



ENB Financial Corp

2010 Annual Meeting

# MEETING AGENDA

- Welcome
- Vote on Matters of the Proxy Statement
- Discussion of Condition of Company
  - President's Remarks
  - Financial Review
  - Lending Review
  - ENB's Money Management Group
- Questions & Answers
- Vote Results
- Adjournment



# PRESENTERS

- Aaron L. Groff, Jr.
  - President, CEO and Board Chairman – ENB Financial Corp and Ephrata National Bank
- Paul W. Wenger
  - Vice President and Corporate Secretary – ENB Financial Corp
- Scott E. Lied
  - Treasurer – ENB Financial Corp
- Dale G. Burkholder
  - Senior Vice President and Senior Loan Officer – Ephrata National Bank
- William L. Barnett
  - Vice President – ENB's Money Management Group



# VOTING PROCESS

## **Proxy Holders**

- Janice S. Eaby
- John H. Shuey

## **Judges of Election**

- Richard H. Binner
- Roger S. Kline
- William M. Rohrbach



# MATTERS OF PROXY

- Elect four (4) Class A directors to serve three-year terms
- Elect three (3) Class B directors to serve two-year terms
- Elect three (3) Class C directors to serve one-year terms
- Other Business



# BOARD CLASSIFICATION

Purpose of classifying the directors:

- Structure better promotes continuity and stability
- Encourages decision-making by board members based on long-term results



# CURRENT DIRECTORS

## **Class A Election (3 Year Term)**

- Aaron L. Groff, Jr.
- Paul M. Zimmerman, Jr.
- J. Harold Summers
- Thomas H. Zinn

## **Class B Election (2 Year Term)**

- Willis R. Lefever
- Bonnie R. Sharp
- Donald Z. Musser

## **Class C Election (1 Year Term)**

- Susan Y. Nicholas
- Paul W. Wenger
- Mark C. Wagner



# PRESIDENT'S REMARKS

- Aaron L. Groff, Jr.
  - President/CEO – ENB Financial Corp





# MISSION

- To remain an independent community bank of undisputed integrity, serving the communities of Northern Lancaster County and beyond.
- To offer state-of-the-art financial products and services of high quality and value at an affordable price.
- To provide unsurpassed personal service, delivered by a highly dedicated professional team.



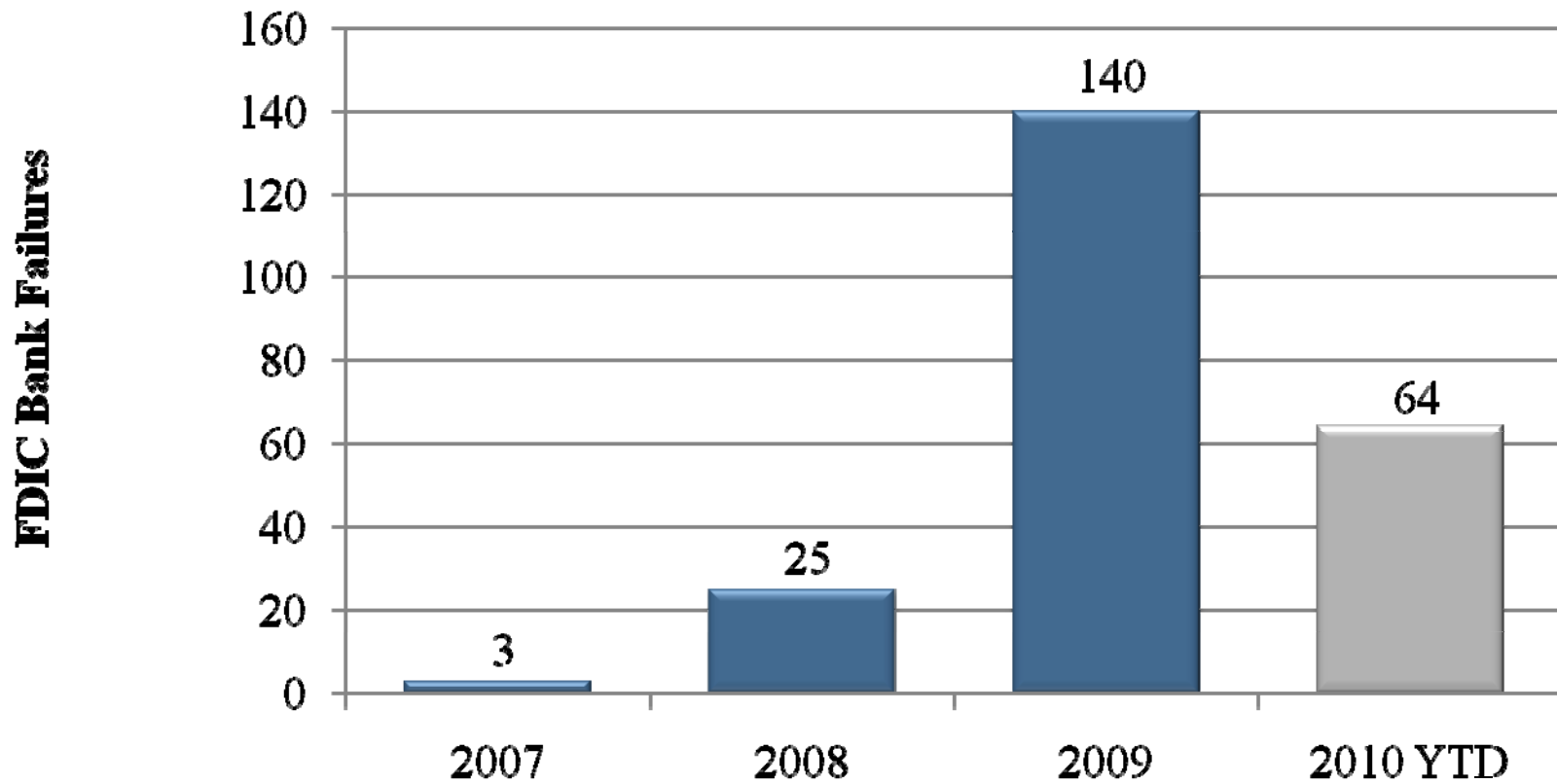
# WE CARE



- Courteous
- Accurate
- Responsive
- Empowered



# BANKING CLIMATE



# STRATEGIC INITIATIVES

- Strategic Initiatives for 2010 – 2012
  - Loan Growth
  - Strengthen Capital
  - Non-Interest Income Improvement
  - Increase Deposit Market Share in Lancaster County



