UNIVEST CORP OF PENNSYLVANIA
Form 424B1
October 16, 2014
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Proxy Statement/Prospectus **Proxy Statement**

Univest Corporation of Pennsylvania **Valley Green Bank**

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

On June 17, 2014, Univest Corporation of Pennsylvania, or Univest, Univest Bank and Trust Co., or Univest Bank, and Valley Green Bank, or Valley Green, entered into a merger agreement that provides for the combination of the companies. Under the merger agreement, Valley Green will merge with and into Univest Bank, with Univest Bank remaining as the surviving entity, and the separate corporate existence of Valley Green will cease. Before we complete the merger, the shareholders of Univest and Valley Green must adopt the merger agreement. Univest shareholders will vote to adopt the merger agreement and on the other matters described below at a special meeting of shareholders to be held on December 3, 2014. Valley Green shareholders will vote to adopt the merger agreement and on the other matters described below at a special meeting of shareholders to be held on December 2, 2014.

If the merger is completed, Valley Green shareholders will be entitled to receive, for each share of Valley Green common stock, an amount of Univest common stock equal to the quotient, carried to four (4) decimal places (the Exchange Ratio), of (i) $27.00 divided by (ii) the average of the closing sale prices of Univest common stock (as reported on the Nasdaq Global Select Market) for each consecutive trading day during the twenty (20) days immediately preceding the effective date of the merger; provided, however, that in no event may the Exchange Ratio be less than 1.2231 or greater than 1.4949. If the Exchange Ratio would otherwise be less than 1.2231 or greater than 1.4949, then 1.2231 or 1.4949, respectively, will be used. The exact total number of shares of Univest common stock to be issued in the merger will depend on the total number of shares of Valley Green common stock outstanding immediately prior to the effective time of the merger as well as the Exchange Ratio. The material federal income tax consequences of the merger to Valley Green shareholders are discussed in *Material United States Federal Income Tax Consequences of the Merger*, beginning on page 78.

The common stock of Univest trades on the Nasdaq Global Select Market under the symbol UVSP. Valley Green is a privately held Pennsylvania bank. On October 15, 2014, the most recent practicable trading day prior to the printing of this joint proxy statement/prospectus, the closing price of Univest common stock was $19.80 per share. The market price for Univest common stock will fluctuate before the completion of the merger, therefore, you are urged to obtain current market quotations for Univest common stock.

The Univest board of directors has determined that the combination of Univest Bank and Valley Green is advisable and in the best interests of Univest based upon its analysis, investigation and deliberation, and the Univest board of directors unanimously recommends that the Univest shareholders vote FOR the adoption of the merger agreement and FOR the approval of the other proposals described in this joint proxy statement/prospectus.

The Valley Green board of directors has determined that the combination of Valley Green and Univest is advisable and in the best interests of Valley Green based upon its analysis, investigation and deliberation, and the Valley Green board of directors unanimously recommends that the Valley Green shareholders vote FOR the adoption of the merger agreement and FOR the approval of the other proposals described in this joint proxy statement/prospectus.

You should read this entire joint proxy statement/prospectus, including the annexes hereto and the documents incorporated by reference herein, carefully because it contains important information about the merger and the related transactions. **In particular, you should read carefully the information under the section entitled *Risk Factors* beginning on page 29.** You can also obtain information about Univest from documents that it has filed with the Securities and Exchange Commission.

The shares of Univest common stock to be issued to Valley Green shareholders in the merger are not deposits or savings accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the Univest common stock to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The date of this joint proxy statement/prospectus is October 16, 2014, and it is first being mailed or otherwise delivered to shareholders on or about October 28, 2014.

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UNIVEST CORPORATION OF PENNSYLVANIA

14 NORTH MAIN STREET

SOUDERTON, PENNSYLVANIA 18964

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, DECEMBER 3, 2014

TO THE SHAREHOLDERS OF UNIVEST CORPORATION OF PENNSYLVANIA:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Univest Corporation of Pennsylvania, or Univest, will be held at 2:00 p.m., local time, on December 3, 2014, at 14 North Main Street, Souderton, Pennsylvania 18964, to consider and vote upon the following proposals:

1. adoption of the Agreement and Plan of Merger, dated June 17, 2014, by and between Univest, Univest Bank and Trust Co., or Univest Bank and Valley Green Bank, or Valley Green, which provides for, among other things, the merger of Valley Green with and into Univest Bank;

2. approval of a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement; and

3. transaction of any such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

All of these items, including the proposal to approve the merger agreement and the merger, are described in more detail in the accompanying joint proxy statement/prospectus and its appendices. You should read these documents in their entirety before voting. We have fixed October 15, 2014 as the record date for determining those Univest shareholders entitled to vote at the special meeting. Accordingly, only shareholders of record at the close of business on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the meeting. A list of such shareholders will be available for inspection at the special meeting and for five days prior to the meeting at Univest s headquarters located at 14 North Main Street, Souderton, Pennsylvania 18964, during normal business hours.

Your board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Univest and unanimously recommends that you vote FOR the proposal to adopt the merger agreement. Your board of directors also recommends that you vote FOR proposal 2 listed above. In accordance with the terms of the merger agreement, each director and executive officer of Univest has executed a letter agreement in favor of Valley Green pursuant to which he or she has agreed to vote all shares of Univest common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated by the merger agreement.

We urge you to vote as soon as possible so that your shares will be represented.

BY ORDER OF THE BOARD OF DIRECTORS,

Karen E. Tejkl

Corporate Secretary

Souderton, Pennsylvania

October 16, 2014

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and return your proxy card or voting instruction card in the enclosed envelope promptly. For many shareholders, you may also vote your shares by calling the toll free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card. If you later decide to attend the meeting, you can, if you wish, revoke the proxy and vote in person.

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VALLEY GREEN BANK

7226 GERMANTOWN AVENUE

PHILADELPHIA, PENNSYLVANIA 19119

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON TUESDAY, DECEMBER 2, 2014

TO THE SHAREHOLDERS OF VALLEY GREEN BANK:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Valley Green Bank, or Valley Green, will be held at 10:00 a.m., local time, on December 2, 2014, at Lutheran Theological Seminary, 7301 Germantown Pike, Philadelphia, Pennsylvania 19119, to consider and vote upon the following proposals:

1. adoption of the Agreement and Plan of Merger, dated June 17, 2014, by and between Univest Corporation of Pennsylvania, or Univest, Univest Bank and Trust Co., or Univest Bank and Valley Green, which provides for, among other things, the merger of Valley Green with and into Univest Bank;

2. approval of a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to approve the proposal to approve the merger agreement; and

3. transaction of any such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

All of these items, including the proposal to approve the merger agreement and the merger, are described in more detail in the accompanying joint proxy statement/prospectus and its appendices. You should read these documents in their entirety before voting. We have fixed October 15, 2014 as the record date for determining those Valley Green shareholders entitled to vote at the special meeting. Accordingly, only shareholders of record at the close of business on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the meeting. A list of such shareholders will be available for inspection at the special meeting and for five days prior to the meeting at Valley Green s headquarters located at 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119, during normal business hours.

Your board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Valley Green and unanimously recommends that you vote FOR the proposal to adopt the merger agreement. Your board of directors also recommends that you vote FOR proposal 2 listed above. In accordance with the terms of the merger agreement, each director, and each executive officer of Valley Green has executed a letter agreement in favor of Univest pursuant to which he or she has agreed to vote all shares of Valley Green common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

We urge you to vote as soon as possible so that your shares will be represented.

BY ORDER OF THE BOARD OF DIRECTORS,

Cheryl Richards

Corporate Secretary

Philadelphia, Pennsylvania

October 16, 2014

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and return your proxy card or voting instruction card in the enclosed envelope promptly. If you later decide to attend the meeting, you can, if you wish, revoke the proxy and vote in person.

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WHERE YOU CAN FIND MORE INFORMATION

Univest files annual, quarterly and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that Univest files with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, Univest files reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at http://www.sec.gov containing this information. You will also be able to obtain these documents, free of charge, from Univest at www.univest.net under the Investor Relations link and then under the heading SEC Filings.

Univest has filed a registration statement on Form S-4 of which this document forms a part. As permitted by SEC rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the address set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that Univest has previously filed with the SEC. They contain important information about the company and its financial condition. See *Incorporation of Certain Documents by Reference* on page 157. These documents are available without charge to you upon written or oral request to Univest s principal executive offices. The address and telephone number is listed below.

Univest Corporation of Pennsylvania

14 North Main Street

Souderton, Pennsylvania 18964

Attention: Karen E. Tejkl

(877) 723-5571

To obtain timely delivery of these documents, you must request the information no later than November 25, 2014 in order to receive them before Univest s special meeting of shareholders and no later than November 24, 2014 in order to receive them before Valley Green s special meeting of shareholders.

Univest common stock is traded on The Nasdaq Global Select Market under the symbol UVSP.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following questions and answers briefly address some commonly asked questions about the merger (as defined below) and the shareholders meetings. They may not include all the information that is important to the shareholders of Univest and of Valley Green. Shareholders of Univest and of Valley Green should each read carefully this entire joint proxy statement/prospectus, including the annexes and other documents referred to in this document.

Questions about the Merger

Q: What is the merger?

A: Univest and Valley Green have entered into an Agreement and Plan of Merger, dated June 17, 2014, which is referred to as the merger agreement. A copy of the merger agreement is attached as Annex A to, and is incorporated by reference in, this joint proxy statement/prospectus. The merger agreement contains the terms and conditions of the proposed business combination of Univest and Valley Green. Under the merger agreement, Valley Green will merge with and into Univest Bank and Trust Co. (Univest Bank), with Univest Bank remaining as the surviving entity, and the separate corporate existence of Valley Green will cease. We refer to this transaction as the merger.

Following the completion of the merger, the merger agreement provides that Univest will continue to operate Valley Green as a separate banking division of Univest under the name Valley Green Bank Division for a period of at least 24 months. For further discussion on the operation of Valley Green Bank as a separate operating division of Univest following completion of the merger, see *The Merger Agreement Valley Green Bank Division*.

Q: Why am I receiving these materials?

A: This document constitutes both a joint proxy statement of Univest and Valley Green and a prospectus of Univest. It is a joint proxy statement because the boards of directors of both companies are soliciting proxies from their respective holders of common stock. It is a prospectus because Univest will issue shares of its common stock in exchange for shares of Valley Green common stock in the merger.

Univest is sending these materials to its shareholders to help them decide how to vote their shares of Univest common stock with respect to the proposed merger and the other matters to be considered at the Univest special meeting.

Valley Green is sending these materials to its shareholders to help them decide how to vote their shares of Valley Green common stock with respect to the proposed merger and the other matters to be considered at the Valley Green special meeting.

The merger cannot be completed unless shareholders of Univest and Valley Green each adopt the merger agreement and approve the merger. Univest is holding its special meeting of shareholders to vote on the merger as well as the other proposals described in *The Univest Special Meeting* beginning on page 80. Valley Green is holding its special meeting of shareholders to vote on the merger as well as the other proposals described in *The Valley Green Special Meeting*, beginning on page 86. Information about these meetings, the merger and the other business to be considered at the meetings is contained in this joint proxy statement/prospectus.

Q: Why is Univest proposing the merger?

A: The Univest board of directors, in unanimously determining that the merger is in the best interests of Univest and its shareholders, considered a number of key factors which are described under the headings *The Merger Background of the Merger* and *The Merger Univest s Reasons for the Merger*, beginning on pages 36 and 50, respectively.

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Q: Why is Valley Green proposing the merger?

A: The Valley Green board of directors, in unanimously determining that the merger is in the best interests of Valley Green and its shareholders, considered a number of key factors which are described under the headings *The Merger Background of the Merger* and *The Merger Valley Green s Reasons for the Merger*, beginning on pages 36 and 39, respectively.

Q: What will Valley Green shareholders receive in the merger, and how will this affect holders of Univest common stock?

A: Upon completion of the merger, for each share of Valley Green common stock, Valley Green shareholders will have the right to receive an amount of Univest common stock equal to the quotient, carried to four (4) decimal places (the Exchange Ratio), of (i) $27.00 divided by (ii) the average of the closing sale prices of Univest common stock (as reported on the Nasdaq Global Select Market) for each consecutive trading day during the twenty (20) days immediately preceding the effective date of the merger; provided, however, that in no event may the Exchange Ratio be less than 1.2231 or greater than 1.4949. If the Exchange Ratio would otherwise be less than 1.2231 or more than 1.4949, then 1.2231 or 1.4949, respectively, will be used.

Univest shareholders will continue to own their existing shares of Univest common stock after the merger. Because of the number of shares of Univest common stock being issued in the merger, the interest in Univest represented by the existing shares of Univest common stock will be diluted. Following completion of the merger, the existing shares of Univest will represent in the aggregate ownership of approximately 80% of the outstanding shares of Univest common stock.

Q: Who will be the directors and executive officers of the combined company following the merger?

A: Following completion of the merger, the then current directors and executive officers of Univest will continue in office. Additionally, Univest will appoint Jay R. Goldstein and Michael L. Turner to serve on the Univest board of directors. Jay R. Goldstein will serve in Class I, with a term to expire in 2015, and Michael L. Turner will serve in Class II, with a term to expire in 2016, of the Univest board of directors. Univest has agreed to nominate and recommend each of them for election for one additional three-year term following their initial term.

Q: When do you expect to complete the merger?

A: We expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including receipt of shareholder approvals at the respective special meetings of Univest and Valley Green, and receipt of regulatory approvals. We currently expect to complete the merger in the first quarter of 2015. It is possible, however, that factors outside of either company s control could result in us completing the merger at a later time or not completing it at all.

Q: What are the federal income tax consequences of the merger?

A: The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to as the Internal Revenue Code, and it is a condition to the completion of the merger that each of Univest and Valley Green receive a written opinion from their respective legal counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Accordingly, it is contemplated that holders of Valley Green common stock will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their Valley Green common stock for Univest common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Univest common stock and except for Valley Green shareholders who exercise their dissenters rights with respect to the merger. For further discussion of the material U.S. federal income tax consequences of the merger, see *Material United States Federal Income Tax Consequences of the Merger*, beginning on page 78.

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Questions about the Univest Special Meeting

Q: What are the matters on which I am being asked to vote at the Univest special meeting?

A: You are being asked to consider and vote on the following matters:

1. adoption of the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus; and

2. adjournment of the Univest special meeting, if necessary, to solicit additional proxies.

Q: How does the Univest board of directors recommend that I vote my shares?

A: The Univest board of directors recommends that the Univest shareholders vote their shares as follows:

FOR adoption of the merger agreement; and

FOR an adjournment of the Univest special meeting, if necessary, to solicit additional proxies.

As of the record date, directors and executive officers of Univest and their affiliates had the right to vote 606,138 shares of Univest common stock, or 3.74% of the outstanding Univest common stock entitled to be voted at the special meeting. In accordance with the terms of the merger agreement, each of the directors and executive officers of Univest has executed a letter agreement (the Affiliate Letter) in favor of Valley Green pursuant to which he or she has agreed to vote all shares of Univest common stock owned by him or her in favor of adoption of the merger agreement. Additionally, each of the directors and executive officers of Valley Green has executed an Affiliate Letter in favor of Univest pursuant to which he or she has agreed to vote all shares of Valley Green common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy as soon as possible so that your shares will be represented at the Univest special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

Q: Who is entitled to vote at the Univest special meeting?

A: Univest shareholders of record as of the close of business on October 15, 2014, which is referred to as the Univest record date.

Q: How many votes do I have?

A: Each outstanding share of Univest common stock is entitled to one vote.

Q: How do I vote my Univest shares?

A: You may vote your Univest shares by completing and returning the enclosed proxy card, by internet or by voting in person at the Univest special meeting.

Voting by Proxy. You may vote your Univest shares by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you do not specify a choice on one of the proposals described in this joint proxy statement/prospectus, your proxy will be voted in favor of that proposal.

ON YOUR UNIVEST PROXY CARD:

mark your selections;

date and sign your name exactly as it appears on your card; and

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return your completed proxy card in the enclosed postage-paid envelope.

Voting by Internet. If you are a registered shareholder, you may vote electronically through the Internet by following the instructions included in your proxy card. If your shares are registered in the name of a broker or other nominee, your nominee may be participating in a program provided through ADP Investor Communication Services that allows you to vote via the Internet. If so, the voting form your nominee sends you will provide Internet instructions.

Voting in person. If you attend the Univest special meeting, you may deliver your completed proxy card in person or may vote by completing a ballot which will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the special meeting.

Should you have any questions on the procedure for voting your shares, please contact Karen E. Tejkl, Univest Corporation of Pennsylvania, 14 North Main Street, Souderton, Pennsylvania 18964, telephone (877) 723-5571.

Q: **Why is my vote important?**

A: Because the merger cannot be completed without the affirmative vote of a majority of votes cast at the Univest Special Meeting by the holders of shares of Univest common stock, every shareholder s vote is important.

Q: **If my shares of Univest common stock are held in street name by my broker, will my broker automatically vote my shares for me?**

A: No. Your broker **CANNOT** vote your shares on any proposal at the Univest special meeting without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

Q: **What if I fail to instruct my broker?**

A: If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal or any other proposal (a so-called broker non-vote) at the Univest special meeting. For purposes of determining the number of votes cast with respect to the merger proposal, only those votes cast for or against the proposal are counted. Broker non-votes, if any are submitted by brokers or nominees in connection with the special meeting, will not be counted as votes for or against for purposes of determining the number of votes cast, but will be treated as present for quorum purposes.

Q: **What constitutes a quorum for the Univest special meeting?**

A:

As of the Univest record date, 16,214,016 shares of Univest common stock were issued and outstanding, each of which will be entitled to one vote at the meeting. Under Univest s bylaws, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast constitutes a quorum for the transaction of business at the special meeting. If you vote by proxy, your shares will be included for determining the presence of a quorum. Both abstentions and broker non-votes are also included for purposes of determining the presence of a quorum.

Q: Assuming the presence of a quorum, what is the vote required to approve the matters to be considered at the Univest special meeting?

A: The affirmative vote of a majority of all votes cast, in person or by proxy, at the Univest special meeting is required to approve the proposals to approve and adopt the merger agreement and to adjourn the Univest special meeting, if necessary, to solicit additional proxies, and any other matter that may properly come before the special meeting. Therefore, abstentions and broker non-votes will not affect the outcome of the proposal to approve the merger, the adjournment proposal or any other matters that properly come before the special meeting.

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Q: Do I have appraisal or dissenters rights?

A: No. Under Pennsylvania law, holders of Univest common stock will not be entitled to exercise any appraisal rights in connection with the merger or any of the other proposals being presented at the Univest special meeting.

Q: Can I attend the Univest special meeting and vote my shares in person?

A: Yes. All shareholders, including shareholders of record and those who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Univest common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Q: Can I change my vote?

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Univest s Corporate Secretary, or (3) attending the special meeting in person, notifying the Corporate Secretary and voting by ballot at the special meeting. Univest s Corporate Secretary s mailing address is Univest Corporation of Pennsylvania, 14 North Main Street, Souderton, Pennsylvania 18964, Attention: Karen E. Tejkl.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence (without notifying Univest s Corporate Secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: Who will bear the cost of soliciting votes for the Univest special meeting?

A: Univest will bear the cost of preparing, assembling, printing, mailing and distributing these proxy materials for the Univest special meeting. In addition to the mailing of these proxy materials, the solicitation of proxies or votes for the Univest special meeting may be made in person, by telephone, or by electronic communication by Univest s directors, officers, and employees, who will not receive any additional compensation for such solicitation activities. In addition, Univest may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

Q: What happens if additional proposals are presented at the Univest special meeting?

A: Other than the proposals described in this joint proxy statement/prospectus, Univest does not expect any matters to be presented for a vote at the special meeting. If you grant a proxy, the person named as proxy holder, Karen E. Tejkl, will have the discretion to vote your shares on any additional matters properly presented for a vote at the special meeting.

Q: Are there risks that I should consider in deciding whether to vote to approve the merger agreement?

A: Yes. You should consider the risk factors set out in the section entitled *Risk Factors* beginning on page 29 of this joint proxy statement/prospectus.

Q: What if I hold stock of both Univest and Valley Green?

A: If you hold shares of both Univest and Valley Green, you will receive two separate packages of proxy materials. A vote as a Univest shareholder for the merger proposal or any other proposals to be considered at the Univest special meeting will not constitute a vote as a Valley Green shareholder for the merger proposal

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or any other proposals to be considered at the Valley Green special meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Univest or Valley Green, or submit separate proxies as both a Univest shareholder and a Valley Green shareholder as instructed.

Q: Should I send in my Univest stock certificates?

A: No. Please do not send your stock certificates with your proxy card.

Univest shareholders will not be required to exchange or take any other action regarding their stock certificates in connection with the merger. Univest shareholders holding stock certificates should keep their stock certificates both now and after the merger is completed.

Q: Whom should I contact if I have additional questions?

A: If you are a Univest shareholder and have any questions about the merger, or if you need additional copies of this document or the enclosed proxy card, you should contact:

Univest Corporation of Pennsylvania

14 North Main Street

Souderton, Pennsylvania 18964

Attention: Karen E. Tejkl

Telephone: 877-723-5571

Questions about the Valley Green Special Meeting

Q: What are the matters on which I am being asked to vote at the Valley Green special meeting?

A: You are being asked to consider and vote on the following matters:

1. adoption of the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus; and

2. adjournment of the Valley Green special meeting, if necessary, to solicit additional proxies.

Q: How does the Valley Green board of directors recommend that I vote my shares?

A: The Valley Green board of directors recommends that the Valley Green shareholders vote their shares as follows:

FOR adoption of the merger agreement; and

FOR an adjournment of the Valley Green special meeting, if necessary, to solicit additional proxies.

As of the record date, directors and executive officers of Valley Green and their affiliates had the right to vote 769,233 shares of Valley Green common stock, or 27.5% of the outstanding Valley Green common stock entitled to be voted at the Valley Green special meeting. In accordance with the terms of the merger agreement, each of the directors and executive officers of Valley Green has executed an Affiliate Letter in favor of Univest pursuant to which he or she has agreed to vote all shares of Valley Green common stock owned by him or her in favor of adoption of the merger agreement. Additionally, each of the directors and executive officers of Univest has executed a letter agreement in favor of Valley Green pursuant to which he or she has agreed to vote all shares of Univest common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy as soon as possible so that your shares will be represented at the Valley Green special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

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Q: Who is entitled to vote at the Valley Green special meeting?

A: Valley Green shareholders of record as of the close of business on October 15, 2014, which is referred to as the Valley Green record date, are entitled to notice of, and to vote at, the Valley Green special meeting.

Q: How many votes do I have?

A: Each outstanding share of Valley Green common stock is entitled to one vote.

Q: How do I vote my Valley Green shares?

A: You may vote your Valley Green shares by completing and returning the enclosed proxy card or by voting in person at the Valley Green special meeting.

Voting by Proxy. You may vote your Valley Green shares by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you do not specify a choice on one of the proposals described in this joint proxy statement/prospectus, your proxy will be voted in favor of that proposal.

ON YOUR VALLEY GREEN PROXY CARD:

- mark your selections;
- date and sign your name exactly as it appears on your card; and
- return your completed proxy card in the enclosed postage-paid envelope.

Voting in person. If you attend the Valley Green special meeting, you may deliver your completed proxy card in person or may vote by completing a ballot which will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting, you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the Valley Green special meeting.

Should you have any questions on the procedure for voting your shares, please contact Cheryl Richards, Corporate Secretary, Valley Green Bank, 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119, telephone (215) 242-3550.

Q: Why is my vote important?

A: Because the merger cannot be completed without the affirmative vote of the holders of at least 70% of the outstanding shares of Valley Green common stock on the record date, and because a majority of the outstanding shares of Valley Green common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting, every shareholder s vote is important.

Q: If my shares of Valley Green common stock are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker **CANNOT** vote your shares on any proposal at the Valley Green special meeting without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

Q: What if I fail to instruct my broker?

A: If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal or any other proposal (a so-called broker non-vote) at the Valley Green special meeting. Because the affirmative vote of at least 70% of the outstanding Valley Green shares is necessary to approve the merger, broker non-votes, if any, submitted by brokers or nominees in connection with the special meeting will in effect be a vote against the merger.

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Q: What constitutes a quorum for the Valley Green special meeting?

A: As of the Valley Green record date, 2,797,453 shares of Valley Green common stock were issued and outstanding, each of which will be entitled to one vote at the meeting. Under Valley Green s bylaws, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast constitutes a quorum for the transaction of business at the special meeting. If you vote by proxy, your shares will be included for determining the presence of a quorum. Both abstentions and broker non-votes are also included for purposes of determining the presence of a quorum.

Q: Assuming the presence of a quorum, what is the vote required to approve the matters to be considered at the Valley Green special meeting?

A: The affirmative vote at the Valley Green special meeting, in person or by proxy, of at least 70% of the outstanding shares of Valley Green common stock is required to approve the merger agreement. The affirmative vote, in person or by proxy, of a majority of votes cast at the Valley Green special meeting is required to approve the proposal to adjourn the Valley Green special meeting, if necessary, to solicit additional proxies, and any other matter that may properly come before the special meeting. Because the affirmative vote of at least 70% of the holders of outstanding shares of Valley Green is required to approve the merger agreement, abstentions and broker non-votes with respect to the merger agreement will effectively act as no votes on such proposal. Abstentions and broker non-votes will not affect the outcome of the adjournment proposal or any other matters that properly come before the special meeting.

Q: Do I have appraisal or dissenters rights?

A: Yes. Under Pennsylvania law, Valley Green shareholders have the right to dissent from the merger agreement and the merger and to receive a payment in cash for the fair value of their shares of Valley Green common stock as determined by an appraisal process. This value may be more or less than the value you would receive in the merger if you do not dissent. If you dissent, you will receive a cash payment for the value of your shares that will be fully taxable to you. To perfect your dissenters rights, you must follow precisely the required statutory procedures. See *The Merger Valley Green Shareholders Have Dissenters Rights in the Merger*, on page 58 and the information at Annex D.

Q: Can I attend the Valley Green special meeting and vote my shares in person?

A: Yes. All shareholders, including shareholders of record and those who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Valley Green common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Q: Can I change my vote?

A: Yes. You may revoke your proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Valley Green s Corporate Secretary, or (3) attending the special meeting in person, notifying the Corporate Secretary and voting by ballot at the special meeting. The mailing address for Valley Green s Corporate Secretary is Valley Green Bank, 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119, Attention: Cheryl Richards.

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Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence (without notifying Valley Green s Corporate Secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: Who will bear the cost of soliciting votes for the Valley Green special meeting?

A: Valley Green will bear the cost of preparing, assembling, printing, mailing and distributing these proxy materials for the Valley Green special meeting. In addition to the mailing of these proxy materials, the solicitation of proxies or votes for the Valley Green special meeting may be made in person, by telephone, or by electronic communication by Valley Green s directors, officers, and employees, who will not receive any additional compensation for such solicitation activities. In addition, Valley Green may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

Q: What happens if additional proposals are presented at the Valley Green special meeting?

A: Other than the proposals described in this joint proxy statement/prospectus, Valley Green does not expect any matters to be presented for a vote at the special meeting. If you grant a proxy, the persons named as proxy holders, Elizabeth Iovine and Mark Biedermann, will have the discretion to vote your shares on any additional matters properly presented for a vote at the special meeting.

Q: Are there risks that I should consider in deciding whether to vote to approve the merger agreement?

A: Yes. You should consider the risk factors set out in the section entitled *Risk Factors* beginning on page 29 of this joint proxy statement/prospectus.

Q: What if I hold stock of both Univest and Valley Green?

A: If you hold shares of both Univest and Valley Green, you will receive two separate packages of proxy materials. A vote as a Valley Green shareholder for the merger proposal or any other proposals to be considered at the Valley Green special meeting will not constitute a vote as a Univest shareholder for the merger proposal or any other proposals to be considered at the Univest special meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Univest or Valley Green, or submit separate proxies as both a Univest shareholder and a Valley Green shareholder as instructed.

Q: Should I send in my Valley Green stock certificates?

A: No. If Valley Green shareholders approve the merger agreement, after the merger is completed, you will receive written instructions, including a letter of transmittal that will explain how to exchange your Valley Green stock certificates for Univest common stock certificates. **Please do not send in any Valley Green stock certificates until you receive these written instructions and the letter of transmittal.**

Q: Whom should I contact if I have additional questions?

A: If you are a Valley Green shareholder and have any questions about the merger, or if you need additional copies of this document or the enclosed proxy card, you should contact:

Valley Green Bank

7226 Germantown Avenue

Philadelphia, Pennsylvania 19119

Attention: Cheryl Richards

Telephone: (215) 242-3550

SUMMARY

This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all of the information that is important to you. We urge you to carefully read the entire joint proxy statement/prospectus and the other documents to which we refer in order to fully understand the merger and the related transactions. See Where You Can Find More Information on page iii. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

Information about the Parties

Univest Corporation of Pennsylvania (page 85)

Univest is a Pennsylvania business corporation and bank holding company with its headquarters in Souderton, Pennsylvania. At June 30, 2014, Univest had total consolidated assets of $2.2 billion. Univest is the parent company of Univest Bank, which operates thirty-one (31) branch offices providing financial services in Bucks, Chester, Lehigh and Montgomery Counties in Pennsylvania. Univest common stock is traded on The Nasdaq Global Select Market under the symbol UVSP.

The principal executive offices of Univest are located at Univest Corporation of Pennsylvania, 14 North Main Street, Souderton, Pennsylvania 18964, and its telephone number is (877) 723-5571.

Valley Green Bank (page 91)

Valley Green is a Pennsylvania state-chartered bank with its headquarters in Philadelphia, Pennsylvania. At June 30, 2014, Valley Green had total consolidated assets of $389 million. Valley Green operates 3 branch offices in Philadelphia County.

The principal executive offices of Valley Green are located at 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119, and its telephone number is (215) 242-3550.

The Merger (page 36)

The terms and conditions of the merger are contained in the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference herein. Please carefully read the merger agreement as it is the legal document that governs the merger.

Valley Green Will Merge into Univest Bank (page 65)

We are proposing the merger of Valley Green with and into Univest Bank. As a result, Univest Bank will continue as the surviving company.

Following the completion of the merger, the merger agreement provides that for a period of at least 24 months Univest will continue to operate Valley Green Bank as a separate banking division of Univest under the name Valley Green Bank Division. For further discussion on the operation of Valley Green Bank as a separate operating division of Univest following completion of the merger, see *The Merger Agreement Valley Green Bank Division*.

Univest Will Hold Its Special Meeting on December 3, 2014 (page 80)

The Univest special meeting will be held on December 3, 2014 at 2:00 p.m., local time, at 14 North Main Street, Souderton, Pennsylvania 18964. At the special meeting, Univest shareholders will be asked to:

1. adopt the merger agreement; and

2. approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Record Date. Only holders of record of Univest common stock at the close of business on October 15, 2014 will be entitled to vote at the special meeting. Each share of Univest common stock is entitled to one vote. As of the Univest record date, there were 16,214,016 shares of Univest common stock issued and outstanding and entitled to vote at the special meeting.

Required Vote. The affirmative vote at the Univest special meeting, in person or by proxy, of a majority of the votes cast at the special meeting is required to approve the merger agreement. The affirmative vote, in person or by proxy, of a majority of votes cast at the Univest special meeting is required to approve the proposal to adjourn the Univest special meeting, if necessary, to solicit additional proxies and any other matter that may properly come before the special meeting. The presence, in person or by proxy, of a majority of the outstanding shares of Univest common stock is necessary to constitute a quorum in order to transact business at the special meeting.

As of the record date, directors and executive officers of Univest and their affiliates had the right to vote 606,138 shares of Univest common stock, or 3.74% of the outstanding Univest common stock entitled to be voted at the special meeting. In accordance with the terms of the merger agreement, each of the directors and executive officers of Univest has executed an Affiliate Letter in favor of Valley Green pursuant to which he or she has agreed to vote all shares of Univest common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

Valley Green Will Hold Its Special Meeting on December 2, 2014 (page 86)

The Valley Green special meeting will be held on December 2, 2014 at 10:00 a.m., local time, at Lutheran Theological Seminary, 7301 Germantown Pike, Philadelphia, Pennsylvania 19119. At the special meeting, Valley Green shareholders will be asked to:

1. adopt the merger agreement; and

2. approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Record Date. Only holders of record of Valley Green common stock at the close of business on October 15, 2014 will be entitled to vote at the special meeting. Each share of Valley Green common stock is entitled to one vote. As of the Valley Green record date, there were 2,797,453 shares of Valley Green common stock issued and outstanding and entitled to vote at the special meeting.

Required Vote. The affirmative vote at the Valley Green special meeting, in person or by proxy, of at least 70% of the outstanding shares of Valley Green common stock is required to approve the merger agreement. The affirmative vote, in person or by proxy, of a majority of votes cast at the Valley Green special meeting is required to approve the proposal to adjourn the Valley Green special meeting, if necessary, to solicit additional proxies and any other matter that may properly come before the special meeting.

As of the record date, directors and executive officers of Valley Green and their affiliates had the right to vote 769,233 shares of Valley Green common stock, or 27.5% of the outstanding Valley Green common stock entitled to be voted at the special meeting. In accordance with the terms of the merger agreement, each of the directors and the executive officers of Valley Green has executed an Affiliate Letter in favor of Univest pursuant to which he or she has agreed to vote all shares of Valley Green common stock owned by him or her in favor of adoption of the merger agreement.

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Valley Green Shareholders Will Receive Shares of Univest Common Stock in the Merger (page 65).

Each Valley Green shareholder will receive in exchange for each share of Valley Green common stock owned immediately prior to completion of the merger the right to receive an amount of Univest common stock equal to the quotient, carried to four (4) decimal places (the Exchange Ratio), of (i) $27.00 divided by (ii) the average of the closing sale prices of Univest common stock (as reported on Nasdaq) for each consecutive trading day during the twenty (20) days immediately preceding the effective date of the merger (the Univest Share Price); provided, however, that in no event may the Exchange Ratio be less than 1.2231 or greater than 1.4949. If the Exchange Ratio would otherwise be less than 1.2231 or more than 1.4949, then 1.2231 or 1.4949, respectively, will be used.

