



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

The Ephrata National Bank
Charter Number: 2515

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Ephrata, Pennsylvania 17522

Office of the Comptroller of the Currency

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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated “**Outstanding.**”

The following table indicates the performance level of **The Ephrata National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	THE EPHRATA NATIONAL BANK Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- ENB’s lending levels reflect excellent responsiveness to community credit needs.
- A substantial majority of ENB’s loans were originated within its AA. Lending levels reflect excellent responsiveness to credit needs given the high level of competition from larger financial institutions in the AA.
- The distribution of loans to borrowers of different income levels and businesses of different sizes is excellent. This distribution of loans reflects excellent penetration among home mortgage, and consumer borrowers of different income levels, as well as businesses and farmers of different sizes based on the AA’s demographics.
- Qualified Investments demonstrate good responsiveness to the community revitalization and affordable housing needs within the AA.
- Banking services are accessible to all portions of the AA, including moderate-income geographies, and individuals of low- and moderate-income.
- Bank employees provide an adequate level of community development services within the AA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that

represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by non-farm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

The Ephrata National Bank (ENB) is a \$558 million independent intrastate bank. Its main office is located in the downtown area of Ephrata, Pennsylvania. The institution received its charter in 1881 and remains a full service bank. The bank offers a wide array of traditional deposit and loan products, which includes an active agricultural loan department servicing the needs of the many small farms operating within its AA. ENB's previous CRA examination was conducted as of September 13, 2002 at which time the bank was assigned an overall rating of "Satisfactory." ENB has no subsidiaries or affiliates, and has not been involved in any mergers or acquisitions during the evaluation period. There are no other financial or legal impediments impacting ENB's ability to help meet the credit needs of the community.

The bank functions as a community bank, operating from its seven branches all located in Northern Lancaster County, Pennsylvania. The bank's AA also includes the adjacent Census Tracts along its northern border in Berks County and Lebanon County. ENB's strategy is to provide consumer, commercial and agricultural loan and deposit products to its customers. The bank's philosophy is to provide exceptional customer service by committing to courtesy, accuracy, responsiveness and empowerment of all their employees. Employee empowerment is enhanced by annual mandated training for all employees at the Ephrata National Bank University. The University is a fully integrated training facility and knowledge delivery system. The University has a catalogue of courses, and each employee receives approximately 40 hours of classroom training per year.

As of December 31, 2004 net loans represented 55% of total bank assets. Mortgages secured by liens on 1-4 residential properties accounted for 39% of the portfolio, and loans secured by liens on non-farm and non-residential properties, which are mostly commercial properties, accounted for 23% of the portfolio. Loans made for commercial and industrial purposes, but are not secured by real estate, account for 9% of the portfolio. Agricultural loans totaled 13% of the portfolio. Farm mortgages account for 9%, while 4% of the loans were made to finance agricultural production. The bank's Tier One Capital as of the same date was \$64 million.

Scope of the Evaluation

Evaluation Period/Products Evaluated:

The evaluation period for the Lending Test, with the exception of community development (CD) loans, consists of three distinct time periods: January 1, 2002 to December 31, 2002 (2002 evaluation period); January 1, 2003 to December 31, 2003 (2003 evaluation period); and January 1, 2004 to December 31, 2004 (2004 evaluation period). The 2002 evaluation period incorporates the use of 1990 Census demographic information, while the 2003 evaluation periods incorporates the use of 2000 Census demographic information. The 2004 evaluation period uses 2000 Census demographic information updated in 2004 to reflect new Office of Management and Budget (OMB) MSA / MD definitions and boundaries. The evaluation period for CD loans, Investment Test and Service Test is September 14, 2002 to October 5, 2005.

For the Lending Test we evaluated home mortgage loans (home purchase, mortgage refinance and home improvement), small loans to businesses, small loans to farms, consumer loans, and community development loans. Bank management requested that consumer loans be included in the examination scope. Consumer Loans constitute a substantial portion of the bank's lending business.

New CRA procedures instituted September 1, 2005, by the Federal Financial Institutions Examinations Council (FFIEC), would have allowed ENB to be evaluated under the Intermediate Small Institution Examination guidelines. Nevertheless, bank management chose to have the examination conducted under the Large Bank-CRA procedures.

Data Integrity:

ENB's publicly filed information for Home Mortgage Disclosure Act (HMDA) reportable loans and small loans to businesses were tested for accuracy. Results of this testing evidenced the data is sufficiently accurate for purposes of this CRA evaluation.

Selection of Areas for Full-Scope Review:

We performed a full scope review on the Lancaster County, Pennsylvania MSA# 29540. This MSA accounts for 97.9% of all the reported loans during the evaluation period, and all of the bank's branches are located within this MSA. Limited scope reviews were performed for the Lebanon County, Pennsylvania MSA# 30140, and Berks County, which is located in the Reading, Pennsylvania MSA# 39740. The limited scope areas accounted for only 2.1% of all reported loans during the evaluation period, and no ENB branches are located in either MSA.

Ratings:

The bank's overall rating is primarily based on the full scope review of the Lancaster County MSA# 29540. Little weight was given to the limited-scope review areas, since less than 4% of all loans were generated in these tracts, and the bank has no branches within these CTS. The borrower income distribution of home mortgage loans, loans to small businesses, loans to small farms, and consumer loans were weighted most heavily in determining conclusions for the lending test. They represent primary loan products for the bank. We gave the most weight in our analysis to small loans to businesses, since they accounted for 47.3%, and a majority of all reported loans. No weight was given to the geographic distribution of loans, since the bank has extremely limited opportunity to lend in these tracts. The bank does not have any low-income tracts, and only one moderate-income tract. This single moderate-income tract contains only 1.67% of all owner-occupied housing units within the Lancaster MSA 29540 AA. This fact, combined with the large number of national finance companies and large out-of-state lenders competing for this small pool of loans, severely curtails the bank's geographic distribution lending opportunities. In addition, we also took into consideration whether community development (CD) loans had a positive or neutral impact on the examination by determining the extent to which CD loans addressed difficult-to-meet community credit needs.

We tested investments to see if they met the definition of community development and considered the extent to which the investments meet the credit and community development needs of the AA. Finally, we evaluated the bank's performance in providing innovative and flexible-lending products to address the credit needs of low- or moderate-income individuals or geographies.

Other:

In order to determine community credit needs and opportunities, during our examination the examiner held discussions with management, and performed a community contact. Community credit needs and opportunities are discussed in the Market profile in Appendix B.

During the review the examiner contacted one community group. The contact was with an official from a community redevelopment authority. The mission of the authority is to create economic opportunities throughout Central Pennsylvania with affordable loans, business counseling, and business training courses. The organization gets its funding from government block grants, institutional investors, and financial organizations. It uses funds to grant loans to start-up of new businesses, expansion of existing businesses, affordable housing, and community based loans to non-profits and community organizations. The official indicated that the county is in need of financing opportunities for new and small businesses, beyond the realm of second mortgage loans for small business purposes.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "Outstanding." Based upon the full-scope review, ENB's performance in the Lancaster County MSA# 29540 AA is excellent.

Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Despite high levels of competition from national mortgage lenders and large out-of-state, money-center banks, ENB's lending activity is excellent, and reflects its responsiveness to the credit needs in the AA. ENB's loan-to-deposit ratio over the past thirteen quarters (06-30-02 to 06-30-05) averaged 73%. This ratio demonstrates that ENB is an active lender.

Lancaster County MSA# 29540 - 2002

During the 2002 evaluation period, ENB extended 396 home mortgage loans, 758 small loans to businesses, and 299 small loans to farms were originated or purchased. The approximate total of all three categories of loans made in the Lancaster County MSA is \$108 million. Twenty-seven percent were home mortgage loans, 52% were small loans to businesses, and 21% were small loans to farms. Among home mortgage loans, 41% were for refinance, 32% were for home improvements, and 27% were for home purchase.

