

Press Release – For Immediate Release

April 25, 2023

## **CCFNB Bancorp, Inc. Reports First Quarter 2023 Earnings**

Bloomington, PA – CCFNB Bancorp, Inc. (OTC Pink: CCFN), parent company of First Columbia Bank & Trust Co. (“Bank”), has released its unaudited financial statements for the first quarter of 2023.

Net income, as reported under U.S. Generally Accepted Accounting Principles, for the quarter-ended March 31, 2023 was \$1,940,000 compared to \$2,445,000 for the same period in 2022. Earnings per share for the quarters-ended March 31, 2023 and 2022 were \$0.93 and \$1.18, respectively. The return on average assets and return on average equity were 0.82% and 8.94% for the quarter-ended March 31, 2023 as compared to 1.03% and 9.64% for the same period of 2022.

The net interest margin, tax effected, on interest earning assets and liabilities was 2.41% and 2.48% at March 31, 2023 and 2022, respectively.

Total assets amounted to \$955.0 million at March 31, 2023 as compared to \$944.0 at December 31, 2022. For the quarter-ended March 31, 2023, net loans, not held for sale, increased by \$12.6 million while investment securities increased \$3.3 million and cash and cash equivalents decreased \$2.9 million to \$10.2 million. Over the same time period, loans held for sale decreased \$1.7 million. Total deposits decreased \$7.0 million while short term borrowings increased \$11.2 million since the end of 2022.

The Corporation invests in various forms of agency debt including mortgage-backed securities and callable agency debt. The fair value of these securities is influenced by market interest rates, prepayment speeds on mortgage securities, bid to offer spreads in the market place and credit premiums for various types of agency debt. These factors change continuously and therefore the fair market value of these securities may be higher or lower than the Corporation’s carrying value at any measurement date. The temporary impact on Investments will also affect Stockholders’ Equity as these fluctuations are recorded through Accumulated Other Comprehensive Loss. For the quarter ended March 31, 2023, the temporary impact of these unrealized losses on the Stockholders’ Equity amounted to a reduction of \$22.4 million. The Corporation does not consider its debt securities to be other-than-temporarily impaired since it has both the intent and ability to hold the securities until a recovery of fair value, which may be maturity. As of March 31, 2023, the scheduled maturities of the callable agency debt, at par value, over the next 12 months amounted to \$40.5 million. Additionally, the Corporation is expecting monthly cash flows from mortgage-backed securities.

Our liquidity position remains strong as the Bank has access to available funding with the Federal Home Loan Bank of Pittsburgh (FHLB). Under terms of a blanket agreement, the loans are secured by certain qualifying assets of the Bank which consisted principally of first mortgage loans. As of March 31, 2023, the maximum borrowing capacity with FHLB amounted to \$254,623,650 and the available capacity was \$240,944,873. The Bank also has unused lines of credit with the Federal Reserve Bank Discount Window and Atlantic Community Bankers Bank in the amount of \$6,009,575 and \$10,000,000, respectively, at March 31, 2023.

When compared to December 31, 2022, stockholders’ equity, excluding accumulated other comprehensive loss, increased \$1.6 million to \$114.9 million as of March 31, 2023. Total stockholders’ equity equated to a book value per share of \$44.52 at March 31, 2023 as compared with \$41.34 as of December 31, 2022. For the quarter ended March 31, 2023 cash dividends of \$0.42 per share were paid to stockholders as compared to \$0.41 for the same 2022 period. CCFNB Bancorp, Inc. remains well capitalized, with an equity to assets ratio of 9.70% as of March 31, 2023 and 9.10% at December 31, 2022.

### **CCFNB Bancorp, Inc. and Muncy Bank Financial, Inc. Merger - Additional Information and Where to Find It**

On April 18, 2023 CCFNB Bancorp, Inc. (OTCPK: CCFN) and Muncy Bank Financial, Inc. (OTCQB: MYBF) jointly announced the signing of a definitive merger agreement to combine the two companies in a strategic merger of equals. In connection with the proposed transaction, additional information has been filed today with the SEC Pursuant to Rule Form 425. This information is also available in the “Investor Relations” section of our website, <https://www.firstcolumbiabank.com>. This additional information is being provided in response to questions from current and potential investors on the proposed transaction.