It is important to note that the value of the merger consideration may change based on the Univest Share Price, and we cannot predict what the value will be at the closing of the merger.

Expected Material United States Federal Income Tax Treatment as a Result of the Merger (page 78)

The merger is structured to be treated as a reorganization for United States federal income tax purposes. Each of Univest and Valley Green has conditioned the consummation of the merger on its receipt of a legal opinion that this will be the case.

Generally, a Valley Green shareholder will not recognize gain or loss on the exchange of Valley Green common stock solely for Univest common stock in the merger, except with respect to the cash received in lieu of a fractional share interest in Univest common stock. If a Valley Green shareholder receives cash instead of a fractional share interest in Univest common stock or as a result of exercising dissenters rights, such shareholder will recognize gain or loss on receipt of that cash.

Exceptions to these conclusions or other considerations may apply, some of which are discussed beginning on page 78. Determining the actual tax consequences of the merger to a Valley Green shareholder can be complicated. For further information, please refer to *Material United States Federal Income Tax Consequences of the Merger* on page 78. **Valley Green shareholders should also consult their own tax advisors for a full understanding of the federal income tax and other tax consequences of the merger as they apply specifically to them**.

The United States federal income tax consequences described above may not apply to all holders of Valley Green common stock. The tax consequences for Valley Green shareholders will depend on their individual situations. Accordingly, Valley Green shareholders are strongly urged to consult their tax advisors for a full understanding of the particular tax consequences of the merger to them.

Accounting Treatment of the Merger (page 77)

The merger will be treated as a business combination using the acquisition method of accounting with Univest treated as the acquiror under accounting principles generally accepted in the United States of America, or US GAAP.

Market Prices and Dividend Information (page 156)

Univest common stock is quoted on The Nasdaq Global Select Market under the symbol UVSP.

The following table shows the closing sale prices of Univest common stock as reported on The Nasdaq Global Select Market on June 17, 2014, the last trading day before announcement of the merger, and on October 15, 2014, the last practicable trading day prior to mailing this joint proxy statement/prospectus. The table also presents the equivalent value of the merger consideration per share of Valley Green common stock on June 17, 2014, and October 15, 2014, calculated by multiplying the closing sale prices of Univest common stock on those dates by an exchange ratio of Univest common stock that Valley Green shareholders would receive in the merger for each share of Valley Green common stock. The actual exchange ratio will be determined by

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dividing $27.00 by the average of the closing sale prices of Univest common stock during the twenty consecutive trading days immediately preceding the effective time of the merger.

	Univest Common Stock	Valley Green Stock	Exchange Ratio	Equivalent Per Share Value
Prior to execution of the merger agreement	$ 19.91(1)	$ 15.00(2)	1.3561	$ 27.00
At October 15, 2014	$ 19.80	$ 15.00(2)	1.3636	$ 27.00

(1) Closing price as of June 17, 2014.

(2) The common stock of Valley Green is not traded on a national securities exchange, listing service, or similar trading platform for listing or quotation of securities, and there is no active or liquid trading market for its common stock. The most recent trading price for Valley Green s common stock prior to the announcement of the merger that is known to Valley Green s management was $15.00 per share on January 16, 2014. Given the absence of an established trading market and publicly available trading information for Valley Green shares, such price may not reflect actual current market value.

The market price of Univest common stock will fluctuate prior to the merger. You should obtain current stock price quotations for the shares.

Upon completion of the merger, former Valley Green shareholders will own approximately 20% of the outstanding shares of Univest common stock.

Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Valley Green (page 40)

Valley Green s financial advisor, Keefe, Bruyette & Woods, Inc., or KBW, delivered an opinion, dated June 17, 2014, to Valley Green s board of directors to the effect that, as of the date of the opinion and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the proposed merger was fair from a financial point of view to the holders of Valley Green common stock.

The full text of KBW s opinion is attached as Annex B to this joint proxy statement/prospectus. Valley Green shareholders should read that opinion and the summary description of KBW s opinion contained in this joint proxy statement/prospectus in their entirety. The opinion of KBW does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. KBW s opinion was for the information of, and directed to, Valley Green s board of directors (in its capacity as such) in connection with the board s consideration of the financial terms of the merger. The KBW opinion is not a recommendation as to how any holder of Valley Green common stock should vote with respect to the merger or any other matter.

Griffin Financial Group, LLC Has Provided an Opinion to the Univest Board of Directors Regarding the Fairness of the Merger Consideration (page 52)

Univest s financial advisor, Griffin Financial Group, LLC, or Griffin, has conducted financial analyses and delivered an opinion to Univest s board of directors that, as of June 17, 2014, the exchange ratio was fair from a financial point of view to Univest.

The full text of Griffin s opinion is attached as Annex C to this joint proxy statement/prospectus. Univest shareholders should read that opinion and the summary description of Griffin s opinion contained in this joint proxy statement/prospectus in their entirety. The opinion of Griffin does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. Univest does not expect that it will request an updated opinion from Griffin.

Univest paid Griffin an upfront engagement fee of $25,000, and an additional $150,000 upon delivery of its fairness opinion on June 17, 2014. Univest will pay Griffin a fee, currently estimated to be approximately $275,000, upon successful completion of the merger.

Board of Directors and Executive Officers of Univest after the Merger (page 58)

Following completion of the merger, the then current directors and executive officers of Univest will continue in office. Additionally, Univest will appoint Jay R. Goldstein and Michael L. Turner to serve on the Univest board of directors. Jay R. Goldstein will serve in Class I, with a term to expire in 2015, and Michael L. Turner will serve in Class II, with a term to expire in 2016, of the Univest board of directors. Univest has agreed to nominate and recommend each of them for election for one additional three-year term following their initial term.

The Univest Board of Directors Recommends That Univest Shareholders Vote FOR Adoption of the Agreement and Plan of Merger (page 52)

The Univest board of directors believes that the merger is in the best interests of Univest and its shareholders and has unanimously approved the merger and the merger agreement. The Univest board of directors recommends that Univest shareholders vote FOR adoption of the agreement and plan of merger. The Univest board also recommends that its shareholders vote FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

The Valley Green Board of Directors Recommends That Valley Green Shareholders Vote FOR Adoption of the Agreement and Plan of Merger (page 40)

The Valley Green board of directors believes that the merger is in the best interests of Valley Green and its shareholders and has unanimously approved the merger and the merger agreement. The Valley Green board of directors recommends that Valley Green shareholders vote FOR adoption of the agreement and plan of merger. The Valley Green board also recommends that its shareholders vote FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

Valley Green s Directors and Executive Officers Have Financial Interests in the Merger that May Differ from the Interests of Valley Green Shareholders (page 61)

In addition to their interests as Valley Green shareholders, the directors and certain executive officers of Valley Green may have interests in the merger that are different from or in addition to interests of other Valley Green shareholders. These interests include, among others, provisions in the merger agreement regarding board membership, as well as change in control agreements, employment agreements, indemnification, insurance, and eligibility to participate in various employee benefit plans. For purposes of the Valley Green agreements and plans, the completion of the merger will constitute a change in control. These additional interests may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than a Valley Green shareholder may view it. The financial interests of Valley Green s directors and executive officers in the merger include the following:

- the appointment, effective at the closing of the merger, of Jay R. Goldstein and Michael L. Turner to the board of directors of Univest and the payment of compensation to such individuals in accordance with the policies of Univest, which currently consists of the following payments to each of its non-employee directors: an annual retainer of $18,000 and 1,000 shares of restricted stock (with a two year vesting period), a fee of $900 for each board meeting attended, and between $275 and $800 for each committee meeting attended, depending on the committee; provided that Mr. Goldstein will not be paid any director s fees while he is an employee of Univest or Univest Bank;

the continued indemnification of current directors and executive officers of Valley Green and its subsidiaries pursuant to the terms of the merger agreement and providing these individuals with continued director s and officer s liability insurance;

the retention of certain executive officers of Valley Green, and payment of compensation to such executive officers, pursuant to employment agreements between Univest and each of them that will become effective at the closing of the merger; and

- certain of Valley Green s named executive officers will be entitled to severance or change-in-control benefits upon the closing of the merger.

Valley Green s board of directors was aware of these interests and took them into account in its decision to approve the agreement and plan of merger. For information concerning these interests, please see the discussion on page 61 under the caption *The Merger Valley Green s Directors and Executive Officers Have Financial Interests in the Merger*.

Holders of Valley Green Common Stock Have Dissenters Rights (page 58)

If you are a Valley Green shareholder, you have the right under the Pennsylvania Business Corporation Law (the PBCL) to dissent from the merger agreement and the merger, and to demand and receive cash for the fair value of your shares of Valley Green common stock. For a complete description of the dissenters rights of Valley Green shareholders, please see the discussion under the caption *The Merger Valley Green Shareholders Have Dissenters Rights in the Merger* on page 58. In order to assert dissenters rights, a Valley Green shareholder must:

- file a written notice of intent to dissent with Valley Green prior to the shareholder vote at the special meeting of shareholders;

- make no change in their beneficial ownership of Valley Green common stock after they give notice of their intention to demand fair value of their shares of Valley Green common stock;

- not vote to adopt the merger agreement at the special meeting;

- file a written demand for payment and deposit any certificates representing the Valley Green shares for which dissenters rights are being asserted as requested by the notice that will be sent by Univest or Valley Green after the completion of the merger; and

- comply with certain other statutory procedures set forth in Pennsylvania law.

If you are a Valley Green shareholder and you sign and return your proxy without voting instructions, we will vote your proxy in favor of the transaction and you will lose any dissenters rights that you may have. A copy of the relevant provisions of Pennsylvania law related to dissenters rights are attached to this proxy statement/prospectus as Annex D.

The Rights of Valley Green Shareholders Will Be Governed by Pennsylvania Law and the Articles of Incorporation and Bylaws of Univest after the Merger (page 149)

The rights of Valley Green shareholders will change as a result of the merger due to differences in Univest s and Valley Green s governing documents. A description of shareholder rights under each of the Univest and Valley Green governing documents, and the material differences between them, is included in the section entitled *Comparison of Shareholders Rights* found on page 149.

Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 74)

Currently, we expect to complete the merger in the first quarter of 2015. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval by the requisite vote of the Univest shareholders and the Valley Green shareholders; the receipt of all required regulatory approvals from the Federal Reserve Board (FRB) and the Pennsylvania Department of Banking and Securities (PDB); the exercise of dissenters rights under the PBCL with respect to no more than 10% of the outstanding shares of Valley Green common stock; and the receipt of a legal opinion from counsel to each of Univest and Valley Green regarding the tax treatment of the merger.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

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No Solicitation of Other Offers (page 71)

Valley Green has agreed that it will not, and Valley Green will cause its subsidiaries and each of their respective officers, directors, employees, representatives, agents, and affiliates not to, between the date of the merger agreement and the closing of the merger, directly or indirectly:

- initiate, solicit, induce or encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, relates or could reasonably be expected to lead to an alternative acquisition proposal;
- respond to any inquiry relating to an alternative acquisition proposal or an alternative acquisition transaction;
- recommend or endorse an alternative acquisition transaction;
- participate in any discussions or negotiations regarding, or furnish or afford access to information or data to any person that may relate to an alternative acquisition proposal;
- release anyone from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which Valley Green is a party; or
- enter into any agreement, agreement in principle or letter of intent with respect to any alternative acquisition proposal or approve or resolve to approve any alternative acquisition proposal or any agreement, agreement in principle or letter of intent relating to an alternative acquisition proposal.

The merger agreement does not, however, prohibit Valley Green from furnishing information or access to a third party who has made an alternative acquisition proposal and participating in discussions and negotiating with such person prior to the receipt of shareholder approval if specified conditions are met. Among those conditions is a good faith determination by Valley Green s board of directors that the acquisition proposal constitutes or that could reasonably be expected to lead to a proposal that is more favorable, from a financial point of view, to Valley Green and its shareholders than the transactions contemplated by the merger agreement and is reasonably capable of being completed on its stated terms, taking into account all financial, regulatory, legal and other aspects of the proposal.

For further discussion of the restrictions on solicitation of acquisition proposals from third parties, see *The Merger Agreement Agreement Not to Solicit Other Offers* beginning on page 71.

Termination of the Merger Agreement (page 75)

We may mutually agree to terminate the merger agreement before completing the merger, even after Valley Green or Univest shareholder approval. In addition, either of us may decide to terminate the merger agreement, if (i) a court or governmental entity issues a final order that is not appealable prohibiting the merger, (ii) a bank regulator which must grant a regulatory approval as a condition to the merger denies such approval of the merger and such denial has become final and is not appealable, (iii) the shareholders of Univest or Valley Green fail to approve the merger at their respective special meetings, or (iv) the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 30 days following written notice. Either of us may terminate the merger agreement if the merger has not been completed by March 31, 2015, unless the reason the merger has not been completed by that date is a breach of the merger agreement by the company seeking to terminate the merger agreement.

Univest may terminate the merger agreement if the Valley Green board of directors, in connection with the receipt of an alternative acquisition proposal, (1) enters into a letter of intent, agreement in principle or an acquisition agreement with respect to the alternative acquisition proposal, (2) fails to make, withdraws, modifies or qualifies its recommendation of the merger agreement in a manner adverse to Univest, or (3) has otherwise made a determination to accept the alternative acquisition proposal.

Valley Green may terminate the merger agreement if Valley Green receives an alternative acquisition proposal and has made a determination to accept the alternative acquisition proposal. Valley Green may also terminate the merger agreement within five days of the later of (i) the date on which all regulatory approvals, and

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waivers, if applicable, necessary for consummation of the merger and the transactions contemplated by the merger agreement have been received or (ii) the date of the meeting of Valley Green shareholders (the Determination Date), if Valley Green s board determines that each of the following have occurred:

the average of the daily closing sale prices of a share of Univest common stock as reported on Nasdaq for the 20 consecutive trading days immediately preceding the Determination Date (the Determination Date Market Value) is less than $16.06 (80% of the closing sale price of Univest common stock on the last trading date before the date of the merger agreement); and

The ratio obtained by dividing the Determination Date Market Value by $16.06 is less than the quotient obtained by dividing (A) the average of the daily closing sale price of the Nasdaq Bank Index for the 20 consecutive trading days immediately preceding the Determination Date by (B) $2,523.95 (the average of the daily closing sale price of the Nasdaq Bank Index for the twenty (20) consecutive trading days immediately preceding the last trading day before the date of the merger agreement) (the Index Ratio), *minus* 0.20, and Univest, within a five (5) business day period following receipt of written notice of termination from Valley Green s board, does not elect to adjust the Merger consideration.

Valley Green may not terminate in these circumstances, however, if Univest exercises its option to increase the Exchange Ratio so that the consideration to be received by Valley Green shareholders (in the form of Univest Common Stock), based on the Determination Date Market Value, is equal to the lesser of (i) $27.00 or (ii) the product of (x) $27.00 and (y) the Index Ratio.

Termination Fee (page 76)

Valley Green will pay Univest a termination fee of $3.0 million in the event that the merger agreement is terminated:

by Univest because Valley Green has received an alternative acquisition proposal, and Valley Green (1) enters into a letter of intent, agreement in principle or an acquisition agreement with respect to the alternative acquisition proposal, (2) fails to make, withdraws, modifies or qualifies its recommendation of the merger agreement in a manner adverse to Univest, or (3) has otherwise made a determination to accept the alternative acquisition proposal; or

by Valley Green, if Valley Green receives an alternative acquisition proposal and has made a determination to accept the alternative acquisition proposal in accordance with the terms of the merger agreement.

Expense Reimbursement Fee (page 76)

Valley Green will pay Univest an expense reimbursement fee within five (5) business days after Univest makes written demand therefor equal to the lesser of (i) the amount of Univest s actual and documented out-of-pocket expenses incurred in connection with due diligence, negotiation and execution of the merger agreement and undertaking the transactions contemplated by the merger agreement (including without limitation all financial advisor, accounting, counsel and third party review firm fees), and (ii) $500,000, in the event that the merger is terminated by Univest as a result of the failure of the shareholders of Valley Green to approve the transactions contemplated by the merger agreement and, prior to the Valley Green Shareholders Meeting, any person shall have proposed or publicly announced an acquisition proposal for Valley Green.

Regulatory Approvals Required for the Merger (page 60)

The FRB must approve the merger under the provisions of the Bank Holding Company Act of 1956, as amended (the Bank Holding Company Act), relating to the acquisition of a bank by a bank holding company, and the applicable waiting period must expire before it can be completed. In addition, the PDB must approve the merger under the Pennsylvania Banking Code of 1965. The applications for approval of the merger were filed with the FRB and the PDB on or about August 18, 2014.

For further discussion of the regulatory requirements in connection with the merger, see *The Merger Regulatory Approvals Required for the Merger*, beginning on page 60.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF UNIVEST

The following table provides historical consolidated summary financial data for Univest. The data for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 are derived from Univest s audited financial statements for the periods then ended. The results of operations for the six months ended June 30, 2014 and 2013 are not necessarily indicative of the results of operations for the full year or any other interim period. Univest s management prepared the unaudited information on the same basis as it prepared Univest s audited consolidated financial statements. In the opinion of Univest s management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

(In thousands, except per share data)	(Unaudited) At or For the Six Months Ended June 30,		At or For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
Balance Sheet Data:							
Assets	$ 2,197,252	$ 2,255,601	$ 2,191,559	$ 2,304,841	$ 2,206,839	$ 2,133,893	$ 2,085,421
Loans, net of allowance for loan losses	1,562,900	1,475,275	1,516,990	1,457,116	1,416,536	1,440,288	1,401,182
Investment securities	358,460	485,460	402,284	499,579	471,165	467,024	420,045
Deposits	1,832,234	1,873,051	1,844,498	1,865,333	1,749,232	1,686,270	1,564,257
Borrowings	45,066	66,007	37,256	117,276	137,234	143,865	214,063
Shareholders equity	286,787	279,588	280,506	284,277	272,979	266,224	267,807
Income Statement Data:							
Net interest income	$ 35,692	$ 36,051	$ 72,462	$ 72,480	$ 74,740	$ 73,534	$ 67,636
Provision for loan losses	2,726	5,520	11,228	10,035	17,479	21,565	20,886
Non-interest income, including security gains and losses	24,065	22,466	46,784	40,260	34,407	34,418	29,917
Non-interest expense	42,673	39,522	81,133	76,282	68,010	67,349	65,324
Income before taxes	14,358	13,475	26,885	26,423	23,658	19,038	11,343
Net Income	10,806	10,228	21,189	20,872	18,882	15,756	10,780
Per Share Data:							

Basic earnings per share	$ 0.67	$ 0.61	$ 1.28	$ 1.25	$ 1.13	$ 0.95	$ 0.75
Diluted earnings per share	0.66	0.61	1.27	1.24	1.13	0.95	0.75
Dividends declared	0.40	0.40	0.80	0.80	0.80	0.80	0.80
Book value	17.65	16.76	17.22	16.95	16.34	15.99	16.27
Earnings Performance Ratios:							
Return on average assets	1.00%	0.92%	0.95%	0.95%	0.89%	0.75%	0.52%
Return on average shareholders equity	7.67	7.24	7.53	7.39	6.91	5.82	4.68
Net interest margin	3.91	3.80	3.81	3.89	4.15	4.11	3.79
Asset Quality Ratios:							
Net charge offs to average loans	0.40%	0.76%	0.77%	1.03%	1.28%	1.07%	0.63%
Non-performing loans to total loans*	1.55	2.63	2.05	3.11	2.94	3.16	2.65
Allowance for loan losses to non-performing loans	100.08	62.70	77.53	53.76	70.34	66.48	65.54
Allowance for loan losses to total loans	1.52	1.65	1.59	1.67	2.07	2.10	1.74
Capital Ratios:							
Leverage ratio	10.72%	10.61%	10.85%	11.47%	11.53%	11.54%	11.46%
Total risk-based capital ratio	13.26	13.95	13.90	15.62	15.56	15.47	15.76

* Includes nonaccrual loans held for sale

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF VALLEY GREEN

The following table provides historical consolidated summary financial data for Valley Green. The data for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 are derived from Valley Green s audited financial statements for the periods then ended. The results of operations for the six months ended June 30, 2014 and 2013 are not necessarily indicative of the results of operations for the full year or any other interim period. Valley Green s management prepared the unaudited information on the same basis as it prepared Valley Green s audited consolidated financial statements. In the opinion of Valley Green s management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

(In thousands, except per share data)	(Unaudited) At or For the Six Months Ended June 30,		At or For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
Balance Sheet Data:							
Assets	$ 389,552	$ 311,405	$ 357,302	$ 295,394	$ 223,225	$ 174,224	$ 101,980
Loans, net of allowance for loan losses	346,157	277,785	320,541	245,792	194,417	138,727	84,606
Investment securities	12,626	12,417	13,052	20,612	18,005		
Deposits	353,233	279,753	324,965	268,991	200,263	158,213	92,200
Borrowings							
Shareholders equity	34,958	30,216	31,243	25,568	22,301	15,406	9,305
Income Statement Data:							
Net interest income	$ 9,063	$ 7,499	$ 15,924	$ 12,588	$ 9,257	$ 5,850	$ 3,366
Provision for loan losses	499	461	701	1,528	913	781	(206)
Non-interest income, including security gains and losses	328	325	761	624	465	443	369
Non-interest expense	4,773	4,303	8,953	7,406	7,092	6,002	3,892
Income (loss) before taxes	4,119	3,060	7,031	4,278	1,717	(490)	49
Net Income	2,612	2,011	4,626	3,003	1,717	260	49
Per Share Data:							
Basic earnings per share	$ 0.95	$ 0.89	$ 1.92	$ 1.48	$ 0.86	$ 0.17	$ 0.04
Diluted earnings per share	0.95	0.89	1.92	1.48	0.86	0.17	0.04
Dividends declared							
Book value	12.49	10.74	11.50	10.32	8.76	7.80	7.11
Earnings Performance Ratios:							

Return on average assets	1.42%	1.34%	1.44%	1.18%	0.89%	0.24%	0.05%
Return on average shareholders equity	15.75	14.03	15.67	12.63	9.47	2.73	0.53
Net interest margin	5.07	5.14	5.08	5.05	4.97	4.70	3.88
Asset Quality Ratios:							
Net loan charge offs to average loans	0.52%	0.07%	0.06%	0.46%	0.44%	0.03%	0.15%
Non-performing loans to total loans	0.40	0.41	0.17	0.48	1.30	1.25	1.65
Allowance for loan losses to non-performing loans	175.12	165.01	501.94	192.53	70.64	63.47	62.43
Allowance for loan losses to total loans	0.70	0.96	0.88	0.93	0.92	1.16	1.03
Capital Ratios:							
Leverage ratio	9.31%	10.10%	8.98%	9.00%	10.10%	9.17%	9.53%
Total risk-based capital ratio	11.86	13.11	11.80	12.30	13.19	12.07	12.74

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial information is based upon the assumption that the total number of shares of Valley Green common stock outstanding immediately prior to the completion of the merger will be 2,798,703 and utilizes the exchange ratio of 1.3460 for 100% of Valley Green s outstanding shares, which will result in 3,767,054 shares of Univest common stock being issued in the transaction.

The following unaudited pro forma combined consolidated financial statements as of and for the period ended June 30, 2014 combine the historical consolidated financial statements of Univest and Valley Green. The unaudited pro forma combined consolidated financial statements give effect to the proposed merger as if the merger occurred on June 30, 2014 with respect to the consolidated balance sheet, and at the beginning of the period, for the six months ended June 30, 2014 and for the year ended December 31, 2013, with respect to the consolidated income statement.

The notes to the unaudited pro forma combined consolidated financial statements describe the pro forma amounts and adjustments presented below. THIS PRO FORMA DATA IS NOT NECESSARILY INDICATIVE OF THE OPERATING RESULTS THAT UNIVEST WOULD HAVE ACHIEVED HAD IT COMPLETED THE MERGER AS OF THE BEGINNING OF THE PERIOD PRESENTED AND SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF FUTURE OPERATIONS

The unaudited pro forma combined consolidated financial information presented below is based on, and should be read together with, the historical financial information that Univest and Valley Green have included in or incorporated by reference in this joint proxy statement/prospectus as of and for the indicated periods.

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Pro Forma Combined Consolidated Balance Sheets as of June 30, 2014

Unaudited (in thousands, except share and per share data)

	Univest	Valley Green	Combined	Pro Forma Adjustments	Pro Forma Combined
Assets:					
Cash	$ 57,607	$ 23,942	$ 81,549	$ (6,049) (6)	$ 75,500
Securities	358,460	12,626	371,086		371,086
Loans held for sale	9,811		9,811		9,811
Loans	1,586,994	348,614	1,935,608	(3,738) (2)(3)	1,931,870
Allowance for Loan Losses	(24,094)	(2,457)	(26,551)	2,457 (4)	(24,094)
Loans, net	1,562,900	346,157	1,909,057	(1,281)	1,907,776
Fixed assets	34,048	3,124	37,172	480 (7)	37,652
Bank-owned life insurance	61,458		61,458		61,458
Goodwill	64,326		64,326	46,536 (1)	110,862
Intangibles	11,494	30	11,524	3,777 (8)	15,301
Accrued interest receivable and other assets	37,148	3,673	40,821	200 (9)(10)	41,021
Total assets	$ 2,197,252	$ 389,552	$ 2,586,804	$ 43,663	$ 2,630,467
Liabilities and Shareholders Equity:					
Deposits - Noninterest bearing	$ 432,399	$ 44,686	$ 477,085	$	$ 477,085
Deposits - Interest bearing	1,399,835	308,547	1,708,382	1,479 (5)	1,709,861
Short term borrowing	45,066		45,066		45,066
Long term borrowing					
Accrued interest payable other liabilities	33,165	1,361	34,526	1,575 (8)(9)	36,101
Total liabilities	1,910,465	354,594	2,265,059	3,054	2,268,113
Common stock	91,332	2,799	94,131	16,036 (11)	110,167
Additional paid-in capital	61,839	24,708	86,547	32,024 (11)	118,571
Retained earnings	176,911	7,695	184,606	(7,695)	176,911
Accumulated other comprehensive income	(6,648)	(244)	(6,892)	244	(6,648)
Treasury Stock	(36,647)		(36,647)		(36,647)
Total equity	286,787	34,958	321,745	40,609	362,354

Total liabilities and shareholders equity	$ 2,197,252	$ 389,552	$ 2,586,804	$ 43,663	$ 2,630,467
Per Share Data:					
Common shares outstanding	16,248,495	2,798,703		3,767,054	20,015,549
Book value per common share	$ 17.65	$ 12.49			$ 18.10
Tangible book value per common share	12.98	12.48			11.80

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Pro Forma Consolidated Statements of Income

For the Twelve Months Ended December 31, 2013

Unaudited (in thousands, except per share data)

	Univest	Valley Green	Combined	Pro Forma Adjustments	Pro Forma Combined
Interest and dividend income:					
Loans, including fees	$ 67,950	$ 17,503	$ 85,453	$ (124) (2)	$ 85,329
Investment securities	9,503	220	9,723		9,723
Other dividend and interest income	126	30	156		156
Total interest and dividend income	77,579	17,753	95,332	(124)	95,208
Interest expense:					
Deposits	4,586	1,826	6,412	(740) (5)	5,672
Borrowings	48	3	51		51
Other	483		483		483
Total interest expense	5,117	1,829	6,946	(740)	6,206
Net interest income	72,462	15,924	88,386	616	89,002
Provision for loan losses	11,228	701	11,929		11,929
Net interest income after provision for loan losses	61,234	15,223	76,457	616	77,073
Non-interest income:					
Service charges	11,841	337	12,178		12,178
Securities gains, net	3,389	9	3,398		3,398
Earnings on bank-owned life insurance	2,968		2,968		2,968
Gain on sale of loans	6,282	199	6,481		6,481
Loss on termination of swap	(1,866)		(1,866)		(1,866)
Trust Commissions	7,303		7,303		7,303
Insurance commissions	10,220		10,220		10,220
Investment advisory commissions	6,817		6,817		6,817
Other	(170)	216	46		46
Total non-interest income	46,784	761	47,545		47,545
Non-interest expense:					
Salaries and employee benefits	48,034	4,961	52,995		52,995

Occupancy, net	5,869	867	6,736		6,736
Furniture and equipment	4,865	132	4,997		4,997
PA Shares Tax	1,953	156	2,109		2,109
FDIC deposit insurance	1,553	220	1,773		1,773
Restructuring Change	534		534		534
Acquisition-related costs					
Other	18,325	2,617	20,942	733 (8)	21,675
Total non-interest expense	81,133	8,953	90,086	733	90,819
Income before taxes	26,885	7,031	33,916	(117)	33,799
Income tax expense (benefit)	5,696	2,405	8,101	(41) (10)	8,060
Net Income	$ 21,189	$ 4,626	$ 25,815	$ (76)	$ 25,739
Earnings per share:					
Basic	$ 1.28	$ 1.92			$ 1.30
Diluted	1.27	1.92			1.30

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Pro Forma Consolidated Statements of Income

For the Six Months Ended June 30, 2014

Unaudited (in thousands, except per share data)

	Univest	Valley Green	Combined	Pro Forma Adjustments	Pro Forma Combined
Interest and dividend income:					
Loans, including fees	$ 33,739	$ 9,924	$ 43,663	$ (62) (2)	$ 43,601
Investment securities	3,901	117	4,018		4,018
Other dividend and interest income	31	15	46		46
Total interest and dividend income	37,671	10,056	47,727	(62)	47,665
Interest expense:					
Deposits	1,961	993	2,954	(370) (5)	2,584
Borrowings	18		18		18
Other					
Total interest expense	1,979	993	2,972	(370)	2,602
Net interest income	35,692	9,063	44,755	308	45,063
Provision for loan losses	2,726	499	3,225		3,225
Net interest income after provision for loan losses	32,966	8,564	41,530	308	41,838
Non-interest income:					
Service charges	5,765	204	5,969		5,969
Securities gains, net	557		557		557
Earnings on bank-owned life insurance	821		821		821
Gain on sale of loans	833	13	846		846
Trust Commissions	3,830		3,830		3,830
Insurance commissions	5,766		5,766		5,766
Investment advisory commissions	6,058		6,058		6,058
Other	435	111	546		546
Total non-interest income	24,065	328	24,393		24,393
Non-interest expense:					
Salaries and employee benefits	24,298	2,763	27,061		27,061

Occupancy, net	3,441	504	3,945		3,945
Furniture and equipment	2,744	76	2,820		2,820
PA shares tax	936	142	1,078		1,078
FDIC deposit insurance	776	(5)	771		771
Acquisition-related costs	559		559		559
Other	9,919	1,293	11,212	367 (8)	11,579
Total non-interest expense	42,673	4,773	47,446	367	47,813
Income before taxes	14,358	4,119	18,477	(59)	18,418
Income tax expense (benefit)	3,552	1,507	5,059	(21) (10)	5,038
Net Income	$ 10,806	$ 2,612	$ 13,418	$ (38)	$ 13,380
Earnings per share:					
Basic	$ 0.67	$ 0.95			$ 0.67
Diluted	0.66	0.95			0.67

(1) The acquisition will be effected by the distribution of cash and issuance of shares of Univest common stock to Valley Green s common shareholders. The following unaudited pro forma combined consolidated financial information assumes that 100% of the outstanding shares of Valley Green common stock will be exchanged for Univest common stock at an exchange ratio of 1.3460 shares of Univest common stock for each share of Valley Green common stock. Additionally, Univest will pay approximately $2.2 million to Valley Green for outstanding stock options.

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The unaudited pro forma combined consolidated financial information is based upon the assumption that the total number of shares of Valley Green common stock immediately outstanding prior to the completion of the merger will be 2,798,703 and utilizes the exchange ratio of 1.3460 for 100% of Valley Green s outstanding shares and cash of $2.2 million for Valley Green stock options. This will result in the issuance of 3,767,054 shares of Univest common stock with an estimated fair value of $75.6 million, for a total estimated purchase price of $77.7 million. The final purchase price will be determined based upon the fair value of Univest shares of common stock as of the merger closing, the final exchange ratio as established in accordance with the merger agreement, the number of Valley Green shares outstanding as of closing, and the number and strike price of Valley Green Options as of the merger closing. The final allocation of the purchase price will be determined after the merger is completed and additional analyses are performed to determine the fair values of Valley Green s tangible and identifiable intangible assets and liabilities as of the date the merger is completed. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein. The unaudited pro forma combined consolidated financial information has been prepared to include the estimated adjustments necessary to record the assets and liabilities of Valley Green at their respective fair values and represents management s best estimate based upon the information available at this time. The pro forma adjustments included herein are subject to change as additional information becomes available and as additional analyses are performed. Such adjustments, when compared to the information shown in this document, may change the amount of the purchase price allocation to goodwill while changes to other assets and liabilities may impact the statement of income due to adjustments in the yield and/or amortization/accretion of the adjusted assets and liabilities.

The total estimated purchase price for the purpose of this unaudited pro forma combined consolidated financial information is $77.7 million. Goodwill is created when the purchase price consideration exceeds the fair value of the assets acquired or a bargain purchase gain results when the current fair value of the assets acquired exceeds the purchase price consideration. For purposes of this analysis as of June 30, 2014, goodwill of $43.1 million results from the transaction; however, the final purchase accounting analysis will be performed as of the merger date and these amounts are subject to change based on operations subsequent to June 30, 2014, as additional information becomes available and as additional analyses are performed. The following table provides the calculation and allocation of the purchase price used in the pro forma financial statements and a reconcilement of pro forma shares to be outstanding.

Summary of Purchase Price Calculation and Goodwill Resulting From Merger
(in thousands, except share data)

Purchase Price Consideration in Common Stock		
Valley Green shares outstanding	2,798,703	
Exchange ratio	1.3460	
Univest shares to be issued	3,767,054	
Univest closing price	$ 20.06	
Purchase price assigned to Valley Green shares exchanged for Univest stock		$ 75,567
Purchase price assigned to Valley Green stock options exchanged for cash		2,168
Total purchase price		$ 77,735
Net Assets Acquired:		
Valley Green common shareholders equity	$ 34,958	
Core deposit intangible	2,193	

Adjustments to reflect assets acquired at fair value:		
Loans	(3,738)	
Allowance for loan losses	2,457	
Adjustment to reflect liabilities acquired at fair value:		
Interest bearing deposits	(1,479)	
Deferred tax assets	199	34,590
Goodwill resulting from merger		$ 43,145

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On July 1, 2014, Univest completed the acquisition of Sterner Insurance Associates, Inc., a full service firm providing insurance and consultative risk management solutions to individuals and businesses throughout the Lehigh Valley, Berks, Bucks and Montgomery counties (the Sterner Acquisition).

