FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C. 20429

FORM 10-K

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______

CLARION COUNTY COMMUNITY BANK

(Name of registrant in its charter)

Pennsylvania	**20-0081432**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
333 W. Main Street **Clarion, PA**	**16214**
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number, including area code (814) 226-6000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $1.00 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes .... No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. [ ]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period as the registrant was required to submit and post such files).
Yes [ ] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)   Smaller reporting company [x]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of Common Stock held by non-affiliates of the registrant, based on the last price the registrant's Common Stock on June 30, 2009, was $9,035,489 ($6.75 per share based on 1,581,727 shares of Common Stock outstanding on that date).

As of March 1, 2010, there were 1,581,727 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement to be distributed to shareholders for the 2010 Annual Meeting of Shareholders scheduled to be held on May 19, 2010 are incorporated by reference in Part III of this report.

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PART I

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Some discussions in this Report may contain statements concerning potential future events. We caution you to be aware of the speculative nature of these "forward-looking statements." Statements that are not historical in nature, including the words "anticipate," "estimate," "should," "expect," "believe," "intend," and similar expressions are intended to identify forward-looking statements. Although these statements reflect the good faith belief of the Bank's management based on current expectations, estimates and projections about (among other things) the banking industry and the markets in which the Bank operates, they are not guarantees of future performance. Whether actual results will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties, including but not limited to the risks and uncertainties discussed in this Report; general economic, market, or business conditions, including the effects of the subprime mortgage crisis on banks and the financial industry in general, changes in interest rates, deposit flow, and the cost of funds, and demand for loan products and financial services; changes in the Bank's competitive position; changes in the quality or composition of loan and investment portfolios; the Bank's ability to manage growth; the opportunities that may be presented to, and pursued by, the Bank; competitive actions by other entities; changes in laws or regulations; changes in the policies of federal or state regulators and agencies; and other circumstances, many of which are beyond the Bank's control. Consequently, all of the forward-looking statements made in this Report are qualified by these cautionary statements and there can be no assurance that the actual results anticipated by the Bank will be realized, or that they will have the expected consequences to, or effects on, the Bank or the Bank's business or operations. Except as required by applicable law, the Bank does not intend to publish updates or revisions of any forward-looking statements it makes to reflect new information, future events or otherwise.

ITEM 1. BUSINESS

As used in this Report, the terms "we", "us", "our", and "Bank" mean Clarion County Community Bank (unless the context indicates another meaning), and the term "common stock" means our common stock, par value $1.00 per share.

General

Clarion County Community Bank is a Pennsylvania state-chartered commercial bank headquartered in Clarion, Clarion County, Pennsylvania. We were incorporated and began operations as a de novo commercial bank in January 2004.

The Bank's principal sources of income are interest and fees collected on loans and interest collected on other investments. The Bank's principal expenses in 2009 were interest paid on deposits, employee compensation, office expenses, professional fees, and other overhead expenses.

At December 31, 2009, we had total assets, loans, deposits and shareholders' equity of $100.9 million, $86.9 million, $90.6 million and $10.1 million, respectively.

The Bank engages in the business of commercial banking in Clarion and Northern Armstrong Counties in western Pennsylvania. The Bank was organized to operate as an independent community bank to offer a broad range of deposit and loan products and services to the general public and, in particular, to small and medium-sized businesses, local professionals and individuals residing, working and shopping in the Bank's trade area.

Our deposit product offerings include checking, savings and money market accounts, as well as time deposits. We also offer consumer and commercial credit products. The commercial credit products include loans secured by real estate and other assets, working capital lines, and other commercial loans. The consumer credit products include first mortgage loans, home equity loans and lines of credit, auto loans, and personal loans. We also offer internet banking services, automated teller services, drive-through banking services, night depository services and safe deposit box services.

Management believes that in a market dominated by large and regional banks, the Bank can offer an alternative as a small, independent, community-based bank. With an emphasis on serving all of the financial needs of the individuals and businesses located within its primary market area, the Bank endeavors to compete for business by providing customized financial solutions to individual customer's needs through high quality, personal service, customer access to Bank decision-makers and competitive interest rates and fees.

