

Trust in Univest During These Uncertain Financial Times



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Last week, the nation's financial markets experienced wrenching fallout from the credit crunch that has been developing for several years. Many local bank deposit holders and other investors are wondering about the safety and security of their money.

At Univest, we have been reading the local newspapers and listening to local broadcast media – and we've been talking with many of our customers. We know there is plenty of concern about what the current financial crisis means to our local communities and to customers of Univest National Bank and Trust Co. It's important for us to help you understand that Univest National Bank and Trust Co. is very different from the investment banks that were at the center of last week's turmoil.

Investment banks operate differently from commercial banks and thrift institutions. Their primary purpose is to facilitate the sale of stocks and bonds. These Wall Street firms operate as advisors and agents for companies that want to raise capital, often by issuing more stock or other securities. In recent years, many of these institutions have become over-leveraged.

Commercial banks and thrift institutions, on the other hand, take deposits for checking and savings accounts from consumers and businesses and lend this money to consumers and companies – primarily in their local markets – for cars, homes, business needs, etc. These deposits, when combined are generally insured by the FDIC up to \$100,000 per depositor in each bank or thrift the FDIC insures. Deposits held in different categories of ownership – such as single or joint accounts – may be separately insured. Additionally, the FDIC generally provides separate coverage for retirement accounts, such as individual retirement accounts (IRAs) and Keoughs up to \$250,000. Consumers and businesses can check their personal insurance coverage by using the Electronic Deposit Insurance Estimator on the FDIC's website at <http://www4.fdic.gov/EDIE>.

As for community banks like Univest National Bank and Trust Co., the vast majority of such banks are among the safest and strongest financial institutions in our nation's economy. We have pursued long-term stability by following responsible business practices and reducing risk by adhering to conservative credit models. Our business philosophy has stood the test of time. We're 132 years strong and continue to be recognized as a leader in the industry for our steady and stable growth, our integrated platform of financial solutions and our generous philanthropic contributions to our community.

While commercial banks have acted more prudently than investment banks, Wall Street's current woes will definitely have an impact on commercial banks. For example, most banks are, appropriately, taking steps to limit risk in the current economic environment by tightening lending standards. But, people with a good credit history will continue to have access to mortgage, credit card and other types of loans. So – it's more important than ever to monitor your credit report and make sure your credit score is healthy. It is also critical to be disciplined. Avoid splurging, identify and cut out unnecessary expenses and save for what's essential. We can all benefit by developing good spending habits. Univest National Bank and Trust Co. offers tips and advice on various financial topics through our *financialSENSE* program. For more information, visit <http://www.univest.net/financialsense/index.asp>.

Community banks have endured since the founding of our nation. Through turbulent times, we have served our customers and helped them build secure financial futures. Univest National Bank and Trust Co. is confident in our ability to continue to serve the financial needs of our customers for years to come while fulfilling the higher purpose of a community bank: working every day to support our customers, employees, shareholders, communities and local markets.

Thank you for your continued trust in Univest. We are committed to developing strong relationships so we can help you achieve your financial dreams.

Sincerely,



K. Leon Moyer

This letter was written on Thursday, September 25, 2008. Future communications to address the \$700 billion bailout package will be available the week of October 6th. We encourage you to bookmark our website at www.univest.net so you can check back periodically for updates.