



**Embassy Bank**  
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October 22, 2012

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal  
Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

Robert E. Feldman  
Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429

Re: Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, Transition Provisions, and Prompt Corrective Action and Regulatory Capital Rules: Standardized Approach for Risk-Weighted Assets; Market Discipline and Disclosure Requirements.

Dear Ladies and Gentlemen:

Embassy Bancorp, Inc. and Embassy Bank of the Lehigh Valley have attached a comment letter from Seifried & Brew and a board resolution supporting Seifried & Brew's comment letter on the Basel III capital proposals.

Our board and I believe that the Basel III capital proposals can only negatively impact our bank. As outlined in the comment letter, the impact has the potential to limit our ability to lend to small businesses and the consumer. Prior to the capital proposals, we believed that we were well capitalized for the risk we accepted. In fact, our bank prospered prior to, during, and after the Financial Crisis and the Great Recession. If the capital proposals take effect, we will need to rethink our strategic plan and capital plan. Besides the aforementioned curtailment of lending, we will also need to consider a slower growth strategy or even shrinking our deposit base. Once again, this can only hurt small businesses and the consumer.

Why do we need to change our traditional, conservative community bank business model to meet capital requirements that do not make sense for community banks?

Sincerely,

David M. Löbach, Jr.  
Chairman, CEO & President

Attachments (2)

**EMBASSY BANK FOR THE LEHIGH VALLEY (“Bank”)**

**Board of Directors  
Resolutions Adopted  
on  
October 19, 2012**

**Re: BASEL III COMMENT LETTER**

I, JUDITH A. HUNSICKER, Secretary of Embassy Bank for the Lehigh Valley, do hereby certify that the following resolution was adopted by the Board of Directors of the Bank a meeting held on October 19, 2012, after proper notice, at which a quorum was present and acting throughout.

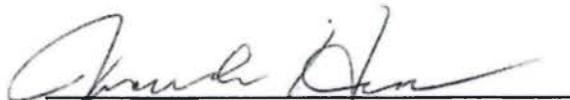
WHEREAS, the Board of Directors of Embassy Bank for the Lehigh Valley (“Embassy Bank”) read, discussed and concurred with the Seifried & Brew LLC comment letter (“S&B Comment Letter”), dated September 24, 2012 and submitted to the federal banking regulators opposing the adoption of the Basel III capital proposals and offering alternative capital requirements that will protect and preserve traditional/conservative community banking.

THEREFORE BE IT RESOLVED, the Board of Directors of Embassy Bank unanimously supports the position taken by Jay Brew and Dr. Ed Seifried, Co-Chairman of Seifried & Brew LLC, in the S&B Comment Letter opposing the adoption of the Basel III capital proposals.

BE IT FURTHER RESOLVED, the Board of Directors of Embassy Bank unanimously supports the position taken by Jay Brew and Dr. Ed Seifried in the S&B Comment Letter offering alternative capital requirements that will protect and preserve traditional/conservative community banking.

I further certify that the said resolution has not been revoked, rescinded or amended and remains in full force and effect.

IN WITNESS WHEREOF, and intending to be legally bound, I have hereunto set my hand on this 22nd day of October, 2012.

  
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Judith A. Hunsicker, Secretary  
Embassy Bank for the Lehigh Valley