

CHICOPEE BANCORP, INC.  
 Form 4  
 July 20, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 DUPUIS LOUIS E

2. Issuer Name and Ticker or Trading Symbol  
 CHICOPEE BANCORP, INC.  
 [(CBNK)]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 70 CENTER STREET  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/19/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

CHICOPEE, MA 01013

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price			
Common Stock	07/19/2006		P	V	Amount	\$ 10,000	D	
Common Stock	07/19/2006		P	V	Amount	\$ 10,000	I	By Spouse's IRA

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DUPUIS LOUIS E 70 CENTER STREET CHICOPEE, MA 01013		X		

## Signatures

/s/ Dupuis,  
Louis E. 07/20/2006

\_\_Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.  
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. (2,004) 6,996 Proceeds from issuance of common stock ..... 81 82 Acquisition of treasury stock ..... (219) (292) Cash dividends paid ..... (388) (381) -----  
----- NET CASH PROVIDED BY FINANCING ACTIVITIES ..... \$ 3,492 \$ (4,766) -----  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS ..... \$ 1,008 \$ (971) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD ..... 12,663 6,072 ----- CASH AND CASH EQUIVALENTS AT END OF PERIOD ..... \$ 13,671 \$ 5,101 ===== SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION Cash paid during the year for: Interest ..... \$ 3,678 \$ 3,350 Income taxes ..... \$ 284 \$ 333 See accompanying notes to Consolidated Financial Statements. -3- 6 CCFNB BANCORP, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2001 NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accounting and reporting policies of CCFNB Bancorp, Inc. and Subsidiary (the "Corporation") are in accordance with accounting principles generally accepted in the United States of America and conform to common practices within the banking industry. The more significant policies follow:

**PRINCIPLES OF CONSOLIDATION** The consolidated financial statements include the accounts of CCFNB Bancorp, Inc. and its wholly owned subsidiary, Columbia County Farmers National Bank (the "Bank") and all other equity interests. All significant inter-company balances and transactions have been eliminated in consolidation.

**NATURE OF OPERATIONS & LINES OF BUSINESS** The Corporation provides full banking services, including trust services, through the Bank, to individuals and corporate customers. The Bank has six offices covering an area of approximately 484 square miles in Northeastern Pennsylvania. The Corporation and its banking subsidiary are subject to regulation of the Office of the Comptroller of the Currency, The Federal Deposit Insurance Corporation and the Federal Reserve Bank of Philadelphia. Procuring deposits and making loans are the major lines of business. The deposits are mainly deposits of individuals and small businesses and the loans are mainly real estate loans covering primary residences and small business enterprises. The trust services, under the name of CCFNB and Co., include administration of various estates, pension plans, self-directed IRA's and other services. A third-party brokerage arrangement is also resident in the main branch, namely Bloomsburg. This investment center offers a full line of stocks, bonds and other non-insured financial services. On December 19, 2000, the Corporation became a Financial Holding Company by having filed an election to do so with the Federal Reserve Board. The Bancorp acquired a 50% interest in a local insurance agency during January 2001. **USE OF ESTIMATES** The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of income and expenses during the reporting periods. Actual results could differ from those estimates.

**INVESTMENT SECURITIES** The Corporation classifies its investment securities as either "Held-to-Maturity" or "Available-for-Sale" at the time of purchase. Debt securities are classified as Held-to-Maturity when the Corporation has the ability and positive intent to hold the securities to maturity. Investment securities Held-to-Maturity are carried at cost adjusted for amortization of premiums and accretion of discounts to maturity. Debt securities not classified as Held-to-Maturity and equity securities included in the Available-for-Sale category, are carried at fair value, and the amount of any unrealized gain or loss net of the effect of deferred income taxes is reported as a component of Stockholders' Equity. Management's decision to sell Available-for-Sale securities is based on changes in economic conditions controlling the sources and uses of funds, terms, availability of and yield of alternative investments, interest rate risk, and the need for liquidity. The cost of debt securities classified as Held-to-Maturity or Available-for-Sale is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion, as well as interest and dividends, is included in interest income from investments. Realized gains and losses are included in net investment securities gains. The cost of investment securities sold, redeemed or matured is based on the specific identification method. Equity securities that do not have readily determinable fair values such as Federal Reserve Bank Stock, Federal Home Loan Bank Stock and Atlantic Central Banker's Bank Stock are carried at cost and are included in other assets. **LOANS** Loans are stated at their outstanding principal balances, net of deferred fees or costs, unearned income, and the allowance for loan losses. Interest on loans is accrued on the principal amount outstanding, primarily on an actual day basis. Non-refundable loan fees and certain direct costs are deferred and amortized over the life of the loans using the interest method. The amortization is reflected as an interest yield adjustment, and the deferred portion of the net fees and costs is reflected as a part of the loan balance. **Non-Accrual Loans** - Generally, a loan is classified as non-accrual, with the accrual of interest on such a loan discontinued when the contractual payment of principal or interest has become 90 days past due or management has serious doubts about further collectibility of principal or interest, even though the loan currently is performing. A loan may remain on accrual status if it is in the process of collection and is either guaranteed or well secured. When a loan is placed on non-accrual status, unpaid interest credited to income in the current year is reversed, and unpaid interest accrued in prior years is charged against the allowance for credit losses. Certain non-accrual loans may continue to perform, that is, payments are still being received with those payments generally applied to principal. Non-accrual loans remain under constant scrutiny and if performance continues, interest income may be recorded on a cash basis based on management's judgement as to collectibility of principal. **Allowance for Loan Losses** - The allowance for loan losses is established through provisions for loan losses charged against income. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance. A factor in estimating the allowance for loan losses is the measurement of impaired loans. A loan is considered impaired when, based on current information and events, it is probable that the Corporation will be unable to collect all amounts due according to the

