

CCFNB Bancorp, Inc. **Annual Highlights 2012**



CCFNB Bancorp, Inc. 2012 Annual Highlights

CCFNB Bancorp, Inc. and Subsidiary

CCFNB Bancorp, Inc. (the “Corporation”) is a registered financial holding company and organized under the Pennsylvania Business Corporation Law of 1988. The assets are primarily those of its wholly owned subsidiary, First Columbia Bank & Trust Co. First Columbia Bank & Trust Co. is a full service state-chartered financial institution serving customers from thirteen locations in: **Columbia County**– *Benton, Berwick, Bloomsburg, Buckhorn, Catawissa, Lightstreet, Millville, Orangeville, and Scott Township;* and **Northumberland County**– *Elysburg*. The deposits of the bank are insured by the FDIC to the maximum extent provided by law.

A copy of the Corporation’s **Annual Report** for the year ended December 31, 2012, on Form 10-K as filed with the Securities and Exchange Commission is accessible at our website www.firstcolumbiabank.com or will be furnished without charge upon written request to Jeffrey T. Arnold, CPA, CIA, Senior Vice President & Chief Financial Officer, First Columbia Bank & Trust Co., 232 East Street, Bloomsburg, PA 17815.

Contents

Financial Highlights	1
Message to Shareholders	2
Board of Directors and Officers	3
Ten Year Performance Comparisons	4-5
A Bank for Generations to Come	6
Employees	7
Stockholder Information	7
FCBT Locations	8



Consolidated Selected Financial Data

(In thousands of dollars, except per share data and ratios)

	2012	2011	2010
Earnings			
Interest Income	\$ 22,643	\$ 24,508	\$ 26,776
Interest Expense	3,468	5,126	6,683
Provision for Loan Losses	835	820	1,555
Net Income	\$ 7,153	\$ 6,776	\$ 6,304
Per Share			
Net Income	\$ 3.25	\$ 3.05	\$ 2.82
Cash Dividends	\$ 1.30	\$ 1.24	\$ 1.18
Balances at December 31			
Assets	\$ 607,721	\$ 624,677	\$ 614,299
Investment Securities	173,799	199,245	210,185
Net Loans	368,579	345,455	335,652
Deposits	463,028	482,379	473,792
Stockholders’ Equity	74,536	71,415	67,854
Ratios			
Return on Average Assets	1.15%	1.09%	1.03%
Return on Average Equity	9.72%	9.68%	9.35%
Dividend Payout Ratio	39.96%	40.65%	41.72%

For more complete financial information, please refer to Annual Report on Form 10-K.

To Our Shareholders



It is a privilege for me to report to you record earnings in 2012 for our Corporation. This was our tenth consecutive annual increase in net income, as we ended the year with \$7.2 million in earnings as compared to \$6.8 million last year. Earnings per share increased from \$3.05 in 2011 to \$3.25 this year. Our stockholders' equity grew from \$71.4 million to \$74.5 million, amounting to a very healthy 12.3 percent of total assets. The return paid to you, our shareholders, increased from a cash dividend of \$1.24 in 2011 to \$1.30 in 2012, which is a 4.8 percent increase.

These results are particularly encouraging because they occurred in a year in which interest rate levels across the curve were at unprecedented lows, regulatory changes were occurring at a rapid pace, and competition for quality loan relationships was challenging. These conditions contributed to our net interest margin decline to 3.49 percent, while allowing us to recognize significant fee income of \$1.76 million generated from the sale of residential mortgages to the secondary market. The ongoing regulatory changes have required, and will continue to require, a significant investment of both time and financial resources to ensure compliance. Despite the challenges posed by loan competition, we were able to maintain credit quality by continuing to emphasize our traditionally strong underwriting standards. It is because of these standards that we are able

to end the year with an allowance to total loans ratio of 1.65 percent and a decrease in non-performing assets of \$1.2 million.

I am pleased to share with you the opening of our new Catawissa branch office in March of 2012. This newly constructed 3,000 square foot facility, adjacent to the Bank's prior location, is a full-service branch with the convenience of two drive-thru lanes, a night depository and a walk-up ATM. The new location also offers ample parking, which was very limited previously. The building is a significant improvement for our customers and an enhancement to the community.