*Note: This press release may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results and trends could differ materially from those set forth in such statements due to various factors. These factors include operating, legal and regulatory risks; changing economic and competitive conditions and other risks and uncertainties. All forward-looking statements included in this press release are made as of the date hereof and are based on information currently available. CCFNB Bancorp, Inc. assumes no obligation to update any forward-looking statements.*

**CCFNB Bancorp, Inc.**  
**Consolidated Balance Sheets**

	<b>(Unaudited)</b>	
	<b>March 31,</b>	<b>December 31,</b>
<b>(In Thousands, except share data)</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 8,837	\$ 9,750
Interest-bearing deposits in other banks	1,351	3,333
Federal funds sold	6	1
Total cash and cash equivalents	10,194	13,084
Investment debt securities, available for sale, at fair value	344,148	341,051
Investment equity securities, at fair value	996	1,077
Restricted securities	3,467	3,223
Loans held for sale	2,825	4,568
Loans, net of unearned income	539,306	527,729
Less: Allowance for credit losses	6,288	7,279
Loans, net	533,018	520,450
Premises and equipment:		
Operating lease right-of-use asset	291	298
Other premises and equipment, net	12,428	12,514
Accrued interest receivable	2,374	2,222
Cash surrender value of bank-owned life insurance	21,988	21,859
Investment in limited partnerships	5,086	3,745
Goodwill	7,937	7,937
Other assets	10,278	11,986
<b>TOTAL ASSETS</b>	<b>\$ 955,030</b>	<b>\$ 944,014</b>
<b>LIABILITIES</b>		
Interest-bearing deposits	\$ 496,938	\$ 500,480
Noninterest-bearing deposits	178,438	181,845
Total deposits	675,376	682,325
Short-term borrowings	182,896	171,741
Long-term borrowings	23	24
Accrued interest payable	302	187
Operating lease liability	291	298
Other liabilities	3,565	3,497
<b>TOTAL LIABILITIES</b>	<b>862,453</b>	<b>858,072</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value \$1.25 per share; authorized 15,000,000 shares, issued 2,344,349 shares in 2023 and 2,343,835 shares in 2022	2,930	2,930
Surplus	30,052	30,030
Retained earnings	91,750	90,156
Accumulated other comprehensive loss	(22,365)	(27,384)
Treasury stock, at cost; 264,700 shares in 2023 and 2022	(9,790)	(9,790)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>92,577</b>	<b>85,942</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 955,030</b>	<b>\$ 944,014</b>

**CCFNB Bancorp, Inc.**  
**Consolidated Statements of Income**  
**(Unaudited)**

(In Thousands, Except Per Share Data)	For the Three Months Ended	
	March 31,	
	2023	2022
<b>INTEREST AND DIVIDEND INCOME</b>		
Interest and fees on loans:		
Taxable	\$ 5,934	\$ 4,809
Tax-exempt	216	164
Interest and dividends on investment securities:		
Taxable	1,208	807
Tax-exempt	129	37
Dividend and other interest income	67	45
Federal funds sold	-	1
Deposits in other banks	60	33
<b>TOTAL INTEREST AND DIVIDEND INCOME</b>	<b>7,614</b>	<b>5,896</b>
<b>INTEREST EXPENSE</b>		
Deposits	627	414
Short-term borrowings	1,786	89
Long-term borrowings	-	-
<b>TOTAL INTEREST EXPENSE</b>	<b>2,413</b>	<b>503</b>
<b>NET INTEREST INCOME</b>	<b>5,201</b>	<b>5,393</b>
<b>CREDIT LOSS EXPENSE</b>		
(Credit) Provision For Credit Losses - Loans	(418)	30
(Credit) Provision For Credit Losses - Off-balance Sheet Commitments	9	-
<b>TOTAL CREDIT LOSS EXPENSE</b>	<b>(409)</b>	<b>30</b>
<b>NET INTEREST INCOME AFTER (CREDIT) PROVISION FOR CREDIT LOSSES</b>	<b>5,610</b>	<b>5,363</b>
<b>NON-INTEREST INCOME</b>		
Service charges and fees	525	511
Gain on sale of loans	29	289
Earnings on bank-owned life insurance	109	103
Brokerage	128	160
Trust	191	209
Loss on equity securities	(81)	(3)
Interchange fees	424	412
Other	301	277
<b>TOTAL NON-INTEREST INCOME</b>	<b>1,626</b>	<b>1,958</b>
<b>NON-INTEREST EXPENSE</b>		
Salaries	1,800	1,846
Employee benefits	792	735
Occupancy	323	327
Furniture and equipment	519	350
State shares tax	161	167
Professional fees	311	298
Director's fees	82	88
FDIC assessments	108	67
Telecommunications	84	84
Automated teller machine and interchange	119	109
Other	518	443
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>4,817</b>	<b>4,514</b>
<b>INCOME BEFORE INCOME TAX PROVISION</b>	<b>2,419</b>	<b>2,807</b>
<b>INCOME TAX PROVISION</b>	<b>479</b>	<b>362</b>
<b>NET INCOME</b>	<b>\$ 1,940</b>	<b>\$ 2,445</b>
<b>EARNINGS PER SHARE</b>	<b>\$ 0.93</b>	<b>\$ 1.18</b>
<b>CASH DIVIDENDS PER SHARE</b>	<b>\$ 0.42</b>	<b>\$ 0.41</b>
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<b>2,079,135</b>	<b>2,077,984</b>