# FINANCIAL REVIEW

- Scott E. Lied
  - Treasurer – ENB Financial Corp

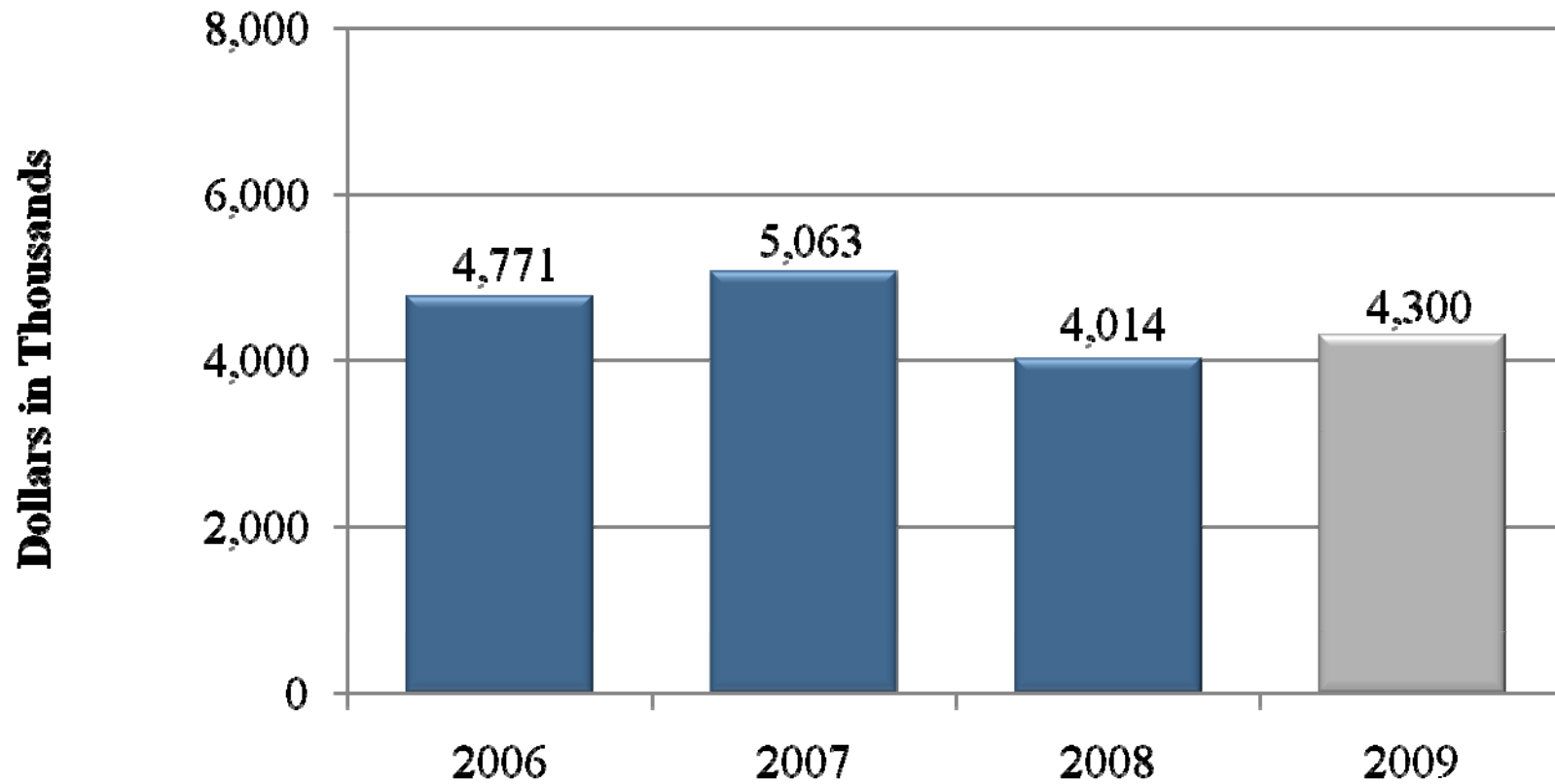


# DISCLOSURES

- Unaudited Financial Information
  - Some of the following slides do present financial information that is unaudited. Therefore, this information is subject to adjustments that could be necessary upon completion of the annual audit.
- Forward Looking Statements
  - Some of the material and/or language used in this presentation would be considered as a forward looking statement. Management is not obligated to update these forward looking statements.