Univest paid $3.9 million in cash and assumed liabilities of $940 thousand at closing with additional contingent consideration to be paid in annual installments over the three-year period ending June 30, 2017, based on the achievement of certain levels of revenue growth and EBITDA (earnings before interest, taxes, depreciation and amortization). At the acquisition date, Univest recorded the estimated fair value of the contingent consideration of $635 thousand in other liabilities. The potential cash payments that could result from the contingent consideration arrangement range from $0 to a maximum of $5.7 million cumulative over the next three years. As a result of the Sterner Acquisition, Univest recorded goodwill of $3.4 million (inclusive of the contingent consideration) and customer related intangibles of $1.6 million. The goodwill is expected to be deductible for tax purposes. The customer related intangibles are being amortized over nine years using the sum-of-the-years-digits amortization method.

Summary of Purchase Price Calculation and Goodwill Resulting From Sterner Acquisition
(in thousands, except share data)

Purchase Price		$ 3,881
Net Assets Acquired:		
Building and other fixed assets	$ 480	
Prepaid taxes	1	
Customer-related intangible	1,584	
Contingent consideration	(635)	
Liabilities assumed	(940)	490
Goodwill resulting from Sterner Acquisition		$ 3,391

(2) A fair value premium of $1.239 million to reflect fair values of loans based on current interest rates of similar loans. The adjustment will be substantially recognized over approximately 10 years using an amortization method based upon the expected life of the loans and is expected to decrease pro forma pre-tax interest income by $124 thousand in the first year following consummation of the merger.

(3) A fair value discount of $4.977 million to reflect the credit risk of the loan portfolio. No pro forma earnings impact was assumed from the loan credit adjustment. The estimated fair value of the covered loans approximates their carrying value.

(4) Reversal of the Valley Green allowance for loan losses of $2.457 million in accordance with acquisition method of accounting for the merger.

(5) A fair value premium of $1.479 million to reflect the fair values of certain interest-bearing deposit liabilities based on current interest rates for similar instruments. The adjustment will be recognized using an amortization method based upon the estimated maturities of the deposit liabilities. This adjustment is expected to decrease pro forma pre-tax interest expense by $740 thousand in the first year following consummation of the merger.

(6) Cash on hand of $2.168 million is utilized in conjunction with purchase of the Valley Green stock options and cash on hand of $3.881 million is utilized in conjunction with the Sterner Acquisition.

(7)

Purchase of fixed assets in the Sterner Acquisition included a building for $470 thousand and furniture and fixtures of $10 thousand.

(8) Adjustment for core deposit intangible to reflect the fair value of this asset and the related amortization using an expected life of 10 years. The amortization of the core deposit intangible is expected to increase pro forma pre-tax noninterest expense by $323 in the first year following consummation of the merger.

Adjustment for the Sterner Acquisition customer-related intangible to reflect the fair value of this asset and the related amortization using an expected life of 9 years. The amortization of the customer-related intangible is expected to increase pro forma pre-tax noninterest expense by $317 in the first year following consummation of the merger.

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Adjustment for the Sterner Acquisition contingent liability to reflect the fair value of this liability and the related amortization using an expected life of 3 years. The amortization of the contingent liability is expected to increase pro forma pre-tax noninterest expense by $93 in the first year following consummation of the merger.

(9) Adjustment for the Sterner Acquisition for prepaid taxes recorded in other assets of $1 thousand and accounts payable assumed of $940 thousand.

(10) Adjustment assumes a tax rate of 35% related to deferred taxes on fair value adjustments and on pre-tax amortization and accretion amounts in the unaudited pro forma combined consolidated statement of income.

(11) The table below sets forth an adjustment to reflect the issuance of shares of Univest common stock with a $5.00 par value in connection with the acquisition and the adjustments to shareholders equity for the elimination of Valley Green historical equity accounts.

Adjustment to common stock, par value $5.00	$ 18,835
Less: historical value of Valley Green common stock	2,799
Adjustment to common stock in the pro forma unaudited combined consolidated balance sheet	$ 16,036
Adjustment to additional paid-in capital	$ 56,732
Less: historical value of Valley Green common stock	24,708
Adjustment to additional paid-in capital in the pro forma unaudited combined consolidated balance sheet	$ 32,024

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COMPARATIVE PER SHARE DATA (UNAUDITED)

The following table sets forth certain historical Univest and Valley Green per share data. This data should be read together with Univest s and Valley Green s historical financial statements and notes thereto, included elsewhere in or incorporated by reference in this document. Please see *Information About Univest Corporation of Pennsylvania* beginning on page 85, *Information About Valley Green Bank* beginning on page 91 and *Incorporation of Certain Document by Reference* beginning on page 157. **The per share data is not necessarily indicative of the operating results that Univest would have achieved had it completed the merger as of the beginning of the periods presented and should not be considered as representative of future operations.**

	For the Twelve Months Ended December 31, 2013		As of and for the Six Months Ended June 30, 2014	
	(In dollars)			
Comparative Per Share Data:				
Basic and diluted net income (loss) per common share:	Basic	Diluted	Basic	Diluted
Univest historical	$ 1.28	$ 1.27	$ 0.67	$ 0.66
Valley Green historical	1.92	1.92	0.95	0.95
Pro forma combined (1) (2)	1.30	1.30	0.67	0.67
Equivalent pro forma for one share of Valley Green common stock (3)	1.75	1.75	0.90	0.90
Book value per common share:				
Univest historical		$ 17.22	$ 17.65	
Valley Green historical		11.50	12.49	
Pro forma combined (1) (2)		17.74	18.10	
Equivalent pro forma for one share of Valley Green common stock (3)		23.88	24.36	
Tangible book value per common share:				
Univest historical		$ 13.19	$ 12.98	
Valley Green historical		11.49	12.48	
Pro forma combined (1) (2)		11.92	11.80	
Equivalent pro forma for one share of Valley Green common stock (3)		16.04	15.88	
Cash dividends declared per share:				
Univest historical		$ 0.80	$ 0.40	
Valley Green historical				

Pro forma combined (1) (2)	0.80	0.40
Equivalent pro forma for one share of Valley Green common stock (3)	1.08	0.54

(1) The pro forma combined basic earnings and diluted earnings of Univest s common stock is based on the pro forma combined net income per common share for Univest and Valley Green divided by the pro forma common shares or diluted common shares of the combined entity, assuming all of the outstanding shares of Valley Green common stock are exchanged for Univest common stock at an exchange ratio of 1.3460 shares

of Univest common stock for each share of Valley Green common stock. The pro forma information includes adjustments related to the estimated fair value of assets and liabilities and is subject to adjustment as additional information becomes available and as additional analysis is performed. The pro forma information does not include anticipated cost savings or revenue enhancements.

(2) The pro forma combined book value of Univest s common stock is based on pro forma combined common shareholders equity of Univest and Valley Green divided by total pro forma common shares of the combined entities, assuming all of the outstanding shares of Valley Green common stock are exchanged for Univest common stock at an exchange ratio of 1.3460 shares of Univest common stock for each share of Valley Green common stock. The unaudited pro forma combined consolidated information does not include anticipated cost savings or revenue enhancements.

(3) The pro forma equivalent per share amount is calculated by multiplying the pro forma combined per share amount by an assumed exchange ratio of 1.3460 shares of Univest common stock for each share of Valley Green common stock.

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RISK FACTORS

In considering whether to vote in favor of the proposal to adopt the merger agreement, you should consider all of the information included in this document and its annexes and all of the information included in the documents we have incorporated by reference and the risk factors identified by Univest with respect to its operations included in its filings with the Securities and Exchange Commission. See *Incorporation of Certain Documents by Reference*. In particular, you should consider the following risk factors.

Because the market price of Univest shares of common stock will fluctuate, Valley Green shareholders cannot be sure of the value of the merger consideration they may receive.

Upon completion of the merger, each share of Valley Green common stock will be converted into the right to receive an amount of Univest common stock equal to the Exchange Ratio; provided, however, that in no event may the Exchange Ratio be less than 1.2231 or greater than 1.4949. The sale prices for shares of Univest common stock may vary from the sale prices of Univest common stock on the date we announced the merger, on the date this joint proxy statement/prospectus was mailed to Valley Green shareholders and on the date of the special meeting of the Valley Green shareholders. Any change in the market price of Univest shares of common stock prior to closing the merger may affect the value of the merger consideration that Valley Green shareholders will receive upon completion of the merger. Valley Green is not permitted to resolicit the vote of Valley Green shareholders solely because of changes in the market price of Univest shares of common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of Univest common stock.

The market price of Univest shares of common stock after the merger may be affected by factors different from those currently affecting the shares of Valley Green.

The businesses of Univest and Valley Green differ and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Univest. For a discussion of the business of Univest, see the documents incorporated by reference in this joint proxy statement/prospectus and referred to under *Where You Can Find More Information* on page iii.

Valley Green shareholders will have a reduced ownership percentage and voting interest after the merger and will exercise less influence over management.

Valley Green s shareholders currently have the right to vote in the election of the board of directors of Valley Green and on certain other matters affecting Valley Green. When the merger occurs, each Valley Green shareholder that receives shares of Univest common stock will become a shareholder of Univest with a percentage ownership of the combined organization that is much smaller than the shareholder s current percentage ownership of Valley Green. Upon completion of the merger, the former Valley Green shareholders will own approximately 20% of the outstanding shares of Univest common stock.

Because of this, Valley Green s shareholders will have less influence on the management and policies of Univest than they now have on the management and policies of Valley Green.

Future issuances of Univest equity securities could dilute shareholder ownership and voting interest.

Univest s articles of incorporation authorize the issuance of up to 48,000,000 shares of common stock. Any future issuance of equity securities by Univest may result in dilution in the percentage ownership and voting interest of Univest shareholders. Also, any securities Univest sells in the future may be valued differently and the issuance of equity securities for future services, acquisitions or other corporate actions may have the effect of diluting the value of shares held by Univest shareholders.

The merger agreement limits Valley Green s ability to pursue alternatives to the merger.

The merger agreement contains no shop provisions that, subject to specified exceptions, limit Valley Green s ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of Valley Green. In addition, a termination fee is payable by Valley Green under certain circumstances, generally involving the decision to pursue an alternative transaction. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Valley Green from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share value than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Valley Green than it might otherwise have proposed to pay, if the merger with Univest had not been announced.

Holders of Univest common stock do not have dissenters appraisal rights in the merger.

Dissenters rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the merger consideration offered to shareholders in connection with the extraordinary transaction. Under Pennsylvania law, shareholders do not have dissenters rights with respect to shares of any class of stock which, at the record date fixed to determine shareholders entitled to receive notice of and to vote at the meeting of shareholders were listed on a national securities exchange. Because Univest s common stock is listed on the Nasdaq Global Select Market, a national securities exchange, holders of Univest shares of common stock will not be entitled to dissenters appraisal rights in the merger with respect to their shares of Univest common stock.

The merger is subject to the receipt of consents and approvals from governmental and regulatory entities that may impose conditions that could have an adverse effect on Univest.

Before the merger may be completed, various waivers, approvals or consents must be obtained from the FRB and the PDB. These governmental entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on, or limiting the revenues of, Univest following the merger, any of which might have an adverse effect on Univest following the merger. In addition, neither Univest nor Valley Green is obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any condition or restriction that either of the boards of directors of Univest or Valley Green reasonably determines would materially and adversely affect the business, operations, financial condition, property or assets of Univest, Univest Bank, or Valley Green or would materially impair the value of Valley Green to Univest or of Univest or Univest Bank to Valley Green.

Valley Green s directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Valley Green shareholders.

Valley Green s directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of Valley Green shareholders. For example, Jay R. Goldstein and Michael L. Turner will serve on the board of directors of Univest after the merger; both directors will receive compensation for their services as directors; provided that Mr. Goldstein will not be paid any director s fees while he is an employee of Univest or Univest Bank. In addition, certain officers or employees have entered into new employment agreements that are effective upon completion of the merger or are parties to employment agreements under which they may receive severance payments under certain circumstances upon the change of control of Valley Green resulting from the merger. For information concerning these interests, please see the discussion under the caption *The Merger Valley*

Green s Directors and Executive Officers Have Financial Interests in the Merger on page 61.

The shares of Univest common stock to be received by Valley Green shareholders as a result of the merger will have different rights from the shares of Valley Green common stock.

Upon completion of the merger, Valley Green shareholders, excluding shareholders who exercise and perfect their dissenters rights, will become Univest shareholders. Their rights as shareholders will be governed by Pennsylvania corporate law and the articles of incorporation and bylaws of Univest. The rights associated with Valley Green common stock are different from the rights associated with Univest common stock. See the section of this joint proxy statement/prospectus titled *Comparison of Shareholders Rights* beginning on page 149 for a discussion of the different rights associated with Univest common stock.

If the merger is not consummated by March 31, 2015, either Univest or Valley Green may choose not to proceed with the merger.

Either Univest or Valley Green may terminate the merger agreement if the merger has not been completed by March 31, 2015, unless the failure of the merger to be completed by such date has resulted from the failure of the party seeking to terminate the merger agreement to perform its obligations.

Termination of the merger agreement could negatively affect Valley Green.

If the merger agreement is terminated, there may be various consequences, including the fact that Valley Green s businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger.

If the merger agreement is terminated and Valley Green s board of directors seeks another merger or business combination, Valley Green shareholders cannot be certain that Valley Green will be able to find a party willing to offer equivalent or more attractive consideration than the consideration Univest has agreed to provide in the merger.

If the merger agreement is terminated and a different business combination is pursued, Valley Green may be required to pay a termination fee of $3.0 million to Univest under certain circumstances. See *The Merger Agreement Termination Fee* beginning on page 76.

The unaudited pro forma financial data included in this joint proxy statement/prospectus is preliminary and Univest s actual financial position and results of operations after the merger may differ materially from the unaudited pro forma financial data included in this joint proxy statement/prospectus.

The unaudited pro forma financial data in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company s actual financial position or results of operations would have been had the merger been completed on the dates indicated. The pro forma financial data reflect adjustments, which are based upon preliminary estimates, to record Valley Green s identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document.

The opinions obtained from Valley Green s and Univest s respective financial advisors do not reflect changes in circumstances subsequent to the date of the merger agreement.

Valley Green s board of directors obtained a fairness opinion, dated June 17, 2014, from Valley Green s financial advisor, KBW. Univest has obtained a fairness opinion dated as of June 17, 2014, from its financial advisor, Griffin. Neither Valley Green nor Univest has obtained, and neither will obtain, an updated opinion as of the date of this joint proxy statement/prospectus from their respective financial advisor. Changes in the operations and prospects of Univest or Valley Green, general market and economic conditions and other factors that may be beyond the control of Univest and Valley Green may alter the value of Univest or Valley Green or the price of shares of Univest common stock or Valley Green common stock by the time the merger is completed. The opinions do not speak as of the time the merger will be completed or any other date other than the date of such opinions. For a description of KBW s opinion, please see *The Merger Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Valley Green* beginning on page 40 of this joint proxy statement/prospectus. For a description of the opinion that Univest received from Griffin, please see *The Merger Opinion of Griffin Financial Group, LLC, Financial Advisor to Univest* beginning on page 52 of this joint proxy statement/prospectus.

Following the consummation of the merger, investors in the combined company will own an institution with different financial and other characteristics than either Univest or Valley Green on a standalone basis.

Following the consummation of the merger, current shareholders of Univest and Valley Green will become shareholders in a combined company that will have different financial and other characteristics than either company had on a standalone basis. For example, the merger will result in a combined company with higher dollar amounts of total assets, risk-based assets and non-performing assets, including non-performing loans and other real estate owned, from the amounts historically experienced by Univest or Valley Green individually. Although the total dollar amount of non-performing loans will increase for the combined company following the merger, the percentage of non-performing loans to total loans was 1.35% on a combined pro forma basis at June 30, 2014, compared to historical amounts of 1.55% for Univest and 0.40% for Valley Green as of such date. On a pro forma basis, after giving effect to the merger, total risk-based capital as of June 30, 2014 was 12.27%, compared to historical amounts of 13.26% for Univest and 11.86% for Valley Green as of such date. If we are unable to successfully combine the businesses of Univest and Valley Green, our future earnings may be adversely affected, which in turn could adversely impact the amount of capital of the combined company.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed.

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include, among others: approval of the merger agreement by Univest and Valley Green shareholders, regulatory approvals, absence of orders prohibiting the completion of the merger, effectiveness of the registration statement of which this proxy statement/prospectus is a part, approval of the shares of Univest common stock to be issued to Valley Green shareholders for listing on the Nasdaq Global Select Market, the continued accuracy of the representations and warranties by both parties, the performance by both parties of their covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. See *The Merger Agreement Termination of the Merger Agreement* beginning on page 75 for a more complete discussion of the circumstances under which the merger agreement could be terminated. The conditions to closing of the merger may not be fulfilled and the merger may not be completed.

We may fail to realize all of the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of Univest and Valley Green. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of Univest and Valley Green. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all, or may take longer to realize than expected.

Univest and Valley Green have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on Univest or Valley Green during the transition period.

Another expected benefit from the merger is an expected increase in the revenues of the combined company from anticipated sales of Univest s greater variety of financial products, and from increased lending out of Univest s substantially larger capital base, to Valley Green s existing customers and to new customers in Valley Green s market area who may be attracted by the combined company s enhanced offerings. An inability to successfully market Univest s products to Valley Green s customer base could cause the earnings of the combined company to be less than anticipated.

Failure to complete the merger could negatively affect the market price of Univest s shares common stock.

If the merger is not completed for any reason, Univest will be subject to a number of material risks, including the following:

- the market price of its common stock may decline to the extent that the current market price of its common stock already reflects a market assumption that the merger will be completed;
- costs relating to the merger, such as legal, accounting and financial advisory fees, must be paid even if the merger is not completed; and
- the diversion of management s attention from the day-to-day business operations and the potential disruption to each company s employees and business relationships during the period before the completion of the merger may make it difficult to regain financial and market positions if the merger does not occur.

The combined company will incur significant transaction and merger-related costs in connection with the merger.

Univest and Valley Green expect to incur costs associated with combining the operations of the two companies. Additional unanticipated costs may be incurred in the integration of the businesses of Univest and Valley Green. Whether or not the merger is consummated, Univest and Valley Green will incur substantial expenses, such as legal, accounting, printing and financial advisory fees, in pursuing the merger. Although Univest and Valley Green expect that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses may offset incremental transaction and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

Unanticipated costs relating to the merger could reduce Univest s future earnings per share.

Univest and Valley Green believe that they have reasonably estimated the likely incremental costs of the combined operations of Univest and Valley Green following the merger. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as unanticipated costs to integrate the two businesses, increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, including negative changes in the value of Valley Green s loan portfolio, could have a material adverse effect on the results of operations and financial condition of Univest following the merger. In addition, if actual costs are materially different than expected costs, the merger could have a significant dilutive effect on Univest s earnings per share.

Valley Green will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Valley Green and consequently on Univest. These uncertainties may impair Valley Green s ability to attract, retain and motivate key personnel until the merger is consummated, and could cause customers and others that deal with Valley Green to seek to change existing business relationships with Valley Green. Retention of certain employees may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Univest. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Univest, Univest s business following the merger could be harmed. In addition, the merger agreement restricts Valley Green from making certain acquisitions and taking other specified actions until the merger occurs without the consent of Univest. These restrictions may prevent Valley Green from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the section entitled *The Merger Agreement Covenants and Agreements* beginning on page 67 of this joint proxy statement/prospectus for a description of the restrictive covenants to which Valley Green is subject under the merger agreement.

If the merger is not completed, Valley Green will have incurred substantial expenses without realizing the expected benefits of the merger.

Valley Green has incurred substantial expenses in connection with the merger. The completion of the merger depends on the satisfaction of specified conditions and the receipt of regulatory approvals and the approval of Univest s and Valley Green s shareholders. Valley Green cannot guarantee that these conditions will be met. If the merger is not completed, these expenses could have an adverse impact on Valley Green s financial condition and results of operations on a stand-alone basis.

Future governmental regulation and legislation, including the Dodd-Frank Act and the implementation of Basel III capital standards, could limit Univest s future growth.

Univest and its subsidiaries are subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of the operations of Univest. These laws may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance fund. Any changes to these laws may negatively affect Univest s ability to expand its services and to increase the value of its business. Although we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on Univest, these changes could be materially adverse to Univest.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of Univest, Valley Green and the potential combined company and may include statements for the period following the completion of the merger. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either Univest or Valley Green to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth on page 29 under *Risk Factors*, as well as, among others, the following:

- those discussed and identified in public filings with the SEC made by Univest;
- completion of the merger is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;
- the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- higher than expected increases in Univest s or Valley Green s loan losses or in the level of nonperforming loans;
- a continued weakness or unexpected decline in the U.S. economy, in particular in southeast Pennsylvania;
- a continued or unexpected decline in real estate values within Univest s and Valley Green s market areas;
- unanticipated reduction in Univest s or Valley Green s respective deposit bases or funding sources;
- government intervention in the U.S. financial system and the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the FRB;
- legislative and regulatory actions could subject Univest to additional regulatory oversight which may result in increased compliance costs and/or require Univest to change its business model;

- the integration of Valley Green s business and operations with those of Univest may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Valley Green s or Univest s existing businesses; and

- the anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to Univest or Valley Green or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this joint proxy statement/prospectus. Except to the extent required by applicable law or regulation, Univest and Valley Green undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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THE MERGER

Background of the Merger

The Valley Green board has periodically reviewed the competitive environment in its market area as well as merger and acquisition activity in the financial services industry in general and in Pennsylvania in particular. The Valley Green board of directors and management have also been aware in recent years of changes in the financial services industry and the regulatory environment as well as the competitive challenges facing a financial institution such as Valley Green. These challenges have included increasing government regulations, increasing expense burdens and commitments for technology and training, and increasing competition in the delivery of financial products and services combined with increased customer expectations for the availability of sophisticated financial products and services from financial institutions. The most concerning of these factors has been the significant regulatory burden for smaller community banks.

Periodically during 2013, executive officers of Valley Green discussed Valley Green s strategic alternatives and the overall banking industry environment with representatives of Keefe, Bruyette & Woods, Inc. (KBW), an investment banking firm. On January 30, 2014, Valley Green s board of directors met to discuss the process of reviewing strategic alternatives. Representatives of KBW also attended this meeting. The strategic alternatives considered by Valley Green s board and management included, among other things, continuing on-going operations as an independent institution, acquiring other depository institutions, opening new branch offices or buying other financial services firms engaged in complementary lines of business and entering into a merger or acquisition transaction with a similarly sized or larger institution.

Between January 30, 2014 and April 18, 2014, Valley Green s management held a number of conversations and meetings with representatives of KBW to discuss Valley Green s bank markets, customers, and strategic plan.

At a lunch meeting on March 7, 2014, Jeffrey M. Schweitzer, President and CEO of Univest, and Jay R. Goldstein, President and CEO of Valley Green, discussed the business models of both companies and future growth plans, including expansion of their respective geographic markets. Mr. Schweitzer indicated that Univest had discussed entering the Philadelphia market and that Philadelphia was now part of Univest s assessment area for CRA purposes. Mr. Goldstein indicated that Valley Green was looking for either a strategic partner (acquisition) or to develop a strategic plan and a future liquidity event. Mr. Schweitzer agreed to discuss the opportunity of acquiring Valley Green with the Univest Board and to get back to Mr. Goldstein on the level of the Univest Board s interest in an acquisition of Valley Green.

On April 18, 2014, Mr. Schweitzer, Mr. Goldstein, William S. Aichele, Chairman of Univest, and Algot F. Thorell, Jr, Chairman of Valley Green met for lunch and a tour of Valley Green s headquarters. Discussions once again centered around business models, culture and philosophies and potential deal structures and preliminary pricing.

On April 22, 2014, Mr. Schweitzer phoned Mr. Goldstein to discuss roles for Messrs. Goldstein and Thorell going forward and to set up a meeting for April 25, 2014 to discuss terms of a potential merger pending a Univest Board meeting on April 23, 2014.

On April 25, 2014, Mr. Schweitzer and Mr. Goldstein met for lunch in North Wales. Mr. Schweitzer delivered Univest s initial non-binding indication of interest and discussed the terms of the indication of interest with Mr. Goldstein.

On April 29, 2014, the board of directors of Valley Green discussed the terms of the indication of interest and authorized a sub-committee of the board to negotiate the terms of a merger.

On April 30, 2014, Mr. Thorell and Mr. Goldstein discussed with representatives of KBW the potential for a business combination of Valley Green with and into Univest Bank.

The discussion in late April 2014 was general in nature and touched on topics such as the potential operating synergies that might be achieved, expense reductions from the combined operations and general business terms contained in the indication of interest that typically have to be negotiated in a definitive agreement.

Between May 1, 2014 and May 8, 2014, Valley Green s management held a number of conversations and meetings with representatives of KBW to discuss the terms of the indication of interest including price and operation of Valley Green as a separate division.

On May 8, 2014, a revised indication of interest and no-shop agreement proposing an all stock merger of Valley Green into Univest Bank at a price per share equal to $27.00 was delivered to Valley Green by Univest.

On May 15, 2014, Univest, Griffin, and Univest s third party loan reviewers and legal counsel began conducting initial due diligence using an electronic data site.

From May 24, 2014 through May 30, 2014, Univest s third party loan reviewers conducted extensive on-site due diligence at Valley Green s headquarters.

On May 28, 2014, representatives from Univest and Griffin also conducted on-site due diligence at Valley Green s headquarters, and representatives from Univest toured Valley Green s south Philadelphia branch.

On May 29, 2014, Valley Green s management and representatives from Univest discussed employee matters and negotiated employee retention and severance terms. KBW also participated in these discussions as financial advisor to Valley Green.

On May 31, 2014, Univest s legal counsel circulated an initial draft of the merger agreement to Valley Green. The draft merger agreement provided for, among other things, (i) a fixed exchange ratio of 1.35 (assumes a purchase price of $27.00 per share of Valley Green common stock and a fixed value of Univest common stock at $20.00 per share), and (ii) in the event of termination of the merger agreement, an expense reimbursement fee of $1.0 million and a termination fee of $3.5 million.

On June 3, 2014, Valley Green s management and representatives from Univest met at Univest headquarters to tour the facilities and discuss the post-merger operation of the Valley Green Bank division of Univest Bank.

Also on June 3, 2014, Valley Green proposed revisions to the draft merger agreement that would provide for, among other things, (i) a floating exchange ratio to be calculated as $27.00 divided by Univest s common stock price using a 20 day average of the initial and closing prices of Univest s common stock as quoted on Nasdaq, with a 10% cap and collar (that is, even if the average of the initial and closing prices of Univest s common stock on Nasdaq changed by more than 10% from the closing price on the last trading day prior to the date of the merger agreement, the exchange ratio would not change by more than 10% in either direction), and (ii) in the event of termination of the merger agreement, no reimbursement of expenses and a reduction of the termination fee to $3.0 million.

On June 5, 2014, representatives of Valley Green s board met with the nominating committee of Univest s board of directors to discuss the appointment of Valley Green directors to be appointed to Univest s board of directors upon completion of the merger.

On June 9, 2014, Valley Green conducted due diligence with respect to Univest at Griffin s office in Philadelphia, Pennsylvania.

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On June 10, 2014, a revised draft merger agreement was circulated by Univest s legal counsel providing for, among other things, (i) a floating exchange ratio to be calculated as $27.00 divided by the Univest common stock price using a 20 day average of the high and low sale prices of Univest common stock as quoted on Nasdaq immediately preceding the date of receipt of the last regulatory approval required to consummate the transaction, with a 7.5% cap and collar, and (ii) in the event of termination of the merger agreement, expense reimbursement of actual fees and expenses incurred, with a cap of $500,000, and a termination fee of $3.0 million.

On June 11, 2014, Valley Green circulated a proposed revisions to the draft merger agreement that would provide for, among other things, a floating exchange ratio to be calculated as $27.00 divided by Univest s common stock price using a 20 day average of the closing price of Univest s common stock as quoted on Nasdaq immediately preceding the effective time of the merger, with a 10% cap and collar.

In addition, between May 1, 2104 and June 17, 2014, Valley Green and Univest engaged in open dialogue and negotiations relating to the continued operation of Valley Green Bank as a division of Univest Bank, the appointment of Jay R. Goldstein and Michael Turner to the board of directors of Univest, and the employment agreements to be entered into by Univest and each of Messrs. Goldstein, Marino and Thorell.

From the initial delivery of a draft of the merger agreement on May 31, 2014 through June 17, 2014, Stevens & Lee, as counsel to Univest, and Stradley Ronon Stevens & Young, as counsel to Valley Green, and Kleinbard Bell & Brecker as counsel to Mr. Goldstein, Mr. Marino, and Mr. Thorell, exchanged multiple drafts of the merger agreement and employment agreements for three key members of Valley Green management.

Counsel for the parties conducted an extensive negotiation of the terms of the merger agreement, including the exchange of additional drafts of the merger agreement. The area of focus included the collars on the exchange ratio of Univest common stock for Valley Green common stock, the ability of Valley Green to terminate the merger agreement upon a significant reduction in the trading price of Univest common stock, and the circumstances in which the termination fee and expense reimbursement fee would be paid. Throughout the course of negotiations, Stevens & Lee and Stradley Ronon Stevens & Young each had several conversations with management of their respective clients regarding the developments and progress of the negotiations and received input from management regarding the issues emerging from such negotiations.

On June 17, 2014, Valley Green s board of directors held a special meeting to review the merger proposal as set forth in the definitive merger agreement and related documents negotiated by Valley Green and Univest and their respective advisors. The Valley Green board received a presentation regarding the results of due diligence conducted on Univest from Valley Green s management. At the meeting, KBW reviewed with Valley Green s board of directors the financial aspects of the proposed merger and rendered to the board an oral opinion (which was confirmed by a written opinion, dated June 17, 2014) to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in its written opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Valley Green common stock. After careful and deliberate consideration of the presentations as well as the interests of Valley Green s shareholders, customers, employees and communities served by Valley Green, Valley Green s board of directors unanimously (i) determined that the merger agreement and the transactions contemplated thereby were advisable and fair to and in the best interests of Valley Green, (ii) approved and adopted the merger agreement and approved the merger and the other transactions contemplated thereby and (iii) subject to the board s fiduciary duties, recommended the approval and adoption of the merger agreement and the transactions contemplated thereby by Valley Green s shareholders.

On June 17, 2014, the board of directors of Univest held a special meeting to review the final draft of the merger agreement. Stevens & Lee reviewed the provisions of the merger agreement in detail with the board of directors. Griffin reviewed its financial analysis of the merger consideration and delivered its opinion that, as of that date and subject to assumptions made, procedures followed, matters considered and limitations on the review undertaken set forth in the opinion, the merger consideration to be paid to the holders of Valley Green s common stock was fair, from a financial point of view, to Univest. After careful consideration of these presentations and further discussion, the Univest board of directors unanimously approved the merger agreement and agreed to recommend that Univest s shareholders adopt and approve the merger agreement and the merger.

The parties exchanged signature pages for the merger agreement after the market closed on June 17, 2014, and on June 18, 2014, before the opening of the markets, Valley Green and Univest issued a joint press release announcing the execution of the merger agreement.

Valley Green s Reasons for the Merger

In reaching its conclusion to approve the merger and the merger agreement and recommend that Valley Green s shareholders vote **FOR** adoption of the merger agreement, Valley Green s board of directors, at its meeting held on June 17, 2014, considered the merger agreement and determined it to be fair to, advisable and in the best interests of Valley Green, its shareholders and its other constituencies. Valley Green s board of directors unanimously voted in favor of the merger agreement and the transactions it contemplates. In evaluating the merger, Valley Green s board of directors consulted with management, as well as Valley Green s legal and financial advisors, and considered a number of factors, including:

- a review of Valley Green s current business, operations, earnings, financial condition and prospects and of Univest s current business, operations, earnings, financial condition and prospects, taking into account its familiarity with Univest, its management and the results of Valley Green s due diligence review of Univest;

- knowledge of the current environment in the financial services industry, including economic conditions, the continuing consolidation, increasing operating costs resulting from regulatory initiatives and compliance mandates, increasing competition from larger regional institutions and current financial market conditions and the likely effects of these factors on Valley Green s potential growth, productivity and strategic options;

- the terms and conditions of the merger, including both the amount and nature of the consideration proposed to be paid in connection with the merger and Valley Green s board s assessment of the likelihood that the merger would be completed in a timely manner;

- the fact that Valley Green shareholders will receive a significant premium;

- the fact that Valley Green would continue to operate as a separate banking division of Univest Bank for at least 24 months following completion of the merger;

- the financial presentation of KBW, including its opinion, dated June 17, 2014, as more fully described below under the caption Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Valley Green;

the fact that Valley Green s stock is not very liquid and that Univest s stock trades on The Nasdaq Global Select Market which provides greater liquidity;

the fact that the merger consideration will be tax-free to Valley Green shareholders;

the current Univest cash dividend rate;

expansion of the Univest board to include two former Valley Green directors;

the fact that the merger is not expected to result in significant employment loss for current Valley Green employees;

the fact that no Valley Green Bank branch closings are anticipated;

the opportunity to offer Valley Green s customers additional products and services;

the potential cost saving opportunities; and the positive anticipated impact of the merger on Valley Green Bank s employees and the surrounding community.

Valley Green s board of directors also considered a variety of risks and other potentially negative factors concerning the merger, including, without limitation, the following factors:

the risk that potential benefits of the merger, including possible synergies, might not be realized;

the possibility that the consummation of the merger may be delayed, or not occur;

the incurrence of substantial expenses related to the merger, including transaction expenses and integration costs;

the time commitment of management to effectuate the merger; and

the other potential risks described under the heading Risk Factors in this joint proxy statement/prospectus.