contractual terms of the loan agreement. Under current accounting standards, the allowance for loan losses related to impaired loans is based on discounted cash flows using the loan's effective interest rate or the fair value of the collateral for certain collateral dependent loans. The allowance for loan losses is maintained at a level established by management to be adequate to absorb estimated potential loan losses. Management's periodic evaluation of the adequacy of the allowance for loan losses is based on the Corporation's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay (including the timing of future payments), the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires material estimates, including the amounts and timing of future cash flows expected to be received on impaired loans that may be susceptible to significant change.

**PREMISES AND EQUIPMENT** Premises and equipment are stated at cost less accumulated depreciation computed principally on the straight-line method over the estimated useful lives of the assets. Maintenance and minor repairs are charged to operations as incurred. The cost and accumulated depreciation of the premises and equipment retired or sold are eliminated from the property accounts at the time of retirement or sale, and the resulting gain or loss is reflected in current operations.

**OTHER REAL ESTATE OWNED** Other real estate owned is comprised of property acquired through a foreclosure proceeding or acceptance of a deed-in-lieu of foreclosure and loans classified as in-substance foreclosure. In accordance with Statement of Financial Accounting Standards (SFAS) No. 114, a loan is classified as in-substance foreclosure when the Corporation has taken possession of the collateral regardless of whether formal foreclosure proceedings take place. Other real estate owned is recorded at fair value at the date of foreclosure, establishing a new cost basis and is included in other assets. After foreclosure, valuations are periodically performed by management, and the real estate is carried at the lower of (1) cost or (2) fair value minus estimated costs to sell. Income and expenses from operations of other real estate owned and changes in the valuation allowance are included in loss on other real estate owned.

**-6- 9 INCOME TAXES** The provision for income taxes is based on the results of operations, adjusted primarily for tax-exempt income. Certain items of income and expense are reported in different periods for financial reporting and tax return purposes. Deferred tax assets and liabilities are determined based on the differences between the consolidated financial statement and income tax bases of assets and liabilities measured by using the enacted tax rates and laws expected to be in effect when the timing differences are expected to reverse. Deferred tax expense or benefit is based on the difference between deferred tax asset or liability from period to period.

**PER SHARE DATA** Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share", requires dual presentation of basic and diluted earnings per share. Basic earnings per share is calculated by dividing net income by the weighted average number of shares of common stock outstanding at the end of each period. Diluted earnings per share is calculated by increasing the denominator for the assumed conversion of all potentially dilutive securities. The Corporation does not have any securities which have or will have a dilutive effect, accordingly, basic and diluted per share data is the same.

**CASH FLOW INFORMATION** For purposes of reporting consolidated cash flows, cash and cash equivalents include cash on hand and due from banks, interest-bearing deposits in other banks and federal funds sold. The Corporation considers cash classified as interest-bearing deposits with other banks as a cash equivalent because they are represented by cash accounts essentially on a demand basis. Federal funds are also included as a cash equivalent because they are generally purchased and sold for one-day periods.

**TRUST ASSETS AND INCOME** Property held by the Corporation in a fiduciary or agency capacity for its customers is not included in the accompanying consolidated financial statements because such items are not assets of the Corporation. Trust Department income is generally recognized on a cash basis and is not materially different than if it was reported on an accrual basis.

**SEGMENT REPORTING** The Corporation's banking subsidiary acts as an independent community financial services provider, and offers traditional banking and related financial services to individual, business and government customers. Through its branch, internet banking, telephone and automated teller machine network, the Bank offers a full array of commercial and retail financial services, including the taking of time, savings and demand deposits; the making of commercial, consumer and mortgage loans; and the providing of other financial services. The Bank also performs personal, corporate, pension and fiduciary services through its Trust Department as well as offering diverse investment products through its investment center.