# NET INCOME



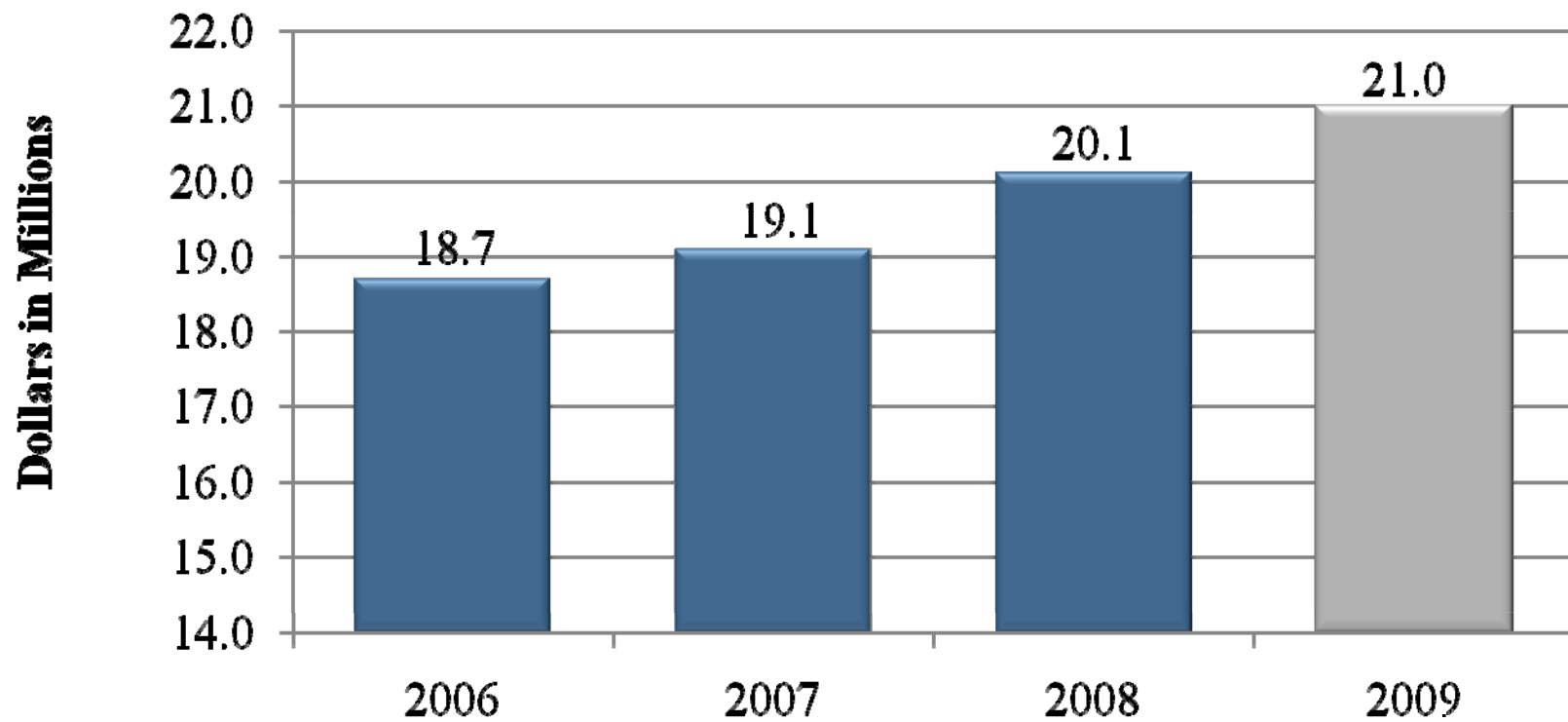
# 2009 SIGNIFICANT ITEMS

Net Interest Income	\$ 858,000	increase
Other Income	\$1,533,000	increase
Operating Expenses (net of FDIC assessment)	\$1,191,000	decrease
FDIC Assessment	\$ 792,000	increase
Provision Expense	\$2,251,000	increase