Home Mortgage Loans

ENB's origination market share of home purchase loans, home improvement loans, and home refinance loans, is lower than its deposit market share. However, this market share is skewed due to the high number of competitive lending institutions. Based upon FDIC Summary Deposit Reports as of June 30, 2002, there are only twenty banking institutions that contribute to deposit market share. There are, however, 368 mortgage lending institutions competing for home mortgage loans within the AA. When ENB's loan ranking is analyzed within the twenty banking institutions, ENB's loan ranking exceeds its deposit ranking.

ENB ranks sixth in deposits and has a 5.59% market share. Based upon 2002 Peer Mortgage Data, the bank ranks fifth among these twenty banking institutions for total home mortgage loans. ENB ranks sixth for home refinance mortgages; second for home improvement loans; and third for home purchase loans. ENB's loan market share in comparison to these twenty banks is not available.

In addition, there is strong competition from national mortgage lenders and large out-of-state banks. Overall ENB ranks 17th out of 368 lenders in the AA for home mortgage loans, and has a 1.81% market share. ENB ranks 15th out of 239 lenders in home purchase loans with a 1.79% market share; 3rd out of 98 lenders in home improvement loans with a 7.15% market share; and 25th out of 304 lenders for home refinance loans with a 1.15% market share. The lending levels reflected excellent responsiveness by ENB to the credit needs in the Lancaster County MSA# 29540 AA.

Small Loans to Businesses

The overall market share of small loans to businesses is near to the bank's deposit market share. However, this market share is skewed due to the high number of competitive lending institutions. There are only twenty banking institutions that contribute to market share, but there are 104 lending institutions that compete for small loans to business in the AA. When compared to the twenty banking institutions, ENB's small loans to businesses ranking exceeds its deposit ranking.

Based on 2002 Peer Small Business Data, ENB ranks fourth among the twenty banking institutions, and overall tenth among 104 lenders for small loans to businesses, with a 3.02% market share. These lending levels reflect excellent responsiveness by ENB to the small business credit needs in the Lancaster County MSA# 29540 AA despite the strong competition from large national finance companies where the top four lending institutions have a 50.49% market share.

Small Loans to Farms

Based on 2002 aggregate data, ENB ranks overall first among 24 lenders for small loans to farms with a 19.37% market share. The lending levels reflected excellent responsiveness by ENB to the small farm credit needs in the Lancaster County MSA# 29540 AA.

Consumer Loans

ENB originated 1,137 consumer loans totaling approximately \$10.7 million during 2002. Loan types include motor vehicle, home equity, and other secured and unsecured consumer loans. For the purpose of gaining perspective for ENB consumer lending activity, originations during the 2002 evaluation period were equal to 18.7% of the bank's Tier One capital at that time. The lending levels reflected excellent responsiveness by ENB to the consumer credit needs in the Lancaster County MSA# 29540 AA. Peer data is not available for consumer loans.

Lancaster County MSA# 29540 - 2003

During the 2003 evaluation period, ENB extended 516 home mortgage loans, 585 small loans to businesses, and 313 small loans to farms. The approximate total of all three

categories of loans made in the Lancaster County MSA# 29540 AA is \$97 million. Home mortgage loans accounted for 36% of all loans made, while small loans to businesses accounted for 41%, and 22% accounted for small loans to a farms. Among home mortgage loans 54% were for refinance, 25% were for home improvements, and 21% were for home purchase.

Home Mortgage Loans

ENB's origination of home purchase loans, home improvement loans, and home refinance loans, is near to its deposit market share. However, this market share is skewed due to the high number of competitive lending institutions. Based upon FDIC Summary Deposit Reports as of June 30, 2003, there are only twenty-one banking institutions that contribute to deposit market share. There are, however, 435 mortgage lending institutions competing for home mortgage loans within the AA. When ENB's loan ranking is analyzed within the twenty-one banking institutions, ENB's loan ranking is near to its deposit ranking.

ENB ranks sixth in deposits and has a 5.54% deposit market share. Based upon 2003 Peer Mortgage Data, the bank ranks eighth among these twenty-one banking institutions for home mortgage loans. ENB ranks ninth for home refinance mortgages; second for home improvement loans; and third for home purchase loans. ENB's loan market share in comparison to these twenty-one banks is not available.

In addition, there is strong competition from national mortgage lenders and large out-of-state banks. Overall ENB ranks 18th out of 435 lenders in the AA for home mortgage loans, and has a 1.67% market share. ENB ranks 18th out of 268 lenders in home purchase loans with a 1.58% market share; 2nd out of 101 lenders in home improvement loans with a 7.00% market share; and 21st out of 363 lenders for home refinance loans with a 1.20% market share. The lending levels reflected good responsiveness by ENB to the credit needs in the Lancaster County MSA# 29540 AA.

Small Loans to Businesses

The overall market share of small loans to businesses is near to the bank's deposit market share. However, this market share is skewed due to the high number of competitive lending institutions. There are only twenty-one banking institutions that contribute to market share, but there are 102 lending institutions that compete for small loans to business in the AA. When compared to the twenty-one banking institutions, ENB's small loans to businesses ranking exceeds its deposit ranking.

Based on 2003 Peer Small Business Data, ENB ranks fifth among the twenty-one banking institutions, and overall 12th among 102 lenders granting small loans to businesses, with a 2.42% market share. These lending levels reflect excellent responsiveness by ENB to the small business credit needs in the Lancaster County MSA# 29540 AA despite the strong competition from large national finance companies where the top four lending institutions have a 52.50% market share.

Small Loans to Farms

The bank ranks second among 21 lenders for small loans to farms, with a 14.43% market share. The lending levels reflected excellent responsiveness by ENB to the small farm credit needs in the Lancaster County MSA# 29540 AA.

Consumer Loans

ENB originated 1,477 consumer loans totaling approximately \$16.6 million during 2003. Loan types include motor vehicle, home equity, and other secured and unsecured consumer loans. For the purpose of gaining perspective for ENB consumer lending activity, originations during the 2003 evaluation period were equal to 27.5% of Tier One capital at that time. The lending levels reflected excellent responsiveness by ENB to the consumer credit needs in the Lancaster County MSA# 29540 AA. Peer data is not available for consumer loans.

Lancaster County MSA# 29540 - 2004

During the 2004 evaluation period, ENB extended 332 home mortgage loans, 495 small loans to businesses, and 155 small loans to farms. The approximate total of all three categories of loans made in the Lancaster County MSA# 29540 AA is \$71.6 million. Thirty-four percent were home mortgage loans, 50% were small loans to businesses, and 16% were small loans to farms. Among home mortgage loans 28% were for refinance, 46% were for home improvements, and 26% were for home purchase. Peer comparison data for 2004 is not available at this time. ENB originated 1,553 consumer loans totaling approximately \$38 million during 2004. Loan types include motor vehicle, home equity, small business real estate secured loans, and other secured and unsecured consumer loans. For the purpose of gaining perspective for ENB consumer lending activity, originations during the 2004 evaluation period were equal to 59% of Tier One capital. The lending levels reflected excellent responsiveness by ENB to the credit needs in the Lancaster County MSA# 29540.

Distribution of Loans by Income Level of the Geography

A meaningful analysis cannot be derived from this portion of the examination since ENB does not have the lending opportunity to originate and purchase home mortgage loans, small loans to businesses, small loans to farms, and consumer loans in low- and moderate-income tracts. No weight is given to this portion of the Lending Test.