The foregoing discussion of the information and factors considered by Valley Green s board of directors is not exhaustive, but includes the material factors considered by the board. In view of the wide variety of factors considered by the board of directors in connection with its evaluation of the merger and the complexity of these matters, the board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Valley Green s board of directors evaluated the factors described above. In considering the factors described above, individual members of Valley Green s board of directors may have given different weights to different factors. It should also be noted that this explanation of the reasoning of Valley Green s board of directors and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading *Cautionary Statement Regarding Forward-Looking Statements* on page 35.

Recommendation of Valley Green s Board of Directors

Valley Green s board of directors believes that the terms of the transaction are in the best interests of Valley Green and its shareholders and has unanimously approved the merger agreement. **Accordingly, Valley Green s board of directors unanimously recommends that Valley Green s shareholders vote FOR adoption of the merger agreement.**

Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Valley Green

Valley Green engaged KBW to render financial advisory and investment banking services to Valley Green, including an opinion to the Valley Green board of directors as to the fairness, from a financial point of view, to the holders of Valley Green common stock of the exchange ratio in the proposed merger. Valley Green selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

At the meeting held on June 17, 2014 at which the Valley Green board evaluated the proposed merger, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Valley Green common stock. The Valley Green board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex B to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW s opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Valley Green board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger to the holders of Valley Green common stock. It did not address the underlying business decision of Valley Green to engage in the merger or enter into the merger agreement. KBW s opinion did not and does not constitute a recommendation to the Valley Green board in connection with the merger, and it does not constitute a recommendation to any Valley Green shareholder or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation on whether or not any Valley Green shareholder should enter into a voting, shareholders or affiliates agreement with respect to the merger or exercise any dissenters or appraisal rights that may be available to such shareholder.

KBW s opinion was reviewed and approved by KBW s Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the merger and the financial and operating condition of Valley Green and Univest, including, among other things:

- a draft, dated June 16, 2014, of the merger agreement (the most recent draft then made available to KBW);
- the audited financial statements for the three fiscal years ended December 31, 2013 for Valley Green;
- the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2013 of Univest;
- the unaudited financial statements and quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2014 of Univest;
- the quarterly call reports filed with respect to each quarter during the three years ended March 31, 2014 of Valley Green;
- certain other interim reports and other communications of Valley Green and Univest to their respective shareholders; and
- other financial information concerning the businesses and operations of Valley Green and Univest furnished to KBW by Valley Green and Univest or which KBW was otherwise directed to use for purposes of its analysis.

KBW s consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of Valley Green and Univest;

the assets and liabilities of Valley Green and Univest;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial information of Valley Green and certain financial and stock market information for Univest with similar information for certain other companies the securities of which are publicly traded;

financial and operating forecasts and projections of Valley Green which were prepared by Valley Green management, provided to and discussed with KBW by such management, and used and relied upon by KBW at the direction of such management with the consent of the Valley Green board;

- financial and operating forecasts and projections of Univest which were prepared by Univest management, provided to and discussed with KBW by such management, and used and relied upon by KBW at the direction of such management with the consent of the Valley Green board; and

- estimates regarding certain pro forma financial effects of the merger on Univest (including, without limitation, the cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto) that were prepared by Univest management, provided to and discussed with KBW by such management and used and relied upon by KBW at the direction of such management with the consent of the Valley Green board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also held discussions with senior management of Valley Green and Univest regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters that KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the respective managements of Valley Green and Univest as to the reasonableness and achievability of the financial and operating forecasts and projections of Valley Green and Univest (and the assumptions and bases therefor) that were prepared by such managements and provided to and discussed with KBW by such managements, and KBW assumed that such forecasts and projections were reasonably prepared on a basis reflecting the best available estimates and judgments of such managements and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such managements. KBW further relied upon Univest management as to the reasonableness and achievability of the estimates regarding certain pro forma financial effects of the merger on Univest that were prepared by Univest management and provided to and discussed with KBW by such management (and the assumptions and bases therefor, including without limitation cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto). KBW assumed, with the consent of Valley Green, that all such estimates were reasonably prepared on a basis reflecting the best currently available estimates and judgments of Univest management and that such forecasts, estimates and projected data reflected in such information would be realized in the amounts and in the time periods estimated by such management.

The forecasts, projections and estimates of Valley Green and Univest prepared and provided to KBW by the respective managements of Valley Green and Univest were not prepared with the expectation of public disclosure. All such information was based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such forecasts, projections and estimates. KBW assumed, based on discussions with the respective managements of Valley Green and Univest, that such forecasts, projections and estimates of Valley Green and Univest referred to above, provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW assumed that there were no material, undisclosed changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Valley Green or Univest since the date of the last financial

statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with Valley Green s consent, that the aggregate allowances for loan and lease losses for Valley Green and Univest were adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Valley Green or Univest, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Valley Green or Univest under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed that, in all respects material to its analyses:

- the merger and any related transactions would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to its analyses from the latest draft of the merger agreement that had been reviewed by it) with no adjustments to the exchange ratio or additional forms of consideration;

- the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

- each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

- there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transaction and that all conditions to the completion of the merger and the related transactions would be satisfied without any waivers or modifications to the merger agreement; and

- in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and related transactions, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of Valley Green, Univest or the combined entity or the contemplated benefits of the merger, including the cost savings and related expenses expected to result from the merger, as well as certain accounting adjustments assumed with respect thereto.

KBW assumed that the merger would be consummated in a manner that complied with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW further assumed that Valley Green relied upon the advice of its counsel, independent accountants and other advisors (other than KBW) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Valley Green, Univest, the merger and any related transaction, and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW s opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the exchange ratio in the merger to the holders of Valley Green common stock. KBW expressed no view or opinion as to any terms or other aspects of the merger or any related transaction, including without limitation, the form or structure of the merger, any transactions that may be related to the merger, any consequences of the merger to Valley Green, its shareholders, creditors or otherwise, or any terms, aspects or implications of any voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW s opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW s opinion may have affected, and may affect, the conclusion reached in KBW s opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW s opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of Valley Green to engage in the merger or enter into the merger agreement;
- the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Valley Green or the Valley Green board;
- the fairness of the amount or nature of any compensation to any of Valley Green officers, directors or employees, or any class of such persons, relative to any compensation to the holders of Valley Green common stock;
- the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Valley Green other than the Valley Green common stock (solely with respect to the exchange ratio in the proposed merger and not relative to the consideration to be received by any other class of securities) or any class of securities of Univest or any other party to any transaction contemplated by the merger agreement;
- any adjustments to the exchange ratio, whether as a result of the collar mechanism set forth in the merger agreement or as otherwise provided for in the merger agreement;
- the actual value of the Univest common stock to be issued in the merger;
- the prices, trading range or volume at which Univest common stock would trade following the public announcement of the merger or the consummation of the merger;
- any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or
- any legal, regulatory, accounting, tax or similar matters relating to Valley Green, Univest, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction, including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Valley Green and Univest. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses.

Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Valley Green board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Valley Green board with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between Valley Green and Univest and the decision to enter into the merger agreement was solely that of the Valley Green board.

The following is a summary of the material financial analyses presented by KBW to the Valley Green board in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the Valley Green board, but summarizes the material analyses performed in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses. For purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of $27.00 per share of Valley Green common stock (based on the per share dollar amount set forth in the merger exchange ratio formula pursuant to the merger agreement) and an assumed exchange ratio in the proposed merger of 1.3454x (calculated by dividing $27.00 per share by Univest s average 20 trading-day closing price of $20.07 for the period ending on June 16, 2014).

Selected Companies Analysis. Using publicly available information, KBW compared the financial performance and financial condition of Valley Green to 21 selected public and private banks and bank holding companies headquartered in Pennsylvania with total assets between $200 million and $600 million and nonperforming assets / loans plus OREO ratios less than 2.0%. KBW also reviewed the market performance of the selected companies traded on NASDAQ or the New York Stock Exchange.

The selected companies included in Valley Green s peer group were:

Honat Bancorp, Inc.	Muncy Bank Financial, Inc.
CB Financial Services, Inc.	West Milton Bancorp, Inc.
Emclaire Financial Corp.	Mifflinburg Bancorp, Inc.
American Bank Incorporated	Mars National Bank
Northumberland Bancorp	Community State Bank of Orbisonia
Hamilin Bank and Trust Company	Centric Bank
CBT Financial Corporation	York Traditions Bank
First Priority Bank	Peoples Limited
Allegheny Valley Bancorp	First United National Bank
Commercial National Financial Corporation	GNB Financial Services
New Tripoli Bancorp, Inc.	

To perform this analysis, KBW used last-twelve-months (LTM) profitability data as of March 31, 2014 and other financial information as of or for the most recent completed quarter available and market price information as of June 16, 2014. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Valley Green s historical financial statements, or the data presented under the section Opinion of Univest s Financial Advisor, as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW s analysis showed the following concerning the financial performance of Valley Green and the selected companies in its peer group:

	Valley Green	Peer Group Average	Peer Group Median	25th Percentile	75th Percentile
LTM Core Return on Average Assets (1)	1.51%	0.90%	0.82%	0.69%	1.27%

LTM Core Return on Average Equity (1)	16.56%	8.85%	9.76%	7.42%	10.96%
LTM Net Interest Margin	5.06%	3.47%	3.54%	3.26%	3.81%
LTM Fee Income / Revenue Ratio (2)	3.3%	16.3%	16.3%	10.5%	18.8%
LTM Efficiency Ratio	53.1%	66.3%	67.6%	75.0%	55.6%

(1) Core income excludes extraordinary items, gain/loss on sale of securities, nonrecurring revenue/expenses
(2) Excludes gain/loss on sale of securities

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KBW s analysis also showed the following concerning the financial condition of Valley Green and the selected companies in its peer group:

	Valley Green	Peer Group Average	Peer Group Median	25th Percentile	75th Percentile
Tangible Common Equity / Tangible Assets	8.97%	9.64%	9.22%	7.88%	10.43%
Total Risk-Based Capital Ratio	12.08%	17.05%	16.25%	13.92%	19.67%
Loans / Deposits	98.3%	76.8%	79.5%	65.8%	87.3%
Loan Loss Reserve / Gross Loans	0.87%	1.26%	1.24%	1.08%	1.41%
Nonperforming Assets / Loans + OREO	0.41%	1.00%	0.83%	1.60%	0.50%
LTM Net Charge-Offs / Average Loans	0.03%	0.15%	0.13%	0.20%	0.03%

In addition, KBW s analysis showed the following, concerning the market performance of the selected companies in Valley Green s peer group (excluding the impact of certain selected company LTM earnings per share (EPS) multiples considered to be not meaningful because they were greater than 30.0x):

	Peer Group Average	Peer Group Median	25th Percentile	75th Percentile
One - Year Stock Price Change	17.0%	6.6%	3.4%	12.3%
One - Year Total Return	19.3%	8.1%	2.8%	15.8%
YTD Stock Price Change	10.5%	1.0%	(1.6%)	4.1%
Stock Price / Book Value per Share	1.27x	1.14x	0.98x	1.37x
Stock Price / Tangible Book Value per Share	1.32x	1.22x	1.13x	1.37x
Stock Price / LTM EPS	12.1x	12.2x	10.4x	13.1x
Dividend Yield (1)	2.1%	2.5%	0.4%	3.2%
Dividend Payout (2)	31.2%	27.9%	13.4%	43.9%

(1) Represents current dividend annualized excluding special dividends as a percentage of closing stock price as of June 16, 2014

(2) Represents current dividend annualized excluding special dividends as a percentage of LTM EPS

Using publicly available information, KBW then compared the financial performance, financial condition and market performance of Univest to 21 selected banks and bank holding companies traded on NASDAQ or the New York Stock Exchange and headquartered in the Mid Atlantic United States (defined as Delaware, Maryland, New Jersey, New York and Pennsylvania) with total assets between $1.5 billion and $5.0 billion.

The selected companies included in Univest s peer group were:

Flushing Financial Corporation	First of Long Island Corporation
S&T Bancorp, Inc.	Peapack-Gladstone Financial Corporation
Bancorp, Inc.	Arrow Financial Corporation

Sandy Spring Bancorp, Inc.	CNB Financial Corporation
Eagle Bancorp, Inc.	Bridge Bancorp, Inc.
Lakeland Bancorp, Inc.	Bryn Mawr Bank Corporation
Sun Bancorp, Inc.	Peoples Financial Services Corp.
Financial Institutions, Inc.	Suffolk Bancorp
Hudson Valley Holding Corp	Center Bancorp, Inc.
Metro Bancorp, Inc.	Intervest Bancshares Corporation
TriState Capital Holdings, Inc.	

To perform this analysis, KBW used LTM profitability data as of March 31, 2014 and other financial information as of or for the most recent completed quarter available and market price information as of June 16, 2014. 2014 and 2015 earnings estimates for Univest and the selected companies were taken from a nationally recognized earnings estimate consolidator. Certain financial data prepared by KBW, and as referenced in the

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tables presented below, may not correspond to the data presented in Univest historical financial statements, or the data presented under the section Opinion of Univest s Financial Advisor, as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW s analysis showed the following concerning the financial performance of Univest and the selected companies in its peer group:

	Univest	Peer Group Average	Peer Group Median	25th Percentile	75th Percentile
LTM Core Return on Average Assets (1)	0.89%	0.79%	0.90%	0.65%	1.03%
LTM Core Return on Average Equity (1)	7.06%	7.83%	9.08%	6.50%	10.53%
LTM Net Interest Margin	3.87%	3.39%	3.36%	3.06%	3.61%
LTM Fee Income / Revenue Ratio (2)	37.9%	19.9%	16.1%	12.3%	25.4%
LTM Efficiency Ratio	66.2%	62.2%	60.5%	61.5%	56.4%

(1) Core income excludes extraordinary items, gain/loss on sale of securities, nonrecurring revenue/expenses
(2) Excludes gain/loss on sale of securities

KBW s analysis also showed the following, to the extent publicly available, concerning the financial condition of Univest and the selected companies in its peer group:

	Univest	Peer Group Average	Peer Group Median	25th Percentile	75th Percentile
Tangible Common Equity / Tangible Assets	9.97%	8.77%	8.93%	7.65%	9.71%
Total Risk-Based Capital Ratio	13.27%	14.75%	14.38%	13.17%	15.64%
Loans / Deposits	84.8%	81.6%	82.1%	73.0%	93.1%
Loan Loss Reserve / Gross Loans	1.57%	1.33%	1.33%	1.08%	1.47%
Nonperforming Assets / Loans + OREO	1.79%	1.63%	1.50%	1.76%	1.09%
LTM Net Charge-Offs / Average Loans	0.74%	0.26%	0.16%	0.31%	0.07%

In addition, KBW s analysis showed the following, to the extent publicly available, concerning the market performance of Univest and the selected companies in its peer group (excluding the impact of the 2014 and 2015 EPS multiples of one of the selected companies, which multiples were considered to be not meaningful because they were negative or greater than 30.0x):

	Univest	Peer Group Average	Peer Group Median	25th Percentile	75th Percentile
One - Year Stock Price Change	6.7%	18.4%	17.5%	10.0%	25.6%
One - Year Total Return	14.1%	21.2%	23.0%	16.2%	30.0%
YTD Stock Price Change	(6.4%)	(2.5%)	(4.1%)	(11.1%)	5.0%
Stock Price / Book Value per Share	1.11x	1.43x	1.36x	1.23x	1.63x

Stock Price / Tangible Book Value per Share	1.48x	1.63x	1.59x	1.39x	1.85x
Stock Price / 2014 EPS	13.8x	16.5x	15.5x	13.3x	19.0x
Stock Price / 2015 EPS	12.1x	13.6x	12.8x	12.2x	13.9x
Dividend Yield (1)	4.1%	2.0%	2.5%	0.0%	3.0%
Dividend Payout (2)	57.1%	28.5%	38.4%	0.0%	41.2%

(1) Represents current dividend annualized excluding special dividends as a percentage of closing stock price as of 6/16/2014

(2) Represents current dividend annualized excluding special dividends as a percentage of 2014 estimated EPS

No company used as a comparison in the above selected companies analyses is identical to Valley Green or Univest. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

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Select Transactions Analysis. KBW reviewed publicly available information related to 29 selected nationwide bank transactions announced since January 1, 2012 with transaction values greater than $30 million, the acquired company s nonperforming assets / assets ratio less than 2.0% and the acquired company s LTM return on average assets greater than 1.0%. Mergers of equals were excluded from the selected transactions. The selected transactions included in the group were:

Acquiror:	Acquired Company:
Independent Bank Group, Inc.	Houston City Bancshares, Inc.
Simmons First National Corporation	Liberty Bancshares, Inc.
Simmons First National Corporation	Community First Bancshares, Inc.
Home BancShares, Inc.	Florida Traditions Bank
First Citizens Bancshares, Inc.	Southern Heritage Bancshares, Inc.
Bank of the Ozarks, Inc.	Summit Bancorp, Inc.
IBERIABANK Corporation	Teche Holding Company
BancorpSouth, Inc.	Ouachita Bancshares Corp.
First Financial Bancorp.	First Bexley Bank
ViewPoint Financial Group, Inc.	LegacyTexas Group, Inc.
Independent Bank Group, Inc.	BOH Holdings, Inc.
NewBridge Bancorp	CapStone Bank
Umpqua Holdings Corporation	Sterling Financial Corporation
Cullen/Frost Bankers, Inc.	WNB Bancshares, Inc.
MB Financial, Inc.	Taylor Capital Group, Inc.
Prosperity Bancshares, Inc.	FVNB Corp.
Commerce Bancshares, Inc.	Summit Bancshares, Inc.
Glacier Bancorp, Inc.	Wheatland Bankshares, Inc.
First Financial Bankshares, Inc.	Orange Savings Bank, SSB
Old Florida Bancshares, Inc.	New Traditions National Bank
Prosperity Bancshares, Inc.	Coppermark Bancshares, Inc.
FirstMerit Corporation	Citizens Republic Bancorp, Inc.
Pacific Premier Bancorp, Inc.	First Associations Bank
FVNB Corp.	First State Bank
Hilltop Holdings Inc.	PlainsCapital Corporation
PacWest Bancorp	American Perspective Bank
Commerce Bancshares Corp.	Mercantile Capital Corp
Mitsubishi UFJ Financial Group, Inc.	Pacific Capital Bancorp
Prosperity Bancshares, Inc.	American State Financial Corporation

For each selected transaction, KBW derived the ratio of the transaction consideration value per common share paid for the acquired company to the following, in each case based on the acquired company s then latest publicly available financial statements prior to the announcement of the acquisition:

- Tangible book value per share of the acquired company;

- Tangible equity premium to core deposits (total deposits less time deposits greater than $100,000); and

LTM EPS of the acquired company.

The resulting transaction multiples and premiums for the selected transactions were compared with the corresponding transaction multiples and premiums for the proposed merger based on the implied value of the merger consideration of $27.00 per share of Valley Green common stock and using historical financial information for Valley Green as of March 31, 2014.

The results of the analysis are set forth in the following table (excluding the impact of the core deposit premium for one of the selected transactions, which core deposit premium was considered to be not meaningful):

Transaction Price to:	**Univest / Valley Green Merger**	**Selected Transactions Average**	**Selected Transactions Median**	**Selected Transactions 25th Percentile**	**Selected Transactions 75th Percentile**
Tangible Book Value	2.25x	1.78x	1.75x	1.42x	2.09x
Core Deposit Premium	25.0%	9.6%	9.9%	6.0%	13.1%
LTM EPS	14.7x	14.3x	14.0x	11.9x	17.5x

No company or transaction used as a comparison in the above analysis is identical to Valley Green or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of Univest and Valley Green to various pro forma balance sheet and income statement items and the pro forma market capitalization of the combined entity. This analysis did not include purchase accounting adjustments. To perform this analysis, KBW used balance sheet data for Univest and Valley Green as of March 31, 2014, historical earnings data for Univest and Valley Green, and 2014 earnings estimates for Univest and Valley Green provided by Univest management and Valley Green management, respectively. The results of KBW s analysis are set forth in the following table, which also compares the results of KBW s analysis with the implied pro forma ownership percentages of Univest and Valley Green shareholders in the combined company based on an assumed exchange ratio in the proposed merger of 1.3454x:

	Univest as a % of Total	**Valley Green as a % of Total**
Ownership		
100% stock (1.3454x exchange ratio)	81%	19%
Balance Sheet		
Assets	86%	14%
Gross Loans Held for Investment	83%	17%
Deposits	85%	15%
Tangible Common Equity	86%	14%
Net Income to Common		
2013 Actual Net Income	82%	18%
2014 Q1 Annualized Net Income	80%	20%
2014 Net Income	80%	20%

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of Valley Green. In this analysis, KBW used financial forecasts and projections relating to the earnings and assets of Valley Green prepared and provided to KBW by Valley Green management, and assumed discount rates ranging from 13.0% to 17.0%. The ranges of values were derived by adding (i) the present value of the estimated free cash flows that Valley Green could generate over the five-year period from 2014 to 2019 as a standalone company, and (ii) the present value of Valley Green s implied terminal value at the end of such period. KBW assumed that Valley Green would maintain a tangible common equity to tangible assets ratio of 8.00% and would retain sufficient earnings to maintain that level based on these assumptions. In calculating the terminal value of Valley Green, KBW applied a range of 10.0x to 14.0x estimated 2020 net income. This discounted cash flow analysis resulted in a range of implied values per share of Valley Green common stock of $20.04 per share to $30.70 per share.

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The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Valley Green.

Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Univest and Valley Green. Using closing balance sheet estimates as of December 31, 2014 for Univest and Valley Green, financial forecasts and projections relating to the earnings of Univest and Valley Green and pro forma assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto), in each case provided by Univest management and discussed with Valley Green management, and an assumed exchange ratio of an assumed exchange ratio in the proposed merger of 1.3454x, KBW analyzed the estimated financial impact of the merger on certain projected financial results. This analysis indicated that the merger could be accretive to Univest s 2015 and 2016 estimated EPS and dilutive to Univest s estimated tangible book value per share as of December 31, 2014. Furthermore, the analysis indicated that each of Univest s tangible common equity to tangible assets ratio, leverage ratio, Tier 1 Risk-Based Capital Ratio and Total Risk Based Capital Ratio as of December 31, 2014 could be lower. For all of the above analysis, the actual results achieved by Univest s following the merger may vary from the projected results, and the variations may be material.

Miscellaneous. KBW acted as financial advisor to Valley Green in connection with the proposed merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may from time to time purchase securities from, and sell securities to, Valley Green and Univest. As a market maker in securities, KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of Valley Green or Univest for its own account and for the accounts of its customers. To the extent KBW had any such position as of the date of KBW s opinion, it was disclosed to Valley Green.

Pursuant to the KBW engagement agreement, Valley Green agreed to pay KBW a cash fee equal to 1.35% of the aggregate merger consideration, $250,000 of which fee became payable to KBW upon the rendering of the opinion and the balance of which is contingent upon the consummation of the merger. Valley Green also has agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW s engagement or KBW s role in connection therewith. Other than this present engagement, during the two years preceding the date of its opinion, KBW has not provided investment banking and financial advisory services to Valley Green. During the two years preceding the date of its opinion, KBW has not provided investment banking and financial advisory services to Univest. KBW may in the future provide investment banking and financial advisory services to Valley Green or Univest and receive compensation for such services.

Univest s Reasons for the Merger

The board of directors and senior management of Univest periodically review and evaluate the economic and regulatory environments in which Univest and its affiliated companies operate. Part of this review in recent years has included an acknowledgement of the effects of additional oversight and regulation on revenues, expenses and capital requirements for financial institutions, particularly community banks, as a result of the passage in 2010 of the Dodd-Frank Act and other factors. The board of directors and senior management generally believe that greater size and scale can help a community-oriented financial institution address the costs of anticipated additional regulation as well as provide additional revenue opportunities. In light of these observations, Univest has elected to pursue a controlled growth strategy, which may include both organic growth and the targeted acquisition of other financial institutions with strong performance characteristics in Univest s market area or in contiguous market areas.

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Univest entered into the merger agreement to further implement this strategy, as well as to provide additional opportunities for revenue growth. Univest s board of directors reviewed and discussed the transaction with senior management, as well as its financial and legal advisors, in unanimously determining that the merger was advisable and in the best interests of Univest. In reaching its determination, the Univest board of directors considered a number of factors, including the following:

- the board s understanding of the business operations, management, financial condition, asset quality, product offerings, and prospects of Valley Green based on, among other things, presentations of management and Univest s financial advisor;

- the board s concurrence with management that the merger provides Univest with an expansion opportunity into a favorable market that extends the Univest market area contiguously to the south;

- the board s view that Valley Green s product offerings and business mix are compatible with those of Univest and provide Univest with opportunities to accelerate loan growth and to build upon the market share of secondary market loan generations, as well as opportunities to expand Univest s insurance, wealth management, and mortgage banking activities;

- the board s understanding, based on information then available, that the merger is expected to be accretive to earnings, excluding merger costs, in the first 12 months following the closing;

- the results of the due diligence examination of Valley Green and its business operations, including asset quality and composition of its investment portfolio, undertaken by management with the assistance of Univest s financial advisor;

- the board s assessment of the compatibility of the respective employee and business cultures of Univest and Valley Green and the ability of Univest Bank to effectively operate the Valley Green Bank Division as a separate banking division of Univest Bank;

- the board s view that the combined company will have the potential for a stronger competitive position in a market place where relatively greater size and scale may become increasingly more important factors for financial performance and success;

- the financial information and analyses presented by Univest s financial advisor, Griffin, and the opinion of Griffin to the effect that, as of the date of such opinion, based on and subject to the factors and assumptions set forth in the opinion, the consideration to be paid in the merger is fair from a financial point of view to Univest; and the review by the board of directors with, Stevens & Lee, its legal advisor, and Griffin, its financial advisor, of the structure of the merger and the financial and other terms of the merger agreement.

The foregoing discussion of the information and factors considered by Univest s board of directors is not exhaustive, but includes the material factors considered by the board. In view of the wide variety of factors considered by the board of directors of Univest in connection with its evaluation of the merger and the complexity of these matters, the board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Univest s board of directors evaluated the factors described above, including asking questions of Univest s legal and financial advisors. In considering the factors described above, individual members of Univest s board of directors may have given different weights to different factors. The board of directors relied on the experience and expertise of its legal advisors regarding the structure of the merger and the terms of the merger agreement and on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger. It should also be noted that this explanation of the reasoning of Univest s board of directors and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading *Cautionary Statement Regarding Forward-Looking Statements* on page 35.

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Recommendation of Univest s Board of Directors

Univest s board of directors believes that the terms of the transaction are in the best interests of Univest and its shareholders and has unanimously approved the merger agreement. **Accordingly, Univest s board of directors unanimously recommends that Univest shareholders vote FOR adoption of the merger agreement**.

Opinion of Griffin Financial Group, LLC, Financial Advisor to Univest

Pursuant to an engagement letter dated May 8, 2014, Univest engaged Griffin to act as Univest s financial advisor in connection with a potential acquisition of Valley Green. Griffin is a nationally recognized investment banking firm which is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. Univest hired Griffin on the basis of Griffin s qualifications, experience in transactions similar to the merger and its reputation in the investment community to provide its opinion as to the fairness, from a financial point of view, of the merger consideration (as defined in the merger agreement) to be paid by the Company in the proposed merger of the Company s wholly owned subsidiary Univest Bank and Trust Co. with Valley Green Bank. Griffin is a FINRA licensed investment banking firm with substantial experience in transactions similar to the merger involving financial institutions.

At a meeting of the Univest board of directors held on June 17, 2014, to evaluate the proposed acquisition of Valley Green, Griffin reviewed the financial aspects of the proposed merger and provided its opinion to Univest s board of directors that, as of such date, and subject to factors, qualifications, limitations and assumptions set forth in the opinion, the merger consideration to be paid by Univest in connection with the proposed merger was fair, from a financial point of view to the shareholders of Univest.

The full text of Griffin s written opinion is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference. Univest s shareholders are urged to read the opinion in its entirety for a description of the assumptions made, matters considered, procedures followed and qualifications and limitations on the review undertaken by Griffin. The Griffin opinion is subject to the assumptions and conditions contained in its opinion and is necessarily based on economic, market and other conditions as in effect on, and the information made available to Griffin as of, the date of its opinion. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion.

Griffin s opinion speaks only as of the date of the opinion. The opinion is directed to the Univest board and is limited to the fairness, from a financial point of view, to the common equity shareholders of Univest with regard to the consideration paid in the merger. Griffin does not express an opinion as to the underlying decision by Univest to engage in the merger or the relative merits of the merger compared to other strategic alternatives which may be available to Univest.

In providing its opinion, Griffin:

(i) reviewed a draft, dated June 16, 2014, of the merger agreement (the latest draft made available to Griffin);

(ii) reviewed and discussed with the Company and Valley Green their respective financial information as of and for the three months ended March 31, 2014 and as of and for the 12-month periods ended December 31, 2013 and December 31, 2012;

(iii) discussed with the managements of the Company and Valley Green matters relating to their respective financial condition, growth, liquidity, earnings, profitability, asset quality, capital adequacy, stock market valuation (as applicable), future prospects, and related matters as of such dates and for the periods then ended;

(iv) analyzed and discussed with the Company and Valley Green the potential strategic implications and operational benefits anticipated by the managements of the Company and Valley Green;

(v) evaluated the potential pro forma financial effects of the merger on the Company on a forward-looking basis;

(vi) reviewed and discussed with the Company and Valley Green certain publicly available business and financial information concerning the Company and Valley Green and the economic and regulatory environments in which they operate;

(vii) compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving whole bank acquisitions that Griffin deemed relevant;

(viii) compared the financial condition and implied valuation of Valley Green to the financial condition and valuation of certain institutions Griffin deemed relevant;

(ix) performed a discounted cash flow analysis;

(x) considered Univest s ownership structure, its stock market performance, and the trading history of its common stock which is being used as the merger consideration; and

(xi) undertook such other financial studies and analyses and considered such other information as Griffin deemed appropriate for the purpose of determining its opinion.

In conducting its review and providing its opinion, Griffin relied upon the accuracy and completeness of information which was publicly available to Griffin or which was furnished to or discussed with Griffin by Univest or Valley Green or otherwise reviewed by Griffin including, particularly, the forward looking earnings estimates and pro forma growth rates. Griffin did not independently verify (nor assume responsibility or liability for independently verifying) any such information or its accuracy or completeness. Griffin did not review individual loan files or deposit information of Univest or Valley Green, nor was Griffin provided with or conduct any valuation or appraisal of any assets, deposits, or other liabilities of Univest or Valley Green. Griffin does specialize in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowance for losses with respect thereto, and accordingly, has assumed that such allowances for losses are adequate. In relying on financial analyses provided to or discussed with Griffin by Univest or Valley Green or derived therefrom, Griffin assumed that such analyses had been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management. Griffin expressed no view as to such analyses, forecasts, estimates, or the assumptions on which they were based.

For purposes of providing its opinion, Griffin assumed that, in all respects material to its analysis:

- the merger will be completed substantially in accordance with the terms set forth in the draft merger agreement provided to Griffin;

- the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct in all respects material to Griffin s analysis;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger will be satisfied without any waivers or modifications to the merger agreement; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any termination, divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger.

In performing its analysis, Griffin made various assumptions with regard to economic, market, and other conditions, which are beyond the control of Griffin, Univest and Valley Green. Griffin s opinion is limited to the fairness, from a financial point of view, to the shareholders of Univest with regard to the merger consideration to be paid by Univest in the merger, and expresses no opinion as to the fairness of the merger to creditors or other stakeholders of Univest, the underlying decision by Univest to engage in the merger, the relative merits of the merger compared to other transactions available to Univest, or the relative merits of the merger compared to other strategic alternatives which may be available to Univest. Furthermore, Griffin did not take into account and expressed no opinion with respect to the amount or nature of any bonuses and any other compensation or consideration to any officers, directors, or employees of Univest paid or payable by reason or as a result of the merger.

The following is a summary of the material analyses presented by Griffin to the Univest Board in connection with Griffin s fairness opinion. The summary is not a complete description of the analyses underlying the Griffin opinion or the presentation made by Griffin to the Univest board, but summarizes the material analyses performed and presented in connection with such opinion.

The preparation of the fairness opinion is a comprehensive and complex, analytical process, involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In accordance with customary investment banking practice, Griffin employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses undertaken by Griffin in connection with rendering the Griffin opinion. The following summary, however, does not purport to be a complete description of the financial analyses performed by Griffin. In arriving at its opinion, Griffin did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, Griffin believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

Summary of Proposal

Pursuant to the merger agreement, at the effective time of the merger, each issued and outstanding share of Valley Green common stock, other than shares held in treasury or owned by Univest and its affiliates, will be exchanged for the right to receive $27.00 in value in shares of Univest common stock, subject to a maximum exchange ratio of 1.4949 and a minimum exchange ratio of 1.2231 (the merger consideration). At the effective time of the merger, Valley Green will merge with and into Univest Bank. Shares of Valley Green s common stock held in treasury or owned by Univest and its affiliates will be cancelled. The terms and conditions of the merger are more fully described in the merger agreement.

Current Pricing Multiple Environment for High Performing Banks and Valley Green

Prior to the recession, market pricing metrics typically focused primarily on earnings related inputs, with book value metrics given consideration under specific circumstances or considered secondarily. During the recession, bank earnings were largely nonexistent, and the markets were required to rely on book value metrics. Since the recession, bank earnings have been recovering, and the markets have begun to consider earnings multiples in valuation metrics.

Valley Green has had a consistent earnings track record, even through the financial crisis. In addition, Valley Green s historical and projected earnings are high in relation to its book value. As a result, management of Univest has focused their attention on multiples of Valley Green earnings, and has considered book value multiples as secondary in importance.

Based on Valley Green s mix of assets and interest bearing liabilities, and its somewhat lower tangible common equity to tangible assets ratio and the earnings derived therefrom, it appears that comparative earnings multiples provide a more meaningful basis for valuation, with book value valuation metrics derivative therefrom.

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Selected Companies Analysis

Using publicly available information, Griffin compared the financial performance and condition of Valley Green to the following publicly traded banks nationwide headquartered in a metropolitan statistical area with under $1 billion in total assets, loan growth greater than 10% in 2011, 2012, and 2013, respectively, NPAs/Assets less than 2.5%, ROAA of at least 50 basis points, and 3-month average daily trading volume of at least 50 shares, excluding any banks that are announced merger targets. Companies included in this group were:

First Internet Bancorp

First Bank

1st Century Bancshares, Inc.