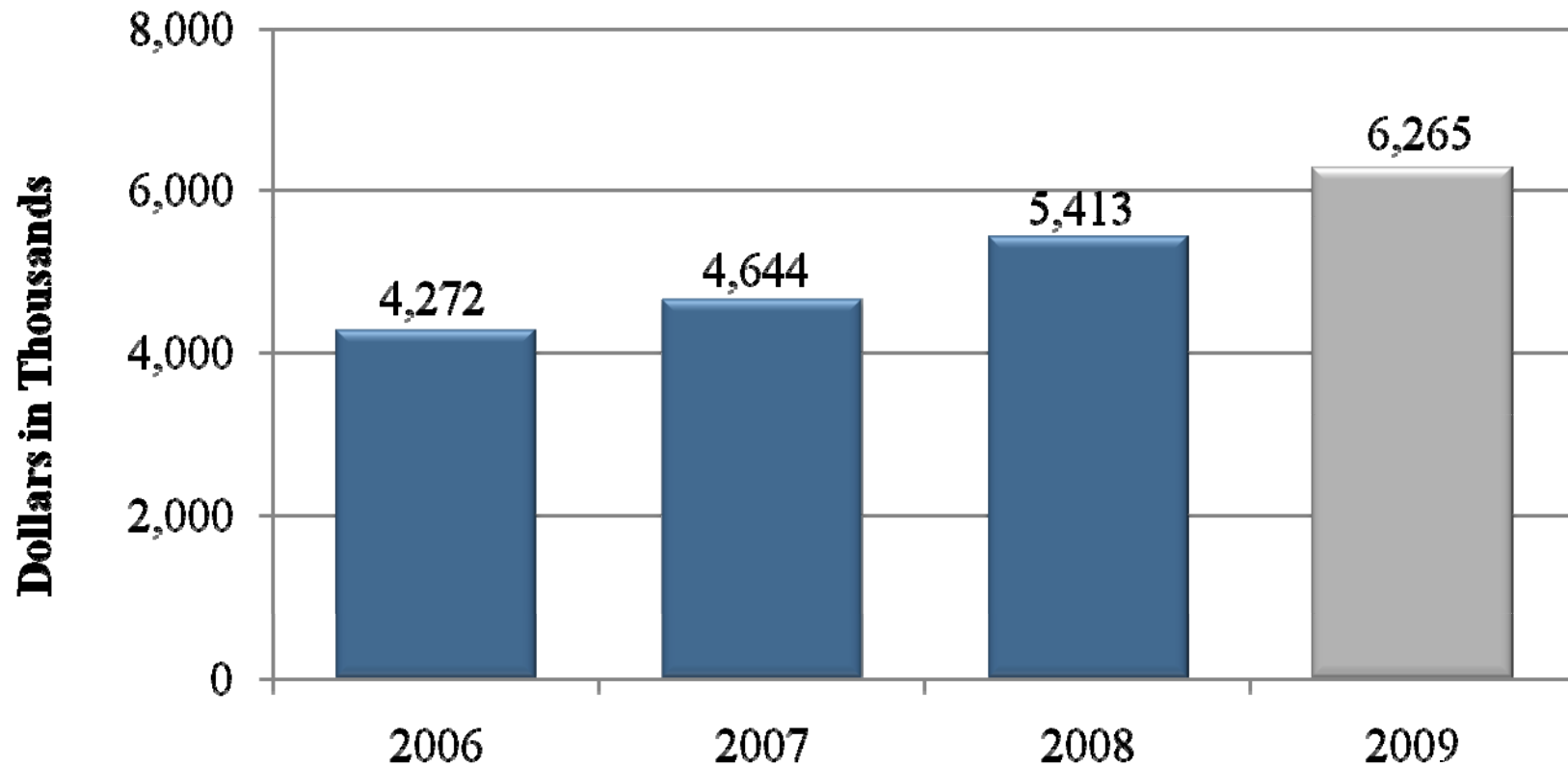




# NET INTEREST INCOME



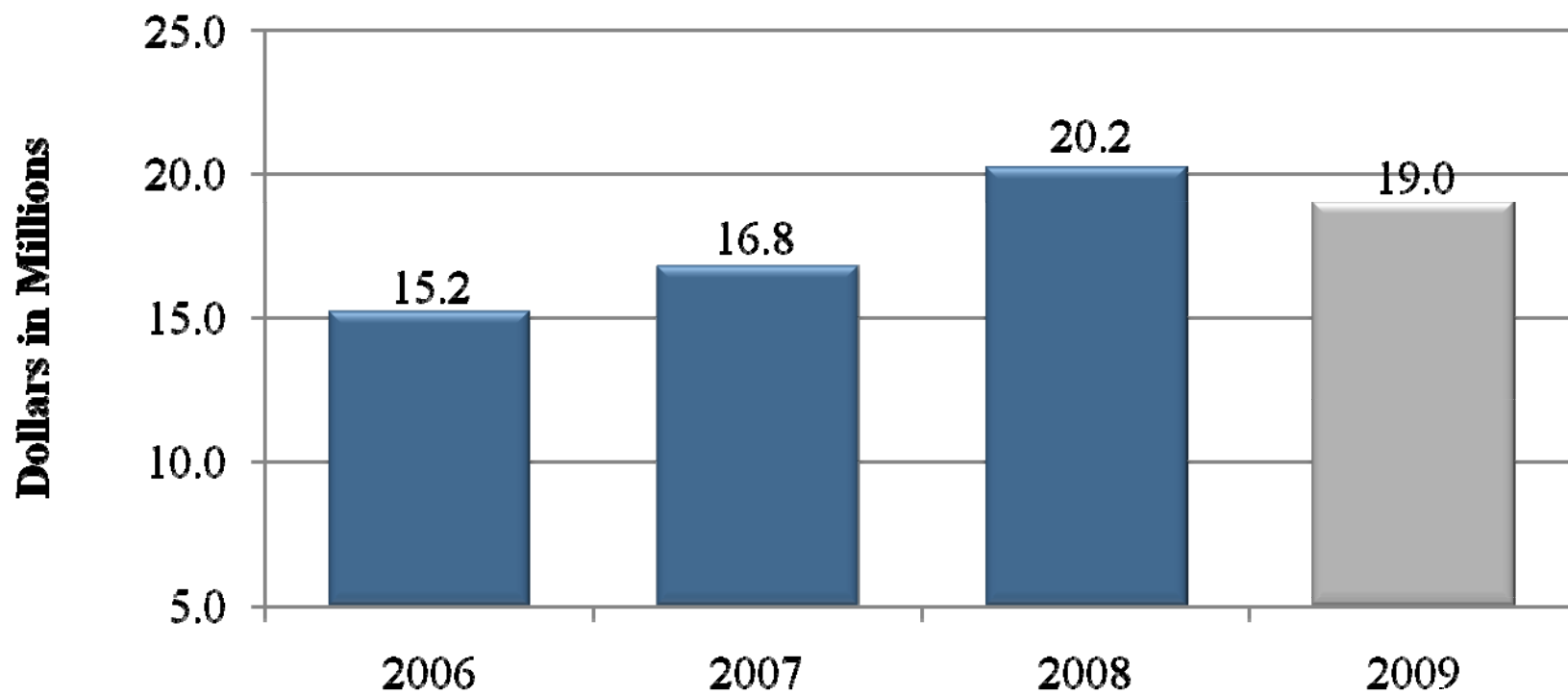
# OTHER INCOME



Data shown excludes securities gains and losses.