Based upon the 1990 Census Demographic Data, ENB's AA did not contain any low- or moderate-income tracts. The 2000 Census Demographic Data also shows no low-income tracts, however there is the addition of one moderate-income tract within the AA. This single moderate-income tract contains only 2.35% of the total population of the AA, while there are only 949 (1.67%) owner-occupied housing units within this moderate-income CT. The most recent Peer mortgage data (2003) shows there were 435 lending institutions competing to originate or purchase home mortgages to the 949 owner-occupied housing units within this moderate-income tract. In 2003 the top ten

mortgage lenders, all national mortgage companies and large banks, also had a 36.97% market share within the bank's AA for home mortgage loans. The high number of lending institutions competing for the small pool of loans in the single moderate-income tract, severely limits the bank's opportunity to lend in moderate-income geographies.

Likewise, the top ten lending institutions granting small loans to businesses are all national finance companies and large banks, which held a 75.7% market share. Since only 1.98% of all the businesses within the bank's AA are located within the single moderate-income tract, opportunity to lend in this tract is also severely curtailed.

Lancaster County MSA# 29540 AA - 2002

Meaningful geographic distribution analysis, for this evaluation period, cannot be derived since there were no low- or moderate-income tracts contained within the bank's AA.

Lending Gap Analysis

No unexplained or conspicuous gaps in lending patterns were identified based upon the analysis of ENB's mortgage, small business, small farm, or consumer lending activity over the evaluation period.

Inside/Outside Ratio

A substantial majority (93.01%) of home mortgage loans, small loans to businesses, small loans to farms, and consumer loans were made within the bank's designated AA.

The following results are based upon 2002 HMDA reporting data:

- 84.62% of home purchase loans were made within the AA.
- 93.91% of home refinance loans were made within the AA.
- 97.12% of home improvement loans were made within the AA.
- 93.42% of small loans to businesses were made within the AA.
- 86.39% of small loans to farms were made within the AA.
- 93.84% of consumer loans were made within the AA.

Lancaster County MSA# 29540 AA - 2003

In 2003 we see the addition of a single moderate-income tract to the bank's AA. This lack of lending opportunity in the moderate-income tract, as described above, severely curtails the bank's geographic lending performance. Thus a meaningful analysis cannot be derived from this portion of the Lending Test.

Lending Gap Analysis

No unexplained or conspicuous gaps in lending patterns were identified based upon the analysis of ENB's mortgage, small business, small farm, or consumer lending activity over the evaluation period.

Inside/Outside Ratio

A substantial majority (93.78%) of home mortgage loans, small loans to businesses, small loans to farms, and consumer loans are made within the bank's designated AA.

The following results are based upon 2003 HMDA reporting data:

- 86.39% of home purchase loans were made within the AA.
- 92.33% of home refinance loans were made within the AA.
- 93.46% of home improvement loans were made within the AA.
- 95.06% of small loans to businesses were made within the AA.
- 89.59% of small loans to farms were made within the AA.
- 95.37% of consumer loans were made within the AA.

Lancaster County MSA# 29540 AA - 2004

Opportunities to lend to moderate-income geographies are severely limited as described above. Thus no meaningful conclusion can be derived from this portion of the Lending Test.

Lending Gap Analysis

No unexplained or conspicuous gaps in lending patterns were identified based upon the analysis of ENB's mortgage, small business, small farm, or consumer lending activity over the evaluation period.

Inside/Outside Ratio

A substantial majority (93.01%) of home mortgage loans, small loans to businesses, small loans to farms, and consumer loans are made within the bank's designated AA.

The following results are based upon 2004HMDA reporting data:

- 94.83% of home purchase loans were made within the AA.
- 91.30% of home refinance loans were made within the AA.
- 92.74% of home improvement loans were made within the AA.
- 92.31% of small loans to businesses were made within the AA.
- 81.61% of small loans to farms were made within the AA.
- 93.38% consumer loans were made within the AA.

Summation: Due to the lack of lending opportunity there is no weight given to the Geographic Distribution of loans in this portion of the Lending Test.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution is excellent for home mortgage loans, small loans to businesses, small loans to farms, and consumer loans originated or purchased within the Lancaster County MSA# 29540.

Lancaster County MSA# 29540 AA - 2002

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home purchase loan distribution by borrower income level is good. ENB's lending to low-income families is lower than the percentage of low-income families, however lending to moderate-income families significantly exceeds the number of moderate-income families. The market share of home purchase loans to low-income families exceeds the bank's overall market share, while the market share of loans to moderate-income families is near to the bank's overall market share.

Home improvement loan distribution by borrower income level is good. The bank's lending to low-income families is lower than the percentage of low-income families, while lending to moderate-income families exceeds the percentage of moderate-income families. The market share of home improvement loans to low-income families is lower than the bank's overall market share of home improvement loans, while loans to moderate-income families exceeds the bank's market share.

Home refinance distribution by borrower income level is good. Lending to low-income families is significantly lower than the percentage of low-income families, while lending to moderate-income borrowers exceeds the percentage of moderate-income borrowers. The market share of home refinance loans to low- and moderate-income families exceeds the bank's overall market share.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Borrower distribution of small loans to businesses is excellent, despite the strong competition for such loans within the AA. The percentage of bank loans made to businesses with revenues of \$1 million or less significantly exceeds the percentage of businesses with revenues of \$1 million or less. Based upon 2002 Peer Small Business Date, the bank's market share of loans to businesses with revenues of less than \$1 million significantly exceeds its overall market share.

Small Loans to Farms

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

Borrower distribution of small loans to farms is excellent. The percentage of bank loans made to farms with revenues of \$1 million or less exceeds the percentage of farms with revenues of \$1 million or less. Based upon 2002 Peer Small Business Data, the bank's market share of loans to farms with revenues of less than \$1 million significantly exceeds its overall market share.

Consumer Loans

Borrower distribution of consumer loans is excellent. The percentage of bank loans to low- and moderate-income borrowers significantly exceeds the percentage of low- and moderate-income borrowers.

Lancaster County MSA# 29540 AA - 2003

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home purchase loan distribution by borrower income level is excellent. ENB's lending to low-income families is near to the percentage of low-income families, while lending to moderate-income families significantly exceeds the percentage of moderate-income families within the AA. The market share of home purchase loans to low- and moderate-income families exceeds the bank's overall market share for home purchase loans.

Home improvement loan distribution by borrower income level is adequate. The bank's lending to low-income families is significantly lower than the percentage of low-income families, while lending to moderate-income families significantly exceeds the percentage of moderate-income families within the AA. The market share of home improvement loans to low-income families is significantly lower than the bank's overall market share of home improvement loans, while the market share of home improvement loans to moderate income families exceeds the bank's overall market share.

Home refinance distribution by borrower income level is adequate. Lending to low-income families is significantly lower than the percentage of low-income families, while lending to moderate-income borrowers is near to the number of moderate-income borrowers within the AA. The market share of home refinance loans to low- and moderate-income families is near to the bank's overall market share of home refinance loans.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Borrower distribution of small loans to businesses is excellent. The percentage of bank loans made to businesses with revenues of \$1 million or less significantly exceeds the

percentage of businesses with revenues of \$1 million or less. Based upon 2003 Peer Small Business Data, the bank's market share of loans to businesses with revenues of less than \$1million exceeds it's overall market share of small loans to businesses.

Small Loans to Farms

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Borrower distribution of small loans to farms is excellent. The percentage of bank loans made to farms with revenues of \$1 million or less significantly exceeds the percentage of farms with revenues of \$1 million or less. Based upon 2003 Peer Small Business Data, the bank's market share of loans to farms with revenues of less than \$1million significantly exceeds it's overall market share of small loans to farms.