In addition to bricks and mortar, we also continue to invest in technology to meet the ever-changing needs of the financial marketplace. In 2012 we launched our Mobile Banking product and already have more than 1,000 customers enrolled. We also have 8,800 customers who utilize Online Banking, and these individuals originated over 71,000 bill payment transactions in 2012. Nearly 50 of our business clients have begun using our Remote Deposit Capture (RDC) product to conduct their business. Going forward, it is very important that we continue to focus on technology and provide customers the opportunity to bank with us in the way they prefer.

Finally, our Bank remains committed to the communities we serve. Our success is only possible because of the confidence our customers have that we will provide honest and straightforward banking and financial services. Our Board, management and employees diligently pursue opportunities to "give back" to the community in meaningful ways that make our area a better place to live, as well as solidify our institution as a true "community" bank.

As always, I thank you, our shareholders, for your loyal support of our Corporation. We appreciate the trust you place in us with your investment and will continue to make decisions with the goal of increasing your shareholder value. I also express my gratitude to our Board of Directors, officers and employees for their hard work and commitment to our organization.

Sincerely,

A handwritten signature in black ink that reads "Lance O. Diehl". The signature is fluid and cursive.

Lance O. Diehl
President and Chief Executive Officer



**CCFNB
Bancorp, Inc.
Board of
Directors**

Row 1: Glenn E. Halterman
Elwood R. Harding, Jr.
Lance O. Diehl
Robert M. Brewington, Jr.
Robert W. Dillon

Row 2: Frank D. Gehrig
William F. Gittler, Jr.
Joanne I. Keenan
Willard H. Kile, Jr.
W. Bruce McMichael, Jr.

Row 3: Mary Ann B. Naugle
Andrew B. Pruden
Charles B. Pursel
Steven H. Shannon

Officers

Glenn E. Halterman,
Chairman of the Board

Elwood R. Harding, Jr.,
Vice Chairman of the Board

Lance O. Diehl,
President & Chief Executive Officer

Edwin A. Wenner,
Executive Vice President & Chief Operating Officer

Jeffrey T. Arnold, CPA, CIA,
Chief Financial Officer, Treasurer & Assistant Secretary

Susan S. Hackett,
Secretary

Ten Year Performance Comparison



CCFNB Bancorp, Inc.