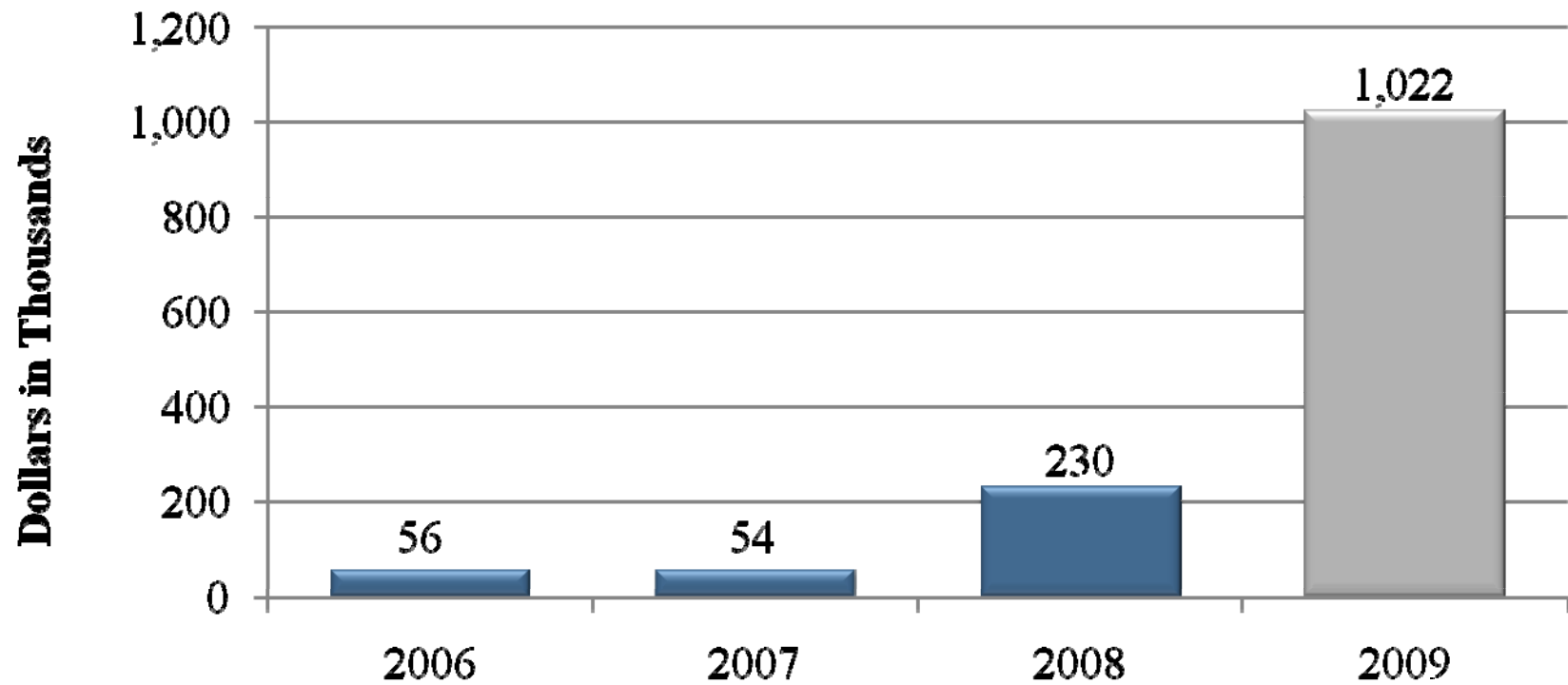
# OPERATING EXPENSES



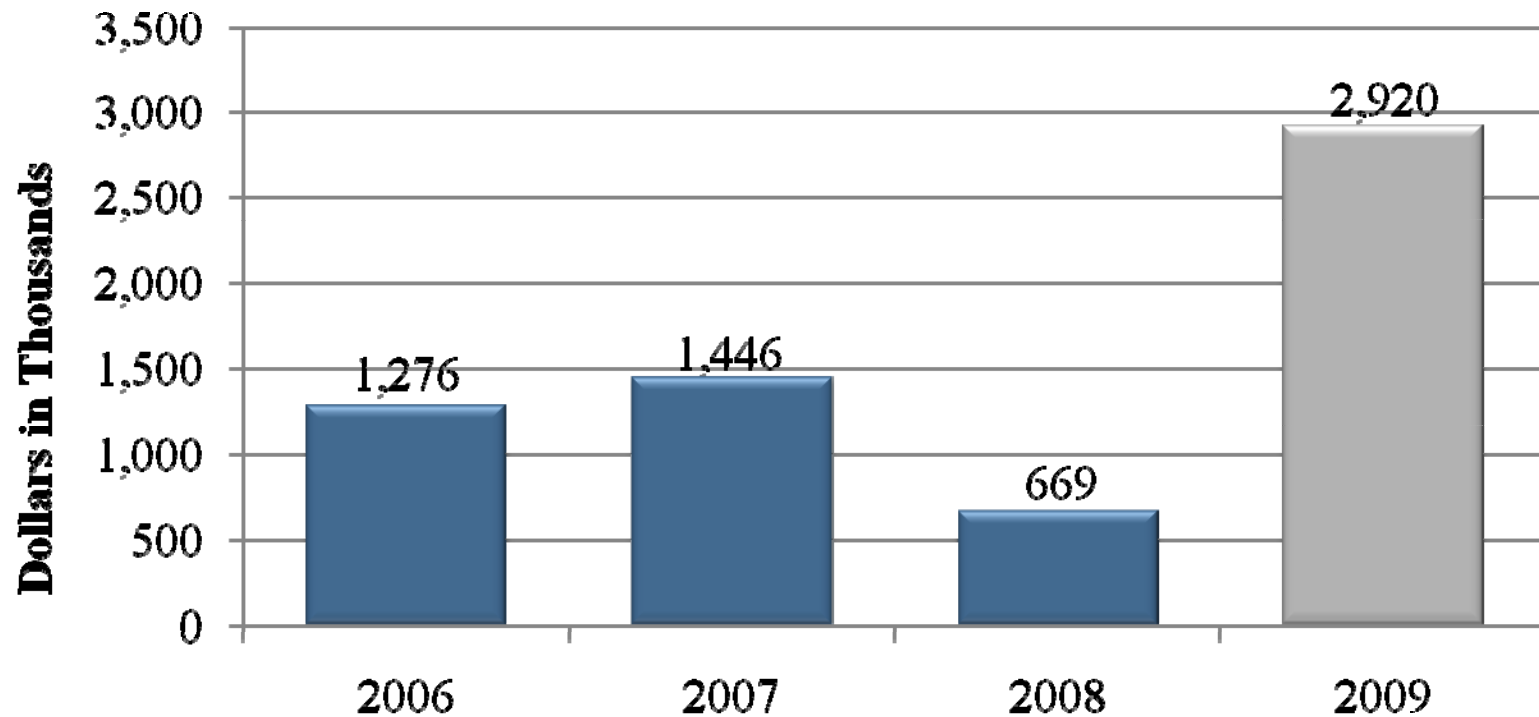
Graph represents operating expenses net of annual FDIC assessments.