**-7- 10** Management does not separately allocate expenses, including the cost of funding loan demand, between the commercial, retail, trust and investment center operations of the Corporation. As such, discrete financial information is not available and segment reporting would not be meaningful.

**RECENT ACCOUNTING PRONOUNCEMENTS** Statement of Financial Accounting Standards (SFAS) No. 133 (as amended by SFAS No.

138), "Accounting for Derivative Instruments and Hedging Activities", becomes effective for financial reporting periods beginning after June 15, 2000. SFAS No. 133 requires the recognition of the fair value of all derivative instruments on the consolidated balance sheets. Since the Corporation does not enter into transactions involving derivatives described in the standard and does not engage in hedging activities, the standard is not expected to have a significant impact on the Corporation's consolidated financial condition or results of operations. Statement of Financial Accounting Standards (SFAS) No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities", is generally effective for transactions occurring after March 31, 2001. For recognition and reclassification of collateral and for disclosure related to securitization transactions and collateral, the effective date is for fiscal years ending after December 15, 2000. SFAS No. 140 replaces SFAS No. 125 and provides revisions to the standards for accounting and requirements for certain disclosures relating to securitizations and other transfers of financial assets. The standard is not expected to have a significant impact on the Corporation's consolidated financial condition or results of operations. RECLASSIFICATION Certain amounts in the consolidated financial statements of the prior years have been reclassified to conform with presentation used in the 2001 consolidated financial statements. Such reclassifications had no effect on the Corporation's consolidated financial condition or net income.

NOTE 2 - ALLOWANCE FOR LOAN LOSSES Changes in the allowance for loan losses for the periods ended June 30, 2001, and June 30, 2000 were as follows: (AMOUNTS IN THOUSANDS)

	2001	2000
Balance, beginning of year	\$ 1,008	\$ 985
Provision charged to operations	23	39
Loans charged-off	(64)	(20)
Recoveries	14	27
Balance, June 30	\$ 981	\$ 1,031

At June 30, 2001 the recorded investment in loans that are considered to be impaired as defined by SFAS No. 114 was \$37,755. No additional charge to operations was required to provide for the impaired loans since the total allowance for loan losses is estimated by management to be adequate to provide for the loan loss allowance required by SFAS No. 114 along with any other potential losses. At June 30, 2001, there were no significant commitments to lend additional funds with respect to non-accrual and restructured loans.

NOTE 3 - SHORT-TERM BORROWINGS Federal funds purchased, securities sold under agreements to repurchase, and Federal Home Loan Bank advances generally represented overnight or less than 30-day borrowings. U.S. Treasury tax and loan notes for collections made by the Bank were payable on demand.

NOTE 4 - LONG-TERM BORROWINGS Long-term borrowings are comprised of advances from the Federal Home Loan Bank.

NOTE 5 - STOCKHOLDERS' EQUITY Changes in stockholders' equity for the period ended June 30, 2001 were as follows: (AMOUNTS IN THOUSANDS, EXCEPT COMMON SHARE DATA)

	ACCUMULATED OTHER COMPREHENSIVE INCOME	COMMON STOCK SURPLUS (LOSS)	COMMON EARNINGS (LOSS)	COMMON STOCK TOTAL
Balance at January 1, 2001	\$ 1,346,328	\$ 1,683	\$ 5,146	\$ 18,310
Income: Net income	0	0	964	964
Change in unrealized gain (loss) on investment securities available-for-sale net of reclassification adjustment and tax effects	0	0	312	312
TOTAL COMPREHENSIVE INCOME	\$ 1,276			
Issuance of 4,482 shares of common stock under dividend reinvestment and stock purchase plans	4,482	576	0	81
Purchase of 11,653 shares of treasury stock	0	0	(219)	(219)
Retirement of 11,653 shares of treasury stock	0	0	(11,653)	(14)
Cash dividends \$.29 per share	0	0	(388)	(388)
Balance at June 30, 2001	\$ 1,339,157	\$ 1,674	\$ 5,017	\$ 18,886

NOTE 6 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CONCENTRATIONS OF CREDIT RISK The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and commercial letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Corporation has in particular classes of financial instruments. The Corporation does not engage in trading activities with respect to any of its financial instruments with off-balance sheet risk. The Corporation may require collateral or other security to support financial instruments with off-balance sheet credit risk. The contract or notional amounts at June 30, 2001 and December 31, 2000 were as follows: (AMOUNTS IN THOUSANDS)