2012

2011

2010

2009

2008

2007

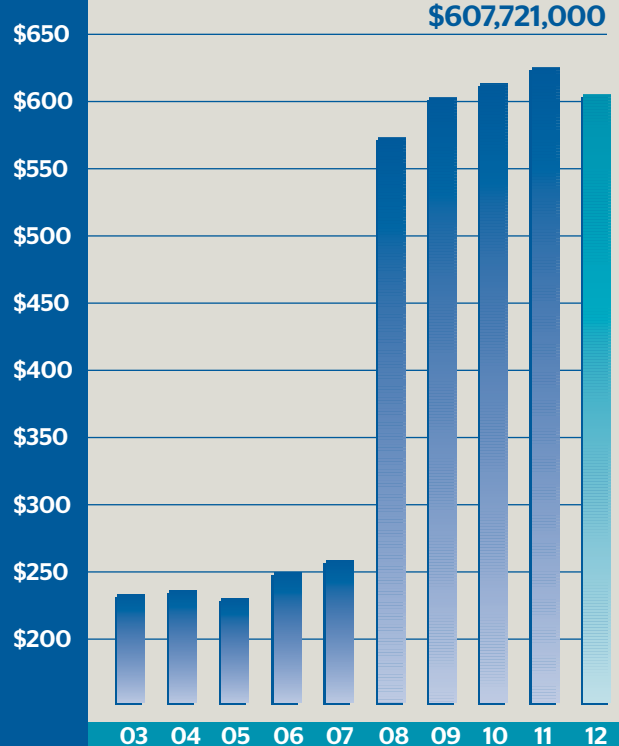
2006

2005

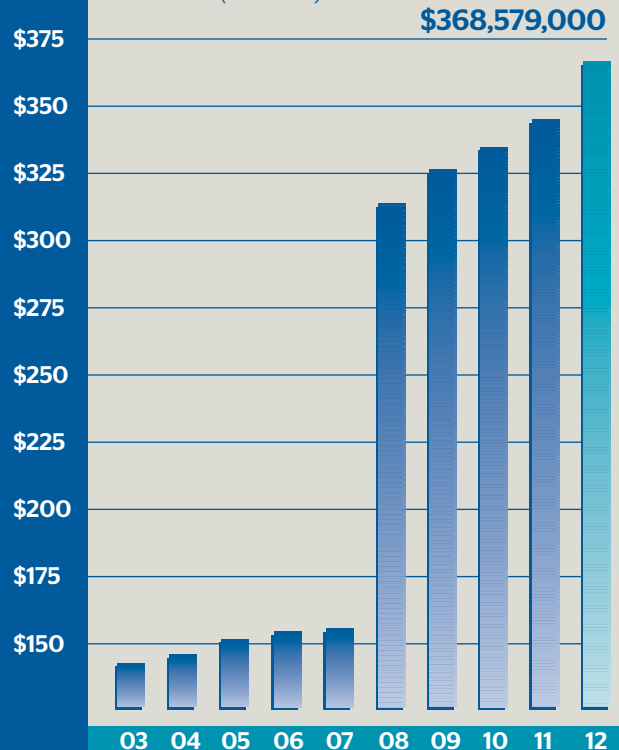
2004

2003

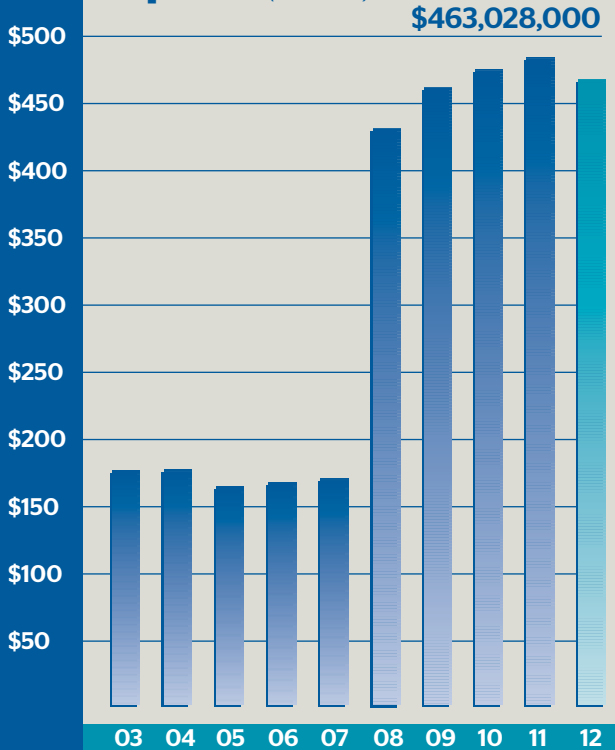
Assets (Millions)



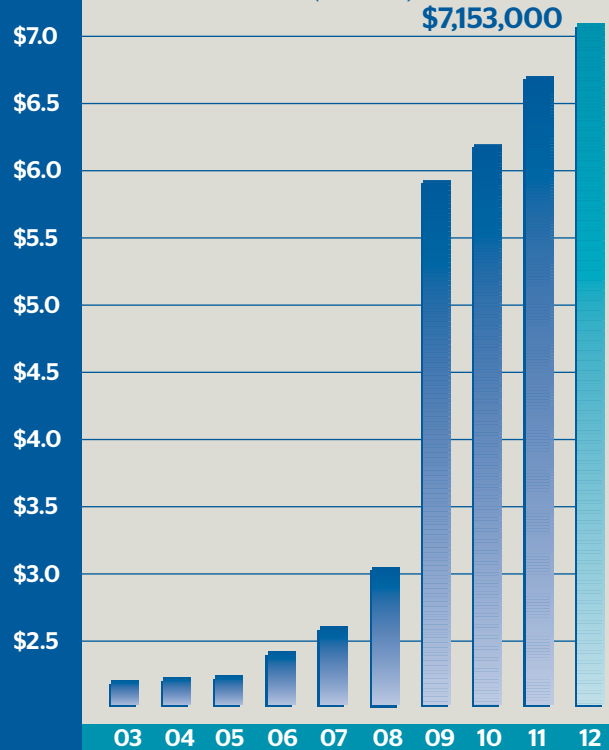
Loans (Millions)