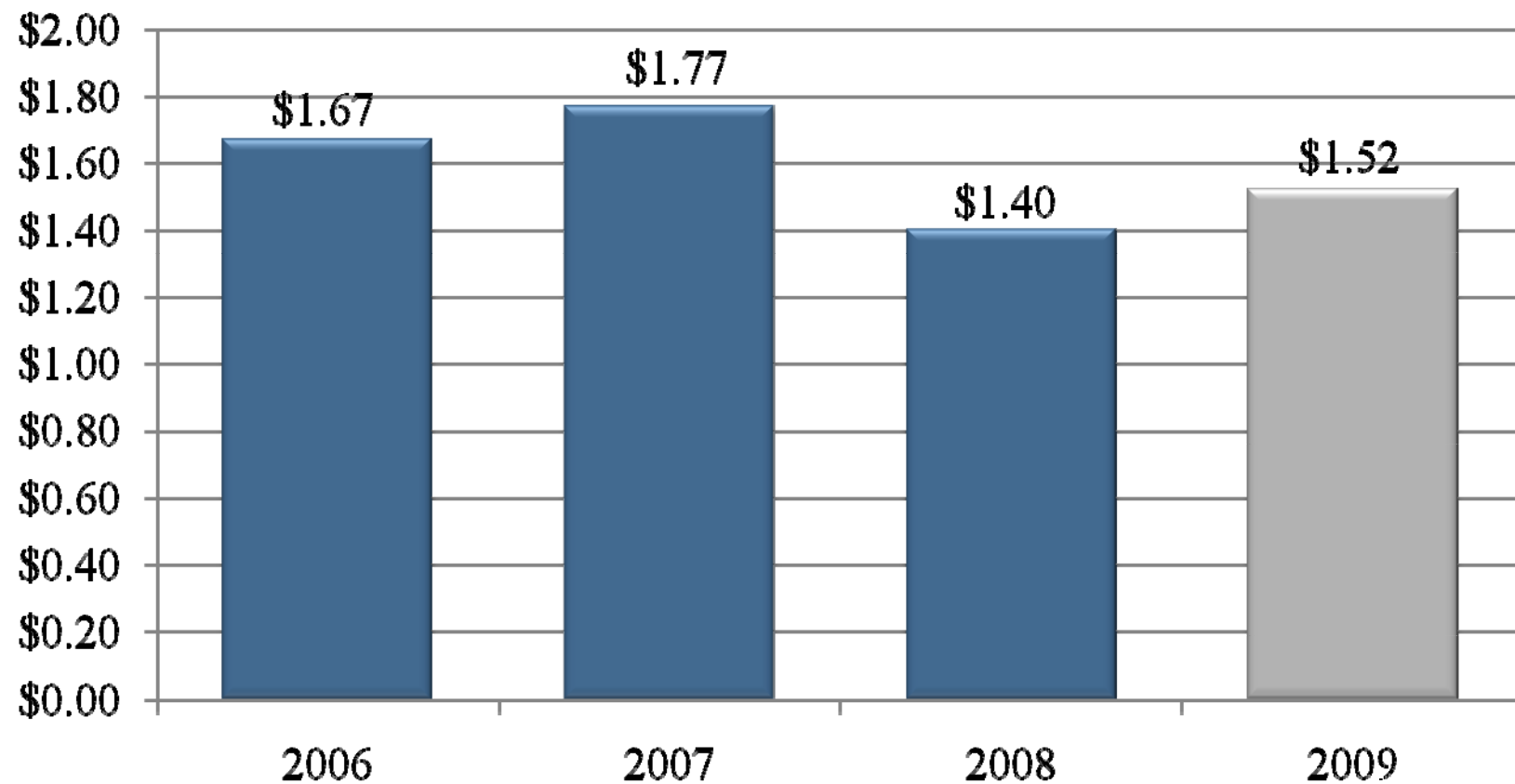
# FDIC ASSESSMENT



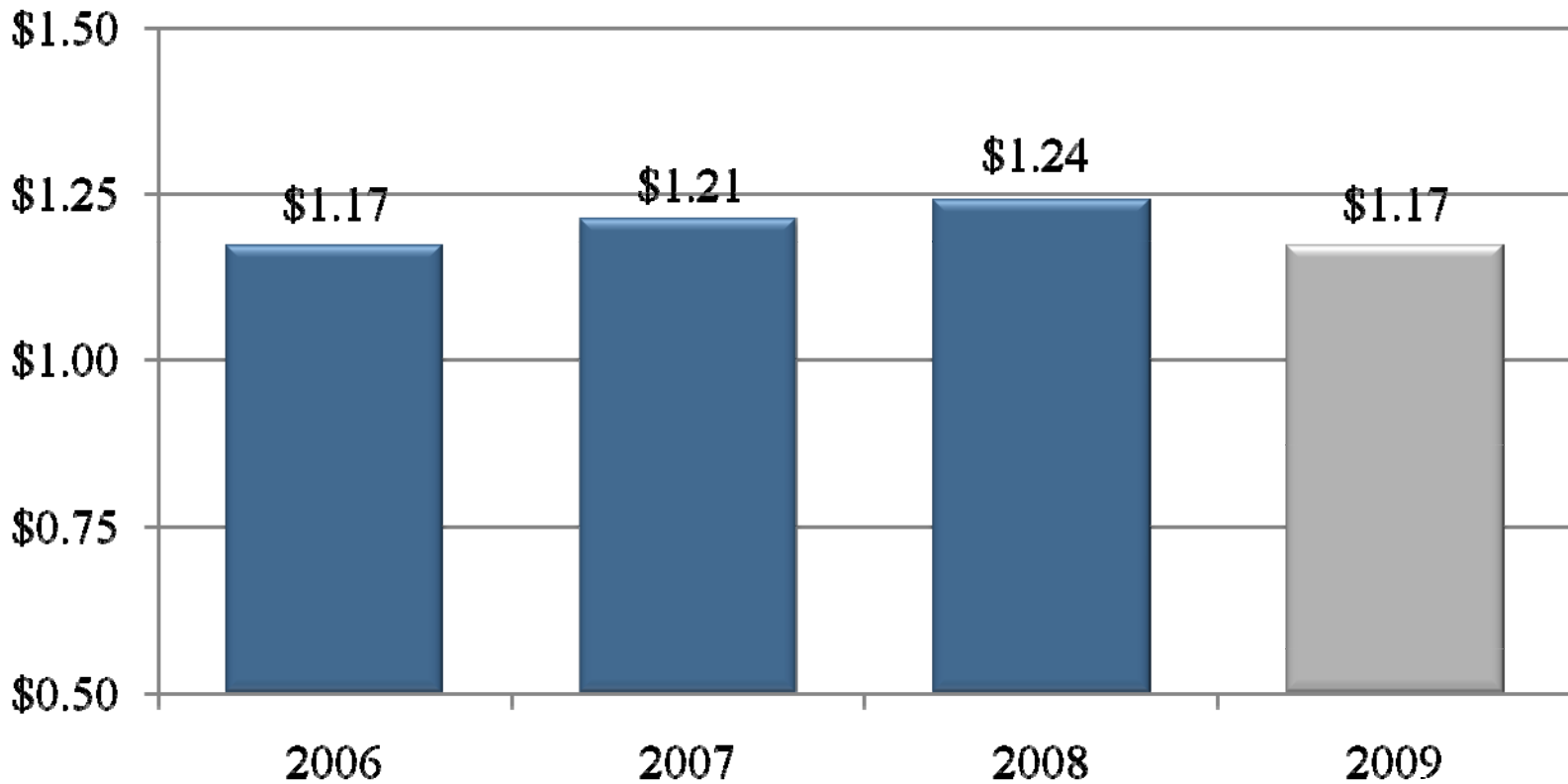
# PROVISION EXPENSE



# EARNINGS PER SHARE



# DIVIDENDS PER SHARE



# DIVIDEND COMPARISON

<b>Bank Name</b>	<b>Current Dividend</b>	<b>Change from Dividend High (2006 – 2008)</b>
Union National Community Bank	\$0.00	-100.00%
<b>Susquehanna Bank</b>	<b>\$0.01</b>	<b>-95.65%</b>
National Penn Bank	\$0.01	-94.12%
<b>Fulton Bank</b>	<b>\$0.03</b>	<b>-83.33%</b>
VIST Bank	\$0.05	-75.00%
<b>Ephrata National Bank</b>	<b>\$0.24</b>	<b>-22.58%</b>





# SHAREHOLDER VALUE

	<b>ENBP</b>	<b>SUSQ</b>	<b>FULT</b>
Average Stock Price* – Oct 2008	<b>\$25.69</b>	\$17.12	\$11.62
Average Stock Price* – Jul 2009	<b>\$24.83</b>	\$4.80	\$6.05
Jul 2009 Price as % of Oct 2008 Price	<b>97%</b>	28%	52%
Average Stock Price* – Apr 2010	<b>\$20.58</b>	\$11.26	\$11.46
Apr 2010 Price as % of Oct 2008 Price	<b>80%</b>	66%	99%
Current Dividend Yield on Investment	<b>4.70%</b>	0.40%	1.12%

\*Average derived from weekly Monday high prices for the cited month.



# PEER ANALYSIS

<b>Measurement</b>	<b>ENB</b>	<b>Peer*</b>
Return on Average Assets (ROAA)	<b>0.60%</b>	0.19%
Net Interest Margin	<b>3.49%</b>	3.71%
Other Income	<b>0.88%</b>	0.74%
Operating Expense	<b>2.81%</b>	2.96%
Tier 1 Leverage Capital	<b>9.56%</b>	8.71%

\* Peer Group is defined as National UBPR Peer Group \$300 Million to \$1 Billion, a total of 1,198 banks.