Plaza Bank

National Bancshares Corporation

California Bank of Commerce

Kinderhook Bank Corporation

Puget Sound Bank

Freedom Bank of Virginia

Community Bank of the Bay

American Riviera Bank

To perform this analysis, Griffin used financial information as of the most recently available quarter, and market price information as of June 16, 2014 as reported by SNL Financial. Griffin s analysis showed the following concerning Valley Green s and its peers financial condition, risk profile, valuation and liquidity:

Financial Condition & Performance		Peers			
	Valley Green Bank	Minimum	Mean	Median	Maximum
Total Assets ($000)	370,261	188,375	431,409	372,807	848,119
Common Equity ($000)	33,257	15,573	42,684	35,442	91,644
Loans/Assets (%)	88.91	64.79	74.14	75.17	83.41
TARP/SBLF Outstanding ($000)			2,904		11,000
2013 Gross Loan Growth (%)	30.27	10.55	22.93	22.37	43.93
2012 Gross Loan Growth (%)	26.38	10.80	16.42	14.45	25.61
2011 Gross Loan Growth (%)	39.95	11.59	19.10	17.22	34.41
NPAs+90/Assets (%)	0.36	0.20	1.05	0.97	2.47
Common Texas Ratio (%)	3.74	1.50	11.28	8.60	34.85

ROAA (%)	1.51	0.51	0.86	.079	1.21
ROAE (%)	16.58	5.07	8.07	7.92	11.47
Efficiency Ratio (%)	53.06	64.81	73.55	69.64	85.28
Net Interest Margin (%)	5.06	2.64	3.83	3.77	4.81
Noninterest Income/Operating Revenue (%)	4.26	3.60	12.77	10.26	29.14
TCE/ Tangible Assets (%)	8.97	5.89	9.48	9.88	13.51
Leverage ratio (%)	9.34	8.28	10.81	10.78	13.34

Valuation & Liquidity		Peers		
	Minimum	Mean	Median	Maximum
6/16/2014 Closing Price ($)	3.13	12.25	10.10	28.01
TCE/Share($)	3.01	11.35	9.85	28.33
Market Cap ($Mil)	16.87	45.4	39.9	92.77
Average Daily Volume	53	3,601	1,903	12,998
Institutional Ownership (%)		10.00	3.30	45.36
Price/LTM EPS (x)	9.65	14.1	10.8	26.75
Price/Book (%)	92.1	107.3	101.2	143.4
Price/Tangible Book (%)	93.6	111.1	106.7	143.4
Current Dividend Yield (%)		1.98	1.93	2.86
Dividend Payout Ratio (%)		19.48	19.48	20.69
One Year Price Change	(2.38)	13.67	6.25	59.52

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Valley Green compares favorably to the peer median in all categories except noninterest income generation. Furthermore, Valley Green is the best in the group in ROAA, ROAE, efficiency ratio, and net interest margin. Valley Green was #8 in SNL Financial s list of 100 top-performing banks of 2013 with assets below $500 million.

No company used as a comparison in the above analysis is identical to Valley Green Bank. In addition, Griffin presumed that the trading valuations for peers exclude any change in control premium. Accordingly, an analysis of these results is not purely mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and of the banking environment at the time of the opinion.

Selected Transactions Analysis

Griffin reviewed publicly available information as reported by SNL Financial related to nationwide whole bank acquisitions announced in the last twelve months of banks headquartered in a metropolitan statistical area, with under $1 billion in total assets, positive loan growth in each of the two periods prior to announcement of the transaction, NPAs/Assets less than 2.5%, ROAA of at least 50 basis points in each of the full two years prior to the announcement of the transaction, and acquirers with at least $1 billion in total assets.

Acquirer	**Acquiree**
Independent Bank Group, Inc.	BOH Holdings, Inc.
Eagle Bancorp, Inc.	Virginia Heritage Bank
Eastern Bank Corporation	Centrix Bank & Trust
IBERIABANK Corporation	Teche Holding Company
CU Bancorp	1st Enterprise Bank
Simmons First National Corporation	Delta Trust & Banking Corporation
Home BancShares, Inc.	Florida Traditions Bank
BNC Bancorp	Harbor Bank Group, Inc.
First Financial Bancorp.	First Bexley Bank
CBFH, Inc.	MC Bancshares, Inc.
Peoples Bancorp Inc.	Ohio Heritage Bancorp, Inc.
First Business Financial Services, Inc.	Aslin Group, Inc.
Wilshire Bancorp, Inc.	BankAsiana
First Financial Bancorp.	Insight Bank

For each transaction referred to above, Griffin derived and compared, among other things, the following implied ratios:

- Price per common share paid for the acquired company to tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition; and

- Price per common share paid for the acquired company to last twelve months earnings per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition.

The results of the analysis are set forth in the following table:

Transaction Multiples & Performance	Valley Green Bank	Targets Minimum	Targets Mean	Targets Median	Targets Maximum
Total Assets ($000)	370,261	200,233	492,087	308,936	924,573
Price/TBV (%)	224.6	136.8	177.0	169.5	262.4
Price/LTM EPS (x)	14.7	12.1	19.4	18.0	36.7
NPAs+90/Assets (%)	0.36		0.93	0.93	2.21
NIM (%)	5.06	2.82	3.92	3.99	5.15
LTM ROAA (%)	1.51	0.56	0.95	0.97	1.43
LTM ROAE (%)	16.58	5.75	9.26	8.75	17.57
Loan Growth Prior Year (%)	30.27	1.48	8.78	4.31	23.15
Loan Growth 2 Years Prior (%)	26.38	2.86	14.67	12.07	32.38

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No company or transaction used as a comparison in the above analyses is identical to Valley Green, Univest or the merger. Accordingly, an analysis of these results is not purely mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and of the banking environment at the time of the opinion.

At a 14.7x price-to-earnings multiple based on Valley Green s LTM earnings, pricing is lower than the mean and median transaction multiples above. On a price-to-tangible-book value multiple basis, pricing is among the highest of comparable transactions, but Valley Green s growth, asset quality, NIM, and overall performance is significantly more favorable relative to targets in the comparative transactions. In addition, Valley Green s mix of assets e.g., higher percentage of good-yielding loans and a lower percentage of lower-yielding securities, is superior.

Discounted Cash Flow Analysis

Griffin performed a discounted cash flow analysis to estimate a range of the present value of estimated free cash flows that Valley Green Bank could generate on a stand-alone basis. In performing this analysis, Griffin utilized the following assumptions, among others:

- A required tangible common equity to tangible assets capitalization level of 8% with any earnings in excess of required capital retention treated as distributable earnings;

- Earnings and asset assumptions based on Valley Green s management estimates for the remainder of 2014, 2015, and subsequent earnings based on Valley Green s historical trends;

- A range of discount rates of 14.0% to 18.0% based on a normalized risk free interest rate as recommended by Duff & Phelps, the latest published Duff & Phelps US Equity Risk Premium recommendation, and a size premium, also published by Duff & Phelps; and

- A projected terminal value multiple range of 13.0x to 17.0x forecasted 2019 earnings based on current trading multiples, observed transaction multiples, industry practice, and Griffin s professional judgment. This range represents 217% to 284% of Valley Green s forecast 2019 tangible common equity.

These calculations resulted in a range of implied per-share values of $21.76-$33.23 per share of Valley Green common stock, as compared to the merger consideration of $27.00 per share of Valley Green common stock, as illustrated by the following table:

	Terminal Earnings Multiple				
Discount Rate	13.0x	14.0x	15.0x	16.0x	17.0x
14.0%	26.34	28.06	29.78	31.50	33.23

15.0%	25.09	26.72	28.36	29.99	31.62
16.0%	23.91	25.46	27.01	28.57	30.12
17.0%	22.80	24.28	25.75	27.22	28.69
18.0%	21.76	23.16	24.56	25.96	27.35

The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual value or expected value of Valley Green.

Univest retained Griffin as its financial adviser to its board of directors regarding the merger. As part of its investment banking business, Griffin is, from time to time, engaged in the valuation of bank and bank holding company securities in connection with mergers and acquisitions, public and private placement of listed and unlisted securities, rights offerings and other forms of valuations for various purposes. As specialists in the securities of banking companies, Griffin has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, Griffin may, from time to time, purchase securities from, and sell securities to, Valley Green and Univest. As a market maker in securities, Griffin may from time to time have a long or short position in, and buy or sell, debt or equity securities of institutions like and possibly including Valley Green for Griffin s own account and for the accounts of its customers. To the extent Griffin held any such positions, it was disclosed to Valley Green and Univest.

Pursuant to the Griffin engagement agreement, Univest agreed to pay Griffin (a) an engagement fee of $25,000, (b) a fee of $150,000 payable upon the delivery of its fairness opinion and (c) a fee of $275,000 contingent on the completion of a transaction. In addition, Univest has agreed to reimburse Griffin for reasonable out of pocket expenses incurred in connection with Griffin s engagement and to indemnify and hold harmless partners, officers, agents, employees and affiliates from and against all losses, claims, judgments, liabilities, costs, damages and expenses based upon or arising from Griffin s engagement. During the two years preceding the date of its opinion to Univest, Griffin did not receive compensation for investment banking services from Valley Green or Univest. Griffin is affiliated with Stevens & Lee, which has provided certain legal services to Univest and has been compensated at a market rate for these services.

Board of Directors and Management of Univest Following Completion of the Merger

Following completion of the merger, the then current directors and executive officers of Univest will continue to operate in their existing capacity at that time. Additionally, Univest will appoint Jay R. Goldstein and Michael L. Turner to serve on the Univest board of directors. Jay R. Goldstein will serve in Class I, with a term to expire in 2015, and Michael L. Turner will serve in Class II, with a term to expire in 2016. Univest has agreed to nominate and recommend each of them for election for one additional three-year term following their initial term.

The members of the board of directors of Univest Bank will not change as a result of the merger.

Valley Green Shareholders Have Dissenters Rights in the Merger

General

If you are a Valley Green shareholder, under Pennsylvania law you have the right to dissent from the merger agreement and obtain the fair value of your Valley Green shares in cash as determined by an appraisal process in accordance with the procedures under Subchapter D of Chapter 15 of the PBCL. The following is a summary of the rights of dissenting shareholders. The summary is qualified in its entirety by reference to Annex D which sets forth the applicable dissenters rights provisions of Pennsylvania law. If you are considering exercising your dissenters rights, you should read carefully the summary below and the full text of the law set forth in Annex D.

In the discussion of dissenters rights, the term fair value means the value of a share of Valley Green common stock immediately before the day of the effective date of the merger, taking into account all relevant factors, but excluding any appreciation or depreciation in anticipation of the merger.

Before the effective date of the merger, send any written notice or demand required in order to exercise your dissenters rights to Valley Green Bank, 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119 (Attn: Jay R. Goldstein, President and Chief Executive Officer). After the effective date of the merger, send any correspondence to Univest Corporation of Pennsylvania, 14 North Main Street, Souderton, Pennsylvania 18964 (Attn: Karen E. Tejkl, Corporate Secretary).

Notice of Intention to Dissent

If you wish to dissent from the merger, you must do the following:

prior to the vote on the merger agreement by Valley Green shareholders at the Valley Green special meeting, file with Valley Green a written notice of your intention to demand payment for the fair value of your shares of Valley Green common stock if the merger with Univest is completed;

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make no change in your beneficial ownership of Valley Green common stock from the date you give notice of your intention to demand fair value of your shares of Valley Green common stock continuously through the day of the merger; and

not vote your Valley Green common stock to adopt the merger agreement at the special meeting.

Simply providing a proxy against or voting against the proposed merger at the special meeting of shareholders will not constitute notice of your intention to dissent. Further, if you submit a proxy but do not indicate how you wish to vote, you will be deemed to have voted in favor of the merger, and your right to dissent will be lost.

Notice to Demand Payment

If the merger is adopted by the required vote of Valley Green shareholders, Univest or Valley Green will mail a notice to all those dissenting shareholders who gave due notice of their intention to demand payment of the fair value of their shares and who did not vote to adopt the merger agreement. The notice will state where and when dissenting Valley Green shareholders must deliver a written demand for payment and where such dissenting shareholder must deposit certificates for Valley Green common stock in order to obtain payment. The notice will include a form for demanding payment, which will include a request for certification of the date on which the shareholder, or the person on whose behalf the shareholder dissents, acquired beneficial ownership of the shares, and a copy of the relevant provisions of Pennsylvania law. The time set for receipt of the demand for payment and deposit of stock certificates will be not less than 30 days from the date of mailing of the notice.

Failure to Comply with Required Steps to Dissent

You must take each step in the indicated order and in strict compliance with Pennsylvania law in order to maintain your dissenters rights. If you fail to follow these steps, you will lose the right to dissent, and you will receive the same merger consideration as those Valley Green shareholders who do not dissent.

Payment of Fair Value of Shares

Promptly after the effective date of the merger, or upon timely receipt of demand for payment if the closing of the merger has already taken place, Univest will send each dissenting shareholder who has deposited his, her or its stock certificates, the amount that Univest estimates to be the fair value of the Valley Green common stock held by such dissenting shareholder or give written notice that no remittance will be made. The remittance or notice will be accompanied by:

a closing balance sheet and statement of income of Valley Green for the fiscal year ending not more than 16 months before the date of remittance or notice, together with the latest available interim financial statements;

a statement of Univest s estimate of the fair value of Valley Green common stock; and

a notice of the right of the dissenting shareholder to demand payment or supplemental payment, accompanied by a copy of the relevant provisions of Pennsylvania law.

Estimate by Dissenting Shareholder of Fair Value of Shares

If a dissenting shareholder believes that the amount stated or remitted by Univest is less than the fair value of the Valley Green common stock, the dissenting shareholder must send its estimate of the fair value (deemed a demand for payment of the amount of the deficiency) of the Valley Green common stock to Univest within 30 days after Univest mails its remittance or notice. If the dissenting shareholder does not file its estimated fair value within 30 days after the mailing by Univest of its remittance or notice, the dissenting shareholder will be entitled to no more than the amount stated in the notice or remitted by Univest.

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Valuation Proceedings

If any demands for payment remain unsettled within 60 days after the latest to occur of:

- the effective date of the merger;
- timely receipt by Valley Green or Univest, as the case may be, of any demands for payment; or
- timely receipt by Valley Green or Univest, as the case may be, of any estimates by dissenters of the fair value;

then, Univest may file an application, in the Court of Common Pleas of Montgomery County, Pennsylvania, requesting that the court determine the fair value of the Valley Green common stock. If this happens, all dissenting shareholders whose demands have not been settled, no matter where they reside, will become parties to the proceeding. In addition, a copy of the application will be delivered to each dissenting shareholder.

If Univest were to fail to file the application, then any dissenting shareholder, on behalf of all dissenting shareholders who have made a demand and who have not settled their claim against Univest, may file an application in the name of Univest at any time within the 30-day period after the expiration of the 60-day period and request that the Montgomery County Court of Common Pleas determine the fair value of the shares. The fair value determined by the Montgomery County Court of Common Pleas may, but need not, equal the dissenting shareholders estimates of fair value. If no dissenter files an application, then each dissenting shareholder entitled to do so shall be paid no more than Univest s estimate of the fair value of the Valley Green common stock, and may bring an action to recover any amount not previously remitted, plus interest at a rate the Montgomery County Court of Common Pleas finds fair and equitable.

Univest intends to negotiate in good faith with any dissenting shareholder. If, after negotiation, a claim cannot be settled, then Univest will file an application requesting that the fair value of the Valley Green common stock be determined by the Montgomery County Court of Common Pleas.

Costs and Expenses

The costs and expenses of any valuation proceedings performed by the Montgomery County Court of Common Pleas, including the reasonable compensation and expenses of any appraiser appointed by such court to recommend a decision on the issue of fair value, will be determined by such court and assessed against Univest, except that any part of the costs and expenses may be apportioned and assessed by such court against any or all of the dissenting shareholders who are parties and whose action in demanding supplemental payment is dilatory, obdurate, arbitrary, vexatious or in bad faith, in the opinion of such court.

Valley Green shareholders wishing to exercise their dissenters rights should consult their own counsel to ensure that they fully and properly comply with applicable requirements.

Regulatory Approvals Required for the Merger

The merger is subject to the approval of the FRB under the Bank Holding Company Act of 1956, as amended (the BHC Act). In addition, the merger is subject to the approval of the PDB under the Pennsylvania Banking Code (the Banking Code).

In reviewing Univest s application for approval of the merger under the BHC Act, the FRB must consider, among other factors, the competitive effect of the merger, the managerial and financial resources and future prospects of Univest, the effect of the merger on the convenience and needs of the communities to be served, including the records of performance of Univest Bank and Valley Green in meeting the credit needs of the communities under the Community Reinvestment Act, the effectiveness of Univest in combating money laundering activities, and the extent to which the merger would result in greater or more concentrated risks to the stability of the United States banking or financial system. Applicable regulations require publication of notice of the application and an opportunity for the public to comment on the application in writing and to request a hearing.

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The merger is also subject to the approval of the PDB under the Banking Code. The Banking Code authorizes the acquisition of a bank by a bank holding company. In reviewing an application for approval of a merger, the PDB will consider, among other things, whether the plan of merger adequately protects the interests of the depositors, other creditors and shareholders, and whether the bank merger would be consistent with adequate and sound banking practices and in the public interest on the basis of the financial history and condition of the banks involved, their future prospects, the character of their management, the potential effect of the bank merger on competition, and the convenience and needs of the areas primarily to be served by the resulting institution.

Univest filed the required applications on August 18, 2014. The merger will not proceed in the absence of regulatory approvals. Although neither Univest nor Valley Green knows of any reason why regulatory approval would not be obtained in a timely manner, neither Univest nor Valley Green can be certain when such approvals will be obtained or if they will be obtained.

The parties are not aware of any other governmental approvals or actions that may be required to consummate the merger. If any other approval or action is required, it is contemplated that such approval or action would be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

Valley Green s Directors and Executive Officers Have Financial Interests in the Merger

In considering the recommendation of the Valley Green board of directors that you vote to adopt the merger agreement, you should be aware that Valley Green s directors and executive officers may have financial interests in the merger that are different from, or in addition to, the interests of the Valley Green shareholders generally. Valley Green s board of directors was aware of and considered these interests, among other matters, in approving and adopting the agreement and plan of merger. For purposes of all of the Valley Green agreements and plans described below, the consummation of the transactions contemplated by the merger agreement generally will constitute a change in control of Valley Green.

Existing Employment Agreements

Jay R. Goldstein, President and Chief Executive Officer of Valley Green Bank, Robert J. Marino, President of the Delaware Valley Region of Valley Green Bank and Cheryl Hinkle Richards, Executive Vice President, Chief Financial Officer, Chief Operating Officer, Secretary and Treasurer are considered named executive officers of Valley Green. Valley Green Bank has entered into agreements with each of these named executive officers that provide for certain severance payments to the executive officers in connection with a change of control. The following table illustrates these payments, assuming the merger was consummated on January 5, 2015:

Executive	Cash ($)	Equity ($)	Total ($)
Jay R. Goldstein President & CEO	1,140,000 (1)	259,000 (2)	1,399,000
Robert J. Marino President, Delaware Valley Region	487,000 (3)	250,231 (4)	737,231
Cheryl Hinkle Richards Executive Vice President, Chief Financial Officer, Chief Operating Officer, Secretary	463,000 (5)	111,000 (6)	574,000

and Treasurer

(1) Represents amount payable in a lump sum upon consummation of a change of control.
(2) Represents the cash out value of the options held by Mr. Goldstein that accelerate vesting upon the change in control.
(3) Represents amount payable in a lump sum upon consummation of a change of control.

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(4) Represents the cash out value of the options held by Mr. Marino that accelerate vesting upon the change in control.
(5) Represents $413,000 of amount payable in a lump sum upon consummation of a change of control and a $50,000 retention bonus for which Ms. Richards will be eligible pursuant to the terms of the merger agreement.
(6) Represents the cash out value of the options held by Ms. Richards that accelerate vesting upon the change in control.

Jay R. Goldstein is party to an employment agreement with Valley Green Bank. The agreement was for an initial three-year term and now renews annually on November 17 of each year. Under the agreement, Mr. Goldstein receives a current base salary of $395,000 and an annual bonus at the discretion of the board of directors. The employment agreement provides that, upon consummation of a change in control of Valley Green, Mr. Goldstein is entitled to a severance benefit equal to two times his total cash compensation paid to him during the prior calendar year. Mr. Goldstein s agreement contains customary provisions relating to termination of employment for cause. The agreement prohibits competition for twelve months following a voluntary termination of employment (other than for good reason or after a change in control) or a termination of employment for cause and prohibits solicitation of customers or employees in all events for twelve months following termination of employment for any reason. Mr. Goldstein will continue as President of the Valley Green Division of Univest Bank after the merger and will enter into a new employment agreement with Univest Bank, as described below under *New Employment Agreements.*

Robert J. Marino is party to a letter agreement describing the terms of his employment with Valley Green Bank. Under the agreement, Mr. Marino receives a current base salary of $243,500 and an annual bonus with a target of up to 25% of base salary. The agreement provides that, upon a change in control, Mr. Marino is entitled to a severance benefit in the amount of two times the base salary in effect at that time. Mr. Marino will continue as an executive vice president of Univest Bank after the merger and will enter into a new employment agreement with Univest Bank, as described below under *New Employment Agreements*.

Cheryl Hinkle Richards is party to an employment agreement with Valley Green Bank. The agreement was for an initial three-year term and now renews annually on October 31 of each year. Under the agreement, Ms. Richards receives a current base salary of $206,500 and an annual bonus at the discretion of the board of directors. The employment agreement provides that, upon a change in control of Valley Green, Ms. Richards is entitled to a severance benefit equal to two times her current base salary. Ms. Richards agreement contains customary provisions relating to termination of employment for cause. The agreement prohibits competition and solicitation of customers or employees for twelve months following termination of employment for any reason. Ms. Richards will be eligible for a $50,000 retention bonus pursuant to the terms of the merger agreement.

New Employment Agreements

Prior to the effective time of the merger, Univest shall offer to enter into and shall execute and deliver to Valley Green Bank, a new employment agreement with Mr. Goldstein. The agreement with Mr. Goldstein provides that he will be employed as the President of the Valley Green Division of Univest Bank. The agreement is for a term of one (1) year, ending on the date that is one (1) year subsequent to the date of the closing of the merger. Mr. Goldstein s base salary under the agreement is $395,000, and he is entitled to a guaranteed bonus, during the employment period, in the amount of $70,000. The payment of such bonus will not reduce or otherwise effect any other obligation of Univest Bank to Mr. Goldstein provided for in the employment agreement. In the event that Mr. Goldstein s employment is terminated without cause (other than for death or disability) during the term of the employment agreement or if Mr. Goldstein voluntarily terminates his employment for good reason , Mr. Goldstein shall be entitled to receive, within twenty (20) days following termination, a lump sum cash payment equal to the annual base salary that Mr. Goldstein would have been paid over the then remaining term of the employment period, plus the bonus payable pursuant to the employment agreement. Mr. Goldstein shall not be required to mitigate the amount of any payment provided by seeking other employment or otherwise, nor shall the amount of payment or the benefit provided be reduced by any compensation he earns as the result of employment by another

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employer or by reason of his receipt of or right to receive any retirement or other benefits after the date of termination of employment or otherwise. Mr. Goldstein s agreement contains customary provisions relating to termination of employment for cause and covenants regarding noncompetition and nonsolicitation of customers and employees for a period of one year following consummation of the merger. In the event that any payment under Mr. Goldstein s employment agreement would trigger a reduction in tax deductions under Internal Revenue Code Section 280G, the amount of such payment shall be reduced to the maximum amount that can be paid without triggering the reduction in tax deductions.

Prior to the effective time of the merger, Univest shall offer to enter into and shall execute and deliver to Valley Green Bank, a new employment agreement with Mr. Marino. The agreement with Mr. Marino provides that he will be employed as an Executive Vice President of Univest Bank. The agreement is for a term of two (2) years, ending on the date that is two (2) years subsequent to the date of the closing of the merger. Mr. Marino s base salary under the agreement is $245,000, and he is entitled to a bonus for services performed equal to thirty percent (30%) of Mr. Marino s annual base salary based on performance metrics reasonably determined by both the CEO of Univest and the President of the Valley Green Bank Division. In addition, Mr. Marino shall participate in such amounts (if any) and at such times as is provided in such short and long-term equity incentive plan(s) as may be approved by the Univest board and in effect from time to time. The payment of any such bonuses and/or equity compensation will not reduce or otherwise affect any other obligation of Univest Bank to Mr. Marino provided for in the employment agreement. In the event that Mr. Marino s employment is terminated without cause (other than for death or disability) during the term of the employment agreement or if Mr. Marino voluntarily terminates his employment for good reason , Mr. Marino shall be entitled to receive, within twenty (20) days following termination, a lump sum cash payment equal to the annual base salary that Mr. Marino would have been paid over the then remaining term of the employment period, plus the accrued bonus for the portion of the calendar year in which the termination occurred. Mr. Marino shall not be required to mitigate the amount of any payment provided by seeking other employment or otherwise, nor shall the amount of payment or the benefit provided be reduced by any compensation he earns as the result of employment by another employer or by reason of his receipt of or right to receive any retirement or other benefits after the date of termination of employment or otherwise. Mr. Marino s agreement contains customary provisions relating to termination of employment for cause and covenants regarding noncompetition and nonsolicitation of customers and employees for a period of two years following consummation of the merger. In the event that any payment under Mr. Marino s employment agreement would trigger a reduction in tax deductions under Internal Revenue Code Section 280G, the amount of such payment shall be reduced to the maximum amount that can be paid without triggering the reduction in tax deductions.

Prior to the effective time of the merger, Univest shall offer to enter into and shall executive and deliver to Valley Green Bank, a new employment agreement with Algot F. Thorell. The agreement with Mr. Thorell provides that he will be employed part-time (for no less than 20 hours per week) as a principal of Univest Bank. The agreement is for a term of one (1) year, ending on the date that is one (1) year subsequent to the date of the closing of the merger. Mr. Thorell s base salary under the agreement is $135,000. In addition, Mr. Thorell shall be entitled to participate in or receive the benefits of any employee benefit plan currently in effect at Univest. In the event that Mr. Thorell s employment is terminated without cause (other than for death or disability) during the term of the employment agreement, Mr. Thorell shall be entitled to receive, within twenty (20) days following termination, a lump sum cash payment equal to the annual base salary that Mr. Thorell would have been paid over the then remaining term of the employment period. Mr. Thorell shall not be required to mitigate the amount of any payment provided by seeking other employment or otherwise, nor shall the amount of payment or the benefit provided be reduced by any compensation he earns as the result of employment by another employer or by reason of his receipt of or right to receive any retirement or other benefits after the date of termination of employment or otherwise. Mr. Thorell s agreement contains customary provisions relating to termination of employment for cause and covenants regarding noncompetition and nonsolicitation of customers and employees for a period of one year following consummation of the merger. In the event that any payment under Mr. Thorell s employment agreement would trigger a reduction in tax deductions under Internal Revenue Code Section 280G, the amount of such payment shall be reduced to the maximum amount that can be paid without triggering the reduction in tax deductions.

Governance Structure and Management Positions

Effective at the closing of the merger, Jay R. Goldstein and Michael L. Turner will be appointed to the board of directors of Univest. Such individuals will receive compensation in accordance with the policies of Univest relating to director compensation, which currently consists of the following payments to each Univest non-employee director: an annual retainer of $18,000 and 1,000 shares of restricted stock (with a two year vesting period), a fee of $900 for each board meeting attended, and between $275 and $800 for each committee meeting attended, depending on the committee; provided that Mr. Goldstein will not be paid any director s fees while he is an employee of Univest or Univest Bank.

In addition, following completion of the merger, Univest will continue to operate Valley Green as a separate banking division of Univest Bank for a period of at least 24 months.

Indemnification and Insurance

The merger agreement provides that Univest will, for six years following the acquisition, indemnify all current and former officers and directors of Valley Green and its subsidiaries in accordance with Pennsylvania law and as would have been permitted under Valley Green s articles of incorporation and bylaws. In addition, for six years after the acquisition, Univest has agreed to maintain liability insurance coverage with respect to matters arising at or prior to the merger for each current or former officer or director of Valley Green or any of its subsidiaries, in amounts and on terms not materially less advantageous than the coverage provided prior to the acquisition, subject to an annual limit on the cost of such insurance of 150% of its current cost.

THE MERGER AGREEMENT

The following describes certain aspects of the merger, including material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A and is incorporated by reference in this joint proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing this merger.

Terms of the Merger

Each of the Valley Green board of directors and the Univest board of directors has unanimously adopted the agreement and plan of merger, which provides for the merger of Valley Green with and into Univest Bank. Univest Bank will be the surviving entity in the merger. Each share of Univest common stock issued and outstanding immediately prior to completion of the merger will remain issued and outstanding as one share of common stock of Univest. Each share of Valley Green common stock issued and outstanding at the effective time of the merger (with the exception of Company-Owned Stock, as defined below) will be converted into shares of Univest common stock, as described below. See *Consideration to Be Received in the Merger.* Company-Owned Stock means shares of Valley Green stock held by Valley Green or any of its subsidiaries or by Univest or any of its subsidiaries, in each case other than in a fiduciary capacity or as a result of debts previously contracted in good faith. Each share of Valley Green common stock held as Company-Owned Stock immediately prior to the effective time of the merger will be canceled and retired and no consideration will be issued in exchange. Univest does not own any shares of common stock of Valley Green.

The Univest Bank articles of incorporation will be the articles of incorporation, and the Univest Bank bylaws will be the bylaws of the combined entity after completion of the merger. The merger agreement provides that Univest may change the method of effecting the merger if and to the extent it deems such change to be necessary, appropriate, or desirable. No such change will alter the amount or kind of merger consideration to be provided under the merger agreement, adversely affect the tax treatment of the merger as a reorganization under Section 368(a) of the Internal Revenue Code, or materially impede or delay completion of the merger.

Closing and Effective Time of the Merger

The merger will be completed only if all of the following occur:

- the agreement and plan of merger is approved and adopted by both the Univest shareholders and the Valley Green shareholders;

- all required governmental and regulatory consents and approvals have been obtained without a condition, restriction or requirement that would, in the good faith judgment of the board of directors or Univest or Valley Green, materially and adversely affect the business, operations, financial condition, property or assets of the combined company or materially impair the value of Valley Green to Univest or of Univest or Univest Bank to Valley Green; and all other conditions to the merger discussed in this joint proxy statement/prospectus and/or the merger agreement are either satisfied or waived.

The merger will become effective when articles of merger are filed with the Department of State of the Commonwealth of Pennsylvania. We may agree, however, to a later time for completion of the merger and specify that time in accordance with Pennsylvania law. It currently is anticipated that the effective time of the merger will occur in the first quarter of 2015, but we cannot guarantee when or if the merger will be completed.

Consideration to Be Received in the Merger

As a result of the merger each Valley Green shareholder will have the right, with respect to each share of Valley Green common stock held (excluding Company-Owned Stock), to receive an amount of Univest common stock equal to the quotient, carried to four (4) decimal places, of $27.00 divided by (ii) the Univest Share Price of a share of Univest common stock; provided, however, that in no event may the Exchange Ratio be less than 1.2231 or greater than 1.4949. If the Exchange Ratio would otherwise be less than 1.2231 or more than 1.4949, then 1.2231 or 1.4949, respectively, will be used.

No fractional shares of Univest common stock will be issued to any holder of Valley Green common stock upon completion of the merger. For each fractional share that would otherwise be issued, Univest will pay cash in an amount equal to the fraction multiplied by the closing price for a share of Univest common stock as reported on Nasdaq for the trading day immediately preceding the closing date. No interest will be paid or accrued on cash payable to holders in lieu of fractional shares.

Conversion of Shares; Letter of Transmittal; Exchange of Certificates

The conversion of Valley Green common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after completion of the merger but in any event within five business days, the exchange agent will mail to each shareholder who holds Valley Green stock in certificated form a letter of transmittal with instructions on how to exchange certificates representing shares of Valley Green common stock for the merger consideration, without interest, to be received in the merger pursuant to the terms of the merger agreement. You will be required to submit your certificates before you will receive your merger consideration. If a certificate for Valley Green common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of appropriate evidence as to that loss, theft or destruction, appropriate evidence as to the ownership of that certificate by the claimant, and appropriate and customary indemnification. Broadridge will be the exchange agent in the merger and will receive forms of election, exchange certificates for the merger consideration and perform other duties as explained in the merger agreement.

Dividends and Distributions

Until Valley Green common stock certificates are surrendered for exchange, any dividends or other distributions declared after the effective time with respect to Univest common stock into which shares of Valley Green common stock may have been converted will accrue but will not be paid. Univest will pay to former Valley Green shareholders any unpaid dividends or other distributions, without interest, only after they have duly surrendered their Valley Green stock certificates.

Pursuant to the merger agreement, prior to the effective time of the merger, Valley Green and its subsidiaries may not declare or pay any dividend or distribution on its capital stock.

Representations and Warranties

The merger agreement contains customary representations and warranties of Valley Green and Univest relating to their respective businesses. The representations must be true and correct in accordance with the materiality standards set forth in the merger agreement, as of the date of the merger agreement and immediately prior to the effective date of the merger as though made at and as of such time (except that representations and warranties that by their terms speak as of the date of the merger agreement or some other date must be true and correct as of such date). The representations and warranties in the merger agreement do not survive the effective time of the merger.

Each of Univest and Valley Green has made representations and warranties to the other regarding, among other things:

corporate matters, including due organization and qualification;

capitalization;

authority relative to execution and delivery of the merger agreement and the absence of breach or violations of organizational documents or other obligations as a result of the merger;

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- required governmental filings and consents;
- the timely filing of reports with governmental entities, and the absence of investigations by regulatory agencies;
- financial statements and the absence of undisclosed liabilities;
- tax matters;
- the absence of circumstances and events reasonably likely to have a material adverse effect;
- properties;
- insurance coverage;
- legal proceedings;
- compliance with applicable laws;
- employee matters, including employee benefit plans;
- environmental matters;
- brokers, finders and financial advisors;
- loan related matters;
- required vote;
- securities registration obligations; and
- the receipt of the respective financial advisor s opinion.