The Federal Deposit Insurance Corporation ("FDIC") insures our deposits to the fullest extent provided by law. We are not a member of the Federal Reserve System.

The Bank's executive office is located at 333 W. Main Street, Clarion, Pennsylvania 16214, and its telephone number is (814) 226-6000. We opened an additional branch office location during our first year of operations. The branch office is located at 308 Broad Street, New Bethlehem, Pennsylvania 16242. Our third branch office was opened in October 2008 and is located at 592 Main Street, Rimersburg, Pennsylvania.

At December 31, 2009, the Bank had 27 full-time equivalent employees. The employees are not represented by a union or any collective bargaining agreement. The Bank believes its relationship with its employees is satisfactory.

Business Strategy

We will continue to capitalize on the opportunities created by the consolidation that has taken place in the banking industry in western Pennsylvania in recent years, particularly in Clarion County. The national and regional financial institutions currently operating in our target markets have increasingly focused on large corporate customers, standardized loan and deposit products and other services. Many of these institutions have also centralized their loan approval practices for smaller customers. Prior to our decision to open the Bank, the most frequent banking complaints that we heard from small to mid-size businesses and consumers in our target markets concerned the lack of personalized service and high turnover rates, which limit the

customer's ability to develop a relationship with his or her banker. As a result of these factors, we believe there currently exists a significant opportunity to attract and retain customers who are dissatisfied with their current banking relationships.

We operate the Bank with an emphasis on local leadership and local decision-making. Due to the strength of our board of directors and management team, we develop business through their extensive contacts in the local business, real estate development, legal, farming, educational, and medical professional communities.

Banking Services

Commercial Banking. The Bank focuses its commercial lending activity on small and mid-sized business (generally not exceeding $5 million in annual revenue) and professional services providers. The loan products include commercial mortgage loans, investment property loans, construction mortgage loans, lines of credit, business term loans, equipment financing and standby letters of credit. The Bank also offers a full range of deposit products to its commercial customers, including internet banking, wire transfer service and access to the Automated Clearing House for direct deposit and direct debit activity.

Consumer Banking. An extensive range of such services is offered by the Bank to meet the varied and changing banking needs of individuals and households in the Bank's trade area. The Bank's consumer deposit activities emphasize consumer checking accounts, interest-bearing checking, money market accounts and various savings products. Retail lending products include residential mortgage loans, home equity loans and lines of credit, automobile loans, overdraft protection and other consumer credit accounts.

Deposits

The Bank's earnings depend in large part on the spread between the income it receives from its loan and investment portfolios and the costs (primarily interest costs) it must pay for the money it lends and invests. The main source of the Bank's funds is customer deposits. Because of major changes in federal banking laws and regulations in recent years, commercial banks may now pay interest on many types of accounts. Because of competition among banking institutions (including commercial banks, savings banks, savings and loan associations, credit unions, etc.), the increased dependence upon interest rates to attract deposits has generally increased the costs of funds to banks.

The Bank offers a full range of depository account choices, permitted by law, including demand deposits, savings deposits, time deposits and Individual Retirement Accounts, and is competitive in structuring the terms (interest rates, minimum balances, etc.) of deposit accounts as part of its strategy to attract deposits. The Bank anticipates that its opportunity to increase its level of loan activity will be largely dependent on the amount of funds available to it in the form of borrowings and deposits.

Lending Activities

The Bank offers a variety of loan products to its customers, including loans secured by real estate, commercial and consumer loans. The Bank's lending objectives are as follows:

• To establish a diversified loan portfolio comprised of commercial loans, mortgage loans, consumer loans and all other loan types; and

• To properly price its loans to include the cost of funds, administrative costs, bad debts, local economic conditions, competition, customer relationships, the term of the loan, credit risk, collateral quality and a reasonable profit margin

The Bank manages credit risk through portfolio diversification, underwriting policies and procedures and loan monitoring practices.

Gross loans made by the Bank totaled approximately $87,581,000 at December 31, 2009. Gross loans represented approximately 86.8% of the Bank's total assets at December 31, 2009.