Consumer Loans

Borrower distribution of consumer loans is excellent. The percentage of bank loans to low- and moderate-income income borrowers significantly exceeds the percentage of low-income borrowers within the AA.

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Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home purchase loan distribution by borrower income level is good. ENB's lending to low-income families is significantly lower than the percentage of low-income families, however lending to moderate-income families significantly exceeds the percentage of moderate-income families. Market share cannot be determined, since peer data is not available for 2004.

Home improvement loan distribution by borrower income level is good. The bank's lending to low-income families is lower than the percentage of low-income families, while the lending to moderate-income families significantly exceeds the percentage of moderate-income families within the AA. Market share cannot be determined since peer data is not available for 2004.

Home refinance distribution by borrower income level is poor. Lending to low- and moderate-income families is lower than the percentage of low- and moderate-income families within the AA. Market share cannot be determined, since peer data is not available for 2004.

Small Loans to Businesses

Borrower distribution of small loans to businesses is excellent. The percentage of small loans made to businesses with revenues of \$1 million or less significantly exceeds the

percentage of businesses within the AA that generate revenues of \$1 million or less. Peer data is not available for 2004.

Small Loans to Farms

Borrower distribution of small loans to farms is excellent. The percentage of bank loans made to farms with revenues of \$1 million or less significantly exceeds the percentage of farms within the AA that generate revenues of \$1 million or less. Peer data is not available for 2004.

Consumer Loans

Borrower distribution of consumer loans is excellent. The percentage of bank loans to low- and moderate-income borrowers significantly exceeds the percentage of low-income borrowers within the AA.

Community Development (CD) Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

CD lending has a neutral impact on the Lending Test. During the evaluation period there were no CD loans extended. The bank may have HMDA reportable loans with community development characteristics and purposes; however, ENB does not track such loans.

Product Innovation and Flexibility

The bank makes use of innovative and flexible lending practices to address the specific credit needs of the community, and as a result offers significant value to its customers. Some of the products, while not new in concept, are new and innovative to the bank's particular market. This is evident in small loans to farms. Agricultural lending is one of the primary credit needs for all of the small farmers within the bank's AA. The bank offers a wide variety of agricultural loan products for equipment purchases, crop and herd financing and land financing. Repayment of these loans may be done through flexible repayment schedules based on the seasonal cash flow of the farmer. Thus, payments may be larger during periods of high cash flow, and lower during periods of low cash flow. The bank's computer system allows the bank to set a repayment schedule that will mirror the cash flow of the borrower. The bank also accommodates the agricultural borrowers by flexible hours. The agricultural loan department opens at 6:00AM to meet the needs of the farmers.

Many low- and moderate-income individuals have a need to borrow money in small amounts, and pay it back in installments over a period of time. While most banks set a minimum loan amount of \$1,000, ENB sets no minimum amount for installment loans. During the evaluation period the bank originated approximately 300 loans of small amounts under \$1,000, some with original loan amounts as low as \$200. This product

also offers low- and moderate-income individuals an alternative to predatory “pay-day” lending.

The bank grants Keystone Best student loans. This product provides for a discount in the interest rate after 48 consecutive payments have been made on time. The bank originated 7,870 such loans during the evaluation period.

The bank offers participation, for first time homebuyers with low- or moderate income, with the Lancaster Housing Opportunity Partnership (LHOP). These loans allow low- and moderate-income individuals the ability to purchase a home with minimal cash down payment. LHOP will provide 8% of the purchase price, up to a maximum amount of \$10 thousand to a homebuyer. LHOP secures this loan with a junior mortgage behind the bank’s purchase money mortgage. The maximum purchase price of a home is limited to \$133 thousand, and closing costs are limited to \$500. The junior mortgage is interest free, and scheduled payments are not required. The LHOP loan is paid when the mortgagor either sells, refinances, or transfers title to the home. As of the evaluation, ENB has not closed any loans with LHOP.

The bank also offers Fannie Mae “My Community Mortgage” products for low- and moderate-income borrowers. This product allows higher LTVs (97% to 100%), accepts lower credit scores, higher debt service ratios, and a \$500 minimum contribution from the borrower’s own funds. The product also offer 105% LTV for specific employment types.

The bank does not impose a pre-payment penalty on small loans to businesses, secured by mortgages, when the loans are paid off in advance. The bank’s philosophy is that debt reduction should be rewarded and not punished by penalty payment. The bank makes no distinction whether the payoff funds are from working capital or refinancing.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the lending test in the Lebanon MSA# 30140 and Berks MSA# 39740 are not consistent with the bank’s overall “Outstanding” performance under the lending test. In the Lebanon and Berks MSAs the bank does not have any branches, therefore it has no market share of deposits. In addition, loan originations are so nominal, that an analysis of these MSAs does not provide any meaningful conclusion. Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

ENB’s performance under the Investment Test is rated “High Satisfactory.” The bank’s response to credit and community development opportunities available within the AA is good.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments. Overall investment opportunities within the AA include grants and donations to non-profit organizations that provide housing and community development related services to low- and moderate-income level individuals and families. Other investments include mortgage-backed securities that fund home mortgage loans to low- and moderate-income borrowers.

The current period investments total \$2.9 million. ENB has a single community development investment. The investment is a portion of a \$1 billion private offering by Access Capital Strategies Community Investment Fund, Inc. (ACSCIF). The fund primarily invests in private placement debt securities specifically designed to support underlying community development activities targeted to serve low- and moderate-income individuals such as affordable housing, education, and small business lending. The fund invests only in securities, which have or are enhanced by entities with the highest NRSRO rating, guaranteed by U.S. Government agencies, or U.S. Government sponsored entities.

ENB's CD investments specifically target the credit and community development needs of the AA. All of the investments purchased by ENB were used to fund mortgages for the acquisition of 69 homes by low- and moderate-income borrowers. Nineteen of the acquired properties are located in low- and moderate-income CTs. All of the mortgages secure properties located in Lancaster, Lebanon and Berks County. Fifty-nine of the properties were acquired in 2002, one in 2003 and nine were acquired in 2004. There are no investments, still outstanding, that were acquired prior to the evaluation period. Total investments are equal to 4.4% of Tier One capital as of December 31, 2004. This type of private investment is not routinely made by other banks and shows innovation to meet the specific credit needs of the bank's AA.

During the evaluation period ENB funded 13 qualified grants totaling \$50 thousand to six community organizations within the AA. Of these totals, ten grants went to affordable housing organization and five grants went to organizations providing community development services benefiting low- and moderate-income individuals and families.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Berks and Lebanon County MSAs is consistent with the bank's overall "High Satisfactory" performance under the investment test. All of the investments purchased by ENB were used to fund mortgages for the acquisition of 69 homes by low- and moderate-income borrowers. A majority of the homes purchased by such low- and moderate-income borrowers were located in Berks and Lebanon Counties.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory"

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

ENB's service delivery systems are accessible to geographies and individuals of different income levels in its assessment area. Six (86%) of the branch locations are in middle-income tracts, and one (14%) is in an upper-income tract. The Hinkletown's

Office is located in a CT that is contiguous to the single moderate-income tract located within the bank's AA. Access to the branch is available via main thoroughfares. A new branch is under construction in Blue Ball, Pennsylvania. Completion is expected in March 2006. This branch is located in a middle-income CT, which is also contiguous to the single moderate-income CT. The bank opened a new branch during the evaluation period located at 3190 Lititz Pike, Lititz, Pennsylvania, which opened on January 16, 2002. The branch is located in a middle-income tract. The bank has not closed any branches, and there are no low-income tracts within the bank's AA.

