

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](http://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.

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## Consolidated Selected Financial Data

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

	2012	2011	2010
<b>Earnings</b>			
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
<b>Per Share</b>			
Net Income .....	\$ 3.25	\$ 3.05	\$ 2.82
Cash Dividends .....	\$ 1.30	\$ 1.24	\$ 1.18
<b>Balances at December 31</b>			
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
<b>Ratios</b>			
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 dark ink, reading "Lance O. Diehl".

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

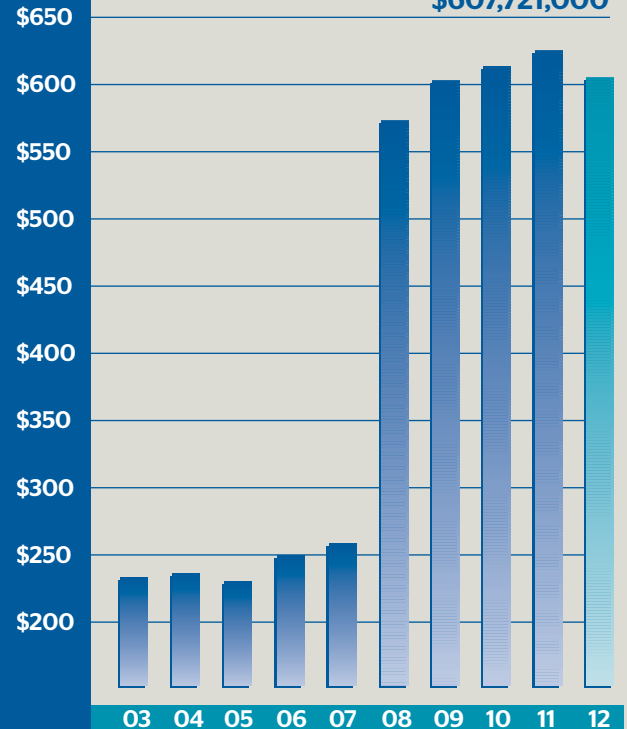
2005

2004

2003

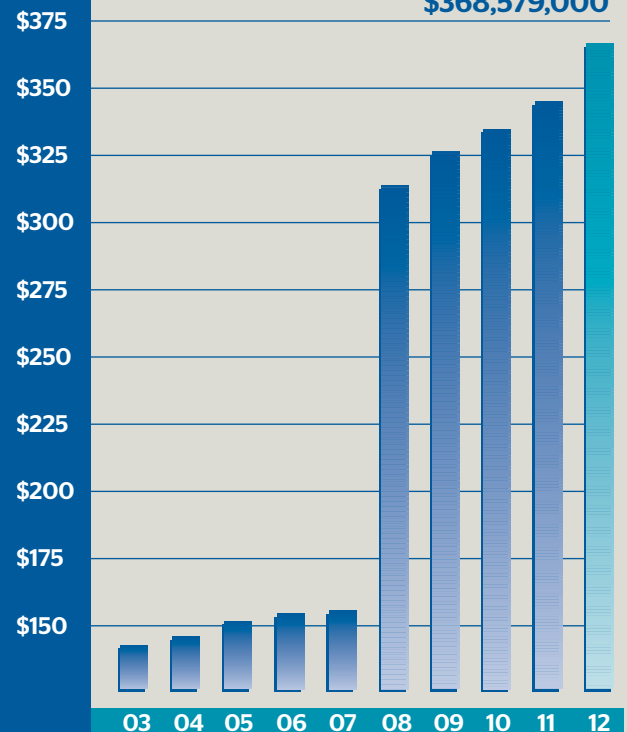
## Assets (Millions)

