Press Release – For Immediate Release
August 1, 2023

CCFNB Bancorp, Inc. Reports Second Quarter 2023 Earnings

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

Net income, as reported under U.S. Generally Accepted Accounting Principles, for the quarter-ended June 30, 2023 was $1,462,000 compared to $1,953,000 for the same period in 2022. Net income, as reported under U.S. Generally Accepted Accounting Principles, for the six months-ended June 30, 2023 was $3,402,000 compared to $4,398,000 for the same period in 2022. Net income for the six months-ended June 30, 2023 was impacted by merger related expenses amounting to approximately $449 thousand. Earnings per share for the quarters-ended June 30, 2023 and 2022 were $0.71 and $0.94, respectively. Earnings per share for the six months-ended June 30, 2023 and 2022 were $1.64 and $2.12, respectively. The return on average assets and return on average equity were 0.71% and 7.63% for the quarter-ended June 30, 2023 as compared to 0.93% and 9.14% for the same period of 2022.

The net interest margin, tax effected, on interest earning assets and liabilities was 2.32% and 2.51% at June 30, 2023 and 2022, respectively.

Total consolidated assets amounted to $960.1 million at June 30, 2023 as compared to $944.0 at December 31, 2022. For the six months-ended June 30, 2023, net loans, not held for sale, increased by $22.7 million while investment securities decreased $3.7 million and cash and cash equivalents decreased $289 thousand. Over the same time period, loans held for sale decreased $4.2 million. Total deposits decreased $23.8 million while short term borrowings increased $10.3 million. Long term borrowings increased $25.0 million since the end of 2022 to fund the loan growth and offset deposit losses.

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-backed 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 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 income (loss). As of June 30, 2023, the temporary impact of these unrealized losses on the stockholders' equity amounted to a reduction of $25.2 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 to allow a market recovery, which may be at maturity. As of June 30, 2023, the scheduled maturities of the callable agency debt, at par value, over the next 12 months amounted to $40.6 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 June 30, 2023, the maximum borrowing capacity with FHLB amounted to $259,100,000 and the available capacity was $225,100,000. The Bank also has unused lines of credit with the Federal Reserve Bank Discount Window and Atlantic Community Bankers Bank in the amounts of $5,953,560 and $10,000,000, respectively, at June 30, 2023.

When compared to December 31, 2022, stockholders' equity, excluding accumulated other comprehensive loss, increased $2.2 million to $115.5 million as of June 30, 2023. Total stockholders' equity equated to a book value per share of $43.44 at June 30, 2023 as compared with $41.34 as of December 31, 2022. For the six months-ended June 30, 2023 cash dividends of $0.85 per share were paid to stockholders as compared to $0.83 for the same 2022 period. CCFNB Bancorp, Inc. remains well capitalized, with an equity-to-assets ratio of 9.4% as of June 30, 2023 and 9.1% at December 31, 2022.

About CCFNB Bancorp, Inc.

CCFNB Bancorp, Inc. is a registered financial holding company, headquartered in Bloomsburg, Pennsylvania. CCFNB Bancorp, Inc. has one subsidiary bank, First Columbia Bank & Trust Co. First Columbia Bank & Trust Co. is a full-service community bank, serving a market area in Columbia, Montour, Luzerne, Lycoming, and Northumberland counties. The Bank engages in a full line of personal, business and municipal financial services and alternative investment products, including corporate and personal fiduciary services. The Bank has 12 offices located throughout the communities of Bloomsburg, Berwick, Danville, Benton, Millville, Elysburg and Catawissa. The Bank has 177 employees. As of June 30, 2023, CCFNB Bancorp, Inc. had $960.1 million in total assets.