	Quarter Ended (unaudited)				
(Dollars in Thousands, Except Per Share Data)	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
<b>Operating Highlights</b>					
Net income	\$ 1,940	\$ 2,595	\$ 2,521	\$ 1,953	\$ 2,445
Net interest income	5,201	5,453	5,953	5,528	5,393
(Credit) Provision for credit losses	(409)	(450)	(1,200)	(190)	30
Non-interest income	1,626	2,008	498	1,607	1,958
Non-interest expense	4,817	5,038	4,668	4,848	4,514
<b>Financial Condition Data:</b>					
Total assets	\$ 955,030	\$ 944,014	\$ 952,822	\$ 953,045	\$ 955,767
Loans, net and loans held for sale	535,843	525,018	506,760	487,334	453,793
Intangibles	7,937	7,937	7,937	7,937	7,937
Total deposits					
Noninterest-bearing	\$ 178,438	\$ 181,845	\$ 182,469	\$ 184,855	\$ 185,590
Savings	166,231	171,462	174,173	176,056	173,923
NOW	151,191	152,656	156,961	159,048	164,403
Money Market	51,846	51,850	51,894	56,293	55,493
Time Deposits	127,670	124,512	129,900	135,784	139,948
Total interest-bearing deposits	496,938	500,480	512,928	527,181	533,767
Core deposits*	547,706	557,813	565,497	576,252	579,409
<b>Selected Ratios</b>					
Net interest margin(YTD)	2.41%	2.55%	2.56%	2.51%	2.48%
Annualized return on average assets	0.82%	1.00%	0.97%	0.93%	1.03%
Annualized return on average equity	8.94%	10.45%	9.82%	9.14%	9.64%
<b>Capital Ratios</b>					
Common equity tier I capital ratio	19.83%	19.79%	20.77%	20.32%	21.22%
Tier I capital ratio	19.83%	19.79%	20.77%	20.32%	21.22%
Total risk-based capital ratio	20.99%	21.04%	22.03%	21.58%	22.48%
Leverage ratio	11.11%	11.02%	10.74%	10.79%	10.71%
<b>Asset Quality Ratios</b>					
Non-performing assets	\$ 2,808	\$ 2,654	\$ 2,678	\$ 2,816	\$ 2,821
Allowance for credit losses	6,288	7,279	7,743	8,960	9,159
Allowance for credit losses to total loans	1.16%	1.37%	1.51%	1.81%	1.98%
Allowance for credit losses to non-performing loans	223.91%	274.33%	293.22%	318.16%	324.66%
<b>Per Share Data</b>					
Earnings per share	\$ 0.93	\$ 1.25	\$ 1.21	\$ 0.94	\$ 1.18
Dividend declared per share	0.42	0.42	0.42	0.42	0.41
Book value	44.52	41.34	39.88	42.29	45.37
Common stock price:					
Bid	\$ 40.05	\$ 45.00	\$ 45.50	\$ 52.20	\$ 53.00
Ask	42.50	51.00	49.50	55.90	48.75
Weighted average common shares	2,079,135	2,078,705	2,078,204	2,077,971	2,077,984
* Core deposits are defined as total deposits less time deposits					