The commercial loan category includes commercial loans and commercial mortgages. Commercial loans primarily represent loans to commercial borrowers for working capital and other short-term needs and term loans for the acquisition of business assets. The terms of such loans generally range from one to five years. Commercial mortgages include mortgages on owner occupied buildings and investment properties, secured by first mortgages on these properties. Amortization is generally based on terms of 15 years or less.

Residential real estate loans include first mortgage loans to purchase existing residential real estate or refinance existing first mortgage loans, and home equity loans and lines of credit. All of these loans are secured by either a first or second lien on residential real estate. The Bank also originates loans to individuals for construction of single-family dwellings. These loans are secured by the property under construction and typically have maturities of six to nine months before transferring to a full residential mortgage.

Consumer loans are granted primarily to individuals on an installment basis and are generally secured by personal property, including automobiles.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Loans" for more information on our lending activities.

Other Activities

The Bank also derives interest income from investments in securities, primarily United States government and agency securities, government backed mortgage backed securities and overnight deposits with Atlantic Central Bankers Bank and Federal Home Loan Bank. Additionally the Bank provides a variety of financial services to its customers including wire transfers, money orders and other services for which it may charge fees to customers. The Bank believes that the larger banking institutions located in the primary market area now obtain growing proportions of their earnings from fee income. As part of its strategy for market

penetration, the Bank has elected to provide some of these services free of charge or a minimal charge, such as use of ATMs. The Bank offers Internet banking services.

Competition

The Bank faces significant competition, both in making loans and attracting deposits. The Bank's competition in both areas comes principally from other commercial banks, savings banks and credit unions, and other types of financial institutions, including brokerage firms, insurance companies and credit card companies. The Bank faces additional competition for deposits from short-term money market mutual funds and other corporate and government securities funds.

The Bank's competitors, whether traditional or nontraditional financial institutions, have a longer history and significantly greater financial and marketing resources than does the Bank. Among the advantages certain of these institutions have over the Bank is their ability to finance wide-ranging and effective advertising campaigns, to access international money markets, and to allocate their investment resources to regions of highest yield and demand. Larger banks operating in the primary market area offer certain services, such as insurance and trust services, which are not offered by the Bank.

In commercial transactions, the Bank's legal lending limit to a single borrower does not limit the Bank's ability to compete effectively for the business of individuals and smaller enterprises. However, the Bank's legal lending limit is considerably lower than that of various competing institutions, which have substantially greater capitalization. The Bank has a relatively smaller capital base than most other competing institutions which, although above regulatory minimums, may constrain the Bank's ability to compete for larger loans.

To meet its competition, the Bank has placed major emphasis on responsiveness, efficiency, courtesy of service, and the flexibility which its size and independent status permit. The Bank believes that an independent community bank, operated by responsive, experienced employees who are dedicated to personal service, offers an attractive and viable alternative to larger competing institutions.

We place emphasis on relationship banking so that each customer can identify and establish a comfort level with our banking officers. We focus our marketing efforts on attracting small and medium-sized businesses and individuals, including service companies, manufacturing companies, commercial and residential real estate developers, and professional services.

Supervision and Regulation

As a Pennsylvania-chartered commercial bank, the Bank is subject to the regulation, supervision, and control of the Pennsylvania Department of Banking (the "Pennsylvania Department"). As an FDIC-insured institution, the Bank also is subject to the regulation, supervision and control of the FDIC, an agency of the federal government. The regulations, requirements and restrictions of the FDIC and the Pennsylvania Department of Banking affect virtually all activities of the Bank, including the minimum level of capital the Bank must

maintain, the ability of the Bank to pay dividends, the ability of the Bank to expand through new branches or acquisitions, and various other matters.

Insurance of Deposits

The Bank's deposits are insured by the FDIC. The FDIC established a risk-based assessment system under which all insured depository institutions were assigned first to one of three capital groups: (i) well capitalized; (ii) adequately capitalized; or (iii) undercapitalized; and then to one of three subgroups within a capital group on the basis of the supervisory evaluation of the appropriate federal and, if applicable, state regulators. Institutions classified as well capitalized and considered healthy pay the lowest premiums, while institutions classified as undercapitalized are considered to be of substantial supervisory concern and pay the highest premiums. Risk classification of all insured institutions is made by the FDIC for each semi-annual assessment period.

