueling an increase in new mortgage volume. Our expansion into Philadelphia also brought widespread opportunities for our home loans division.
- Despite being negatively impacted by market performance, financial advisors in our Wealth Management businesses achieved strong organic growth coupled with increased referral activity from strategic partners.
- To improve efficiency and the customer experience within our Wealth Management businesses, we announced an internal restructuring to combine the Univest and Girard advisory teams. Simultaneously, we made the decision to retain the powerful Girard name as a sub-brand of Univest and introduced a new logo to align with Univest's overall brand.
- To elevate awareness of our investment advisory capabilities, Univest launched a robust public relations campaign in October 2015. Our experienced wealth advisors have provided insights to several local and national media outlets. We are proud of our growing brand and reputation for being a premier wealth management firm in the greater Philadelphia region.
- We remain committed to growing the business in the local communities that surround our headquarters as well as by growing our presence in our expansion markets in southeastern Pennsylvania, New Jersey and across the United States. As a result of our diversified business model and convenient online solutions, Univest has clients in all 50 states.



## The Philadelphia Inquirer

NEW ONLINE TOOL CAN TELL YOU WHEN IT'S TIME TO RETIRE (NOVEMBER 22, 2015)



SEVEN MOVES INVESTORS CAN MAKE AFTER THE FED'S RATE HIKE (DECEMBER 18, 2015)



IS THE EARLY 2016 DIP A GOOD BUYING OPPORTUNITY? (JANUARY 5, 2016)

## THE WALL STREET JOURNAL

HELPING A DENTIST TRANSITION INTO RETIREMENT (FEBRUARY 17, 2016)

- Diversifying our business and continuing to grow over time across the bank and our non-banking operations organically, and supplemented by strategic acquisitions, is what will ensure long term success for Univest. In 2015, we grew the bank both organically and through the strategic acquisition of Valley Green Bank. During the fourth quarter, we announced a definitive merger agreement to acquire Fox Chase Bancorp. The deal is anticipated to close during the third quarter of 2016. In order to position the bank for continued success as we grow the size and scope of our franchise, we expanded our bank leadership team during the fourth quarter of 2015 with the following appointments:
  - o Philip C. Jackson, President of the Northern Division of Commercial Banking, which is defined as Bucks and Montgomery counties and the Lehigh Valley.
  - o Jay R. Goldstein, President of the Southern Division of Commercial Banking, which is defined as Chester, Delaware and Philadelphia counties.
  - o Louis P. Spinelli, President of Consumer Banking, assumed responsibility for the Valley Green Bank Division financial centers in addition to Univest's 26 other financial centers he was already leading.
  - o Hugh W. Connelly, President of Small Business Lending for Univest Bank and Trust Co., in addition to continuing as president of Univest Capital, Inc.
- While the acquisitions completed and anticipated have and will continue to increase our core banking revenue, we remain focused on growing our non-banking revenue at an accelerated pace. We remain committed to our goal of having 60% of our revenue and earnings coming from core banking and 40% coming from our other financial operations.

## 2015 *Integrated Successes*



**\$3.0b**

ASSETS UNDER  
MANAGEMENT  
AND SUPERVISION



**\$864m**

LOANS SERVICED  
FOR OTHERS



**\$147m**

TOTAL INSURANCE  
WRITTEN PREMIUM



**\$125m**

EQUIPMENT FINANCE  
OUTSTANDINGS



**65%** TOTAL REVENUE FOR  
CORE BANKING  
OPERATION

**35%** TOTAL REVENUE FOR  
NON-BANKING  
OPERATIONS

## Univest Corporation of Pennsylvania

*Listing as of January 1, 2016*

### Senior Leadership Team

**Jeffrey M. Schweitzer**

*President and Chief Executive Officer, Univest Corporation of Pennsylvania and Chief Executive Officer, Univest Bank and Trust Co.*

**Michael S. Keim**

*President and acting Chief Financial Officer, Univest Bank and Trust Co. and Senior Executive Vice President and acting Chief Financial Officer, Univest Corporation of Pennsylvania*

**Duane J. Brobst**

*Senior Executive Vice President and Chief Risk Officer, Univest Corporation of Pennsylvania*