ENB delivers banking services throughout the entire AA with its 7 full service branch locations. All of the branches have extended evening hours at least one evening per week, and all have Saturday morning hours. All branches are equipped with ATMs and drive-up facilities. The bank also has one remote cash-dispensing machine located in the Ephrata Hospital. The bank's agricultural loan department is open for business at 6:00a.m. in order to accommodate the needs of local farmers.

Office hours provide convenience and reasonable access for the entire community. Continued growth of the bank customer base during the evaluation period indicates that the hours are meeting the needs of the community. Services offered to all customers are consistent with, and do not preclude convenient access to low- and moderate-income individuals living within the AA.

ENB has an assortment of products that assist low- and moderate-income individuals and families. The bank offers a variable rate IRA product that requires a minimum of \$10 to open, with minimum deposits of \$10. This allows low- and moderate-income individuals and families the ability to begin a retirement plan without large initial deposits. In addition, the bank offers a free checking account called Classic Checking. The first 50 checks are provided free, afterward the customer pays for checks, otherwise there are no fees associated with this account. The bank also provides the opportunity for individuals to apply for overdraft protection. This is not a line of credit, but allows the bank to pay overdrafts. The customer is not charged a service fee, but only pays interest at the rate of 12% for the amount of the overdraft for the number of days the account is overdrawn. Thus an account overdrawn for \$1 thousand would pay interest in the approximate amount of 33 cents per day. The bank offers free phone banking to all of its customers. The bank charges a one-time fee of \$5 for the issuance of an ATM card. Outside of the initial charge there are no other charges imposed by the bank for the use of the card. The bank also offers Internet banking. There is a one-time fee of \$10, and \$5 per month if the customer wishes to use bill-paying capabilities.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Berks and Lebanon County MSAs is not consistent with the bank's overall "High Satisfactory" performance under the Service Test. The bank has no branches in these MSAs.

Community Development Services

ENB provides an adequate level of community development services within its AA. Community development activities include involvement by several officers and employees of ENB that benefit several community development oriented organizations.

An executive officer of the bank sits on the board of directors of a local social services organization. This organization provides help to low- and moderate-income families who are in need by granting food donations, clothing donations, assisting in the payment of utility bills and prescription costs.

Another executive officer sits on the board of directors of a retirement community, and organized the collection of \$1.4 million in donations to be used as charitable care in 2004 to help low- and moderate-income individuals with their retirement community expenses.

An officer sits on the executive committee of a medical clinic, which provides medical care to those low- and moderate-income families and individuals.

Another officer sits on the board of a local organization that provides care and counseling for children in need from low- and moderate-income families.

During the review period the bank organized two teams that participated in the construction of homes for Habitat for Humanity.

An employee of the bank is a member of the board of directors of an organization that provides ministry to inmates of local prisons.

Another employee is a member of a woman's organization that secures funds through donations and uses these funds for scholarships for students of low- and moderate-income families. The organization also collects food and distributes the food to those in need.

An employee is a volunteer for a local pregnancy service, which provides care and counseling for young women of low-income families who are pregnant, and counseling to those who are not.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term "full-scope") and those that received a less comprehensive review (designated by the term "limited-scope").

Time Period Reviewed	Lending Test (excludes CD Loans): January 1, 2002 to December 31, 2004	
	Investment and Service Tests and CD Loans: September 14, 2002 to October 5, 2005	
Financial Institution	Products Reviewed	
The Ephrata National Bank Ephrata, Pennsylvania	HMDA reportable loans, small loans to businesses, small loans to farms, consumer loans, Investments and Services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
No affiliate products	No Affiliate Relationships	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Lancaster County MSA# 29540 Lebanon County MSA# 30140 Berks County MSA# 39740	Full Scope Review Limited Scope Review Limited Scope Review	

Appendix B: Market Profiles for Full-Scope Areas

Lancaster County MSA# 29540 AA

Demographic Information for Full-Scope Area: Lancaster County MSA# 29540 AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	40	0.00	2.63	81.58	15.79	0.00

Population by Geography	207,735	0.00	2.35	78.11	19.54	0.00
Owner-Occupied Housing by Geography	56,714	0.00	1.67	77.20	21.13	0.00
Businesses by Geography	17,248	0.00	2.06	77.11	20.83	0.00
Farms by Geography	1,001	0.00	1.90	89.51	8.59	0.00
Family Distribution by Income Level	57,217	12.23	19.29	26.94	41.53	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	18,037	0.00	3.29	82.75	13.95	0.00
Median Family Income	52,443	Median Housing Value				107,607
HUD Adjusted Median Family Income for 2004	61,000	Unemployment Rate				1.56%
Households Below Poverty Level	7.02%					

Source: 2000 U.S. Census, and 2004 HUD updated MFI.

Description of the Assessment Area

ENB's AA is comprised of fifty-six CTs, which are portions of three MSAs. These include Lancaster County MSA# 29540, Berks County MSA# 39740 and Lebanon County MSA# 30140. The Berks and Lebanon AAs are adjacent to the Lancaster AA on its northern border. The full scope review was performed on the Lancaster AA, which consists of 40 contiguous tracts all located in Northern Lancaster County. There are no low-income tracts, and 1 moderate-income tract in this area. All of the ENB branches are located in the Lancaster AA. The Berk's AA consists of 7 tracts of which 5 are middle-income and 2 are upper-income. The bank does not have any branches in this AA. The Lebanon AA consists of 9 tracts, of which 7 are middle-income and 2 are upper-income. The bank does not have any branches in this AA.

Based upon 1990 Census Demographic Data, the Lancaster AA did not contain any low- or moderate-income tracts. The 2000 Census Demographic Data resulted in the addition of 1 moderate-income tract within the Lancaster MSA. Based upon this 2000 Census Demographic Data, the majority of the tracts (45) are designated middle-income or 80.36%. Upper-income tracts (10) account for 17.86% of the total tracts, and moderate-income tract (1) accounts for 1.79% of the total tracts. There are no low-income tracts within the AA.

ENB's AA complies with regulatory requirements, and does not arbitrarily exclude low- and moderate-income areas. All market share data discussed in the PE is in reference to the bank's market share within its AA.

Lending opportunities to low- and moderate-income geographies are limited in the bank's AA. There are no low-income CTs. There is only 1 moderate-income CT, and

only 1.68% of the AA's total population resides within this tract. Only 1.17% of all owner-occupied housing is within the single moderate-income tract.

Based upon the 2000 Census Demographic Data, ENB's AA has a population of 289,924 that includes 80,022 households that are families. The 2004 updated HUD Adjusted Median Family Income for the AA is \$60,672. There are 110,192 total housing units within the AA. Of this total 81,183 are owner-occupied (73.67%), 25,213 are occupied rental units (22.88%), and 3,796 are vacant units (3.44%). There are 95,141 single-family 1-4 units, which account for 86.34% of all total housing units. Based upon 2000 Census Demographic Data, the median age of the housing stock in the AA is 30 years old, and the median housing value is \$125,565. Low-income is considered to be \$30,500 or less, which would make it difficult to afford the median housing value.

Lancaster County has one of the nation's most aggressive county-level growth-management programs. Fueled by a desire to protect the rural character of the county and the flavor of the local Amish culture, local policymakers enacted farmland protection programs (in the 1980s) and growth boundaries (in 1990) to hem in urban development.

Based upon an updated report dated September 2005 by the Commonwealth of Pennsylvania Center for Workforce Information and Analysis, the top employers in the AA are Lancaster County General Hospital, RR Donnelly & Sons, Ephrata Community Hospital, Manheim Auto Auction, and the County of Lancaster. Most of the employment within the AA is provided by manufacturing, construction, school districts, hospitals and nursing homes, large retail stores, and local, state, and federal government entities. The rate of unemployment in Lancaster County is 3.6%, and below that of the Commonwealth of Pennsylvania which is 4.6% for the same period.