	JUNE 30, 2001	DECEMBER 31, 2000
FINANCIAL INSTRUMENTS WHOSE CONTRACT AMOUNTS REPRESENT CREDIT RISK: Commitments to extend credit	\$11,973	\$ 9,685

letters of credit ..... 2,280 1,990 Performance standby letters of credit ..... 14 18 Dealer floor plans ..... 1,849 1,098 Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Because many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Corporation evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Corporation upon extension of credit, is based on management's credit evaluation of the counter-party. Collateral held varies but may include accounts receivable, inventory, property, plant, equipment and income-producing commercial properties. Standby letters of credit and commercial letters of credit are conditional commitments issued by the Corporation to guarantee the performance of a customer to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Corporation holds collateral supporting those commitments for which collateral is deemed necessary. The Corporation's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and letters of credit is represented by the contractual notional amount of those instruments. The Corporation uses the same credit policies in making commitments and conditional obligations, as it does for on-balance sheet instruments. -10- 13 The Corporation granted commercial, consumer and residential loans to customers within Pennsylvania. Of the total loan portfolio at June 30, 2001, 79.0% was for real estate loans, principally residential. It was the opinion of management that the high concentration did not pose an adverse credit risk. Further, it was management's opinion that the remainder of the loan portfolio was balanced and diversified to the extent necessary to avoid any significant concentration of credit. NOTE 7 - MANAGEMENT'S ASSERTIONS AND COMMENTS REQUIRED TO BE PROVIDED WITH FORM 10Q FILING In management's opinion, the consolidated interim financial statements reflect fair presentation of the consolidated financial position of CCFNB Bancorp, Inc. and Subsidiary, and the results of their operations and their cash flows for the interim periods presented. Further, the consolidated interim financial statements are unaudited however they reflect all adjustments, which are in the opinion of management, necessary to present fairly the consolidated financial condition and consolidated results of operations and cash flows for the interim periods presented and that all such adjustments to the consolidated financial statements are of a normal recurring nature. The results of operations for the six-month period ended June 30, 2001, are not necessarily indicative of the results to be expected for the full year. These consolidated interim financial statements have been prepared in accordance with requirements of Form 10Q and therefore do not include all disclosures normally required by accounting principles generally accepted in the United States of America applicable to financial institutions as included with consolidated financial statements included in the Corporation's annual Form 10K filing. The reader of these consolidated interim financial statements may wish to refer to the Corporation's annual report or Form 10K for the period ended December 31, 2000, filed with the Securities and Exchange Commission. -11- 14 REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS Board of Directors and Stockholders of CCFNB Bancorp, Inc.: We have reviewed the accompanying consolidated balance sheet of CCFNB Bancorp, Inc. and Subsidiary as of June 30, 2001, and the related consolidated statements of income and cash flows for the three and six-month periods ended June 30, 2001 and 2000. These consolidated financial statements are the responsibility of the management of CCFNB Bancorp, Inc. and Subsidiary. We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America. We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of CCFNB Bancorp, Inc. and Subsidiary as of December 31, 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated January 19, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2000, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been

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derived. /S/ J.H. Williams & Co., LLP J.H. Williams & Co., LLP Kingston, Pennsylvania July 20, 2001 -12- 15  
CCFNB BANCORP, INC. AND SUBSIDIARY MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS Consolidated Summary of  
Operations (Dollars in Thousands, except for per share data) AT AND FOR THE SIX MONTHS -----  
ENDED JUNE 30, AT AND FOR THE YEARS ENDED DECEMBER 31, -----