**\$607,721,000**

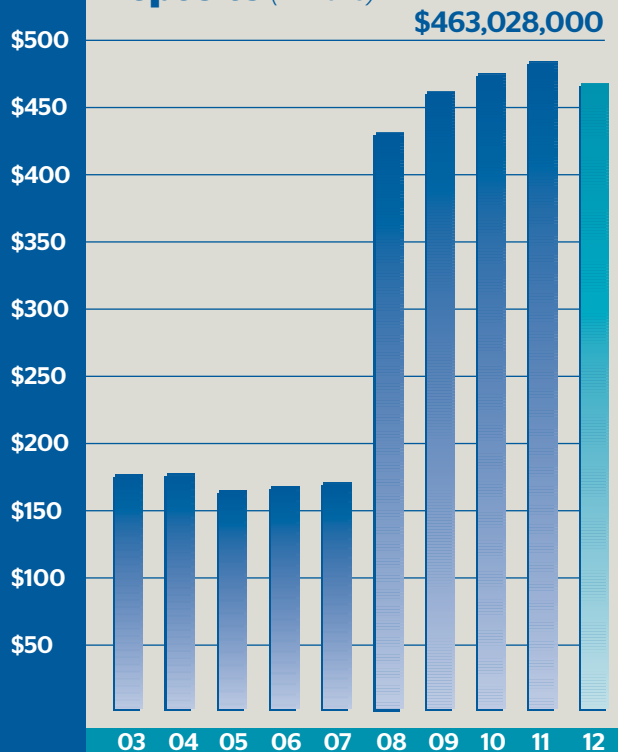


## Loans (Millions)

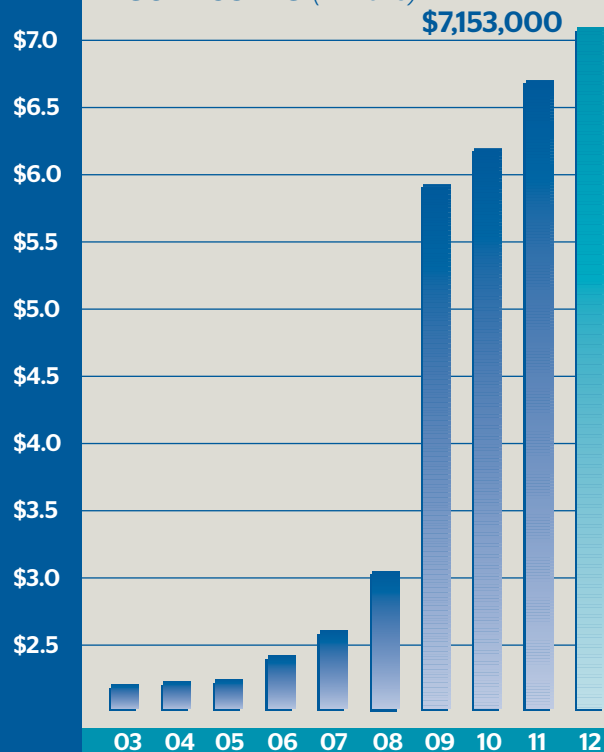
**\$368,579,000**



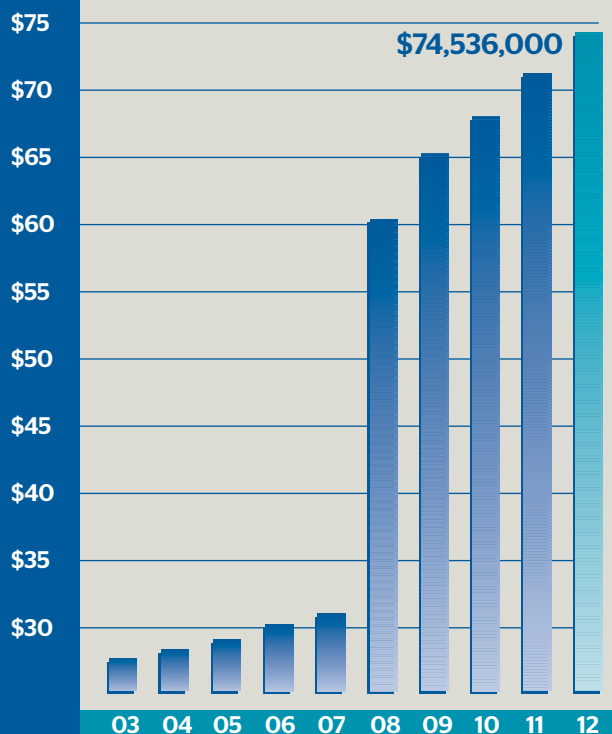
### Deposits (Millions)



### 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 Cizko  
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 Dreesse  
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  
Karen Murdock  
Petina Napoli  
Denise Neidig  
Jeffrey Nelson  
John Nevil  
Deborah Nevius  
Brandon Ortmann  
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 Reibosome  
William Richie  
Sharon Roeder  
Patricia Rosario  
Lisa Rumberger  
Brenda Ruth  
Judith Scavone  
Cynthia Schrecengost  
Lisa Schultz  
Sherry Seal  
Marcia Seely  
Mary Beth Shade  
Terrie Sidingier  
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



A detailed map of Columbia County, Pennsylvania, highlighting the service area of First Columbia Bank & Trust Co. The county is outlined in a thick blue border. Major towns and locations within the county include Benton, Rohrsburg, Orangeville, Berwick, Lightstreet, Buckhorn, Scott Township, Bloomsburg, Catawissa, Elysburg, Danville, Paxinos, Mount Carmel, Centralia, Ashland, and Numidia. The map shows a network of roads, including Interstate 80 (I-80), Interstate 11 (I-11), and Interstate 81 (I-81), as well as various state and local roads. The First Columbia Bank & Trust Co. logo is prominently displayed in the top right corner. The map also shows the locations of several branches, marked with blue building icons, and the locations of various exits and road numbers.