In addition to deposit insurance premiums, financial institutions are also required to pay a Financing Corporation (FICO) assessment, designed to fund anticipated future shortfalls with respect to payment of interest on bonds issued to resolve thrift failures in the 1980s. The FICO interest rate is paid pro-rata by banks and thrifts based on deposits, with the rate determined on a quarterly basis.

In February 2006, deposit insurance modernization legislation was enacted. The new law merged the Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF) into a single Deposit Insurance Fund, increased deposit insurance coverage for Individual Retirement Accounts (IRAs) to $250,000, provides for the future increase of deposit insurance on all accounts (presently limited to $100,000) by indexing the coverage to the rate of inflation, authorized the FDIC to set the reserve ratio of the combined Deposit Insurance Fund at a level between 1.15% and 1.50%, and permitted the FDIC to establish assessments to be paid by insured banks to maintain the minimum ratios. On October 3, 2008, the FDIC temporarily increased the deposit insurance per depositor from $100,000 to $250,000 until December 31, 2009. On May 20, 2009 the FDIC extended the temporary increase of deposit insurance of $250,000 until December 31, 2013. Under the Temporary Liquidity Guarantee Program of October 9, 2008, banks were given the option to participate in a program offering depositors full guarantee by the FDIC for the entire balance of their non-interest bearing accounts. Coverage under the program was in addition to and separate from the coverage available under the FDIC's general deposit insurance rules. Banks were given the choice to opt-out of the program. The Bank decided to remain in the program. The Transaction Account Guarantee Program was extended and is available through June 30, 2010. The Bank's Board of Directors decided to opt-out of the program following December 31, 2009. New deposit insurance assessment rates came into effect in 2009 along with a special assessment which resulted in annual deposit premiums of $179,380, including both Bank Insurance Fund and FICO assessments, as compared to annual deposit premiums of $39,212 in 2008 and $18,689 in 2007. On November 20, 2009 the FDIC approved the payment of all projected premiums for the years 2010, 2011, and 2012. Although these fees were paid to the FDIC on December 30, 2009, $426,011 was accounted for as a prepaid asset and will be amortized to expense over the three year period beginning 2010.

Limits on Dividends

The future dividend policy of the Bank is subject to certain regulatory considerations and to the discretion of the board of directors and depends upon a number of factors, including operating results, financial condition and general business conditions. Holders of common stock are entitled to receive dividends as, if, and when declared by the board of directors of the Bank out of funds legally available therefore, subject to the restrictions under Pennsylvania law and the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA).

The Pennsylvania Banking Code of 1965 (the "Pennsylvania Banking Code")generally requires that statutory surplus be maintained at least equal to the amount of stated capital (par value times number of shares), and, if surplus is less than stated capital, requires that at least 10% of net earnings be transferred to surplus prior to distribution of any dividend. The Pennsylvania Banking Code also requires that dividends may be distributed only out of a bank's accumulated net earnings.

Under FDICIA, an insured depository institution is prohibited from making any capital distribution to its shareholders, including by way of dividend, if after making such distribution the depository institution fails to meet the required minimum level for any relevant capital measure including the risk-based capital adequacy and leverage standards described above. In addition FDICIA generally prohibits all payments of dividends by any insured bank that is in default of any assessment to the FDIC. Additionally, because the FDIC may prohibit a bank from engaging in unsafe or unsound practices, it is possible that under certain circumstances the FDIC could claim that a dividend payment constitutes an unsafe or unsound practice.

The Pennsylvania Department has similar power to issue cease and desist orders to prohibit what might constitute unsafe or unsound practices. The payment of dividends may also be affected by other factors (*e.g.*, the need to maintain adequate capital or to meet loan loss reserve requirements).