	2001	2000	2000	1999	1998	1997	1996	
Income and Expense: Interest income .....	\$ 6,904	\$ 6,641	\$ 13,552	\$ 12,669	\$ 12,444	\$ 12,498	\$ 11,844	Interest expense .....
	3,645	3,299	6,859	6,099	6,072	5,976	5,588	Net interest income .....
	3,259	3,342	6,693	6,570	6,372	6,522	6,256	Loan loss provision .....
	23	39	54	78	78	60	80	Net interest income after loan loss provision .....
	3,236	3,303	6,639	6,492	6,294	6,462	6,176	Non-interest income .....
	547	500	1,053	1,050	981	804	762	Non-interest expense .....
	4,492	4,450						Income before income taxes .....
	1,267	2,725	2,724	2,536	2,774	2,488		Income taxes .....
	283	306	671	685	634	749	664	Net income .....
	\$ 964	\$ 961	\$ 2,054	\$ 2,039	\$ 1,902	\$ 2,025	\$ 1,824	Per Share: (1) Net income .....
	\$.72	\$.71	\$ 1.51	\$ 1.48	\$ 1.38	\$ 1.47	\$ 1.33	Cash dividends paid .....
	.29	.28	.56	.51	.46	.46	.45	Average shares outstanding .....
	1,381,800	1,375,875						Average Balance Sheet: Loans .....
	\$ 116,490	\$ 116,771	\$ 112,341					Investments .....
	47,589	46,654	45,877	48,726	44,906	39,335	38,299	Other earning assets .....
	10,348	1,389	1,345	2,739	4,952	5,053	3,739	Total assets .....
	196,727	186,597	177,643	171,159	164,512			Deposits .....
	147,738	139,080	139,774	138,963	131,366			Other interest-bearing liabilities .....
	31,299	28,464	31,203	22,874	22,660	20,198	14,860	Stockholders' equity .....
	25,710	22,837	23,910	22,874	22,264	20,690	19,512	Balance Sheet Data: Loans .....
	\$ 137,452	\$ 133,603	\$ 137,360	\$ 134,423	\$ 118,558	\$ 119,045	\$ 115,590	Investments .....
	46,185	48,003	47,179	42,671	36,458			Other earning assets .....
	9,644	229	5,940	217	6,105	582	6,856	Total assets .....
	207,763	192,600	203,054	196,122	185,258	173,866	170,086	Deposits .....
	149,704	140,236	143,169	138,606	137,679	127,719	131,400	Other interest-bearing liabilities ...
	33,224	22,709	22,802	16,951				Stockholders' equity .....
	25,800	23,286	25,050	23,047	23,480	22,105	20,657	
	.94%	1.00%	1.04%	1.09%	1.07%	1.18%	1.11%	Return on average equity .....
	7.50%	8.42%	8.59%	8.91%	8.54%	9.79%	9.35%	Dividend payout ratio .....
	36.89%	33.59%	33.59%	31.65%	33.95%			Average equity to average assets ratio
	12.47%	11.92%	12.34%	11.75%				12.53%
	12.71%	11.86%						(1) Per share data has been calculated on the weighted average number of shares outstanding.

(2) The ratios for the six month period ending June 30, 2001 and 2000 are annualized. -13- 16 The following discussion and analysis of the financial condition and results of operations of the Corporation should be read in conjunction with the consolidated financial statements of the Corporation. The consolidated financial condition and results of operations of the Corporation are essentially those of the Bank. Therefore, the discussion and analysis that follows is directed primarily at the performance of the Bank. Overview Total assets increased 2.3% to \$207.8 million at June 30, 2001 from \$203.1 million at December 31, 2000. Net income increased through June 30, 2001 to \$964,000 or 72 cents per share, compared to \$961,000 or 71 cents per share for the same six month period ended June 30, 2000. Loans remained at \$137.4 for June 30, 2001 and December 31, 2000. Results of Operations - For the Six Months Ended June 30, 2001 and June 30, 2000. Net income is affected by five major components: net interest income or the difference between interest income earned on loans and investments and interest expense paid on deposits and borrowed funds; the provision for loan losses, which is the amount charged against net interest income and added to the allowance for loan losses to provide a reserve for potential future loan losses; other non-interest income, which is made up of certain fees, gains and losses from the sale of investment securities, trust department income and other items; and other non-interest expenses, which consist primarily of salaries and benefits, general overhead expenses, other operational expenses and income taxes. Each of these major components is reviewed in more detail in the following discussion. Net income for the six months ended June 30, 2001 was \$964,000 or 72 cents per share, as compared to \$961,000 or 71 cents per share, for the comparable period in 2000. Interest income increased \$263,000 and interest expense increased \$346,000 contributing to a \$83,000 decrease in net interest income when comparing

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June 30, 2001 to June 30, 2000. Non-interest income increased \$47,000 and non-interest expense remained constant at \$2.5 million. Return on average assets and return on average equity were .94% and 7.50%, respectively, for the six months ended June 30, 2001, as compared to 1.00% and 8.42% for the comparable period in 2000. Net Interest Income For the six months ended June 30, 2001 and 2000, net interest income was \$3.2 million and \$3.3 million, respectively. The net interest margin was 3.59% for the six months ended June 30, 2001 and 3.93% for June 30, 2000. Average interest earning assets at June 30, 2001 increased by 7.6% over June 30, 2000 to \$206.1 million from \$191.6 million. Average loans outstanding increased from \$133.2 million to \$137.4 million or 3.2% for the six months ended June 30, 2001, as compared to the six months ended June 30, 2000. The outstanding balance of loans at June 30, 2001 was \$137.5 million compared to \$137.4 million at December 31, 2000. -14- 17 Shown below is a summary of past due and non-accrual loans: IN THOUSANDS OF DOLLARS ----- JUNE DECEMBER 30, 2001 31, 2000