Univest also has made representations and warranties to Valley Green regarding the preparation and filing of the reports filed by Univest with the Securities and Exchange Commission.

Valley Green has also made representations and warranties to Univest regarding credit card accounts and merchant processing, intellectual property, material contracts, real estate leases, and other certain types of contracts, related party transactions, risk management instruments, labor matters, absence of fiduciary or trust accounts and anti-takeover laws.

The representations and warranties described above and included in the merger agreement were made by Univest and Valley Green to each other. These representations and warranties were made as of specific dates, may be subject to important qualifications and limitations agreed to by Univest and Valley Green in connection with negotiating the terms of the merger agreement (including by reference to information contained in disclosure schedules delivered by the parties under the merger agreement), and may have been included in the merger agreement for the purpose of allocating risk between Univest and Valley Green rather than to establish matters as facts. The merger agreement is described herein, and included as Annex A, only to provide you with information regarding its terms and conditions, and not to provide any other factual information regarding Valley Green, Univest or their respective businesses. Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See *Incorporation of Certain Documents by Reference* on page 157.

Covenants and Agreements

Each of Valley Green and Univest has undertaken customary covenants that place restrictions on it and its subsidiaries until the effective time of the merger. In general, each of Univest and Valley Green has agreed to operate its respective business in the usual, regular and ordinary course of business, use commercially reasonable efforts to preserve intact its business organization and assets and maintain its rights and franchises, and voluntarily take no action that would materially and adversely affect the ability to obtain any regulatory approvals required for the merger or materially affect its ability to perform its covenants under the merger agreement.

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In addition, Valley Green has agreed that, with certain exceptions and except with Univest s prior written consent (which is not to be unreasonably withheld), that Valley Green will not, and will not permit any of its subsidiaries to, among other things, undertake the following extraordinary actions:

change or waive any provision of its articles of incorporation, charter or bylaws, except as required by law, or appoint any new directors to its board of directors, except to fill any vacancy in accordance with its bylaws;

except as set forth in the merger agreement, change the number of authorized or issued shares of its capital stock, issue any shares of capital stock, or issue or grant any right or agreement of any character relating to its authorized or issued capital stock or any securities convertible into shares of such stock, make any grant or award under any option or benefit plan, or split, combine or reclassify any shares of capital stock, or declare, set aside or pay any dividend or other distribution in respect of capital stock, or redeem or otherwise acquire any shares of capital stock;

enter into, amend in any material respect or terminate any material contract or agreement (including without limitation any settlement agreement with respect to litigation) except in the ordinary course of business or as required by law;

make application for the opening or closing of any, or open or close any, branch or automated banking facility;

except as set forth in the merger agreement, take specified actions relating to director and employee compensation, benefits, hiring and promotions;

except as otherwise expressly permitted under the merger agreement, enter into or, except as may be required by law, materially modify any pension, retirement, stock option, stock purchase, stock appreciation right, stock grant, savings, profit sharing, deferred compensation, supplemental retirement, consulting, bonus, group insurance or other employee benefit, incentive or welfare contract, plan or arrangement, or any trust agreement related thereto, in respect of any of its directors, officers or employees; or make any contributions to any defined contribution plan not in the ordinary course of business consistent with past practice;

merge or consolidate it or any of its subsidiaries with any other corporation; sell or lease all or any substantial portion of its assets or businesses or that of any of its subsidiaries; make any acquisition of all or any substantial portion of the business or assets of any other party other than in connection with foreclosures, settlements in lieu of foreclosure, troubled loan or debt restructuring, or the collection of any loan or credit arrangement between it or any of its subsidiaries, and any other party; enter into a purchase and assumption transaction with respect to deposits and liabilities; voluntarily revoke or surrender of its certificate of authority to maintain, or file an application for the relocation of, any existing branch office, or file an application for a certificate of authority to establish a new branch office;

except as otherwise provided in the merger agreement, sell or otherwise dispose of its capital stock or that of any of its subsidiaries or sell or otherwise dispose of any of its assets or those of any of its subsidiaries other than in the ordinary course of business consistent with past practice; except for transactions with the Federal Home Loan Bank, subject any of its assets or those of any of its subsidiaries to a lien, pledge, security interest or other encumbrance (other than in connection with deposits, repurchase agreements, bankers acceptances, treasury tax and loan accounts established in the ordinary course of business and transactions in federal funds and the satisfaction of legal requirements in the exercise of trust powers) other than in the ordinary course of business consistent with past practice;

voluntarily take any action that would result in any of its representations and warranties or the representations and warranties of its banking subsidiary becoming untrue in any material respect or any of the conditions set forth in the merger agreement not being satisfied, except in each case as may be required by applicable law or any regulatory authority;

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change any method, practice or principle of accounting, except as may be required from time to time by generally accepted accounting principles or any regulatory authority responsible for regulating it or its respective banking subsidiary;

waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material agreement or indebtedness with an annual value of $1,000,000 or greater to which it or any of its subsidiaries is a party;

purchase any securities, including equity or debt securities, except, subject to certain limitations, in accordance with past practice pursuant to policies approved by the Valley Green board of directors in effect prior to the date of the merger agreement;

issue or sell any equity or debt securities;

make any new loan or other credit facility commitment (including without limitation, lines of credit and letters of credit), except in accordance with past practice pursuant to policies approved by its board of directors in effect prior to the date of the merger agreement with respect to certain identified categories of loans;

except as set forth in the merger agreement, enter into, renew, extend or modify any other transaction (other than a deposit transaction) with any affiliate;

except as set forth in the merger agreement, enter into any futures contract, option, interest rate caps, interest rate floors, interest rate exchange agreement or other agreement or take any other action for purposes of hedging the exposure of its interest-earning assets and interest-bearing liabilities to changes in market rates of interest;

except for the execution of the merger agreement, and actions taken or that will be taken in accordance with the merger agreement and performance thereunder, take any action that would give rise to a right of payment to any individual under any employment agreement;

enter into any new line of business;

make any material change in policies in existence on June 17, 2014 with regard to (i) underwriting, the extension of credit, or the establishment of reserves with respect to the possible loss thereon or the charge off of losses incurred thereon, (ii) investments, (iii) asset/liability management, (iv) deposit pricing or gathering, or (v) other material banking policies except as may be required by changes in applicable law or regulations or by a regulatory authority;

except for the execution of the merger agreement, and the transactions contemplated therein, take any action that would give rise to an acceleration of the right to payment to any individual under any of its employee plans;

except as set forth in the merger agreement, make any capital expenditures in excess of $35,000 individually or $150,000 in the aggregate, other than pursuant to binding commitments existing on June 17, 2014 and other than expenditures necessary to maintain existing assets in good repair;

except as set forth in the merger agreement, purchase or otherwise acquire any assets or incur any liabilities other than in the ordinary course of business consistent with past practices and policies;

subject to certain limitations, undertake, renew, extend or enter into any lease, contract or other commitment for its account, other than in the normal course of providing credit to customers as part of its banking business, involving a payment by it or any subsidiary of more than $25,000 annually, containing any financial commitment extending beyond 24 months from June 17, 2014 or involving any of its affiliates;

except as set forth in the merger agreement, pay, discharge, settle or compromise any claim, action, litigation, arbitration or proceeding, other than in the ordinary course of business consistent with past practice that involves solely money damages in the amount not in excess of $25,000 individually or $60,000 in the aggregate, and that does not create negative precedent and provided that it may not charge-off through settlement, compromise or discharge more than $100,000 of the outstanding principal balance of any loan that is 90 or more days contractually past due without first discussing the decision with Univest;

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- foreclose upon or take a deed or title to any commercial real estate without first conducting a Phase I environmental assessment of the property or foreclose upon any commercial real estate if such environmental assessment indicates the presence of certain environmental materials;

- issue any broadly distributed communication to employees relating to post-closing employment, benefit or compensation information without the prior consent of Univest or issue any broadly distributed communication to customers without the prior approval of Univest, except as required by law or for communications in the ordinary course of business consistent with past practice that do not relate to the merger;

- purchase or sell any mortgage loan servicing rights other than in the ordinary course of business consistent with past practice; or

- agree or commit to do any of the actions prohibited by the preceding points.

Valley Green has also agreed to provide certain financial and regulatory information upon request.

Each of Univest and Valley Green has agreed to additional covenants which include, among other things, commitments to:

- maintain insurance in reasonable amounts;

- obtain as soon as practicable all consents and approvals necessary or desirable to close the merger; and

- take all reasonable actions which are necessary or advisable to complete the merger.

Univest has further agreed that Univest will:

- appoint Jay R. Goldstein as a Class I director and Michael L. Turner as a Class II director and to nominate and recommend each of them for election for one additional three-year term following their initial term;

- provide employees of Valley Green and its subsidiaries who remain employed after the effective time with base compensation that is, in the aggregate, no less favorable than provided by Valley Green and its subsidiaries on the date of the merger agreement and employee benefits that are provided by Univest to similarly situated employees;

- for purposes of determining eligibility and vesting for certain Univest employee benefit plans (and not for benefit accrual purposes), provide credit for meeting eligibility and vesting requirements in such plans for service as an employee of Valley Green or any predecessor of Valley Green;

pay severance benefits to any employee of Valley Green whose employment is terminated within 18 months of the closing of the merger, other than for circumstances constituting cause and who is not party to an agreement that provides for specific severance payments, equal to two week s salary for each full year of service with Valley Green;

honor the terms of all employment and change in control agreements, all as disclosed to Univest in the Valley Green disclosure schedules to the merger agreement;

for a period of six years after the merger, to indemnify, defend and hold harmless all current and former officers, directors and employees of Valley Green against all claims which arise out of the fact that such person is or was a director, officer or employee of Valley Green or its subsidiaries and which relate to any matter of fact existing at or prior to the merger, to the fullest extent as would have been permitted by Valley Green under Pennsylvania law and under Valley Green s articles of incorporation and bylaws;

maintain, for six years following the merger, Valley Green s current and former directors and officers liability insurance policies covering the officers and directors of Valley Green with respect to matters occurring at or prior to the merger, except that Univest may substitute similar policies, and that Univest is not required spend more than 150% of the annual cost currently expended by Valley Green in order to obtain this insurance;

establish a retention bonus pool equal to twenty percent (20%) of the aggregate base salary of employees jointly designated in writing by Univest and Valley Green (other than employees of Valley Green who are subject to employment contracts or other contracts providing for severance or after payments upon termination of employment or upon change of control of Valley Green) to help retain the services of such employees until the date of termination of their employment;

reserve a sufficient number of shares of its common stock and to maintain sufficient liquid accounts or borrowing capacity to fulfill its obligations in connection with the merger; and

refrain from amending its articles of incorporation or bylaws or similar governing documents of any of the Univest Subsidiaries in a manner that would materially and adversely affect the economic benefits of the Merger to the holders of Valley Green Common Stock or that would materially impede Univest s ability to consummate the Merger.

The merger agreement also contains mutual covenants relating to the preparation of this joint proxy statement/prospectus, the regulatory applications and the holding of the special meetings of Univest shareholders and Valley Green shareholders, respectively, access to information of Valley Green and public announcements with respect to the transactions contemplated by the merger agreement. Valley Green and Univest have also agreed to use commercially reasonable efforts to take all actions needed to obtain necessary governmental and third-party consents and to consummate the transactions contemplated by the merger agreement.

Valley Green Bank Division

The merger agreement provides that, following the completion of the merger, for a period of at least 24 months Univest will continue to operate Valley Green as a separate banking division of Univest Bank under the name Valley Green Bank Division, consistent with Univest s overall business strategies and operating policies as such strategies and policies may develop from time to time.

Shareholder Meetings

Each of Univest and Valley Green has agreed to hold a meeting of its respective shareholders as soon as is promptly practicable for the purpose of obtaining shareholder adoption of the merger agreement. Each of Univest s and Valley Green s boards of directors have agreed to recommend that its shareholders vote in favor of the agreement and plan of merger.

Agreement Not to Solicit Other Offers

Valley Green has agreed that it, its subsidiaries and their respective officers, directors, employees, representatives, agents or affiliates will not, directly or indirectly:

initiate, solicit, induce or encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, relates or could reasonably be expected to lead to an alternative acquisition proposal;

respond to any inquiry relating to an alternative acquisition proposal or an alternative acquisition transaction;

recommend or endorse an alternative acquisition transaction;

participate in any discussions or negotiations regarding, or furnish or afford access to information or data to any person that may relate to an alternative acquisition proposal;

release anyone from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which Valley Green is a party; or enter into any agreement, agreement in principle or letter of intent with respect to any alternative acquisition proposal or approve or resolve to approve any alternative acquisition proposal or any agreement, agreement in principle or letter of intent relating to an alternative acquisition proposal.

Acquisition proposal means any inquiry, offer or proposal as to any of the following (other than the merger between Univest and Valley Green) involving Valley Green, or any of its subsidiaries, as the case may be:

any transaction or series of transactions involving any merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving it or any of its subsidiaries;

any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease or other disposition), directly or indirectly, any assets of it or any of its subsidiaries representing, in the aggregate, twenty-five percent (25%) or more of the assets of it and each of its subsidiaries on a consolidated basis;

any issuance, sale or other disposition of (including by way of merger, consolidation, share exchange or any similar transaction) securities (or options, rights or warrants to purchase or securities convertible into, such securities) representing fifteen percent (15%) or more of the votes attached to the outstanding securities of it or any of its subsidiaries;

any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning fifteen percent (15%) or more of any class of equity securities of it or any of its subsidiaries; or

any transaction which is similar in form, substance or purpose to any of the foregoing transactions, or any combination of the foregoing.

Valley Green may, however, participate in discussions with, and may furnish information to, a third party in connection with a bona fide unsolicited acquisition proposal if, and only if:

Valley Green has received a bona fide unsolicited written acquisition proposal that did not result from a breach of the merger agreement;

Valley Green s board of directors determines in good faith, after consultation with its outside legal counsel and financial advisor, that the acquisition proposal is, or is reasonably likely to lead to, a superior proposal (as defined below);

Valley Green has provided Univest with at least one (1) business day s prior notice of its determination that the acquisition proposal is, or is reasonably likely to lead to, a superior proposal; and prior to furnishing or providing access to any information or data with respect to Valley Green, Univest receives from the third party making the proposal a confidentiality agreement on terms no less favorable to Univest than the terms of the existing confidentiality agreement between Valley Green and Univest.

Valley Green has also agreed to promptly provide to Univest any non-public information about Valley Green that it provides to the third party making the proposal, to the extent such information was not previously provided to Univest.

The term superior proposal, as defined under the merger agreement, means any bona fide, unsolicited written acquisition proposal made by a person other than Univest, which the Valley Green board of directors determines in its good faith judgment, after considering the advice of its outside legal counsel and financial advisor, taking into account, among other things, the type of consideration being offered, regulatory approvals, or other risks associated with the timing of the acquisition proposal, and all legal, financial, regulatory and other aspects of the acquisition:

would result in the acquisition of all of the outstanding shares of Valley Green common stock or substantially all of the assets of Valley Green on a consolidated basis; and would result in a transaction that involves consideration to the holders of Valley Green common stock that is more favorable, from a financial point of view, than the consideration to be paid to such holders by Univest under the merger agreement, and for which there is no financing contingency and, in light of the other terms of the proposal, is more favorable to Valley Green than the merger.

In addition, Valley Green has agreed that it will not:

- withdraw, qualify or modify in a manner adverse to Univest, its recommendation to its shareholders to approve the merger agreement, except to the extent otherwise permitted and described below;

- approve or recommend, or publicly propose to approve or recommend, any acquisition proposal other than with respect to the Univest merger; or

- enter into (or cause Valley Green or any of the Valley Green Subsidiaries to enter into) any letter of intent or other agreement relating to an acquisition proposal other than with respect to the Univest merger or requiring Valley Green to fail to consummate the merger.

Up until the time of the Valley Green shareholder meeting, however, Valley Green may withdraw, qualify or modify in a manner adverse to Univest its recommendation to Valley Green shareholders to approve the merger agreement, or take any of the other actions listed above in this paragraph with respect to another acquisition proposal if but only if:

- the Valley Green board of directors has reasonably determined in good faith, after consultation with and having considered the advice of its outside legal counsel and financial advisor that the failure to take such actions would be inconsistent with the board s fiduciary duties to Valley Green s shareholders under applicable law;

- it has provided at least five business days notice to Univest that a bona fide unsolicited proposal constitutes a superior proposal; and

- after taking into account any adjusted, modified or amended terms as may have been committed to by Univest in writing, the Valley Green board of directors has again in good faith determined that the other acquisition proposal constitutes a superior proposal.

Expenses and Fees

In general, each of Univest and Valley Green will be responsible for all expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the merger agreement, including the costs of printing and mailing the joint proxy statement/prospectus for their respective special meetings.

Indemnification and Insurance

The merger agreement requires Univest to indemnify Valley Green s and its subsidiaries current and former directors, officers and employees to the fullest extent as would have been permitted under Pennsylvania law and the Valley

Green articles of incorporation or the Valley Green bylaws or similar governing documents. The merger agreement provides that in the event of any threatened or actual claim, action, suit, proceeding or investigation in which any person who is or has been a director, officer or employee of Valley Green or is threatened to be made party based in whole or in part on, or arising in whole or in part out of the fact that he or she is or was a director, officer or employee of Valley Green or any of its subsidiaries or predecessors and pertaining to any matter of fact arising, existing or occurring at or before the effective time of the merger (including the merger and the merger agreement), Univest will defend against and respond thereto.

Univest has agreed to indemnify and hold harmless each such indemnified party against any losses, claims, damages, liabilities, costs, expenses (including reasonable attorney s fees), judgments, and amounts paid in settlement in connection with any such threatened or actual claim, action, suit proceeding or investigation. The merger agreement also requires that Univest provide advancement of expenses to, all past and present officers, directors and employees of Valley Green and its subsidiaries in their capacities as such against all such losses, claims, damages, costs, expenses, liabilities, judgments or amounts paid in settlement to the fullest extent permitted by applicable laws and Valley Green s articles of incorporation and bylaws.

The merger agreement provides that Univest will maintain for a period of six years after completion of the merger Valley Green s current directors and officers liability insurance policies, or policies of at least the same coverage and amount and containing terms and conditions that are not less advantageous than the current policy, with respect to acts or omissions occurring prior to the effective time of the merger, except that Univest is not required to incur an annual premium expense greater than 150% of Valley Green s current annual directors and officers liability insurance premium.

Conditions to Complete the Merger

Completion of the merger is subject to the fulfillment or waiver of certain conditions, including:

- the adoption of the agreement and plan of merger by the requisite vote of each of the Univest shareholders and the Valley Green shareholders;
- the effectiveness of the registration statement of which this joint proxy statement/prospectus is a part with respect to the Univest common stock to be issued in the merger under the Securities Act and the absence of any stop order or proceedings initiated or threatened by the SEC for that purpose;
- the receipt by each of Univest and Valley Green of a legal opinion with respect to certain United States federal income tax consequences of the merger;
- the receipt and effectiveness of all required governmental and other approvals, authorizations and consents on terms and conditions that would not have a material adverse effect on Univest or Valley Green, and the expiration of all related waiting periods required to complete the merger;
- the execution of agreements between Valley Green directors and Univest restricting Valley Green directors, for a period of two (2) years from investing in a de novo bank or serving on the board of directors of a bank in the same geographic market as Univest Bank;
- the execution of non-solicitation agreements between certain Valley Green employees and Univest;
- the absence of any law, statute, regulation, judgment, decree, injunction or other order in effect by any court or other governmental entity that prohibits completion of the transactions contemplated by the merger agreement; and

- the approval for listing on Nasdaq of the shares of Univest common stock issuable in the merger.

Each of Univest s and Valley Green s obligations to complete the merger is also separately subject to the satisfaction or waiver of a number of conditions including:

- the absence of a material adverse effect on the other party;
- the truth and correctness of the representations and warranties of each other party in the merger agreement, subject generally to the materiality standard provided in the merger agreement, and the performance by each other party in all material respects of their obligations under the merger agreement and the receipt by each party of certificates from the other party to that effect;
- the exercise of rights to demand appraisal under the PBCL with respect to no more than 10% of the outstanding shares of Valley Green common stock;
- execution and delivery of nonsolicitation and noncompetition agreements by each of Valley Green s directors; and
- Univest having delivered the merger consideration to the exchange agent.

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We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this joint proxy statement/prospectus, we have no reason to believe that any of these conditions will not be satisfied.

Termination of the Merger Agreement

The merger agreement can be terminated at any time prior to completion by mutual consent or by either party in the following circumstances:

- if there is a breach by the other party that would cause the failure of the closing conditions, unless the breach is capable of being, and is, cured within 30 days of notice of the breach and the terminating party is not itself in material breach;
- if the merger has not been completed by March 31, 2015, unless the failure to complete the merger by that date was due to the terminating party s material breach of a representation, warranty, covenant or other agreement under the merger agreement;
- if any of the required regulatory approvals are denied (and the denial is final and non-appealable);
- if any court of competent jurisdiction or governmental authority issues an order, decree, ruling or takes any other action retraining, enjoining or otherwise prohibiting the merger (and such order, decree, ruling or action is final and non-appealable); or
- if the shareholders of either Univest or Valley Green fail to adopt the merger agreement at their respective special meetings.

In addition, Univest s board of directors may terminate the merger agreement if the Valley Green board of directors receives a superior proposal and enters into a letter of intent, agreement in principle or an acquisition agreement with respect to such proposal, withdraws its recommendation of the merger agreement, fails to make such a recommendation or modifies or qualifies its recommendation, in a manner adverse to Univest, or has otherwise made a determination to accept such proposal.

Further, Valley Green s board of directors may terminate the merger agreement if Valley Green has received a superior proposal and has made a determination to accept such proposal.

Valley Green may also terminate the merger agreement within five days after the later of (i) the date on which all regulatory approvals, and waivers, if applicable, necessary for consummation of the merger and the transactions contemplated by the merger agreement have been received or (ii) the date of the meeting of Valley Green shareholders (the Determination Date), if Valley Green s board determines that each of the following have occurred:

the average of the daily closing sale prices of a share of Univest common stock as reported on Nasdaq for the 20 consecutive trading days immediately preceding the Determination Date (the Determination Date Market Value) is less than $16.06 (80% of the closing sale price of Univest common stock on the last trading date before the date of the merger agreement); and

The ratio obtained by dividing the Determination Date Market Value by $16.06 is less than the quotient obtained by dividing (A) the average of the daily closing sale price of the Nasdaq Bank Index for the 20 consecutive trading days immediately preceding the Determination Date by (B) $2,523.95 (the average of the daily closing sale price of the Nasdaq Bank Index for the twenty (20) consecutive trading days immediately preceding the last trading day before the date of the merger agreement) (the Index Ratio), *minus* 0.20.

Valley Green may not terminate in these circumstances, however, if Univest exercises its option to increase the Exchange Ratio so that the consideration to be received by Valley Green shareholders (in the form of Univest Common Stock), based on the Determination Date Market Value, is equal to the lesser of (i) $27.00 or (ii) the product of (x) $27.00 and (y) the Index Ratio.

Effect of Termination. If the merger agreement is terminated, it will become void, and there will be no liability on the part of Univest or Valley Green, except that both Univest and Valley Green will remain liable for any willful breach of the merger agreement and designated provisions of the merger agreement, including the payment of fees and expenses, and the confidential treatment of information and publicity restrictions, will survive the termination.

Termination Fee

Valley Green will pay Univest a termination fee of $3.0 million in the event that the merger agreement is terminated:

- by Univest because Valley Green has received an alternative acquisition proposal, and Valley Green (1) enters into a letter of intent, agreement in principle or an acquisition agreement with respect to the alternative acquisition proposal, (2) fails to make, withdraws, modifies or qualifies its recommendation of the merger agreement in a manner adverse to Univest, or (3) delivers a written notice to Univest of its determination to accept the alternative acquisition proposal; or

- by Valley Green, if Valley Green receives an alternative acquisition proposal and has made a determination to accept the alternative acquisition proposal.

Expense Reimbursement Fee

Valley Green will pay Univest an expense reimbursement fee within five (5) business days after Univest makes written demand therefor equal to the lesser of (i) the amount of Univest s actual and documented out-of-pocket expenses incurred in connection with due diligence, negotiation and execution of the merger agreement and undertaking the transactions contemplated by the merger agreement (including without limitation all financial advisor, accounting, counsel and third party review firm fees), and (ii) $500,000 in the event that the merger is terminated by Univest as a result of the failure of the shareholders of Valley Green to approve the transactions contemplated by the merger agreement and, prior to the Valley Green Shareholders Meeting, any person shall have proposed or publicly announced an acquisition proposal for Valley Green.

Amendment, Waiver and Extension of the Merger Agreement

Subject to applicable law, the parties may amend the merger agreement by written agreement between Valley Green and Univest executed in the same manner as the merger agreement.

At any time prior to the completion of the merger, each of the parties, by action taken or authorized by their respective board of directors, to the extent legally allowed, may:

- extend the time for the performance of any of the obligations or other acts of the other party;

- waive any inaccuracies in the representations and warranties of the other party; or waive compliance by the other party with any of the other agreements or conditions contained in the merger agreement.

However, after any approval of the transactions contemplated by the agreement and plan of merger by the shareholders of Valley Green and Univest, there may not be, without further approval of such shareholders, any amendment which reduces the amount or value or changes the form of consideration to be delivered to Valley Green shareholders.

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ACCOUNTING TREATMENT

Univest will account for the merger using the acquisition method under generally accepted accounting principles. Under the acquisition method of accounting, the tangible and identifiable intangible assets and liabilities, including executory contracts and other commitments, of Valley Green will be recorded, as of completion of the merger, at their respective fair values. The excess of the purchase price over the net assets acquired will be recorded as goodwill to the extent not allocated to core deposit or other intangibles. Goodwill resulting from the merger will not be amortized but will be reviewed for impairment at least annually. Core deposits and other intangibles with finite useful lives recorded in connection with the merger will be amortized. If the net assets acquired exceed the purchase price, the resulting difference will be recorded as a bargain purchase gain.

Financial statements and reported results of operations of Univest issued after completion of the merger will not be restated retroactively to reflect the historical financial position or results of operations of Valley Green.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following discussion addresses the material United States federal income tax consequences of the merger to a Valley Green shareholder who holds shares of Valley Green common stock as a capital asset. This discussion is based upon the Internal Revenue Code, Treasury regulations promulgated under the Internal Revenue Code, judicial authorities, published positions of the Internal Revenue Service (the IRS) and other applicable authorities, all as in effect on the date of this discussion and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. It is also based upon representations and facts provided by each of Univest and Valley Green to Stevens & Lee, P.C. Future legislative, judicial, or administrative changes or interpretations which may or may not be retroactive, or the failure of any such facts or representations to be true, accurate and complete, may affect the statements and conclusions described in this discussion.

This discussion is not intended to be a complete description of all of the United States federal income tax consequences of the merger. Further, this discussion does not address all aspects of United States federal income taxation that may be relevant to Valley Green shareholders in light of their particular circumstances and does not address aspects of United States federal income taxation that may be applicable to Valley Green shareholders subject to special treatment under the Internal Revenue Code (including but not limited to banks, financial institutions, trusts, estates, persons who hold shares of Valley Green common stock in an individual retirement account (IRA), 401(k) plans or similar tax-favored accounts, tax-exempt organizations, insurance companies, dealers or brokers in securities or foreign currencies, traders in securities that elect to use a mark-to-market method of accounting, persons holding Valley Green common stock through a pass-through entity, Valley Green shareholders who hold their shares of Valley Green common stock as part of a hedge, straddle, conversion transaction or constructive sale transaction, Valley Green shareholders who acquired their shares of Valley Green common stock pursuant to the exercise of employee stock options or otherwise as compensation, persons that hold options or warrants to acquire Valley Green common stock, persons whose functional currency for United States federal income tax purposes is not the United States dollar, persons who are United States expatriates and holders who are not United States persons, within the meaning of Section 7701(a)(30) of the Internal Revenue Code). In addition, the discussion does not address any aspect of state, local or foreign taxation. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax aspects set forth below.

Valley Green shareholders are encouraged to consult their tax advisors with respect to the particular United States federal, state, local and foreign tax consequences of the merger.

The closing of the merger is conditioned, in part, upon the receipt by Univest of the opinion of Stevens & Lee P.C., and the receipt by Valley Green of the opinion of Stradley, Ronon, Stevens & Young, LLP, each dated as of the effective date of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in the opinion (including factual representations contained in certificates of officers of Univest and Valley Green) which are consistent with the state of facts existing as of the effective date of the merger, the merger will be treated for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. The tax opinions to be delivered in connection with the merger represent each counsel s best legal judgment; however, such opinions are not binding on the IRS or the courts, and neither Univest nor Valley Green intends to request a ruling from the IRS with respect to the United States federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below. In addition, if any of the facts, representations or assumptions upon which such opinions are based is inconsistent with the actual facts, the United States federal income tax consequences of the merger could be adversely affected.

Assuming that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the discussion below sets forth the opinion of Stevens and Lee, P.C. as to the material United States federal income tax consequences of the merger to Valley Green shareholders.

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A Valley Green shareholder will not recognize gain or loss as a result of such shareholder s shares of Valley Green common stock being exchanged in the merger solely for shares of Univest common stock, except as described below with respect to the receipt of cash in lieu of a fractional share of Univest common stock. A Valley Green shareholder s aggregate tax basis in shares of Univest common stock received in the merger, including any fractional share deemed received and exchanged as described below, will equal the aggregate tax basis of the shareholder s Valley Green shares surrendered in the merger. The holding period of the Univest common stock will include the holding period of the shares of Valley Green common stock surrendered in the merger, provided the Valley Green shareholder s shares are held as a capital asset at the time of the merger.

Cash received by a Valley Green shareholder in lieu of a fractional share of Univest common stock generally will be treated as received in redemption of the fractional share, and gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the shareholder s aggregate adjusted tax basis of the shares of Valley Green common stock surrendered that is allocable to the fractional share. Such gain or loss generally will be a long-term capital gain or loss if the holding period for the shares of Valley Green common stock is more than one year at the time of the merger. The deductibility of capital losses is subject to limitations.

A Valley Green shareholder who exercises dissenter s rights in connection with the merger will recognize gain or loss to the extent the cash received in exchange for such shareholder s shares of Valley Green common stock is greater or less than the shareholder s adjusted basis for the Valley Green common stock. Such gain or loss generally will be long-term capital gain or loss if the holding period for the shares of Valley Green common stock is more than one year at the time of the merger.

Holders of Valley Green warrants and stock options should consult their tax advisors regarding the federal income and other tax consequences of the merger to them.

A holder of Valley Green common stock who receives Univest common stock as a result of the merger should retain records pertaining to the merger, including records relating to the number of shares and the basis of such holder s Valley Green common stock. Each holder of Valley Green common stock who is required to file a U.S. federal income tax return and who is a significant holder that receives Univest common stock in the merger will be required to file a statement with such U.S. federal income tax return in accordance with Treasury Regulations Section 1.368-3 setting forth such holder s basis in the Valley Green common stock surrendered, the fair market value of the Univest common stock and any cash received in the merger, and certain other information. A significant holder is a holder of Valley Green common stock who, immediately before the merger, either owned at least 1% of the total outstanding stock of Valley Green or owned Valley Green common stock with a basis for federal income tax purposes of one million dollars or more.

Tax matters are very complicated, and the tax consequences of the merger to each holder of Valley Green common stock will depend on the facts of that shareholder s particular situation. The discussion set forth above does not address all United States federal income tax consequences that may be relevant to a particular holder of Valley Green common stock and may not be applicable to holders in special situations. Holders of Valley Green common stock are urged to consult their own tax advisors regarding the specific tax consequences of the merger.

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THE UNIVEST SPECIAL MEETING

This joint proxy statement/prospectus is being furnished to Univest shareholders by Univest s board of directors in connection with the solicitation of proxies from the holders of Univest common stock for use at the special meeting of Univest shareholders and any adjournments or postponements of the special meeting.

Date, Time and Place

The special meeting will be held on December 3, 2014 at 2:00 p.m., local time, at 14 North Main Street, Souderton, Pennsylvania 18964, subject to any adjournments or postponements.

Matters to be Considered

At the special meeting, Univest shareholders will be asked to consider and vote upon the following proposals:

1. adoption of the merger agreement as described in detail under the heading The Merger beginning on page 36;

2. approval of a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies to adopt the merger agreement; and

3. transaction of any such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

At this time, the Univest board of directors is unaware of any matters, other than those set forth above, that may properly come before the special meeting.

Shareholders Entitled to Vote

The close of business on October 15, 2014 has been fixed by Univest s board of directors as the record date for the determination of those holders of Univest common stock who are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting.

At the close of business on the record date there were 16,214,016 shares of Univest common stock outstanding and entitled to vote, held by approximately 4,166 holders of record. A list of the shareholders of record entitled to vote at the special meeting will be available for examination by Univest shareholders. The list will be available for inspection at the special meeting and for ten days prior to the meeting at Univest s headquarters located at 14 North Main Street, Souderton, Pennsylvania 18964, during normal business hours.

Quorum and Required Vote

Each holder of record of shares of Univest common stock as of the Univest record date is entitled to cast one vote per share at the special meeting on each proposal. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of Univest common stock entitled to vote at the special meeting constitutes a quorum for the transaction of business at the special meeting. The affirmative vote at the Univest special meeting, in person or by proxy, of a majority of the total votes cast at the special meeting is required to approve the merger agreement. The affirmative vote, in person or by proxy, of a majority of the total votes cast at the Univest special meeting is required to approve the proposal to adjourn the Univest special meeting, if necessary, to solicit additional proxies and any other matter that may properly come before the special meeting. Abstentions and broker non-votes will not affect the outcome of either proposal or any other matter that may properly come before the special meeting.

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How Shares Will Be Voted at the Special Meeting

All shares of Univest common stock represented by properly executed proxies received before or at the special meeting, and not properly revoked, will be voted as specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement and FOR the adjournment or postponement of the special meeting, if necessary, to permit further solicitation of proxies as included in this joint proxy statement/prospectus.