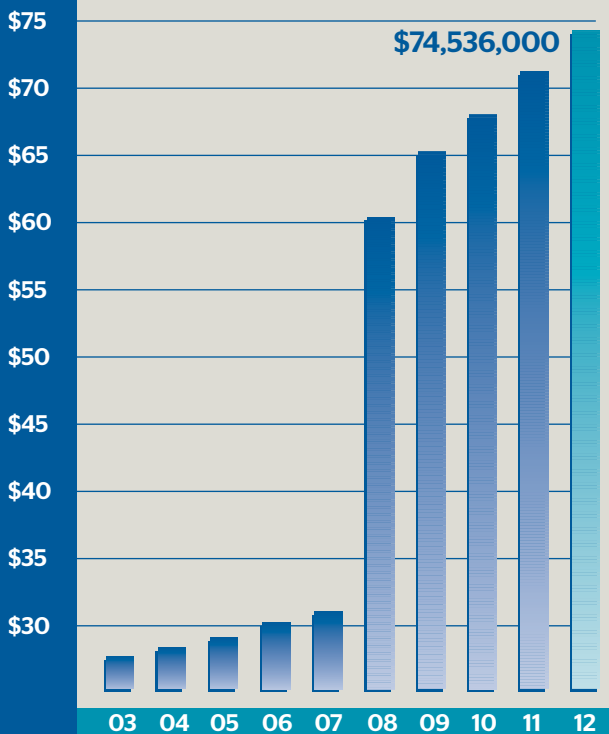
Deposits (Millions)



Net Income (Millions)



Stockholders' Equity (Millions)



A Bank for Generations to Come



In March of 2012, we officially opened our new **Catawissa branch office**. The office replaced the small and dated branch that was located adjacent to this new location.

The newly constructed 3,000 square foot facility is a full-service branch offering banking, lending, and financial services for both individuals and businesses. As an added convenience, the branch expanded its outside banking capabilities, which now includes two drive-thru lanes, a night depository, and a walk-up ATM. Ample customer parking is also available behind the new building. The branch is staffed with the same team of tellers and customer service representatives who continue to serve the banking and financial needs of the Catawissa community.

Long time branch manager, Mike Coleman, says, "This new branch is a dramatic improvement from our previous office. The building not only improves the image of Main Street, with its traditional brick architecture and town clock tower, but it also brings many added elements of convenience to our customers." This facility is a professional, state-of-the-art banking center that we are proud to offer to our valued customers. Rebuilding here, in the heart of downtown Catawissa, reinforces our continued commitment to serving the banking and financial needs of this area where we have been since 1967.



Ground breaking ceremony, August 30, 2011

2012 Employees

Robin Abshire
Sandra Allen
Billi Amarose
Jeffrey Arnold
Janice Bankes
Sabrina Bankes
Andrea Bartlett
Cynthia Beagle
David Beagle
Matthew Beagle
M. Marthe Beauvais
Tiffany Bellum
Craig Bennett
Marie Bennett
Tammy Benscoter
Ammetta Bierbach
Margaret Bitler
Luanne Bittenbender
Susan Bodnar
Tessa Bogert-Creasy
Tanya Bourassa
Kathleen Bowers
Alisha Boyer
Linda Boyer
Karen Brouse
Darlene Brown
Heather Brusseau
Kaitlin Burger
Charlotte Casarella
Susan Celli
Diane Chandler
Mana Chmarney
Kathleen Church
Thomas Church
Leslie Chykw
Dianne Cizewski
Michael Coleman
Angela Conner
Matthew Coombe
Gloria Cope
Carol Cox
Sally Cox
Alisa Creveling
Linda Curio
Angela Dante
Miossottys
De Los Santos
Anne Defrain
Michelle Densberger
Lance Diehl
Nancy Diehl
Joanna Dillon
Kristen Dohl
Janice Dreese
Ishani Ekule
Thomas Evans, Jr.
Kendra Everitt
Patricia Eyer
Taylor Farr
Kelly Fensch
Karen Fetterman
Judith Fink