-----	-----	Past due and non-accrual: Days 30 - 89.....	\$ 2,002	\$ 1,340	Days 90								
plus.....	646	344	Non-accrual.....	457	312								
=====	=====	Past due and non-accrual loans increased to \$3.1 million at June 30, 2001 from \$2.0 million at December 31, 2000. The major portion of the increase was attributable to increases in commercial and mortgage loans, particularly commercial mortgages. The loan delinquency expressed as a ratio to total loans was 2.3% and 1.4% at June 30, 2001 and December 31, 2000, respectively. Any loans classified for regulatory purposes as loss, doubtful, substandard, or special mention that have not been disclosed under Industry Guide 3 do not (i) represent or result from trends or uncertainties which management reasonably expects will materially impact future operating results, liquidity, or capital resources, or (ii) represent material credits about which management is aware of any information which causes management to have serious doubts as to the ability of such borrowers to comply with the loan repayment terms. The Corporation adheres to principles provided by Financial Accounting Standards Board Statement No. 114, "Accounting by Creditors for Impairment of a Loan" - Refer to Note 2 above for other details. The following analysis provides a schedule of loan maturities/interest rate sensitivities. This schedule presents a repricing and maturity analysis as required by the FFIEC: IN THOUSANDS OF DOLLARS ----- JUNE MATURITY AND REPRICING DATA FOR LOANS AND LEASES 30, 2001 ----- Closed-end loans secured by first liens on 1-4 family residential properties with a remaining maturity or repricing frequency of: (1) Three months or less	\$ 3,784	(2) Over three months through 12 months	14,066	(3) Over one year through three years	31,523	(4) Over three years through five years	2,117	(5) Over five years through 15 years	9,304	(6) Over 15 years	1,868

-----	-----	Past due and non-accrual loans increased to \$3.1 million at June 30, 2001 from \$2.0 million at December 31, 2000. The major portion of the increase was attributable to increases in commercial and mortgage loans, particularly commercial mortgages. The loan delinquency expressed as a ratio to total loans was 2.3% and 1.4% at June 30, 2001 and December 31, 2000, respectively. Any loans classified for regulatory purposes as loss, doubtful, substandard, or special mention that have not been disclosed under Industry Guide 3 do not (i) represent or result from trends or uncertainties which management reasonably expects will materially impact future operating results, liquidity, or capital resources, or (ii) represent material credits about which management is aware of any information which causes management to have serious doubts as to the ability of such borrowers to comply with the loan repayment terms. The Corporation adheres to principles provided by Financial Accounting Standards Board Statement No. 114, "Accounting by Creditors for Impairment of a Loan" - Refer to Note 2 above for other details. The following analysis provides a schedule of loan maturities/interest rate sensitivities. This schedule presents a repricing and maturity analysis as required by the FFIEC: IN THOUSANDS OF DOLLARS ----- JUNE MATURITY AND REPRICING DATA FOR LOANS AND LEASES 30, 2001 ----- Closed-end loans secured by first liens on 1-4 family residential properties with a remaining maturity or repricing frequency of: (1) Three months or less	\$ 3,784	(2) Over three months through 12 months	14,066	(3) Over one year through three years	31,523	(4) Over three years through five years	2,117	(5) Over five years through 15 years	9,304	(6) Over 15 years	1,868
-----	-----	All loans and leases other than closed-end loans secured by first liens on 1-4 family residential properties with a remaining maturity or repricing frequency of: (1) Three months or less	16,846	(2) Over three months through 12 months	12,832	(3) Over one year through three years	7,198	(4) Over three years through five years	16,035	(5) Over five years through 15 years	15,992	(6) Over 15 years	5,815
-----	-----	Sub-total	\$ 137,380	Add: non-accrual loans not included above	457	Less: unearned income	(385)	-----	Total Loans and Leases	\$ 137,452			

-15- 18 Interest income from investment securities reflects a 7.1% decrease comparing \$1.3 million for the six months ended June 30, 2001 and the \$1.4 million for the six months ended June 30, 2000. The average balance of investment securities for the six months ended June 30, 2001 increased 1.9% to \$47.6 million, compared to the \$46.7 million for the same period of 2000. Total interest expense increased \$346,000 or 10.5% for the first six months of 2001 as compared to the first six months of 2000. The cost of interest bearing liabilities increased on an average yield basis from 4.27% through June 2000 compared to 4.41% through June 2001. On the contrary, the average yield on interest earning assets decreased from 7.33% to 7.07% through June 2000 and 2001, respectively. Average short-term borrowings decreased from \$21.6 million at June 30, 2000 to \$18.9 million at June 30, 2001. This 12.5% decrease reflects an increase in depositor repurchase agreements from an average \$15.2 million at June 30, 2000 to \$18.7 million at June 30, 2001. Conversely, short-term borrowing from Federal Home Loan Bank averaged \$5.9 million at June 30, 2000 and \$0 million at June 30, 2001. Long-term borrowings from Federal Home Loan Bank increased from an average \$6.9 million at June 30, 2000 to \$12.4 million at June 30, 2001. \$2,000,000 of long-term debt was repaid during the second quarter of 2001. The following table sets forth, for the periods indicated, information regarding: (1) the total dollar amount of interest income from interest-earning assets and the resultant average yields; (2) the total dollar amount of interest expense on interest-bearing liabilities and the