Credit needs of the community were determined during this examination through discussions with management and community contact activities. Interviews were conducted with officials from a county redevelopment authority, and the other with a non-profit organization that provides housing for low-income and indigent individuals. Both of these agencies promote economic development with the bank's AA, while also addressing the needs of low-and moderate-income individuals residing within the community. These discussions ascertained the primary needs are affordable housing and small loans to businesses.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by

income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank's assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Community Development Loans" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of Assessment Area" is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.

Table 1. Other Products - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multifamily Loans - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to

\$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table 7. Geographic Distribution of Small Loans to Farms - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table 8. Borrower Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

Table 9. Borrower Distribution of Home Improvement Loans - See Table 8.

Table 10. Borrower Distribution of Refinance Loans - See Table 8.

Table 11. Borrower Distribution of Small Loans to Businesses - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of

the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1 – Lending Volume

LENDING VOLUME		Geography: EPHRATA NATIONAL BANK						Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Full Review:													
Lancaster AA	97.71	396	33,610	758	58,852	299	15,473	0	0	1,453	107,935	5.59%	
Lancaster AA	97.12	516	42,199	585	39,804	313	14,514	0	0	1,414	96,517	5.54%	
Lancaster AA	96.46	332	24,332	495	37,602	155	9,687	0	0	982	71,621	5.62%	
Limited Review													
Berks – 2002	0.67	7	658	2	79	1	75	0	0	10	812	0.00%	
Berks –2003	0.62	4	367	3	43	2	105	0	0	9	515	0.00%	
Berks - 2004	1.47	7	1,295	6	519	2	440	0	0	15	2,254	0.00%	
Lebanon - 2002	1.61	5	324	8	610	11	982	0	0	24	1,916	0.00%	
Lebanon - 2003	2.27	12	1,196	9	352	12	533	0	0	33	2,081	0.00%	
Lebanon - 2004	2.06	7	483	8	460	6	771	0	0	21	1,714	0.00%	

* Loan Data as of December 31, 2004. Rated Area refers to either the state or multi-state rating areas.

** The evaluation period for Community Development Loans is from January 1, 2002 to September 5, 2005

*** Deposit Data as of June 30, 2004. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Lending Volume - Other Products

LENDING VOLUME														
Geography: EPHRATA NATIONAL BANK														
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004														
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Other Unsecured Consumer		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Lancaster – 2002	99.13	1,137	10,667	0	0	0	0	386	3,402	0	0	18	123	5.59%
Lancaster – 2003	98.34	1,477	16,616	0	0	349	10,558	327	2,880	0	0	40	210	5.54%
Lancaster – 2004	97.67	1,553	38,103	382	24,493	234	6,740	267	2,430	0	0	38	605	5.62%
Limited Review:														
Berks – 2002	0.35	4	27	0	0	0	0	1	8	0	0	0	0	0.00%
Berks – 2003	1.07	16	290	0	0	10	247	3	33	0	0	0	0	0.00%
Berks – 2004	0.63	10	146	1	20	4	96	2	23	0	0	0	0	0.00%
Lebanon – 2002	0.52	6	30	0	0	0	0	1	14	0	0	0	0	0.00%
Lebanon – 2003	0.60	9	104	0	0	4	67	3	21	0	0	0	0	0.00%
Lebanon – 2004	1.70	27	1,358	13	1,015	6	288	2	36	0	0	0	0	0.00%

* Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is N/A.

*** Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: EPHRATA NATIONAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans						
Full Scope Review:																
Lancaster – 2002	105	95.45	0.00	0.00	0.00	0.00	81.78	99.05	18.22	0.95	2.24	0.00	0.00	2.91	0.09	
Lancaster – 2003	105	95.45	0.00	0.00	1.58	0.00	80.83	98.10	17.59	1.90	2.13	0.00	0.00	2.72	0.18	
Lancaster – 2004	87	93.55	0.00	0.00	1.67	0.00	77.20	94.25	21.13	5.75	N/A	N/A	N/A	N/A	N/A	
Limited Scope Review:																
Berks – 2002	4	3.64	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.33	0.00	0.00	0.33	0.00	
Berks – 2003	2	1.82	0.00	0.00	0.00	0.00	74.40	50.00	25.60	50.00	0.14	0.00	0.00	0.09	0.33	
Berks – 2004	4	4.30	0.00	0.00	0.00	0.00	74.40	75.00	25.60	25.00	N/A	N/A	N/A	N/A	N/A	
Lebanon – 2002	1	0.91	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.23	0.00	0.00	0.23	0.00	
Lebanon – 2003	3	2.73	0.00	0.00	9.33	0.00	78.41	100.0	12.26	0.00	0.40	0.00	0.00	0.54	0.00	
Lebanon – 2004	2	2.15	0.00	0.00	0.00	0.00	75.19	100.0	24.81	0.00	N/A	N/A	N/A	N/A	N/A	

* Home purchase loans originated and purchased in the MA / AA as a percentage of all home purchase loans originated and purchased in the rated area.

** Percentage of owner occupied units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the AA based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: EPHRATA NATIONAL BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans						
Full Scope Review:																
Lancaster – 2002	122	96.06	0.00	0.00	0.00	0.00	81.78	99.18	18.22	0.82	12.71	0.00	0.00	14.77	0.71	
Lancaster – 2003	131	99.24	0.00	0.00	1.58	0.76	80.83	96.95	17.59	2.29	14.22	0.00	20.00	16.18	2.29	
Lancaster – 2004	152	96.82	0.00	0.00	1.67	0.00	77.20	98.68	21.13	1.32	N/A	N/A	N/A	N/A	N/A	
Limited Scope Review:																
Berks – 2002	1	0.79	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.58	0.00	0.00	0.58	0.00	
Berks – 2003	0	0.00	0.00	0.00	0.00	0.00	74.40	0.00	25.60	0.00	0.00	0.00	0.00	0.00	0.00	
Berks – 2004	3	1.91	0.00	0.00	0.00	0.00	74.40	33.33	25.60	66.67	N/A	N/A	N/A	N/A	N/A	
Lebanon – 2002	4	3.15	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	3.25	0.00	0.00	3.25	0.00	
Lebanon – 2003	1	0.76	0.00	0.00	9.33	0.00	78.41	100.0	12.26	0.00	0.63	0.00	0.00	0.80	0.00	
Lebanon - 2004	2	1.27	0.00	0.00	0.00	0.00	75.19	100.0	24.81	0.00	N/A	N/A	N/A	N/A	N/A	

* Home improvement loans originated and purchased in the MA / AA as a percentage of all home improvement loans originated and purchased in the rated AA.

** Percentage of owner occupied units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: EPHRATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Scope Review:															
Lancaster – 2002	162	98.78	0.00	0.00	0.00	0.00	81.78	98.15	18.22	1.85	2.17	0.00	0.00	2.87	0.16
Lancaster – 2003	274	96.82	0.00	0.00	1.58	0.00	80.83	97.81	17.59	2.19	2.14	0.00	0.00	2.79	0.19
Lancaster – 2004	93	96.88	0.00	0.00	1.67	0.00	77.20	98.92	21.13	1.08	N/A	N/A	N/A	N/A	N/A
Limited Scope Review:															
Berks – 2002	2	1.22	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.11	0.00	0.00	0.11	0.00
Berks – 2003	2	0.71	0.00	0.00	0.00	0.00	74.40	0.00	25.60	100.0	0.06	0.00	0.00	0.00	0.25
Berks – 2004	0	0.00	0.00	0.00	0.00	0.00	74.40	0.00	25.60	0.00	N/A	N/A	N/A	N/A	N/A
Lebanon – 2002	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lebanon – 2003	7	2.47	0.00	0.00	9.33	0.00	78.41	100.0	12.26	0.00	0.45	0.00	0.00	0.58	0.00
Lebanon - 2004	3	3.13	0.00	0.00	0.00	0.00	75.19	66.67	24.81	33.33	N/A	N/A	N/A	N/A	N/A

* Home refinance loans originated and purchased in the MA / AA as a percentage of all home refinance loans originated and purchased in the rate area.