# FIRST QUARTER RESULTS

- Q1 2010
  - \$1,468,000 versus \$1,081,000 (Q1 2009)
  - 35.8% increase
  - 3.0% balance sheet growth



# LENDING REVIEW

- Dale G. Burkholder
  - Senior Vice President and Senior Lender –  
Ephrata National Bank



# CREDIT QUALITY

<b>Measurement</b>	<b>ENB</b>	<b>Peer*</b>
30 – 89 Days Past Due	<b>0.20%</b>	1.43%
90+ Days Past Due	<b>0.17%</b>	0.15%
Non-Accrual	<b>1.42%</b>	2.91%
Total Delinquencies	<b>1.79%</b>	4.49%
Net Losses to Average Total Loans	<b>0.29%</b>	1.09%

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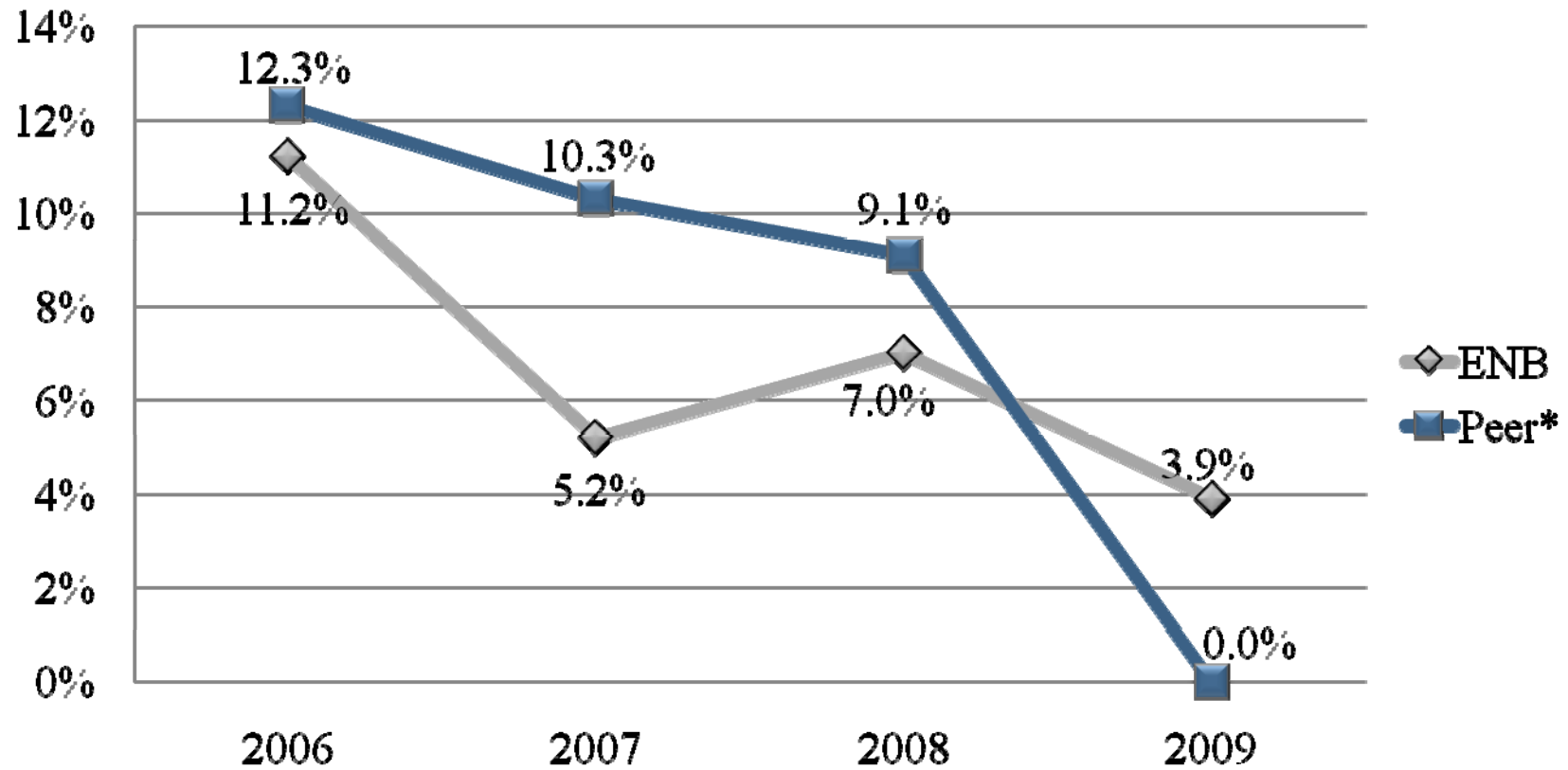
# LOAN PORTFOLIO MIX

<b>Loan Type</b>	<b>ENB</b>	<b>Peer*</b>
Construction and Development	<b>4.99%</b>	12.69%
Commercial Real Estate (CRE)	<b>21.20%</b>	30.84%
CRE Multi-Family	<b>2.83%</b>	2.57%
Commercial & Industrial	<b>7.29%</b>	13.42%
Loans to Municipalities	<b>7.67%</b>	0.51%
Farmland & Agricultural	<b>14.26%</b>	4.18%
1 – 4 Family Residential	<b>38.83%</b>	23.83%

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# LOAN GROWTH



\* Peer Group is defined as National UBPR Peer Group \$300 Million to \$1 Billion, a total of 1,198 banks.



# ENB'S MONEY MANAGEMENT GROUP

- William L. Barnett
  - Vice President – ENB's Money Management Group





# STRATEGIC FOCUS

- Our Focus 2010-2011 and Beyond
- Target Prospects
- Services to Community



# GOALS

- Our Money Management Group Goals
  - Become a trust and asset management group that customers and non-customers automatically recognize when the topic of money management and investment arises.
  - Provide a solution to every customer or prospect we meet
    - In the community
    - In our daily servicing



# QUESTIONS & ANSWERS



# VOTING RESULTS

- Report of Election
  - Presented by Paul W. Wenger  
Corporate Secretary – ENB Financial Corp



# ADJOURNMENT

Please join us for refreshments  
in the Hibshman Conference Room.