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resultant average cost; (3) net interest income; (4) net interest margin; (5) tax equivalent net interest income; and (6) tax equivalent net interest margin. Information is based on average daily balances during the indicated periods.

Average Balance Sheet and Rate Analysis (Dollars in Thousands) JUNE 2001 JUNE 2000 -----											
INTEREST AVERAGE INTEREST AVERAGE AVERAGE INCOME/ YIELD/ AVERAGE INCOME/ YIELD/											
BALANCE(1)	EXPENSE(2)	RATE	BALANCE(1)	EXPENSE(2)	RATE						
ASSETS: Interest-bearing deposits with other financial institutions..... \$ 7,472 \$ 198 5.30% \$ 263											
\$ 8 6.08% Investment securities..... 47,589 1,290 6.28% 46,654 1,358 6.62% Federal funds											
sold..... 1,750 40 4.57% 0 0 .00% Loans..... 137,423 5,339 7.83% 133,183											
5,237 7.91% Other assets/equity securities..... 1,126 37 6.57% 1,126 38 6.75% -----											
Total interest earning assets..... \$195,360 \$ 6,904 7.32% \$181,226 \$ 6,641 7.57% =====											
Reserve for loan losses..... (995) (1,011) Cash and due from banks..... 4,875 2,012 Other											
assets..... 6,857 9,359 ----- Total assets..... \$206,097 \$191,586											
===== -16- 19 JUNE 2001 JUNE 2000 ----- INTEREST AVERAGE INTEREST											
AVERAGE AVERAGE INCOME/ YIELD/ AVERAGE INCOME/ YIELD/ BALANCE(1) EXPENSE(2) RATE											
BALANCE(1)	EXPENSE(2)	RATE	----- LIABILITIES AND CAPITAL:								
Interest bearing deposits..... \$134,105 \$ 2,817 4.20% \$125,885 \$ 2,517 4.00% Short-term											
borrowings..... 18,935 440 4.65% 21,551 577 5.35% Long-term borrowings..... 12,364											
388 6.28% 6,913 205 5.93% ----- Total interest-bearing liabilities..... \$165,404 \$ 3,645											
4.41% \$154,349 \$ 3,299 4.27% ----- Demand deposits..... \$ 13,633 \$											
13,195 Other liabilities..... 1,350 1,205 Stockholders' equity..... 25,710 22,837 -----											
----- Total liabilities and capital..... \$206,097 \$191,586 ===== NET INTEREST											
INCOME/NET INTEREST MARGIN (4)..... \$ 3,259 3.34% \$ 3,342 3.69% ===== TAX											
EQUIVALENT NET INTEREST INCOME/ NET INTEREST MARGIN (5)..... \$ 3,505 3.59% \$ 3,561											
3.93% ===== (1) Average volume information was computed using daily averages. (2)											

Interest on loans includes fee income. (3) Yield on tax-exempt obligations has been computed on a tax-equivalent basis. (4) Net interest margin is computed by dividing net interest income by total interest earning assets. (5) Interest and yield are presented on a tax-equivalent basis using 34% for 2001 and 2000. Provision for Loan Losses The provision for loan losses is based on management's evaluation of the allowance for loan losses in relation to the credit risk inherent in the loan portfolio. In establishing the amount of the provision required, management considers a variety of factors, including but not limited to, general economic conditions, volumes of various types of loans, collateral adequacy and potential losses from significant borrowers. On a monthly basis, the Board of Directors and the Credit Administration Committee review information regarding specific loans and the total loan portfolio in general in order to determine the amount to be charged to the provision for loan losses. For the six month periods ending June 30, 2001 and 2000, the provision for loan losses was \$23,000 and \$39,000 respectively. -17- 20

Non-Interest Income The following table sets forth, for the periods indicated, the major components of non-interest income: SIX MONTHS ENDED JUNE 30, ----- 2001 2000 ----- (Dollars in Thousands) Service charges and fees..... \$ 302 \$ 295 Trust department income..... 112 82 Investment securities gain - net..... 37 0 Third party brokerage income..... 32 52 Other..... 64 71 ----- Total..... \$ 547 \$ 500