** Percentage of owner occupied units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: EPHARATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total*	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Scope Review:															
Lancaster – 2002	758	98.70	0.00	0.00	0.00	0.00	81.03	98.42	18.97	1.58	5.67	5.45	0.78	6.86	0.88
Lancaster – 2003	585	97.99	0.00	0.00	1.98	1.20	82.78	97.44	15.25	1.37	4.39	0.00	0.84	5.33	0.71
Lancaster – 2004	495	97.25	0.00	0.00	2.06	0.40	77.11	97.78	20.83	1.82	N/A	N/A	N/A	N/A	N/A
Limited Scope Review:															
Berks – 2002	2	0.26	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.07	0.009	0.00	0.11	0.00
Berks – 2003	3	0.50	0.00	0.00	0.00	0.00	77.85	66.67	22.15	33.33	0.09	0.00	0.00	0.12	0.06
Berks – 2004	6	1.18	0.00	0.00	0.00	0.00	82.47	66.67	17.53	33.33	N/A	N/A	N/A	N/A	N/A
Lebanon – 2002	8	1.04	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.39	0.00	0.00	0.52	0.00
Lebanon – 2003	9	1.51	0.00	0.00	6.79	0.00	83.58	100.0	9.63	0.00	0.38	0.00	0.00	0.53	0.00
Lebanon - 2004	8	1.57	0.00	0.00	0.00	0.00	53.92	100.0	46.08	0.00	N/A	N/A	N/A	N/A	N/A

* Small loans to businesses originated and purchased in the MA / AA as a percentage of all small loans to businesses originated and purchased in the rated area.
 ** Source Data (Dun and Bradstreet – 2003)

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: EPHRATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total*	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Scope Review															
Lancaster – 2002	299	96.14	0.00	0.00	0.00	0.00	92.61	96.66	7.39	3.34	24.87	0.00	0.00	24.52	50.00
Lancaster – 2003	313	95.72	0.00	0.00	1.98	1.28	91.31	94.25	6.70	4.47	20.34	0.00	10.53	20.18	40.00
Lancaster – 2004	155	95.09	0.00	0.00	1.90	1.29	89.51	92.90	8.59	5.81	N/A	N/A	N/A	N/A	N/A
Limited Scope Review															
Berks – 2002	1	0.32	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	3.14	0.00	0.00	3.21	0.00
Berks – 2003	2	0.61	0.00	0.00	0.00	0.00	73.19	100.0	26.81	0.00	1.89	0.00	0.00	1.96	0.00
Berks – 2004	2	1.23	0.00	0.00	0.00	0.00	80.00	100.0	20.00	0.00	N/A	N/A	N/A	N/A	N/A
Lebanon – 2002	11	3.54	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	7.49	0.00	0.00	7.55	0.00
Lebanon – 2003	12	3.67	0.00	0.00	0.00	0.00	90.21	100.0	9.79	0.00	3.43	0.00	0.00	3.68	0.00
Lebanon - 2004	6	3.68	0.00	0.00	0.00	0.00	69.93	100.0	30.07	0.00	N/A	N/A	N/A	N/A	N/A

* Small loans to farms originated and purchased in the MA / AA as a percentage of all small loans to farms originated and purchased in the rated area.

** Source Data (Dun and Bradstreet – 2003)

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: EPHRATA NATIONAL BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share					
	#	% of Total [*]	% Families ^{**}	% BANK Loans ^{***}	% Families ^{**}	% BANK Loans	% Families ^{**}	% BANK Loans	% Families ^{**}	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Scope Review																
Lancaster – 2002	105	95.45	11.58	7.62	18.83	23.81	29.20	24.76	40.39	43.81	2.49	3.62	2.41	2.10	2.67	
Lancaster – 2003	105	95.45	12.13	10.58	19.27	29.81	26.93	27.88	41.67	31.73	2.43	2.72	2.61	2.07	2.57	
Lancaster – 2004	87	93.55	12.23	5.95	19.29	26.19	26.94	25.00	41.53	42.86	N/A	N/A	N/A	N/A	N/A	
Limited Scope Review																
Berks – 2002	4	3.64	11.90	0.00	17.49	25.00	27.27	25.00	43.34	50.00	0.37	0.00	0.50	0.34	0.37	
Berks – 2003	2	1.82	10.32	0.00	15.54	100.0	26.23	0.00	47.91	0.00	0.16	0.00	0.73	0.00	0.00	
Berks – 2004	4	4.30	10.32	25.00	15.54	25.00	26.23	25.00	47.91	25.00	N/A	N/A	N/A	N/A	N/A	
Lebanon – 2002	1	0.91	13.28	0.00	21.50	0.00	28.26	100.0	36.95	0.00	0.27	0.00	0.00	0.81	0.00	
Lebanon – 2003	3	2.73	15.32	0.00	20.18	66.67	24.86	0.00	39.64	33.33	0.46	0.00	1.08	0.00	0.46	
Lebanon - 2004	2	2.15	13.52	0.00	19.01	50.00	23.90	50.00	43.56	0.00	N/A	N/A	N/A	N/A	N/A	

^{*} As a percentage of loans with borrower income information available. No information is available for 3.0% of loans originated and purchased by the bank.

^{**} Percentage of families is based on 2000 Census information.

^{***} Home purchase loans originated and purchased in the MA / AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT Geography: EPHRATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total	% Families **	% BANK Loans ***	% Families**	% BANK Loans	% Families**	% BANK Loans	% Families**	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Scope Review															
Lancaster – 2002	122	96.06	11.58	7.38	18.83	20.49	29.20	34.43	40.39	37.70	13.10	11.43	16.77	13.25	11.83
Lancaster – 2003	131	99.24	12.13	6.87	19.27	28.24	26.93	34.35	41.67	30.53	14.52	7.96	18.69	15.73	13.11
Lancaster – 2004	152	96.82	12.23	7.33	19.29	26.67	26.94	34.00	41.53	32.00	N/A	N/A	N/A	N/A	N/A
Limited Scope Review															
Berks – 2002	1	0.79	11.90	0.00	17.49	0.00	27.27	0.00	43.34	100.0	0.60	0.00	0.00	0.00	1.19
Berks – 2003	0	0.00	10.32	0.00	15.54	0.00	26.23	0.00	47.91	0.00	0.00	0.00	0.00	0.00	0.00
Berks – 2004	3	1.91	10.32	33.33	15.54	0.00	26.23	0.00	47.91	66.67	N/A	N/A	N/A	N/A	N/A
Lebanon – 2002	4	3.15	13.28	0.00	21.50	0.00	28.26	50.00	36.95	50.00	3.48	0.00	0.00	4.17	4.88
Lebanon – 2003	1	0.76	15.32	100.0	20.18	0.00	24.86	0.00	39.64	0.00	0.65	4.00	0.00	0.00	0.00
Lebanon – 2004	2	1.27	13.52	0.00	19.01	0.00	23.90	50.00	43.56	50.00	N/A	N/A	N/A	N/A	N/A

* As a percentage of loans with borrower income information available. No information is available for 3.1% of loans originated and purchased by the bank.