Current policies of the FDIC and the Pennsylvania Department impose more stringent capital requirements on de novo banks for their first three years of operations than are imposed on more established banks. Such policies also have the effect of restricting dividends for an extended period. Although the Bank had been removed from denovo status following five years of operations, regulatory changes due to the recent national economic problems have authorized the FDIC to extend the denovo status time period to seven years. Due to these changes the Bank continues to be under the more stringent capital requirement.

Capital Requirements

The Bank is subject to risk-based capital guidelines promulgated by the FDIC that are designed to make regulatory capital requirements more sensitive to differences in risk profile among banks, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Under the guidelines, assets and off-balance sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items.

The minimum ratio of total capital to risk-weighted assets (including certain off-balance sheet activities, such as standby letters of credit) is 8%. At least 4% of the total capital is required to be "Tier I Capital," consisting of shareholders' equity and qualifying preferred stock, less certain goodwill items and other intangible assets. The remainder ("Tier II Capital") may consist of (a) the allowance for loan losses of up to 1.25% of risk-weighted assets, (b) excess of qualifying preferred stock, (c) hybrid capital instruments, (d) perpetual debt, (e) mandatory convertible securities, and (f) qualifying subordinated debt and intermediate-term preferred stock up to 50% of Tier I capital. Total capital is in the sum of Tier I and Tier II capital less reciprocal holdings of other banking organizations, capital instruments, investments in unconsolidated subsidiaries and any other deductions as determined by the FDIC (determined on a case-by-case basis or as a matter of policy after formal rule-making).

In addition to the risk-based capital guidelines, the FDIC has adopted a minimum Tier I capital (leverage) ratio, under which a bank must maintain a minimum level of Tier I capital to average total consolidated assets of at least 3% in the case of a bank that has the highest regulatory examination rating and is not contemplating significant growth or expansion. All other banks are expected to maintain a leverage ratio of at least 100 to 200 basis points above the stated minimum.

The Bank was in compliance with the applicable minimum capital requirements at December 31, 2009.

Prompt Corrective Action

Federal banking regulators are required to establish five capital categories (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized) and to take certain mandatory supervisory actions, and are authorized to take other discretionary actions, with respect to institutions in the three undercapitalized categories, the severity of which will depend upon the capital category in which the institution is placed.

The capital levels established for each of the categories are as follows:

Capital Category	Tier I Capital	Total Risk-Based Capital	Tier I Risk-Based Capital
Well Capitalized	5% or more	10% or more	6% or more
Adequately Capitalized	4% or more	8% or more	4% or more
Undercapitalized	less than 4%	less than 8%	less than 4%
Significantly Undercapitalized	less than 3%	less than 6%	less than 3%
Critically Undercapitalized	2% or less tangible equity		

For purposes of the regulation, the term "tangible equity" includes core capital elements counted as Tier I capital for purposes of the risk-based capital standards, plus the amount of outstanding cumulative perpetual preferred stock (including related surplus), minus all intangible assets with certain exceptions. A depository institution may be deemed to be in a capitalization

category that is lower than is indicated by its actual capital position if it receives an unsatisfactory examination rating.

An institution that is categorized as undercapitalized, significantly undercapitalized, or critically undercapitalized is required to submit an acceptable capital restoration plan to its appropriate federal banking agency. An undercapitalized institution is also generally prohibited from increasing its average total assets, making acquisitions, establishing any branches, or engaging in any new line of business, except in accordance with an accepted capital restoration plan or with the approval of the FDIC.

At December 31, 2009, the Bank had the requisite capital levels to qualify as well capitalized.

Sarbanes-Oxley Act

The Sarbanes-Oxley Act (SOX) is not a banking law but generally applies to all companies that file or are required to file periodic reports under the Securities Exchange Act of 1934 (“Exchange Act”). Its stated goals are to increase corporate responsibility, to provide for enhanced penalties for accounting and auditing improprieties at publicly traded companies, and to protect investors by improving the accuracy and reliability of corporate disclosures pursuant to the securities laws. As a state chartered bank that is not a member of the Federal Reserve System, we file reports with the FDIC rather than the Securities Exchange Commission (the “SEC”). The FDIC administers the reporting provisions of the Exchange Act and certain relevant provisions of SOX that apply to us, and many of the relevant rules and regulations of the SEC under the Exchange Act and SOX are incorporated by reference into the regulations of the FDIC.