Elaine Fisher
Janet Flick
Debra Force-Moore
Donna Fosselman
Teresa Foster
Melissa Fox
Kathy Frey
Lynn Fritz
Hilda Fry
Mary Gasdick
Wava Glenn
Elizabeth Glica
Kaitlyn Goldhorn
Kayla Gonder
Kelly Grabowski
Karen Greubel
Sheri Grozier
Mary Guarino
Janice Hacker
Susan Hackett
Marla Hahn
James Harding
Sally Hatt
Barbara Hess
Bonnie Hook
Rita Houseknecht
Ruth Hunter
Joanne James
Joyce Johnson
Pauline Kafafian
Phillip Karas
Teresa Karchner
Doreen Karns
Dorothy Karpinski
Sheila Kile
Emily Kindig
Gary Kinney
Rebecca Kline
Amy Knapp
Virginia Kocher
Erica Kramer
Jennifer Krystofosky
Carol Kupsy
Katrina Laubach
Vonda Laubach
Bert Leiby
Heather Long
Hyun Long
Christi Lukus
Jean MacDermott
Kathleen Mackafee
Cheryl Mardis
Cynthia Marr
Joshua Mastellar
Gayle McGee
Debora McHenry
Nancy McKenzie
Penny Meek
Lou Ann Megargell
Brittney Mensinger
Joyce Michael
Melissa Miller

Patrick Millham
Hannah Mitchell
Kimberly Mumaw
Michelle Munsch
Teresa Murdock
Petina Napoli
Denise Neidig
Jeffrey Nelson
John Nevil
Deborah Nevius
Brandon Ortman
Paul Page
Misty Pancamo
Alexis Pappas
Violet Pellman
Brooke Pennington
Debbie Peterman
Emily Potter
Anna-Marie Prior
Charles Puckett
Lori Reabuck
Rachel Reader
Beth Reeder
Kristene Reibsome
William Richie
Sharon Roeder
Patricia Rosario
Lisa Rumberger
Brenda Ruth
Judith Scavone
Cynthia Schrecengost
Lisa Schultz
Sherry Seal
Marcia Seely
Mary Beth Shade
Terrie Sidinger
Courtney Sinclair
Sha'Ron Singleton
Gena Slusser
Faith Smith
Lisa Smith
Sandra Smith
Judy Snyder
Nancy Snyder
Sherry Solomon
David Stamm
Nancy Stark
Penny Switzer
Richard Talanca
Maryla Thomas
Samantha Thomas
Ann Toucheloskie
Tracey Travelpiece
Seth Trump
Sally Tucker
Erica Tufts
Sondra Turnbach
Christopher Turner
Maria Valles
Shirley Wagner
Barbara Weber
Edwin Wenner

Jeffrey Whitenight
Melinda Whitenight
Theresa Whitmire
Jason Whitmoyer
Teresa Woll
Tina Wood
Susan Wynings

Amanda Yachimowski
Barbara Yoder
Cheryl Yoder
Connie Yoder
John Yoder
Emily Young
Pamela Young

Stockholder Information

Annual Meeting:

The Annual Meeting of the Stockholders will be held at the First Columbia Bank & Trust Co. facility located at 992 Central Road, Bloomsburg, PA at **10:00 am, Tuesday, May 7, 2013.**

General Stockholder inquiries should be addressed as follows:

CCFNB Bancorp, Inc.

Office of the Secretary
232 East Street, PO Box 240
Bloomsburg, PA 17815

Stock Transfer Agent:

American Stock Transfer & Trust Company

Operations Center
6201 15th Avenue
Brooklyn, NY 11219
212-936-5100

Market Makers:

Boenning & Scattergood

4 Tower Bridge
200 Barr Harbor Drive, Suite 300
West Conshohocken, PA 19428-2979
800-842-8928

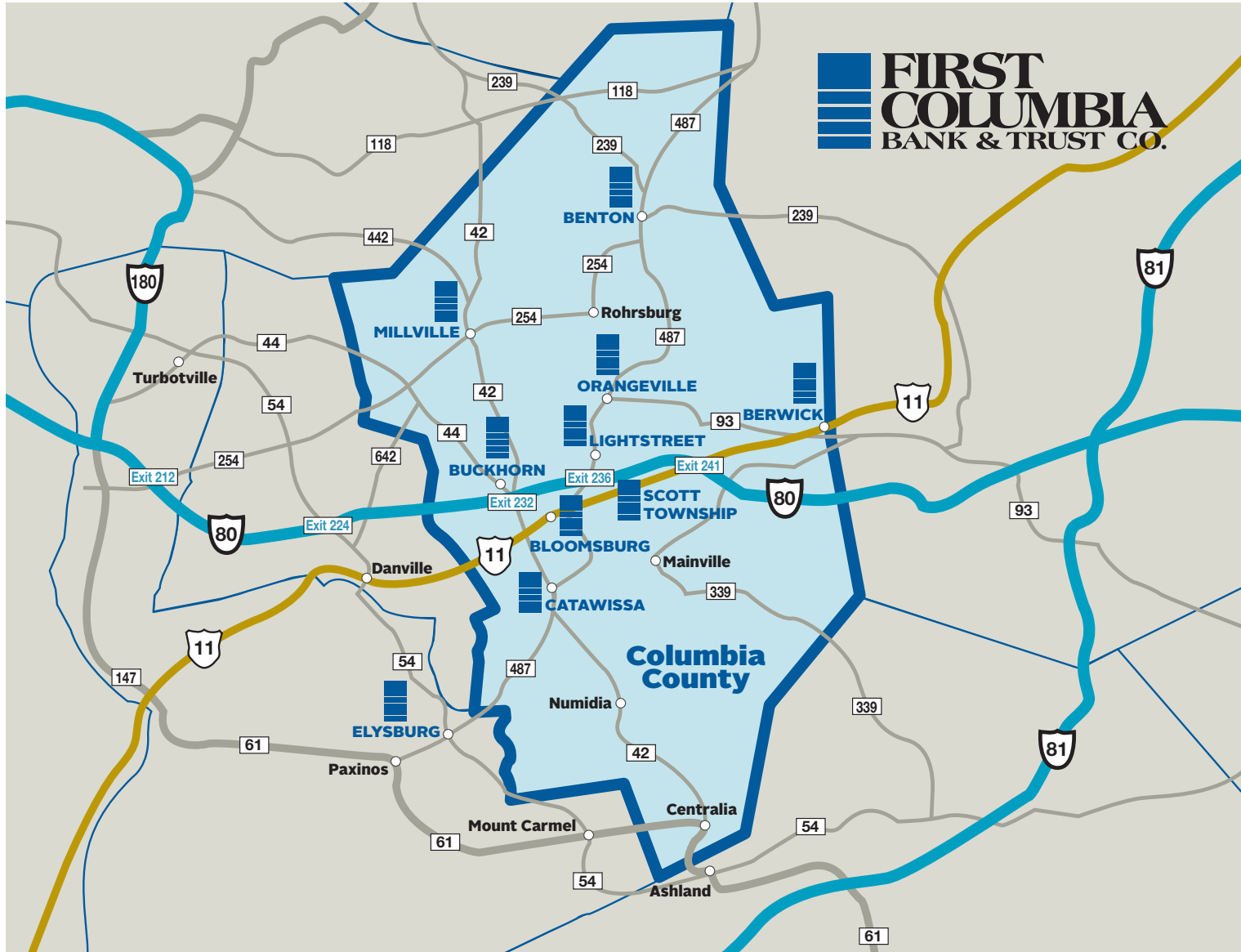
Janney Montgomery Scott

33 West Third Street
Williamsport, PA 17710
800-652-6639

Stifel Nicolaus

1146 Cedar Crest Blvd.
Allentown, PA 18103
800-223-9064

First Columbia Bank & Trust Co. Locations



Benton

200 Market Street
Benton, PA 17814
(570) 925-6181

Berwick

1919 West Front Street
Berwick, PA 18603
(570) 752-3230

300 Market Street
Berwick, PA 18603
(570) 752-8024

Catawissa

347 Main Street
Catawissa, PA 17820
(570) 356-2371

Bloomsburg

232 East Street
Bloomsburg, PA 17815
(570) 784-4400
(570) 784-1660

1010 South Market Street
Bloomsburg, PA 17815
(570) 387-4665

Buckhorn

279 Columbia Mall Drive
Bloomsburg, PA 17815
(570) 387-6100

Inside the Wal-Mart®
Supercenter
100 Lunger Drive
Bloomsburg, PA 17815
(570) 380-2215

Elysburg

119 Northumberland Drive
Elysburg, PA 17824
(570) 672-1500

Lightstreet

1199 Lightstreet Road
Bloomsburg, PA 17815
(570) 784-5600

Millville

125 South State Street
Millville, PA 17846
(570) 458-5650

Orangeville

402 Main Street
Orangeville, PA 17859
(570) 683-5200

Scott Township

2691 Columbia Boulevard
(Route 11)
Bloomsburg, PA 17815
(570) 387-4653

*First Columbia Bank...
Every Step of the Way.*

