

## FIRST QUARTER HIGHLIGHTS

**2017**  
First Quarter Report

### From our Chairman and President and CEO



Jeffrey M. Schweitzer, President and CEO ; William S. Aichele, Chairman of the Board

For the quarter ended March 31, 2017, Univest Corporation of Pennsylvania reported net income of \$10.9 million or \$0.41 diluted earnings per share for the three months ended March 31, 2017, compared to net income of \$7.3 million or \$0.37 diluted earnings per share for the three months ended March 31, 2016. The financial results for the three months ended March 31, 2016 included \$220 thousand of acquisition and integration costs related to the Fox Chase

acquisition, or \$0.01 of diluted earnings per share, net of tax. There were no acquisition and integration costs during the three months ended March 31, 2017. Additionally, our efficiency ratio was 62.7% during the quarter as we fully realized the cost savings and other strategic initiatives from the third and fourth quarters of last year.

On February 22, 2017, Univest declared a quarterly cash dividend of \$0.20 per share, payable on April 3, 2017. This represented a 3.09% annualized yield based on the closing price of Univest's stock on the date the dividend was paid.

In addition to solid financial performance for the quarter, we completed the final transition tied to the acquisition of Valley Green Bank by changing all signage and branding to Univest. In conjunction with this change, Marketing and Corporate Communications executed a robust, year-long branding strategy that involves a variety of advertising, public relations, and philanthropic partnerships to ensure we are top of mind for consumers and businesses looking for a strong-performing, local financial institution. Our current mantra in market is Bank Here to Get There. This positioning is focused on communicating our desire to help our customers and communities achieve their financial dreams. Helping with

things like buying a home, securing capital for a small business, paying for college education, putting together a business expansion plan, or creating memories that take on a life of their own. We want consumers and businesses to know that Univest is the answer. And, wherever they are or hope to be, we can help them "Get There."

Continuing to strengthen our financial center network also took center stage during the quarter as we continued to reposition our financial center footprint. We celebrated the opening of two financial centers in our expansion markets; one in the University City District of Philadelphia and one in Strasburg in Lancaster County. We also announced our plans to open two more financial centers in the Lancaster market. Brownstown and Georgetown will open later this year.

We had a solid start to 2017 and we are confident in our future. Univest has the right people, products, processes and customer access to achieve our vision of being the best integrated financial solutions provider in the market. We are controlling our destiny and navigating our expanded market to ensure we are here to serve our customers, employees, shareholders and communities for many years to come. Thank you for your ongoing confidence and investment.



Univest celebrates the opening of its sixth Philadelphia-based location in University City.

## 2017 Financial Performance

### Consolidated Balance Sheets at (Dollars In Thousands)

	March 31, 2017	December 31, 2016
Investment securities.....	\$ 464,639	\$ 468,518
Net loans and leases held for investment.....	3,322,388	3,268,387
Total assets.....	4,273,931	4,230,528
Deposits.....	3,365,951	3,257,567
Total borrowings.....	355,580	417,780
Shareholders' equity.....	511,880	505,209

### Consolidated Statements of Income for the Three Months Ended (In Thousands, Except Share and Per Share Data)

	March 31, 2017	March 31, 2016
Net interest income.....	\$ 34,283	\$ 23,523
Provision for loan and lease losses.....	2,445	326
Net interest income after provision for loan and lease losses.....	31,838	23,197
Noninterest income.....	14,970	13,831
Noninterest expense.....	32,030	26,939
Income before income taxes.....	14,778	10,089
Income taxes.....	3,922	2,800
<b>Net income</b> .....	<b>\$ 10,856</b>	<b>\$ 7,289</b>
Book value per share.....	\$ 19.21	\$ 18.73
Net income per share:		
Basic.....	0.41	0.37
Diluted.....	0.41	0.37

## PEER Analysis

Univest has exceeded its Peer Group's performance when measuring Return on Average Assets, Efficiency Ratio and Net Interest Margin. Univest's Net Loans and Leases to Equity is in a more favorable position compared to its Peer Group; according to regulatory guidance, bank holding companies should maintain an amount of net loans and leases less than 8 times(X) its equity to manage its credit risk.

	Univest <sup>1</sup>	Peer Group <sup>2</sup>	Favorable (Unfavorable) Basis Points or Times(X) Compared to Peer Group
Return on Average Assets	1.04%	0.85%	19
Return on Average Equity	8.65%	8.72%	(7)
Tier 1 Capital to Average Assets	8.75%	9.13%	(38)
Efficiency Ratio (tax-equivalent)	62.70%	63.80%	110
Net Interest Margin (tax-equivalent)	3.80%	3.35%	45
Net Loans and Leases to Equity Capital	6.49X	7.25X	0.76X

<sup>1</sup> Univest Corporation of Pennsylvania at March 31, 2017

<sup>2</sup> Peer Group is comprised of publicly traded banks in the Mid-Atlantic region with total assets between \$1 billion and \$5 billion as reported to SNL Financial at March 31, 2017. Statistics provided are based on the median for those Peers who have reported to SNL Financial as of May 11, 2017.

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## SHAREHOLDER Information

### Common Stock Information

Traded on the NASDAQ National Market,  
Symbol: UVSP.

### 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).

Phone: 866.321.8021

Email: [shareholder@broadridge.com](mailto:shareholder@broadridge.com)

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

### Univest Shareholder Information Hotline

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

### e-Communications

Univest's investor relations site provides a shareholder services page to assist in managing your investment. To receive investor communications, including proxy material, electronically, visit <http://enroll.icsdelivery.com/brtas> and follow the instructions. Once you are signed up for e-communications, you will be sent an e-mail notification when information and updates are available.

### 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

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