** Percentage of families is based on 2000 Census information.

*** Home improvement loans originated and purchased in the MA / AA as a percentage of all home improvement loans

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE Geography: EPHRATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total	% Families **	% BANK Loans ***	% Families **	% BANK Loans ***	% Families **	% BANK Loans ***	% Families **	% BANK Loans ***	Over all	Low	Mod	Mid	Upp
Full Scope Review															
Lancaster – 2002	162	98.78	11.58	3.73	18.83	19.25	29.20	36.02	40.39	40.99	2.60	2.80	3.02	3.28	2.08
Lancaster – 2003	274	96.82	12.13	5.49	19.27	18.68	26.93	39.93	41.67	35.90	2.63	2.36	2.49	3.26	2.25
Lancaster – 2004	93	96.88	12.23	10.11	19.29	15.73	26.94	30.34	41.53	43.82	N/A	N/A	N/A	N/A	N/A
Limited Scope Review															
Berks – 2002	2	1.22	11.90	0.00	17.49	0.00	27.27	100.0	43.34	0.00	0.13	0.00	0.00	0.51	0.00
Berks – 2003	2	0.71	10.32	0.00	15.54	0.00	26.23	100.0	47.91	0.00	0.07	0.00	0.00	0.23	0.00
Berks - 2004	0	0.00	10.32	0.00	15.54	0.00	26.23	0.00	47.91	0.00	N/A	N/A	N/A	N/A	N/A
Lebanon – 2002	0	0.00	13.28	0.00	21.50	0.00	28.26	0.00	36.95	0.00	0.00	0.00	0.00	0.00	0.00
Lebanon – 2003	7	2.47	15.32	14.29	20.18	0.00	24.86	28.57	39.64	57.14	0.53	1.09	0.00	0.48	0.80
Lebanon - 2004	3	3.13	13.52	33.33	19.01	33.33	23.90	0.00	43.56	33.33	N/A	N/A	N/A	N/A	N/A

* As a percentage of loans with borrower income information available. No information is available for 5.1% of loans originated and purchased by bank.

** Percentage of families is based on 2000 Census information.

*** Home refinance loans originated and purchased in the MA / AA as a percentage of all home refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES Geography: EPHRATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total*	% of Businesses	% BANK Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Scope Review									
Lancaster – 2002	758	98.70	64.52	75.59	81.79	12.01	6.20	5.67	12.66
Lancaster – 2003	585	97.99	63.76	96.58	82.56	12.48	4.96	4.39	10.27
Lancaster – 2004	495	97.25	64.36	72.93	79.80	13.33	6.87	0.00	0.00
Limited Scope Review									
Berks – 2002	2	0.26	66.45	100.0	100.0	0.00	0.00	0.07	0.26
Berks – 2003	3	0.50	67.89	100.0	100.0	0.00	0.00	0.09	0.27
Berks – 2004	6	1.18	68.39	66.67	83.33	0.00	16.67	0.00	0.00
Lebanon – 2002	8	1.04	68.81	87.50	75.00	12.50	12.50	0.39	1.45
Lebanon – 2003	9	1.51	65.68	88.89	88.89	11.11	0.00	0.38	1.08
Lebanon - 2004	8	1.57	65.97	100.0	75.00	25.00	0.00	0.00	0.00

* Small loans to businesses originated and purchased in the MA / AA as a percentage of all small loans to businesses originated and purchased in the rated area.

** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source – Dun and Bradstreet – 2004)

*** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 5.49% of small loans to businesses originated and purchased by the bank.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS Geography: EPHRATA NATIONAL BANK Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total*	% of Farms**	% BANK Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Scope Review									
Lancaster – 2002	299	96.14	93.01	96.99	89.30	7.36	3.34	24.87	27.88
Lancaster – 2003	313	95.72	92.07	98.72	91.05	6.39	2.56	20.34	26.42
Lancaster – 2004	155	95.09	90.41	97.42	82.58	12.90	4.52	0.00	0.00
Limited Scope Review									
Berks – 2002	1	0.32	93.50	100.0	100.0	0.00	0.00	3.14	3.24
Berks – 2003	2	0.61	87.68	100.0	100.0	0.00	0.00	1.89	3.17
Berks – 2004	2	1.23	89.63	100.0	50.0	0.00	50.0	0.00	0.00
Lebanon – 2002	11	3.54	94.29	81.82	72.73	9.09	18.18	7.49	8.53
Lebanon – 2003	12	3.67	93.71	100.0	91.67	8.33	0.00	3.43	4.12
Lebanon - 2004	6	3.68	90.91	83.33	66.67	0.00	33.33	0.00	0.00

* Small loans to farms originated and purchased in the MA / AA as a percentage of all small loans to farms originated and purchased in the rated areas.

** Farms with revenues of \$1 million or less as a percentage of all farms (Source – Dun and Bradstreet – 2004)

*** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 12. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS Geography: EPHRATA NATIONAL BANK																			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution											
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers					
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans				
Full Scope Review																						
Lancaster - 2002	1,137	99.13	0.00	0.00	0.00	0.00	82.70	98.33	17.30	1.67	16.01	37.73	16.62	29.46	24.49	18.82	42.87	12.93				
Lancaster – 2003	1,477	98.34	0.00	0.00	1.78	0.00	81.39	98.31	16.84	1.69	16.34	37.44	16.84	28.03	23.21	20.79	43.61	12.73				
Lancaster – 2004	1,171	98.07	0.00	0.00	1.88	0.00	77.83	97.69	20.29	2.31	16.45	39.20	16.91	25.45	23.25	18.79	43.38	12.81				
Limited Scope Review																						
Berks – 2002	4	0.35	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	15.65	50.00	14.95	0.00	21.15	25.00	48.25	25.00				
Berks – 2003	16	1.07	0.00	0.00	0.00	0.00	76.76	43.75	23.24	56.25	14.16	31.25	14.36	12.50	20.48	50.00	51.01	6.25				
Berks – 2004	9	0.75	0.00	0.00	0.00	0.00	76.76	33.33	23.24	66.67	14.16	0.00	14.36	55.56	20.48	33.33	51.01	11.11				
Lebanon – 2002	6	0.52	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	17.80	16.67	16.99	66.67	23.55	16.67	41.66	0.00				
Lebanon - 2003	9	0.60	0.00	0.00	11.32	0.00	77.46	100.0	11.21	0.00	17.22	0.00	17.04	44.44	20.74	33.33	45.00	22.22				
Lebanon - 2004	14	1.17	0.00	0.00	0.00	0.00	74.21	100.0	25.79	0.00	17.22	14.29	17.04	35.71	20.74	14.29	45.00	35.71				

* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.
 ** Percentage of Households is based on 1990 Census information for 2002, and 2000 Census information for years 2003 and 2004.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS 14, 2002 to October 5, 2005		Geography: EPHRATA NATIONAL BANK				Evaluation Period: September			
MA/Assessment Area:	Prior Period Investments [*]		Current Period Investments		Total Investments			Unfunded Commitments ^{**}	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Lancaster County MSA# 29540 AA	0	\$0.00	1	\$2,883	1	\$2,883	100%	0	\$0.00

^{*} Prior period investments means investments made in a previous evaluation period that are outstanding as of the examination date.

^{**} Unfunded commitments means legally binding investment commitments that are tracked and recorded by the institutions financial reporting system.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM & BRANCH OPENINGS/CLOSINGS Geography: EPHRATA NATIONAL BANK Evaluation Period: 01/01/02 to 10/15/05																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope Review																	
Lancaster	5.59%	7	100%			6	1	1	0			1		0.00	2.35	78.11	19.54
Limited Scope Review																	
Berks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	75.65	24.25
Lebanon	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	73.95	26.05