If you hold shares of Univest common stock in street name through a bank, broker or other nominee holder, the nominee holder may only vote your shares in accordance with your instructions. If you do not give specific instructions to your nominee holder as to how you want your shares voted, your nominee will indicate that it does not have authority to vote on the proposal, which will result in what is called a broker non-vote. Broker non-votes will be counted for purposes of determining whether there is a quorum present at the special meeting, but they will not be deemed to have been voted on any of the proposals. Abstentions and broker non-votes will not affect the outcomes of any of the proposals.

If any other matters are properly brought before the special meeting, the proxies named in the proxy card will have discretion to vote the shares represented by duly executed proxies in their sole discretion.

How to Vote Your Shares

Univest shareholders may vote in person at the special meeting or by one of the following methods:

Voting by Mail. You may vote by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you do not specify a choice on one of the proposals described in this joint proxy statement, your proxy will be voted in favor of that proposal.

Voting by Internet. If you are a registered shareholder, you may vote electronically through the Internet by following the instructions included with your proxy card. If your shares are registered in the name of a broker or other nominee, your nominee may be participating in a program provided through ADP Investor Communication Services that allows you to vote via the Internet. If so, the voting form your nominee sends you will provide Internet instructions.

Voting in Person. If you attend the meeting, you may deliver your completed proxy card in person or may vote by completing a ballot which will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting, you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the special meeting. Should you have any questions on the procedure for voting your shares, please contact Karen E. Tejkl, 14 North Main Street, Souderton, Pennsylvania 18964.

How to Change Your Vote

If you are a registered shareholder, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Secretary of Univest, or (3) attending the special meeting in person, notifying the Secretary and voting by ballot at the special meeting. The Univest Secretary s mailing address is 14 North Main Street, Souderton, Pennsylvania 18964. If your shares are registered in the name of a broker or other nominee, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity s procedures.

Solicitation of Proxies

Univest will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Univest will request that banks, brokers and other record holders send proxies and proxy material to the

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beneficial owners of Univest common stock and secure their voting instructions. Univest will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Univest may use several of its regular employees, who will not be specially compensated, to solicit proxies from Univest shareholders, either personally or by telephone, facsimile, letter or other electronic means.

Univest and Valley Green will each bear the expenses incurred in connection with the copying, printing and distribution of this joint proxy statement/prospectus for their respective special meetings.

Attending the Meeting

All holders of Univest common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without both proper proof of share ownership and proper photo identification.

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UNIVEST SPECIAL MEETING PROPOSAL NO. 1

ADOPTION OF THE MERGER AGREEMENT

Univest is asking its shareholders to adopt the merger agreement. For a detailed discussion of the merger, including the terms and conditions of the merger agreement, see *The Merger,* beginning on page 36. As discussed in detail in the sections entitled *The Merger Univest s Reasons for the Merger,* and *Recommendation of Univest s Board of Directors,* beginning on pages 50 and 52, respectively, after careful consideration, the Univest board of directors determined that the terms of the merger agreement and the transactions contemplated by it are in the best interests of Univest and the board unanimously approved the merger agreement. ***Accordingly, Univest s board of directors unanimously recommends that Univest shareholders vote FOR adoption of the merger agreement.***

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UNIVEST SPECIAL MEETING PROPOSAL NO. 2

AUTHORIZATION TO VOTE ON ADJOURNMENT OR OTHER MATTERS

General

If, at the Univest special meeting, the number of shares of Univest common stock, present in person or by proxy, is insufficient to constitute a quorum or the number of shares of Univest common stock voting in favor is insufficient to adopt the merger agreement, Univest management intends to move to adjourn the special meeting in order to enable the Univest board of directors more time to solicit additional proxies. In that event, Univest will ask its shareholders to vote only upon the adjournment proposal and not the proposal relating to adoption of the merger agreement.

In this proposal, Univest is asking you to grant discretionary authority to the holder of any proxy solicited by the Univest board of directors so that such holder can vote in favor of the proposal to adjourn the special meeting to solicit additional proxies. If the shareholders of Univest approve the adjournment proposal, Univest could adjourn the special meeting, and any adjourned session of the special meeting, and use the additional time to solicit additional proxies, including the solicitation of proxies from shareholders who have previously voted.

Generally, if the special meeting is adjourned, no notice of the adjourned meeting is required to be given to shareholders, other than an announcement at the special meeting of the place, date and time to which the meeting is adjourned.

Adjournment of Meeting

Pursuant to Univest s bylaws, the adjournment proposal requires the affirmative vote of a majority of all votes cast, in person and by proxy, at the Univest special meeting for the proposal. Abstentions and broker non-votes will not affect the vote on the adjournment proposal.

Recommendation of the Univest Board of Directors

The Univest board of directors recommends a vote FOR the proposal to authorize the board of directors to adjourn the special meeting of shareholders to allow time for the further solicitation of proxies to adopt the merger agreement.

Univest Affiliate Letter

As of the record date, directors and executive officers of Univest and their affiliates had the right to vote 606,138 shares of Univest common stock, or 3.74% of the outstanding Univest common stock entitled to be voted at the special meeting. In accordance with the terms of the merger agreement, each of the directors and executive officers of Univest has executed an Affiliate Letter in favor of Valley Green pursuant to which he or she has agreed to vote all shares of Univest common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

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INFORMATION ABOUT UNIVEST CORPORATION OF PENNSYLVANIA

Business

General

Univest was incorporated under the laws of the Commonwealth of Pennsylvania on January 3, 1973 as a bank holding company, and is headquartered in Souderton, Pennsylvania. Univest provides a full range of financial services through the branch network of its wholly owned banking subsidiary, Univest Bank and Trust Co. Univest s business has consisted primarily of managing and supervising Univest Bank, and its principal source of income has been dividends paid by Univest Bank. Univest is a registered bank holding company with the FRB under the Bank Holding Company Act of 1956, as amended. Univest s common stock is traded on the Nasdaq Global Select Market under the symbol UVSP. The website for Univest is http://www.univest.net.

As of June 30, 2014, Univest had total consolidated assets of $2.2 billion, net loans of $1.6 billion, total deposits of $1.8 billion and shareholders equity of $286.8 million. The deposits of Univest Bank are insured by the FDIC to the maximum extent permitted by law.

Operating Subsidiaries

Univest Bank is a Pennsylvania state-chartered bank and trust company. As a state-chartered member bank of the Federal Reserve System, Univest Bank is regulated primarily by the PDB and the FRB of Philadelphia.

Univest Bank is engaged in the general commercial and consumer banking business and provides a full range of banking and trust services to its customers. Univest Bank is the parent company of Delview, Inc., which is the parent company of Univest Insurance, Inc., an independent insurance agency, and Univest Investments, Inc., a full-service broker-dealer and investment advisory firm and Girard Partners, a registered investment advisor. Univest Insurance has three offices in Pennsylvania and one in Maryland. Univest Investments has two offices in Pennsylvania. Girard Partners has one office in Pennsylvania, one satellite office in Virginia, and one satellite office in Florida. Univest Bank is also the parent company of Univest Capital, Inc., an equipment financing business, and TCG Investment Advisory, a registered investment advisor which provides discretionary investment consulting and management services. Through its wholly-owned subsidiaries, Univest Bank provides a variety of financial services to individuals, municipalities and businesses throughout its markets of operation.

Univest Investments, Inc., Univest Insurance, Inc. and Univest Capital, Inc. were formed and Girard Partners was acquired to enhance the traditional banking and trust services provided by Univest Bank. None of such companies currently meet the quantitative thresholds for separate disclosure as a business segment. Therefore, Univest currently has one reportable segment, Community Banking, and this is strategically how Univest operates and has positioned itself in the marketplace. Univest s activities are interrelated, each activity is dependent, and performance is assessed based on how each of these activities supports the others. Accordingly, significant operating decisions are based upon analysis of Univest as one Community Banking operating segment.

Additional Information

Additional information about Univest and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See *Where You Can Find More Information* on page iii.

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THE VALLEY GREEN SPECIAL MEETING

This joint proxy statement/prospectus is being furnished to Valley Green shareholders by Valley Green s board of directors in connection with the solicitation of proxies from the holders of Valley Green common stock for use at the special meeting of Valley Green shareholders and any adjournments or postponements of the special meeting.

Date, Time and Place

The special meeting will be held on December 2, 2014 at 10:00 a.m., local time, at Lutheran Theological Seminary, 7301 Germantown Pike, Philadelphia, Pennsylvania 19119, subject to any adjournments or postponements.

Matters to be Considered

At the special meeting, Valley Green shareholders will be asked to consider and vote upon the following proposals:

1. adoption of the merger agreement as described in detail under the heading The Merger beginning on page 36;

2. approval of a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies to adopt the merger agreement; and

3. transaction of any such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

At this time, the Valley Green board of directors is unaware of any matters, other than those set forth above, that may properly come before the special meeting.

Shareholders Entitled to Vote

The close of business on October 15, 2014 has been fixed by Valley Green s board of directors as the record date for the determination of those holders of Valley Green common stock who are entitled to notice of and to vote at the special meeting and any adjournment or postponement of the special meeting.

At the close of business on the record date there were 2,797,453 shares of Valley Green common stock outstanding and entitled to vote, held by approximately 373 holders of record. A list of the shareholders of record entitled to vote at the special meeting will be available for inspection at the special meeting and for ten days prior to the meeting at Valley Green s headquarters located at 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119, during normal business hours.

Quorum and Required Vote

Each holder of record of shares of Valley Green common stock as of the Valley Green record date is entitled to cast one vote per share at the special meeting on each proposal. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of Valley Green common stock entitled to vote at the special meeting constitutes a quorum for the transaction of business at the special meeting. The affirmative vote at the Valley Green special meeting, in person or by proxy, of at least seventy percent (70%) of the outstanding shares of Valley Green common stock is required to approve the merger agreement. The affirmative vote, in person or by proxy, of a majority of votes cast at the Valley Green special meeting is required to approve the proposal to adjourn the Valley Green special meeting, if necessary, to solicit additional proxies, and any other matter that may properly come before the special meeting.

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How Shares Will Be Voted at the Special Meeting

All shares of Valley Green common stock represented by properly executed proxies received before or at the special meeting, and not properly revoked, will be voted as specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement, and FOR the adjournment or postponement of the special meeting, if necessary, to permit further solicitation of proxies as included in this joint proxy statement/prospectus.

If you hold shares of Valley Green common stock in street name through a bank, broker or other nominee holder, the nominee holder may only vote your shares in accordance with your instructions. If you do not give specific instructions to your nominee holder as to how you want your shares voted, your nominee will indicate that it does not have authority to vote on the proposal, which will result in what is called a broker non-vote. Broker non-votes will be counted for purposes of determining whether there is a quorum present at the special meeting, but they will not be deemed to have been voted on any of the proposals. Abstentions and broker non-votes with respect to the merger agreement will effectively act as no votes on such proposal, but will not affect the outcomes of any of the other proposals.

If any other matters are properly brought before the special meeting, the proxies named in the proxy card will have discretion to vote the shares represented by duly executed proxies in their sole discretion.

How to Vote Your Shares

Valley Green shareholders may vote in person at the special meeting or by one of the following methods:

Voting by Mail. You may vote by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you do not specify a choice on one of the proposals described in this joint proxy statement, your proxy will be voted in favor of that proposal.

Voting in Person. If you attend the meeting, you may deliver your completed proxy card in person or may vote by completing a ballot which will be available at the meeting. If your shares are registered in the name of a broker or other nominee and you wish to vote at the meeting, you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting *form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the special meeting. Should you have any questions on the procedure for voting your shares, please contact Valley Green s Corporate Secretary, Cheryl Richards, 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119.*

How to Change Your Vote

If you are a registered shareholder, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Corporate Secretary of Valley Green, or (3) attending the special meeting in person, notifying the Secretary and voting by ballot at the special meeting. The Valley Green Secretary s mailing address is 7226 Germantown Avenue, Philadelphia, Pennsylvania 19119. If your shares are registered in the name of a broker or other nominee, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity s procedures.

Solicitation of Proxies

Valley Green will bear the entire cost of soliciting proxies from you for the Valley Green special meeting. In addition to solicitation of proxies by mail, Valley Green will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Valley Green common stock and secure their voting instructions. Valley Green will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Valley Green may use several of its regular employees, who will not be specially compensated, to solicit proxies from Valley Green shareholders, either personally or by telephone, facsimile, letter or other electronic means.

Univest and Valley Green will each bear the expenses incurred in connection with the copying, printing and distribution of this joint proxy statement/prospectus for their respective special meetings.

Valley Green Affiliate Letter

As of the record date, directors and executive officers of Valley Green and their affiliates had the right to vote 769,233 shares of Valley Green common stock, or 27.5% of the outstanding Valley Green common stock entitled to be voted at the special meeting. In accordance with the terms of the merger agreement, each of the directors and the executive officers of Valley Green has executed an Affiliate Letter in favor of Univest pursuant to which he or she has agreed to vote all shares of Valley Green common stock owned by him or her in favor of adoption of the merger agreement and the transactions contemplated thereby.

Attending the Meeting

All holders of Valley Green common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without both proper proof of share ownership and proper photo identification.

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VALLEY GREEN SPECIAL MEETING PROPOSAL NO. 1

ADOPTION OF THE MERGER AGREEMENT

Valley Green is asking its shareholders to adopt the merger agreement. For a detailed discussion of the merger, including the terms and conditions of the merger agreement, see *The Merger,* beginning on page 36. As discussed in detail in the sections entitled *The Merger Valley Green s Reasons for the Merger,* and *Recommendation of Valley Green s Board of Directors,* beginning on pages 39 and 40, respectively, after careful consideration, the Valley Green board of directors determined that the terms of the merger agreement and the transactions contemplated by it are in the best interests of Valley Green s shareholders and the board unanimously approved the merger agreement. ***Accordingly, Valley Green s board of directors unanimously recommends that Valley Green shareholders vote FOR adoption of the merger agreement.***

Vote Required

Pursuant to Valley Green s articles of incorporation, this proposal requires the affirmative vote of 70% of the outstanding shares of common stock of Valley Green. Therefore, abstentions and broker non-votes will in effect be a vote against the merger.

Recommendation of the Valley Green Board of Directors

The Valley Green board of directors recommends a vote FOR the proposal to approve the merger agreement.

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VALLEY GREEN SPECIAL MEETING PROPOSAL NO. 2

AUTHORIZATION TO VOTE ON ADJOURNMENT OR OTHER MATTERS

General

If, at the Valley Green special meeting, the number of shares of Valley Green common stock, present in person or by proxy, is insufficient to constitute a quorum or the number of shares of Valley Green common stock voting in favor is insufficient to adopt the merger agreement, Valley Green management intends to move to adjourn the special meeting in order to enable the Valley Green board of directors more time to solicit additional proxies. In that event, Valley Green will ask its shareholders to vote only upon the adjournment proposal and not the proposal relating to adoption of the merger agreement.

In this proposal, Valley Green is asking you to grant discretionary authority to the holder of any proxy solicited by the Valley Green board of directors so that such holder can vote in favor of the proposal to adjourn the special meeting to solicit additional proxies. If the shareholders of Valley Green approve the adjournment proposal, Valley Green could adjourn the special meeting, and any adjourned session of the special meeting, and use the additional time to solicit additional proxies, including the solicitation of proxies from shareholders who have previously voted.

Generally, if the special meeting is adjourned, no notice of the adjourned meeting is required to be given to shareholders, other than an announcement at the special meeting of the place, date and time to which the meeting is adjourned.

Vote Required

Pursuant to Valley Green s bylaws, the adjournment proposal requires the affirmative vote of a majority of all votes cast, in person and by proxy, at the Valley Green special meeting. Abstentions and broker non-votes will not affect the vote on the adjournment proposal.

Recommendation of the Valley Green Board of Directors

The Valley Green board of directors recommends a vote FOR the proposal to authorize the board of directors to adjourn the special meeting of shareholders to allow time for the further solicitation of proxies to adopt the merger agreement.

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INFORMATION ABOUT VALLEY GREEN BANK

Business

Valley Green Bank is a Pennsylvania chartered bank incorporated in 2005. As of June 30, 2014, Valley Green had total assets of $389.5 million, total deposits of $353.2 million and shareholders equity of $34.9 million. Valley Green Bank s headquarters is located at 7226 Germantown Avenue, Philadelphia Pennsylvania 19119. As of June 30, 2014, Valley Green had 52 full time equivalent staff.

Valley Green operates three full-service banking offices located in Philadelphia and two loan production offices, one located in Philadelphia County, Pennsylvania and one located in Montgomery County, Pennsylvania. Valley Green conducts its business as a community bank providing a full array of commercial and retail banking services and products to individuals and businesses located primarily in Philadelphia and Montgomery counties of Pennsylvania. Valley Green s strategic plan has been focused on offering high-quality products and personalized service through seasoned community bankers working from banking centers strategically located near its customers.

Valley Green has sought to capitalize on market opportunities created by the significant reduction in the number of small to mid-sized community banks serving its market area. After starting operations in 2005 with one retail office located at its headquarters in the Mt. Airy section of Philadelphia, Valley Green opened an additional retail office in the Chestnut Hill section of Philadelphia in 2007, a loan production office in Montgomery County in 2010, a loan production office in Center City Philadelphia in 2011 and a retail office in South Philadelphia in 2013.

Since its inception, Valley Green has focused on growing and diversifying its loan portfolio and improving loan yield and fee income, growing core deposits, lowering its overall cost of funds, and managing expenses in its efforts to increase efficiency and profitability. At June 30, 2014, Valley Green had total gross loans of $349.4 million, a $25.2 million or 8% increase over total loans at December 31, 2013. Valley Green s total non-performing assets were $1.9 million or 0.45% of total assets at June 30, 2014 compared to total non-performing assets of $1.1 million or 0.31% of total assets at December 31, 2013. At June 30, 2014, Valley Green was deemed well capitalized with a ratio of total risk-based capital to risk-weighted assets of 11.86%, ratio of Tier 1 capital to total assets of 11.08%, and a Tier 1 leverage ratio of capital to total assets of 9.31%. Valley Green reported consolidated net income of $2.6 million for the six months ended June 30, 2014 and $4.6 million for the year ended December 31, 2013.

Valley Green s Market Area. Valley Green s market area is the greater Philadelphia region, which is the fourth-largest metropolitan statistical area in the United States. The region is anchored by Philadelphia, a city with 1.5 million residents and the largest city in Pennsylvania, the second largest city on the East Coast and the fifth largest city in the United States. Valley Green targets the city of Philadelphia as well as the counties around Philadelphia with a particular concentration in Montgomery County.

Valley Green Lending, Deposit Products and Services General. Valley Green provides banking products and services to individuals and businesses in the Philadelphia metropolitan area.

The products and services which Valley Green offers include:

<u>*Lending*</u>

Residential home equity loans and mortgage loans;

Consumer secured and unsecured loans;

Residential, multi-family and commercial construction loans;

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- Commercial and industrial loans to local businesses;
- SBA lending;
- Multi-family residential mortgage loans; and
- Commercial real estate loans to local businesses.

Deposit Products

- Personal checking accounts, savings accounts and NOW accounts;
- Personal money market deposit accounts and certificates of deposit; and
- Commercial business checking, savings and money market deposit accounts.

Other Products, Services and Activities

- Informational website;
- Payroll direct deposit;
- ATM cards, credit cards and debit cards;
- Online banking;
- Bill payment;
- ATM network access;
- Bank by mail;
- Wire transfers; and

Telephone banking.

Cash Management

Investment/Sweep accounts;

Wire transfer services;

Zero balance accounts;

Depository services;

Remote deposit capture;

Escrow accounting services; and

Business debit/credit cards

Management s Discussion and Analysis of Financial Condition and Results of Operations

The following Valley Green Management s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with Valley Green s financial statements and related notes included elsewhere in this joint proxy statement/prospectus beginning at page 109.

Valley Green s results of operations depend, to a large extent, on net interest income, which is the difference between the income earned on its loan and investment portfolios and interest expense on deposits and borrowings. Net interest income is largely determined by net interest spread, which is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities, and the relative amounts of interest-earning assets and interest-bearing liabilities. Results of operations are also affected by the provision for loan losses, other income and other expenses. Other, or non-interest, expenses principally consist of compensation and employee benefits, office occupancy and equipment expense, data processing, advertising and business promotion, professional service fees and other expense. Valley Green s results of operations are also significantly affected by general economic and competitive conditions, particularly changes in interest rates, government policies and actions of regulatory authorities. Future changes in applicable law, regulations or government policies may materially impact Valley Green financial conditions and results of operations.

Valley Green s Critical Accounting Policies. In reviewing and understanding financial information for Valley Green, you are encouraged to read and understand the significant accounting policies used in preparing its financial statements. These policies are described in Note 2 of the notes to the Valley Green financial statements included elsewhere in this joint proxy statement/prospectus. The accounting and financial reporting policies of Valley Green conform to US GAAP and to general practices within the banking industry. Accordingly, the Valley Green financial statements require certain estimates, judgments, and assumptions, which are believed to be reasonable, based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the periods presented. The following accounting policies comprise those that Valley Green management believes are the most critical to aid in fully understanding and evaluating its reported financial results. These policies require numerous estimates or economic assumptions that may prove inaccurate or may be subject to variations which may affect Valley Green s reported results and financial condition for the period or in future periods.

Allowance for Loan Losses. The allowance for loan losses represents management s estimate of losses inherent in the loan portfolio as of the balance sheet date and is recorded as a reduction to loans. The allowance for loan losses is increased by the provision for loan losses, and decreased by charge-offs, net of recoveries. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance. All, or part, of the principal balance of loans receivable are charged off to the allowance as soon as it is determined that the repayment of all, or part, of the principal balance is highly unlikely. Because all identified losses are immediately charged off, no portion of the allowance for loan losses is restricted to any individual loan or groups of loans, and the entire allowance is available to absorb any and all loan losses.

The allowance for loan losses is maintained by Valley Green at a level considered appropriate under US GAAP to provide for losses that can be reasonably anticipated. Management performs a quarterly evaluation of the adequacy of the allowance. The allowance is based on past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower s ability to repay, the estimated value of any underlying collateral, the composition of the loan portfolio, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revision as more information becomes available.

The allowance consists of specific and general components. The specific component relates to loans that are classified as impaired. For loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers pools of loans by loan class including commercial loans not considered impaired, as well as smaller balance homogeneous loans, such as residential real estate, home equity and other consumer loans. These pools of loans are evaluated for loss exposure based upon historical loss rates for each of these categories of loans, as adjusted for qualitative factors. Allowance for loan losses final schedules, calculations and the resulting evaluation process are reviewed quarterly by the Valley Green Board of Directors.

A loan is considered impaired when, based on current information and events, it is probable that Valley Green will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by Valley Green management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified by Valley Green as impaired. Valley Green management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower s prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for commercial, commercial real estate, commercial construction, residential real estate, and consumer loans by either the present value of expected future cash flows discounted at the loan s effective interest rate or the fair value of the collateral if the loan is collateral dependent.

The allowance is adjusted by Valley Green for other significant factors that affect the collectability of the loan portfolio as of the evaluation date including changes in lending policy and procedures, loan volume and concentrations, seasoning of the portfolio, loss experience in particular segments of the portfolio, and bank regulatory examination results. Other factors include changes in economic and business conditions affecting Valley Green s primary lending areas and credit quality trends. Loss factors are reevaluated each reporting period to ensure their relevance in the current economic environment. Valley Green reviews key ratios such as the allowance for loan losses to total loans receivable and as a percentage of non-performing loans; however, Valley Green does not try to maintain any specific target range for these ratios.

While Valley Green management uses the best information available to make loan loss allowance evaluations, adjustments to the allowance may be necessary based on changes in economic and other conditions or changes in accounting guidance. In addition, the Federal Deposit Insurance Corporation and Pennsylvania Department of Banking and Securities, as an integral part of their examination processes, periodically review the allowance for loan losses. The examining entity may require the recognition of adjustments to the allowance for loan losses based on their judgment about information available to them at the time of their examinations. To the extent that actual outcomes differ from management s estimates, additional provisions to the allowance for loan losses may be required that would adversely impact Valley Green earnings in future periods.

Fair Value Measurements. Valley Green uses fair value measurements to record fair value adjustments to certain assets to determine fair value disclosures. Securities available for sale are recorded at fair value on a recurring basis. Additionally, from time to time, Valley Green may be required to record at fair value other assets on a nonrecurring basis, such as impaired loans, real estate owned and certain other assets. These nonrecurring fair value adjustments typically involve application of lower-of-cost-or-market accounting or write-downs of individual assets.

Under FASB ASC Topic 820, Fair Value Measurements, Valley Green groups its assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect Valley Green s own estimates of assumptions that market participants would use in pricing the asset.

Under FASB ASC Topic 820, Valley Green bases its fair values on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is our policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy in FASB ASC Topic 820.

Fair value measurements for assets where there exists limited or no observable market data and, therefore, are based primarily upon Valley Green or a third-party s estimates, are often calculated based on the characteristics of the asset, the economic and competitive environment and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset. Additionally, there may

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be inherent weaknesses in any calculation technique, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current or future valuations that were measured at fair value on a nonrecurring basis using Level 3 measurements.

Income Taxes. Valley Green makes estimates and judgments to calculate some of its tax liabilities and determine the recoverability of some of its deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenues and expenses. Valley Green also estimates a reserve for deferred tax assets if, based on the available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. These estimates and judgments are inherently subjective.

In evaluating its ability to recover deferred tax assets, Valley Green considers all available positive and negative evidence, including past operating results and its forecast of future taxable income. In determining future taxable income, Valley Green makes assumptions for the amount of taxable income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require Valley Green to make judgments about its future taxable income consistent with the plans and estimates it uses to manage its business. Any reduction in estimated future taxable income may require Valley Green to record a valuation allowance against its deferred tax assets. An increase in the valuation allowance would result in additional income tax expense in the period and could have a significant impact on Valley Green s future earnings.

Other-Than-Temporary Impairment of Securities. Securities are evaluated by Valley Green on a monthly basis to determine whether declines in their value are other-than-temporary. To determine whether a loss in value is other-than-temporary, Valley Green s management utilizes criteria such as the reasons underlying the decline, the magnitude and duration of the decline and whether or not management intends to sell or expects that it is more likely than not that it will be required to sell the security prior to an anticipated recovery of the fair value. The term other-than-temporary is not intended to indicate that the decline is permanent, but indicates that the prospects for a near-term recovery of value is not necessarily favorable, or that there is a lack of evidence to support a realizable value equal to or greater than the carrying value of the investment. Once a decline in value for a debt security is determined to be other-than-temporary, the other-than-temporary impairment is separated into (a) the amount of the total other-than-temporary impairment related to a decrease in cash flows expected to be collected from the debt security (the credit loss) and (b) the amount of the total other-than-temporary impairment related to all other factors. The amount of the total other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the total other-than-temporary impairment related to all other factors is recognized in other comprehensive income (loss).

Valley Green Lending Activities. The following table shows the composition of Valley Green s loan portfolio, including percentages, by type of loan at the dates indicated.

	June 30,		December 31,									
	2014		2013		2012		2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	
	(Dollars in thousands)											
ercial	$ 161,648	46.25%	$ 150,259	46.35%	$ 120,108	48.28%	$ 29,288	14.88%	$ 20,663	14.68%	$ 8,003	
ercial ate	127,577	36.51	116,504	35.93	97,548	39.22	81,648	41.50	59,565	42.33	39,992	4
ercial ction	43,473	12.44	40,461	12.48	14,483	5.83	8,753	4.45	8,548	6.07	3,512	

ntial ate	3,596	1.03	4,634	1.43	5,955	2.39	62,992	32.02	41,297	29.35	29,166	3
equity	12,732	3.64	11,814	3.64	9,879	3.97	13,369	6.80	10,479	7.45	4,771	
ner	448	0.13	547	0.17	779	0.31	684	0.35	174	0.12	212	
oans	$ 349,474	100.0%	$ 324,219	100.0%	$ 248,752	100.0%	$ 196,734	100.0%	$ 140,726	100.0%	$ 85,656	1
ed sts	(860)		(832)		(640)		(515)		(369)		(171)	
nce n	(2,457)		(2,846)		(2,320)		(1,802)		(1,630)		(879)	
ns	$ 346,157		$ 320,541		$ 245,792		$ 194,417		$ 138,727		$ 84,606	

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The following table shows the scheduled contractual maturities of Valley Green loans as of December 31, 2013, before giving effect to net items. Demand loans, loans having no stated schedule of repayments and no stated maturity, and overdrafts are reported as due in one year or less. The amounts shown below do not take into account loan prepayments.

	Commercial	Commercial Real Estate	Commercial, Construction	Residential real estate	Home Equity	Consumer	Total
			(Dollars in thousands)				
Amounts due after December 31, 2013 in:							
One year or less	$ 45,521	$ 20,893	$ 15,343	$	$ 11,814	$ 93	$ 93,664
After one year through five years	77,154	82,195	13,645			72	173,066
After five years	27,584	13,416	11,473	4,634		382	57,489
Total	$ 150,259	$ 116,504	$ 40,461	$ 4,634	$ 11,814	$ 547	$ 324,219

The following table shows the dollar amount of Valley Green loans at December 31, 2013, which are due after December 31, 2014, as shown in the preceding table, and which have fixed interest rates or which have floating or adjustable interest rates.

	Fixed-Rate	Floating or Adjustable-Rate	Total at December 31, 2013
		(In thousands)	
Commercial	$ 96,861	$ 7,877	$ 104,738
Commercial real estate	91,522	4,089	95,611
Commercial construction	25,118	596	25,714
Residential real estate	4,634		4,634
Home equity			
Consumer	454		454
Total	$ 218,589	$ 12,562	$ 231,151

As a full-service community bank, Valley Green endeavors to meet the borrowing needs of customers and the communities in which it operates. As such, Valley Green takes into consideration general economic conditions, local market conditions and other factors which impact particular types of lending.

Valley Green provides business lending, including commercial, commercial real estate, commercial construction, residential real estate, home equity and consumer loans. Although terms for commercial and commercial real estate loans may vary, its underwriting standards generally allow for terms up to 10 years with monthly amortization up to

25 years and loan-to-value (LTV) ratios of not more than 80%. Interest rates may be either fixed or adjustable, based upon designated market indices plus a margin, and fees up to 1.0% of the loan at the time of origination may be charged. Prepayment fees are generally charged on most commercial real estate and multi-family loans in the event of early repayment on fixed-rate loans. Most loans greater than 5 years in length have interest rate resets after the fifth year.

Generally, Valley Green provides revolving lines of credit for a business s short-term working capital needs secured by the business s accounts receivables and/or inventory. Secured term loan financing is provided for the acquisition of fixed business assets, such as real property, vehicles, equipment and machinery, and is collateralized by those fixed assets. In addition to business assets pledged as collateral, the principal owner(s) of the borrower will personally guarantee most commercial business loans. Interest rates are typically variable and tied to a specific index, such as the prime rate.

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Valley Green participates in the Small Business Administration (SBA) 7A government guaranteed lending program, a loan guaranty program and other programs with the Philadelphia Industrial Development Corporation.

Valley Green also finances residential construction projects with developers that have considerable experience within Valley Green s core market. Residential construction loans generally require the borrower to maintain equity in a project of between 15% and 30% of the total cost of the construction project. Such loans typically have variable rates of interest, a maximum term to maturity of two years and LTV ratios less than 80%. Residential construction loans to developers are made on a pre-sold and speculative (unsold) basis; however, limits are placed on the number of units that can be built on a speculative basis based upon the reputation and financial position of the developer, his/her present obligations, the location of the property and prior sales in the surrounding area. In light of the current economic conditions relating to the real estate market, Valley Green continually monitors the real estate market and stress tests its commercial real estate and commercial construction portfolio positions.

Valley Green offers various types of consumer loans, including secured and unsecured loans. The majority of the consumer loan portfolio is comprised of home equity first or second mortgage loans or lines of credit. Valley Green also offers automobile loans, education loans, personal loans, property improvement loans and loans secured by deposits. Home equity mortgage loans generally are extended for a fixed amount and term (ranging up to 15 years) and have an LTV of 80% or less. Home equity lines of credit are a form of revolving credit and are generally secured by the underlying equity in the borrower s home or second residence with an LTV of 80% or less.

Valley Green Asset Quality. One of Valley Green s key objectives is to maintain a high level of asset quality. When a borrower fails to make a required payment on a loan, Valley Green attempts to cure the deficiency by contacting the borrower and requesting payment. Contact is generally made after the expiration of the grace period (usually 15 days) in the form of telephone calls and/or correspondence. In most cases, deficiencies are cured promptly. If the delinquency continues, Valley Green will initiate foreclosure or legal collection actions upon ninety days of delinquency.

Valley Green places loans on non-accrual status when, in the judgment of management, the probability of collection of interest is deemed to be insufficient to warrant further accrual. When a loan is placed on non-accrual status, previously accrued but unpaid interest is deducted from interest income. As a matter of policy, Valley Green generally does not accrue interest on loans past due 90 days or more.

Real estate acquired by Valley Green as a result of foreclosure or by deed-in-lieu of foreclosure is classified as real estate owned until sold. Real estate owned is initially recorded at the lower of fair value less estimated costs to sell the property, or cost (generally the balance of the loan on the property at the date of acquisition). After the date of acquisition, all costs incurred in maintaining the property are expensed and costs incurred for the improvement or development of such property are capitalized up to the extent of their net realizable value.

Under accounting principles generally accepted in the United States of America (GAAP), Valley Green is required to account for certain loan modifications or restructurings as troubled debt restructurings. In general, the modification or restructuring of a debt constitutes a troubled debt restructuring if Valley Green, for economic or legal reasons related to the borrower s financial difficulties, grants a concession to the borrower that Valley Green would not otherwise consider under current market conditions. Debt restructuring or loan modifications for a borrower do not necessarily always constitute troubled debt restructuring, however, and troubled debt restructuring does not necessarily result in non-accrual loans.

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The following table shows the amounts of Valley Green non-performing assets, which include non-accruing loans, accruing loans 90 days or more past due and troubled debt restructurings at the dates indicated.