===== For the six months ended June 30, 2001, total non-interest income increased \$47,000 to \$547,000 compared to \$500,000 for the six months period ended June 30, 2000. Service charges and fees increased \$7,000 from \$295,000 at June 30, 2000 to \$302,000 at June 30, 2001. Trust Department income increased from \$82,000 at June 30, 2000 to \$112,000 at June 30, 2001. Third party brokerage income reflected a \$20,000 decrease comparing June 30, 2000 to June 30, 2001. Income from this source is dependent upon the investment climate. Other non-interest income decreased from \$71,000 at June 30, 2000 to \$64,000 at June 30, 2001. This decrease was comprised mostly of penalties received on early withdrawals of Certificates of Deposit due to declining interest rates during 2001 resulting in fewer certificates redeemed early. Non-Interest Expenses Generally, non-interest expense accounts for the cost of maintaining facilities, providing salaries and necessary benefits to employees, and general operating costs such as insurance, supplies, advertising, data processing services, taxes and other related expenses. Some of the costs and expenses are variable while others are fixed. To the extent possible, the Company utilizes budgets and related measures to control variable expenses. The following table sets forth, for the periods indicated, the

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major components of non-interest expenses: SIX MONTHS ENDED JUNE 30, -----	2001	2000	-----
(Dollars in Thousands) Salaries and wages.....	\$ 1,007	\$ 1,012	Employee
benefits.....	340	330	Net occupancy expense.....
equipment expense.....	267	312	State shares tax.....
expense.....	609	603	-----
-----			Total.....
=====			\$ 2,536
			\$ 2,536

-18- 21 Non-interest expenses remained constant at \$2.5 million at June 30, 2000 and 2001. Salaries remained at \$1 million at June 30, 2001 and 2000. A 3% increase was reflected in employee benefits from \$330,000 at June 30, 2000 to \$340,000 at June 30, 2001. Increased cost of employee benefits, specifically health coverage, accounts for the increase in employee benefits. Occupancy expense and furniture and equipment expense reflects a \$21,000 decrease for the first six months of 2001 compared to the first six months of 2000. Less depreciation on furniture and fixtures is the reason for the decline. Shares tax increased 9.2% from \$109,000 at June 30, 2000 to \$119,000 at June 30, 2001. Other expenses increased 1% from \$603,000 at June 30, 2000 to \$609,000 at June 30, 2001. Capital A major strength of a financial institution is a strong capital position. This capital is very critical as it must provide growth, payment to stockholders, and absorption of unforeseen losses. The federal regulators provide standards that must be met. These standards measure "risk-adjusted" assets against different categories of capital. The "risk-adjusted" assets reflect off balance sheet items, such as commitments to make loans, and also place balance sheet assets on a "risk" basis for collectibility. The adjusted assets are measured against Tier I Capital and Total Qualifying Capital. Tier I Capital is common stockholders' equity and Tier II Capital includes the allowance for loan losses. Allowance for loan losses must be lower than or equal to common stockholders' equity to be eligible for Total Qualifying Capital. The Company exceeds all minimum capital requirements as reflected in the following table: JUNE 30, 2001 DECEMBER 31, 2000 ----- MINIMUM MINIMUM CALCULATED STANDARD CALCULATED STANDARD RATIOS RATIOS RATIOS RATIOS -----

----- Risk Based Ratios: Tier I Capital to risk-weighted assets .	19.60%	4.00%	19.59%	4.00%	Total Qualifying Capital to risk-weighted assets .....	20.36%	8.00%	20.38%	8.00%
assets.....	12.37%	12.45%	Management believes that the Bank's current capital position and liquidity positions are strong and that its capital position is adequate to support its operations. -19- 22 PART II - Other Information: Item 1. Legal Proceedings Management and the Corporation's legal counsel are not aware of any litigation that would have a material adverse effect on the consolidated financial position of the Corporation. There are no proceedings pending other than the ordinary routine litigation incident to the business of the Corporation and its subsidiary, Columbia County Farmers National Bank. In addition, no material proceedings are pending or are known to be threatened or contemplated against the Corporation and the Bank by government authorities. Item 2. Changes in Securities - Nothing to report. Item 3. Defaults Upon Senior Securities - Nothing to report. Item 4. Submission of Matters to a Vote of Security Holders - Nothing to report. Item 5. Other Information - Nothing to report. Item 6. Exhibits and Reports on Form 8-K - Nothing to report. -20- 23 SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. CCFNB BANCORP, INC. (Registrant) By /s/ Paul E. Reichart						

----- Paul E. Reichart President & CEO Date: By /s/ Virginia D. Kocher -----  
 Virginia D. Kocher Treasurer Date: -21-