**Hugh W. Connelly**

*President, Univest Capital, Inc. and President of Small Business Lending, Univest Bank and Trust Co.*

**Ronald R. Flaherty**

*President, Univest Insurance, Inc.*

**Jay R. Goldstein**

*President, Commercial Banking, Southern Division, Univest Bank and Trust Co.*

**Edward D. Hughes**

*President, Mortgage Banking, Univest Bank and Trust Co.*

**Philip C. Jackson**

*President, Commercial Banking, Northern Division, Univest Bank and Trust Co.*

**Kevin B. Norris**

*President, Girard Partners, Ltd and President, Wealth Management, Univest Bank and Trust Co.*

**Louis P. Spinelli**

*President, Consumer Banking, Univest Bank and Trust Co.*

**Eric W. Conner**

*Executive Vice President and Chief Technology Officer, Univest Corporation of Pennsylvania*

**M. Theresa Schwartz**

*Executive Vice President and Director of Human Resources, Univest Corporation of Pennsylvania*

**Annette D. Szygiel**

*Executive Vice President and Chief Experience Officer, Univest Corporation of Pennsylvania*

### Board of Directors

*Listing as of January 1, 2016*

**William S. Aichele**

*Chairman of Univest Corporation of Pennsylvania and of Univest Bank and Trust Co. Retired President and Chief Executive Officer of Univest Corporation of Pennsylvania and Univest Bank and Trust Co.*

**Douglas C. Clemens**

*Chief Executive Officer, Clemens Food Group*

**R. Lee Delp**

*Principal, R. L. Delp & Company*

**Jay R. Goldstein**

*President, Commercial Banking, Southern Division, Univest Bank and Trust Co.*

**William G. Morral, C.P.A.**

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

**Glenn E. Moyer**

*Chief Executive Officer, Live Oak Strategies, LLC;  
Board Chair and Trustee, Wyomissing Foundation;  
Former Pennsylvania Secretary of Banking  
and Securities*

**K. Leon Moyer**

*Retired President and Chief Executive Officer,  
Univest Bank and Trust Co.*

**Thomas Scannapieco**

*President and CEO, Scannapiecco Development Corporation*

**Mark A. Schlosser**

*Secretary and Treasurer, Schlosser Steel, Inc.*

**Jeffrey M. Schweitzer**

*President and Chief Executive Officer, Univest Corporation of Pennsylvania and Chief Executive Officer, Univest Bank and Trust Co.*

**P. Gregory Shelly**

*President, Shellys US LBM LLC*

**Michael L. Turner**

*Partner, Marshall, Dennehey, Warner, Coleman & Goggin*

**Margaret K. Zook**

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

**Charles H. Zimmerman\***

*Senior Leadership, Calvary Church; Director,  
Clemens Family Corporation; Former Chairman  
of the Department of Practical Theology, Biblical  
Theological Seminary*

\*Alternate Director of Univest Corporation of Pennsylvania

### 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., a Univest Wealth  
Management Firm**

**TCG Investment Advisory, Inc.**

*Please visit [univest.net](http://univest.net) for a complete list of locations for Univest Corporation and our subsidiaries.*



## *Ready for a Bright Future*

Across our industry, technology and regulatory demands continue to drive rapid change. At Univest, we remain laser focused on moving the performance needle and ensuring that we exceed customer expectations for the solutions, service, and security we deliver.

As we close the chapter on one year and look ahead to 2016, we have never been more cognizant of what sets us apart – our people, diversified financial solutions, commitment to service excellence and our ability to keep up with rapid change to remain relevant and competitive.

The year ahead marks our 140<sup>th</sup> year in business. While focusing on building the franchise, the legacy of Univest and achieving our vision, we will remain guided by our mission and core values that have helped provide for a strong foundation to successfully serve our four publics – employees, shareholders, customers and communities.

We are confident in our abilities and strategic direction, and grateful for the support of you, our loyal shareholders.

## *Vision Statement*

*To be the best integrated  
financial solutions provider  
in the market.*

# Shareholder Information

## Shareholders' Meeting

The Annual Shareholders' Meeting will take place at 10:45 a.m. on Tuesday, April 19, 2016 at Indian Valley Country Club, located at 650 Bergey Road, Telford, PA 18969.

## 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](http://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](mailto: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*