	June 30,	December 31,				
	2014	2013	2012	2011	2010	2009
			(In thousands)			
Non-accruing loans:						
Commercial	$ 763	$ 378	$ 476	$ 153	$ 334	$
Commercial real estate			536	38	1,427	601
Commercial construction						807
Residential real estate				1,074		
Home equity						
Consumer	17					
Total non-accruing loans	780	378	1,012	1,265	1,761	1,408
Accruing loans 90 days or more past due:						
Commercial						
Commercial real estate						
Commercial l construction						
Residential real estate						
Home equity						
Consumer						
Total accruing loans 90 days or more past due						
Total non-performing loans	780	378	1,012	1,265	1,761	1,408
Other real estate owned	497	545	123	407	807	
Total non-performing assets	1,277	923	1,135	1,672	2,568	1,408
Troubled debt restructurings:						
Commercial						
Commercial real estate	623	189	192	1,051		
Commercial construction						
Residential real estate				235		
Home equity						
Consumer						
Total troubled debt restructurings	623	189	192	1,286		
	$ 1,900	$ 1,112	$ 1,327	$ 2,958	$ 2,568	$ 1,408

Total non-performing assets and troubled debt restructurings

The following table shows changes in Valley Green allowance for loan losses during the periods presented.

	At or for the Six Months Ended June 30,		At or for the Year Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Dollars in thousands)						
Total loans outstanding at end of period	$ 349,474	$ 281,123	$ 324,219	$ 248,752	$ 196,734	$ 140,726	$ 85,656
Daily Average loans outstanding	330,870	259,959	279,873	215,579	164,437	113,476	74,838
Allowance for loan losses, beginning of period	2,846	2,320	2,320	1,802	1,630	879	1,200
Provision for loan losses	499	461	701	1,528	913	781	(206)
Charge-offs:							
Commercial	883	100	178	546	288	30	100
Commercial real estate	5			335	63		55
Commercial real construction				148			
Residential real estate					448		
Home equity							
Consumer				6	1		
Total charge-offs	888	100	178	1,035	800	30	155
Recoveries on loans previously charged-off		2	3	25	59		40
Allowance for loan losses, end of period	$ 2,457	$ 2,683	$ 2,846	$ 2,320	$ 1,802	$ 1,630	$ 879
Net charge-offs/average loans outstanding	0.27%	0.04%	0.06%	0.47%	0.45%	0.03%	0.15%

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Valley Green Investment Activities. In addition to loans, Valley Green invests in securities. Valley Green investments in securities are made pursuant to Valley Green s investment policy. Valley Green s investment policy is designed primarily to manage the interest rate sensitivity of its assets and liabilities, to generate a favorable return without incurring undue interest rate risk or credit risk, to complement its lending activities and to maintain liquidity.

At June 30, 2014, Valley Green investment securities at cost amounted to $13 million in the aggregate or 3.24% of its total assets at such date. The securities portfolio is comprised of U.S. Government corporations and agency securities.

At June 30, 2014, there was an aggregate of $370,000 in gross unrealized losses recorded on the investment securities portfolio. Securities are evaluated on a monthly basis to determine whether a decline in their value is other-than-temporary. To determine whether a loss in value is other-than-temporary, management utilizes criteria such as the reasons underlying the decline, the magnitude and duration of the decline and whether or not management intends to sell or expects that it is more likely than not that it will be required to sell the security prior to an anticipated recovery of the fair value. The term other-than-temporary is not intended to indicate that the decline is permanent, but indicates that the prospects for a near-term recovery of value is not necessarily favorable, or that there is a lack of evidence to support a realizable value equal to or greater than the carrying value of the investment. Once a decline in value for a debt security is determined to be other-than-temporary, the other-than-temporary impairment is separated into (a) the amount of the total other-than-temporary impairment related to a decrease in cash flows expected to be collected from the debt security (the credit loss) and (b) the amount of the total other-than-temporary impairment related to all other factors. The amount of the total other-than-temporary impairment related to the credit loss is recognized in earnings. The amount of the total other-than-temporary impairment related to all other factors is recognized in other comprehensive income. Available for sale securities can be sold at any time based upon needs or market conditions. Available for sale securities are accounted for at fair value, with unrealized gains and losses on these securities, net of income tax, reflected in stockholders equity as accumulated other comprehensive income (loss). At June 30, 2014, all $12.996 million of securities were classified as available for sale and mature within five to ten years with a weighted average yield of 1.57%.

The following table sets forth certain information relating to Valley Green s investment securities portfolio at the dates indicated.

	June 30, 2014		December 31, 2013		2012		2011	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value
	(In thousands)							
Securities available-for-sale:								
U.S. Government and agency obligations	$ 12,996	$ 12,626	$ 13,878	$ 13,052	$ 20,573	$ 20,612	$ 18,032	$ 18,005
Total	$ 12,996(1)	$ 12,626	$ 13,876	$ 13,052	$ 20,573	$ 20,612	$ 18,032	$ 18,005

(1)

All investment securities held by Valley Green have maturities between five and ten years from June 30, 2014, with a weighted average yield of 1.57%.

Valley Green Deposit Products. Valley Green s deposit gathering efforts have focused on obtaining deposits from small businesses and other commercial accounts within Valley Green s market area. The table below shows information regarding Valley Green s deposit accounts at the dates indicated.

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The following table shows the maturities of Valley Green s certificates of deposit of $100,000 or more at June 30, 2014 by time remaining to maturity.

Quarter Ending:	Amount	Weighted Average Rate
	(Dollars in thousands)	
September 30, 2014	$ 40,797	0.66%
December 31, 2014	23,050	0.68
March 31, 2015	13,900	0.65
June 30, 2015	31,766	0.99
After June 30, 2015	22,890	1.50
Total certificates of deposit with balances of $100,000 or more	$ 132,403	0.81%

The following table shows the maturities of Valley Green s certificates of deposit of $100,000 or more at December 31, 2013 by time remaining to maturity.

Quarter Ending:	Amount	Weighted Average Rate
	(Dollars in thousands)	
March 31, 2014	$ 35,978	0.65%
June 30, 2014	20,227	0.50
September 30, 2014	25,388	0.55
December 31, 2014	13,914	0.55
After December 31, 2014	13,854	0.89
Total certificates of deposit with balances of $100,000 or more	$ 109,361	0.62%

Valley Green Borrowings. Valley Green utilizes advances from the FHLB of Pittsburgh as an alternative to retail deposits to fund operations as part of its operating strategy. These FHLB advances are collateralized primarily by certain mortgage loans and secondarily by its investment in capital stock of the FHLB of Pittsburgh. Valley Green also had outstanding short-term letters of credit with the FHLB totaling $16.9 million at June 30, 2014 which were utilized to collateralize public funds deposits. The maximum borrowing capacity changes as a function of qualifying collateral assets as well as the FHLB s internal credit rating of Valley Green, and the amount of funds received may be reduced by additional required purchases of FHLB stock. At June 30, 2014, Valley Green had no borrowings with the FHLB except those qualifying deposits previously mentioned.

The following table shows certain information regarding Valley Green borrowings at or for the dates indicated:

	At or For the Six Months Ended June 30, 2014	At or For the Year Ended December 31, 2013	2012	2011
		(Dollars in thousands)		
FHLB advances and other borrowings:				
Average balance outstanding		$ 767		
Maximum amount outstanding at any month-end during the period		10,000		
Balance outstanding at end of period				
Average interest rate during the period		0.26		
Weighted average interest rate at end of period		0.26		

Other Products and Services of Valley Green. Other business services include wire transfers, direct deposit of payroll, remote deposit capture, reconciliation services, and online banking. Valley Green s objective is to offer a competitive package to capture as much of the customer s financial business as possible and price accordingly.

Personal banking services are offered through Valley Green s branch network using experienced personal bankers as the focal point of the marketing effort. Secondarily to the efforts of personal bankers and the contacts of the directors, Valley Green engages in advertising and branding efforts to draw individuals into its branches. Business banking services are offered through Valley Green s branch network for deposit and small business banking, and through commercial lenders for traditional commercial lending services.

How Valley Green Manages Market Risk. Market risk is the risk of loss from adverse changes in market prices and rates. Valley Green s market risk arises primarily from the interest rate risk which is inherent in its lending and deposit taking activities. To that end, management actively monitors and manages interest rate risk exposure. In addition to market risk, Valley Green s primary risk is credit risk on its loan portfolio. Valley Green attempts to manage credit risk through its loan underwriting and oversight policies.

The principal objectives of Valley Green s interest rate risk management function are to evaluate the interest rate risk embedded in certain balance sheet accounts, determine the level of risk appropriate given Valley Green s business strategy, operating environment, capital and liquidity requirements and performance objectives, and manage the risk consistent with approved guidelines. Valley Green seeks to manage its exposure to risks from changes in interest rates while at the same time trying to improve its net interest spread. Valley Green monitors interest rate risk as such risk relates to its operating strategies.

In recent years, Valley Green has primarily utilized the following strategies to manage interest rate risk:

- it has attempted, where possible, to extend the maturities of its deposits and borrowings;

- it has invested in securities with relatively short anticipated lives and it holds other amounts of liquid assets; and

- it has increased its outstanding shorter term loans, particularly commercial real estate loans.

The following table sets forth the amounts of interest-earning assets and interest-bearing liabilities outstanding at June 30, 2014, which Valley Green expects, based upon certain assumptions, to re-price or mature in each of the future time periods shown (the GAP Table). Except as stated below, the amount of assets and liabilities shown which re-price or mature during a particular period was determined in accordance with the earlier of term to re-pricing or the contractual maturity of the asset or liability. The table sets forth an approximation of the projected re-pricing of Valley Green s assets and liabilities at June 30, 2014, on the basis of contractual maturities, anticipated prepayments, and scheduled rate adjustments within a three-month period and subsequent selected time intervals. The loan amounts in the table reflect principal balances expected to be redeployed and/or re-priced as a result of contractual amortization and anticipated prepayments of adjustable-rate loans and fixed-rate loans, and as a result of contractual rate adjustments on adjustable-rate loans. Prepayment estimates for loans are based on corresponding securities (from Bloomberg system) and/or national averages unless otherwise indicated. Securities priced at a premium are assumed to be called, while those at a discount are assumed to run to maturity.

	3 Months or Less	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years to 5 Years	More than 5 Years	Total Amount
	(Dollars in thousands)						
Interest-earning assets(1):							
Loans receivable(2)	$ 99,669	$ 9,283	$ 22,722	$ 57,698	$ 152,155	$ 7,947	$ 349,474
Investment securities and interest bearing deposits	20,009					12,626	32,635
Total interest-earning assets	119,678	9,283	22,722	57,698	152,155	20,573	382,109

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	3 Months or Less	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years to 5 Years	More than 5 Years	Total Amount
			(Dollars in thousands)				
nterest-bearing liabilities:							
avings accounts	1,657			803	2,275		4,735
emand deposits	4,706			2,280	6,460		13,446
oney market accounts	69,141			20,742	48,154		138,037
ertificate accounts	44,205	26,359	49,309	22,424	9,567	465	152,329
HLB advances							
otal interest-bearing liabilities	119,709	26,359	49,309	46,249	66,456	465	308,547
nterest-earning assets less interest-bearing iabilities	(31)	(17,076)	(26,587)	11,449	85,699	20,108	73,562
umulative interest-rate sensitivity gap(3)	$ (31)	$ (17,107)	$ (43,694)	$ (32,245)	$ 53,454	$ 73,562	$
umulative interest-rate gap as a ercentage of total assets at June 30, 2014	(0.01%)	(4.39%)	(11.22%)	(8.28%)	13.72%	18.88%	
umulative interest-earning assets as a ercentage of cumulative interest-bearing iabilities at June 30, 2014	99.97%	88.29%	77.64%	86.65%	117.35%	123.84%	

(1) Interest-earning assets are included in the period in which the balances are expected to be redeployed and/or re-priced as a result of anticipated prepayments, scheduled rate adjustments and contractual maturities. In different rate environments, prepay and call features may have a significantly different impact on cash flow.
(2) For purposes of the gap analysis, loans receivable includes non-performing loans gross of the allowance for loan losses, undisbursed loan funds, unamortized discounts and deferred loan fees.
(3) Interest-rate sensitivity gap represents the difference between net interest-earning assets and interest-bearing liabilities.

Interest rate sensitivity is monitored by Valley Green s management through the use of models which generate estimates for the change in economic value of equity, interest rate sensitivity analysis and interest rate simulations under various rate scenarios. The results of the models are compared to policy limits established by Valley Green s Board of Directors.

Valley Green analyzes potential changes to net interest income (NII) for a twelve-month period under rising and falling interest rate scenarios. The following table shows Valley Green s NII model as of June 30, 2014. This model assumes there is no growth in interest-bearing assets or interest-bearing liabilities.

Change in Interest Rates in Basis Points (Rate Ramp)	Net Interest Income	$ Change	% Change
	(Dollars in thousands)		
300bp	$ 19,679	$ 284	1.4%
200	$ 19,574	$ 179	0.9%
100	$ 19,409	$ 14	0.1%
(100)	$ 18,872	$ (402)	(2.1)%

The above table indicates that as of June 30, 2014, in the event of a 300 basis point increase in interest rates phased in over a year, Valley Green net interest income for the 12 months ending June 30, 2015 would be expected to increase by $284,000, or 1.5%, to $19.679 million. The changes to net interest income shown above are in compliance with the policy limits established by the Valley Green Board of Directors.

Changes in Valley Green s Financial Condition at June 30, 2014 Compared to December 31, 2013. Valley Green s total assets increased to $389.5 million at June 30, 2014 compared to $357.3 million at December 31, 2013. The primary reason for the $32.2 million, or 9.0%, increase in Valley Green s total assets in the first six months of 2014 was a $25.6 million increase in net loans. Valley Green continues to focus on growing and diversifying its loan portfolio in its efforts to increase interest income and fee income. In addition, Valley Green federal funds sold increased to $19.1 million at June 30, 2014, a $6.6 million increase from December 31, 2013 primarily due to increased liquidity from deposits and the maturity and sale of securities.

The increase in Valley Green s total assets for the six months ended June 30, 2014 was funded primarily by a $28.3 million increase in total deposits. While Valley Green has focused in recent periods on increasing its core deposits, it has also been able to accomplish some of this effort through utilizing the FHLB Letters of Credit program to back certain public deposits, thus allowing larger deposit relationships to remain with Valley Green.

Valley Green s total stockholders equity was $34.9 million, or 8.97% of total assets, at June 30, 2014 compared to $31.2 million, or 8.7% of total assets, at December 31, 2013. The $3.7 million increase in Valley Green total stockholders equity in the six months ended June 30, 2014 primarily reflects $2.6 million in net income recorded for the period together with $730,000 in additional capital through options exercised.

Changes in Valley Green Financial Condition at December 31, 2013 compared to December 31, 2012. Valley Green s total assets were $357.3 million at December 31, 2013 compared to $295.4 million at December 31, 2012, an increase in total assets of $62 million or 21%. The primary reason for the increase in Valley Green s total assets at year-end 2013 compared to year-end 2012 was a $74.7 million increase in net loans receivable. The increase in Valley Green s net loans during 2013 primarily reflects the focus on Valley Green s commercial real estate lending strategy in metropolitan Philadelphia. Valley Green s commercial real estate loan portfolio increased by $18.9 million during the year ended December 31, 2013, and its commercial construction portfolio increased by $25.9 million during the year ended December 31, 2013. The total commercial loan portfolio increased by $30.2 million during the year ended December 31, 2013.

Valley Green s total deposits were $324.9 million at December 31, 2013 compared to $268.9 million at December 31, 2012. The $56 million, or 20.8%, increase in Valley Green s total deposits in 2013 primarily reflects Valley Green s efforts to increase core deposits.

Valley Green s total stockholders equity was $31.2 million at December 31, 2013 compared to $25.6 million at December 31, 2012. Although Valley Green reported net income of $4.6 million for the year ended December 31, 2013, it had an accumulated other comprehensive loss of $545,000 at December 31, 2013 compared to a $26,000 gain in accumulated other comprehensive income at December 31, 2012. This decrease in other comprehensive income was due primarily to a decrease in the market value of the Valley Green investment portfolio reflecting an increase in market rates of interest.

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Average Balances, Net Interest Income, and Yields Earned and Rates Paid. The following table shows for the periods indicated the total dollar amount of interest earned by Valley Green from average interest-earning assets and the resulting yields, as well as the interest expense on average interest-bearing liabilities, expressed both in dollars and rates, and the net interest margin.

Six Months Ended June 30,						Year Ended December 31,						
2014			2013			2013			2012			
Average Balance	Interest	Average Yield/ Rate	Average Balance	Interest	Average Yield/ Rate	Average Balance	Interest	Average Yield/ Rate	Average Balance	Interest	Average Yield/ Rate	Average Balance
(Dollars in thousands)												
333,831	$ 9,924	5.99%	$ 262,442	$ 8,260	6.35%	$ 282,556	$ 17,503	6.19%	$ 217,768	$ 14,181	6.58%	$ 166,10
13,126	118	1.75	21,605	114	1.06	17,362	220	1.27	14,602	156	1.02	4,03
13,684	14	.20	10,118	11	.22	13,606	30	.22	16,723	33	.20	17,20
360,641	10,056	5.62	294,165	8,385	5.75	313,524	17,753	5.66	249,093	14,370	5.80	187,33
8,588			6,150			7,276			5,441			6,37
369,229			$ 300,315			$ 320,800			$ 254,534			$ 193,71
13,460	7	.10	$ 10,283	5	.10	$ 11,686	12	.10	$ 9,458	9	.10	$ 7,07
146,995	428	.59	127,987	376	.59	133,059	788	.59	102,218	774	.76	70,64
133,900	558	.84	96,474	505	1.06	105,769	1,026	.97	89,027	999	1.12	75,24
13			153		.00	950	3	.32				
294,368	993	0.68	234,897	886	.76	251,464	1,829	.73	200,703	1,782	.89	152,95
41,386			36,565			39,492			29,859			22,38

335,754			271,462			290,956			230,562		175,33
33,475			28,853			29,844			23,972		18,37
369,229			$ 300,315			$ 320,800			$ 254,534		$ 193,71
66,273			$ 59,268			$ 62,060			$ 48,390		$ 34,38
	$ 9,063	4.94%		$ 7,499	4.99%		$ 15,924	4.93%	$ 12,588	4.88%	$ 9,25
		5.07%			5.14%			5.08%		5.05%	

(1) Includes nonaccrual loans during the respective periods.
(2) Equals net interest income divided by average interest-earning assets.

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Rate/Volume Analysis. The following table shows the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities affected Valley Green interest income and expense during the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (1) changes in rate, which is the change in rate multiplied by prior period volume, and (2) changes in volume, which is the change in volume multiplied by prior period rate. The combined effect of changes in both rate and volume has been allocated proportionately to the change due to rate and the change due to volume.

	Six Months Ended June 30, 2014 Compared to Six Months Ended June 30, 2013 Increase (Decrease) Due to			Year Ended December 31, 2013 Compared to Year Ended December 31, 2012 Increase (Decrease) Due to			Year Ended December 31, 2012 Compared to Year Ended December 31, 2011 Increase (Decrease) Due to		
	Rate	Volume	Total Increase (Decrease)	Rate	Volume	Total Increase (Decrease)	Rate	Volume	Total Increase (Decrease)
					(In thousands)				
Interest income:									
Loans receivable	$ (489)	$ 2,153	$ 1,664	$ (725)	$ 4,047	$ 3,322	$ (17)	$ 3,360	$ 3,343
Investment securities	59	(56)	3	31	33	64	(17)	116	99
Federal Funds Sold		4	4	3	(6)	(3)	10	(1)	9
Total interest income	(430)	2,101	1,671	(691)	4,074	3,383	(24)	3,475	3,451
Interest expense:									
Demand Interest Bearing		2	2		3	3		2	2
Savings and money market accounts		52	52	(194)	208	14	(120)	248	128
Certificates of deposit	(119)	172	53	(145)	172	27	(180)	170	(10)
FHLB advances and other borrowings									
Total interest expense	(119)	226	107	(339)	383	44	(300)	420	120
Increase (decrease) in net interest income	$ (311)	$ 1,875	$ 1,564	$ (352)	$ 3,691	$ 3,339	$ 276	$ 3,055	$ 3,331

Comparison of Valley Green s Operating Results for the Three and Six Months Ended June 30, 2014 and 2013. Valley Green reported net income of $2.6 million for the six months ended June 30, 2014, a 31.5% increase from Valley Green s net income of $2.0 million for the six months ended June 30, 2013. During the same period there also was a $1.6 million increase in net interest income from $7.5 million for the six months ended June 30, 2013 to $9.1 million for the six months ended June 30, 2014. This was the primary reason for increased net income. For the six months ended June 30, 2014, Valley Green s net interest spread and net interest margin were 4.94% and 5.07%, respectively. This was nearly unchanged from the net interest spread and net interest margin of 4.99% and 5.14%, respectively, for the six months ended June 30, 2013.

Valley Green s interest income increased by $1.7 million, or 20%, for the six months ended June 30, 2014 over the prior year comparable period, due primarily to a $71.4 million increase in the average balance of outstanding loans in the Valley Green s portfolio. The increase in the average balance of loans in the first six months of 2014 reflects Valley Green s efforts to grow its loan portfolio. Interest income on investment securities was $117,000 for the six months ended June 30, 2014 compared to $114,000 for the six months ended June 30, 2013. There were no recent purchases of investments during this period.

Valley Green s interest income for the three months ended June 30, 2014 increased by $800,000, from $4.3 million for the three months ended June 30, 2013 to $5.1 million. This increase directly reflects the loan growth Valley Green has experienced.

Valley Green s interest expense increased by $107,000 or 12.1%, to $993,000 for the six months ended June 30, 2014 compared to $886,000 for the six months ended June 30, 2013. The average rate paid by Valley Green on its total interest bearing liabilities was 0.68% for the six months ended June 30, 2014 compared to 0.76% for six months ended June 30, 2013. For the three months ended June 30, 2014 interest expense was $519,000 compared to $436,000 for the three months ended June 30, 2013. In recent periods, Valley Green increased its emphasis on public funds as a funding source and also worked to increase its core deposits.

Valley Green s provision for loan losses was $499,000 for the six months ended June 30, 2014 compared to $461,000 for the six months ended June 30, 2013. The provision for loan losses was $464,000 for the three months ended June 30, 2014 as compared to $220,000 for the three months ended June 30, 2013. At June 30, 2014, Valley Green s allowance for loan losses was $2.4 million compared to $2.6 million at June 30, 2013. Valley Green s net charge-offs to its allowance for loan losses for the six months ended June 30, 2014 was $888,000 and net charge offs for the six months ended June 30, 2013 was $98,000.

Valley Green s non-interest income was $328,000 for the six months ended June 30, 2014 as compared to $325,000 for the six months ended June 30, 2013. The primary source of non-interest income is fees from deposit accounts while a minimal amount is contributed from sales of loans. Non-interest income for the three months ended June 30, 2014 was $173,000 compared to $170,000 for the three months ended June 30, 2013.

Valley Green s total non-interest expenses were $4.8 million for the six months ended June 30, 2014 as compared to $4.3 million for the six months ended June 30, 2013. Compensation and employee benefits expense increased period over period due to additional staff to support Valley Green growth. Occupancy and equipment expenses increased period over period due to the new branch opening in South Philadelphia. Other operating expenses increased nominally or remained approximately the same.

Valley Green s total non-interest expenses for the three months ended June 30, 2014 were $2.3 million compared to $2.2 million for the three months ended June 30, 2013. Compensation and employee benefits expense and occupancy expense increased quarter over quarter due to additional staff to support Valley Green growth, however all other operating expenses decreased. The other operating expenses decreased for the three months ended June 30, 2014 as a direct result of various non-recurring costs related to the opening of Valley Green s new South Philadelphia branch in 2013.

For the six months ended June 30, 2014 income tax expense was $1.5 million compared to $1.0 million for the six months ended June 30, 2013, an increase of $458,000. While increased tax expenses were attributable to increased earnings, during the second quarter of 2014, Valley Green also wrote-off $200,000 of a deferred tax asset related to a nonqualified stock option expense which was not realizable due to the fair market value of the stock at the time of exercise being less than the option price paid for the options exercised. This resulted in an increase in Valley Green s effective tax rate for the three and six month periods ended June 30, 2014.

Comparison of Valley Green s Operating Results for the Years Ended December 31, 2013 and 2012.

Valley Green s reported net income was $4.6 million for the year ended December 31, 2013, a $1.6 million, or a 56% increase from Valley Green s net income of $2.9 million for the year ended December 31, 2012. Valley Green had a $3.3 million increase in net interest income, to $15.9 million for December 31, 2013 compared to $12.6 million for

December 31, 2012. For the year ended December 31, 2013, Valley Green s net interest spread and net interest margin increased to 4.93% and 5.08%, respectively, from 4.88% and 5.05%, respectively, for the year ended December 31, 2012. The increased margins were directly attributable to the growth in loans and a reduction in the cost of funds.

Valley Green s total interest income for the year ended December 31, 2013 was $17.8 million as compared to $14.4 million at December 31, 2012, an increase of $3.4 million. The increase in interest income on loans in 2013 was due primarily to a $64.8 million increase in the average balance of outstanding loans in the Valley Green portfolio. The increase in the average balance of loans in 2013 reflects Valley Green efforts to grow its loan portfolio, particularly commercial loans which increased to $307.2 million at December 31, 2013 compared to $232.1 million for the year ended December 31, 2012. Interest income on investment securities increased to $220,000 at December 31, 2013 compared to $156,000 for the year ended December 31, 2012. Interest on federal funds sold was $30,000 at December 31, 2013 compared to $33,000 at December 31, 2012.

Valley Green s total interest expense increased by $47,000 to $1.8 million for the year ended December 31, 2013 compared to $1.8 million for the year ended December 31, 2012. While interest expense increased marginally, the outstanding average balances of interest bearing liabilities were $251.5 million at a weighted average rate 0.73% compared to average balances of interest bearing liabilities at December 31, 2012 of $200.7 million at a weighted average rate of 0.89%. Valley Green continues to take advantage of re-pricing opportunities when available.

Valley Green s provision for loan losses was $701,000 for the year ended December 31, 2013 compared to $1.5 million for the year ended December 31, 2012. The primary reason for the reduction in Valley Green provision for loan losses in 2013 compared to 2012 was a decrease in its net loan charge-offs relating to an improving economy.

Valley Green s net charge-offs to its allowance for loan losses for the year ended December 31, 2013 was $178,000 compared to $1.0 million for the year ended December 31, 2012. At December 31, 2013 and 2012, the allowance for loan losses was $2.5 million and $2.3 million, respectively.

Valley Green s non-interest income was $761,000 for the year ended December 31, 2013 compared to $624,000 for the year ended December 31, 2012. This increase consists principally of service charges on deposit accounts while gains on sales of loans contributed marginally.

Valley Green s non-interest expenses were $9.0 million for the year ended December 31, 2013, a $1.5 million, or 21%, increase over non-interest expenses of $7.4 million for the year ended December 31, 2012. The increase in other expenses primarily reflects increases in compensation expense, occupancy expense, professional fees and data processing expense. These expenses increased due to staffing increases to support lending and the opening of the South Philadelphia retail branch in 2013.

Valley Green accounts for income taxes in accordance with the income tax accounting guidance set forth in FASB ASC Topic 740, Income Taxes. Valley Green adopted the accounting guidance related to accounting for uncertainty in income taxes, which set out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. Income tax expense was $2.4 million at December 31, 2013 compared to $1.3 million at December 31, 2012. The increase in the year ended December 31, 2013 over the same time period in 2012 is due to increased taxable earnings of Valley Green.

Liquidity and Capital Resources. Valley Green s primary sources of funds are from deposits, FHLB borrowings, amortization of loans, loan prepayments and the maturity of loans, investment securities, and other funds provided from operations. While scheduled payments from the amortization of loans and other securities and maturing investment securities are relatively predictable sources of funds, deposit flows and loan prepayments can be greatly influenced by general interest rates, economic conditions and competition. Valley Green also maintains excess funds in short-term, interest-bearing assets that provide additional liquidity. At June 30, 2014, Valley Green s cash and cash equivalents amounted to $23.9 million. In addition, at such date Valley Green s available for sale investment securities amounted to $12.6 million.

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Valley Green uses its liquidity to fund existing and future loan commitments, to fund maturing certificates of deposit and demand deposit withdrawals, to invest in other interest-earning assets, and to meet operating expenses. At June 30, 2014, Valley Green had certificates of deposit maturing within the next 12 months amounting to $19.9 million. Based upon historical experience, Valley Green anticipates that a significant portion of the maturing certificates of deposit will be renewed with Valley Green. In addition to cash flow from loan and securities payments and prepayments as well as from sales of available for sale securities, Valley Green has significant borrowing capacity available to fund liquidity needs. In recent years Valley Green has utilized borrowings only minimally as cash equivalent liquid sources have been available as its primary source of funds. Valley Green s borrowings consist primarily of advances from the FHLB of Pittsburgh, of which Valley Green is a member.

Commitments.

The following table summarizes Valley Green s outstanding commitments to originate loans and to advance additional amounts pursuant to outstanding letters of credit and lines of credit at June 30, 2014.

	Total Amounts Committed at	Amount of Commitment Expiration Per Period			
	June 30, 2014	To 1 Year	1-3 Years	4-5 Years	After 5 Years
			(In thousands)		
Letters of credit	$ 2,601	$ 2,374	$ 227	$	$
Unused lines of credit	71,950	59,754	4,147	3,095	4,954
Commitments to originate loans	23,313	23,313			
Total commitments	$ 97,864	$ 85,441	$ 4,374	$ 3,095	$ 4,954

Contractual Cash Obligations. The following table summarizes Valley Green s contractual cash obligations at June 30, 2014.

	Total at June 30, 2014	Payments Due By Period			
		To 1 Year	1-3 Years	4-5 Years	After 5 Years
			(In thousands)		
Certificates of deposit	$ 152,329	$ 119,873	$ 31,192	$ 799	$ 465
FHLB advances					
Total long-term debt	152,329	119,873	31,192	799	465
Operating lease obligations	1,985	397	630	462	496

Total contractual obligations	$ 154,314	$ 120,270	$ 31,822	$ 1,261	$ 961

The financial statements, accompanying notes, and related financial data of Valley Green have been prepared in accordance with U.S. GAAP, which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in purchasing power of money over time due to inflation. The impact of inflation is reflected in the increased cost of operations. Most of Valley Green s assets and liabilities are monetary in nature; therefore, the impact of interest rates has a greater impact on its performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

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Independent Auditor s Report

To the Board of Directors and Stockholders

Valley Green Bank

Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Valley Green Bank, which comprise the balance sheet as of December 31, 2013, and the related statements of income, comprehensive income, stockholders equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Valley Green Bank as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Philadelphia, Pennsylvania
April 4, 2014

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Independent Auditors Report

Board of Directors and Stockholders

Valley Green Bank

Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Valley Green Bank, which comprise the balance sheet as of December 31, 2012, and the related statements of income, comprehensive income, stockholders equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Valley Green Bank as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Allentown, Pennsylvania

March 26, 2013

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Valley Green Bank

Balance Sheets

(in thousands, except share data)

	June 30, **2014** (unaudited)	December 31, 2013	2012
Assets			
Cash and due from banks	**$ 4,780**	$ 4,027	$ 7,000
Federal funds sold	**19,162**	12,604	17,837
Cash and cash equivalents	**23,942**	16,631	24,837
Restricted stock, at cost	**847**	610	485
Investment securities available-for-sale	**12,626**	13,052	20,612
Loans receivable, net of allowance for loan losses of $2,457 at June 30, 2014 (unaudited), $2,846 at December 31, 2013 and $2,320 at December 31, 2012	**346,157**	320,541	245,792
Loans held for sale			126
Premises and equipment, net	**3,124**	3,278	1,862
Other real estate owned	**497**	545	123
Accrued interest receivable	**1,059**	1,023	842
Deferred tax asset, net	**630**	1,050	544
Other assets	**670**	572	171
Total Assets	**$ 389,552**	$ 357,302	$ 295,394
Liabilities and Stockholders Equity			
Liabilities			
Deposits:			
Noninterest-bearing	**$ 44,686**	$ 42,217	$ 36,359
Interest-bearing	**308,547**	282,748	232,632
Total deposits	**353,233**	324,965	268,991
Accrued interest payable	**439**	349	375
Taxes payable	**338**	235	247
Other liabilities	**584**	510	213

Total Liabilities	**354,594**	326,059	269,826
Stockholders Equity			
Preferred stock, no stated par value; $1,000 liquidation value; authorized 4,995,000 shares at June 30, 2014 (unaudited) and December 31, 2013 and 5,000,000 shares at December 31, 2012; -0- shares issued and outstanding at June 30, 2014 (unaudited) and December 31, 2013 and 5,000 shares issued and outstanding at December 31, 2012			5,000
Common stock, $1 par value; authorized 15,000,000 shares; issued and outstanding June 30, 2014 (unaudited) 2,798,703 shares; December 31, 2013 2,716,829 shares; December 31, 2012 1,993,380 shares	**2,799**	2,717	1,994
Surplus	**24,708**	23,988	18,054
Retained earnings	**7,695**	5,083	494
Accumulated other comprehensive (loss) income	**(244)**	(545)	26
Total Stockholders Equity	**34,958**	31,243	25,568
Total Liabilities and Stockholders Equity	**$ 389,552**	$ 357,302	$ 295,394

See accompanying notes to financial statements.

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Valley Green Bank

Statements of Income

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,		Years Ended December 31,	
	2014	2013	2014	2013	2013	2012
	(unaudited)		(unaudited)			
Interest Income						
Loans, including fees	**$ 5,057**	$ 4,251	**$ 9,924**	$ 8,260	$ 17,503	$ 14,182
Securities	**59**	55	**117**	114	220	156
Federal funds sold	**8**	3	**14**	11	29	33
Other			**1**		1	
Total Interest Income	**5,124**	4,309	**10,056**	8,385	17,753	14,371
Interest Expense						
Deposits	**519**	436	**993**	886	1,826	1,783
Federal funds purchased and Federal Home Loan borrowings					3	
Total Interest Expense	**519**	436	**993**	886	1,829	1,783
Net interest income	**4,605**	3,873	**9,063**	7,499	15,924	12,588
Provision for Loan Losses	**464**	220	**499**	461	701	1,528
Net interest income after provision for loan losses	**4,141**	3,653	**8,564**			