SOX includes very specific additional disclosure requirements and corporate governance requirements and required the SEC, and the securities exchanges to adopt extensive rules concerning disclosure and corporate governance and mandates further studies of specified issues by the SEC and the federal Comptroller General. SOX represents significant federal involvement in matters traditionally left to state regulatory systems, such as the regulation of the accounting profession, and to state corporate law, such as the relationship between a company’s board of directors and management and between a board of directors and its committees.

Under Section 404 of SOX (“SOX 404”), we were required, among other things, to conduct a comprehensive review and management internal control report of the adequacy of our existing systems and controls as of December 31, 2007 and the end of each succeeding year. This resulted in significant additional expenses beginning in 2007. Total expenses due to SOX 404 requirements amounted to $18,500 and $33,681 for 2008 and 2009, respectively. Current regulations would require an auditor’s attestation as of December 31, 2010. In a SOX 404 review, we could uncover deficiencies in existing systems and controls. If that is the case, we would have to take the necessary steps to correct any deficiencies, which may be costly and may strain our management resources. We also would be required to disclose any such deficiencies, which could adversely affect the market price of our common stock.

Bank Secrecy Act

Under the Bank Secrecy Act (BSA), banks and other financial institutions are required to retain records to assure that the details of financial transactions can be traced if investigators need to do so. Banks are also required to report most cash transactions in amounts exceeding $10,000 made by or on behalf of their customers. Failure to meet BSA requirements may expose the Bank to statutory penalties, and a negative compliance record may affect the willingness of regulating authorities to approve certain actions by the Bank requiring regulatory approval, including new branches.

USA PATRIOT Act

In October 2001, the USA PATRIOT Act (the "PATRIOT Act") became effective. The PATRIOT Act was in direct response to the terrorist attacks of September 11, 2001, and is intended to strengthen the anti-money laundering provisions of the BSA. Most of the new provisions added by the PATRIOT Act apply to accounts at or held by foreign banks, or accounts of or transactions with foreign entities. We do not have significant foreign transactions and do not expect the PATRIOT Act to materially affect our operations. However, other provisions of the PATRIOT Act, including the requirement of a customer identification program, do apply to our current operations. The effect of the compliance burden imposed on us by the PATRIOT Act cannot be predicted with any certainty.

Interstate Banking

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Interstate Act"), was intended to facilitate the acquisition by bank holding companies of banks in any state. Pursuant to the Interstate Act, a bank may merge with a bank in another state so long as both states did not opt out of interstate branching prior to May 31, 1997. States were permitted to enact laws opting out of interstate branching prior to June 1, 1997 subject to certain conditions. States were also permitted to enact laws permitting interstate merger transactions before June 1, 1997. Pennsylvania immediately opted in to interstate branching transactions and interstate mergers.

Under the Interstate Act, the responsible federal regulatory agency is permitted to approve an acquisition of a branch of an insured bank by an out-of-state bank or a bank holding company without the acquisition of the entire bank or the establishment of a "de novo" branch only if the law of the state in which the branch is located permits out-of-state banks to acquire a branch of a bank without acquiring the bank or permits out-of-state banks to establish branch. Branches of state-chartered banks that are located in other states are covered by the laws of the chartering state, rather than those of the host states.

Community Reinvestment

Under the Community Reinvestment Act (CRA), a bank has a continuing and affirmative obligation consistent with its safe and sound operation to help meet the credit needs of its entire community, including low and moderate income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions, nor does it limit an

institution's discretion to develop types of products and services that the institution believes are best suited to its particular community, consistent with the CRA. The CRA requires the FDIC, in connection with its examination of non-member state banks such as us, to assess the institution's record of meeting the credit needs of its community and to take such record into account in its evaluation of certain applications by such institution. The CRA requires all covered institutions to make public disclosure of their CRA ratings. Pursuant to current CRA regulations an institution's CRA rating is based on its actual performance in meeting community needs. An institution's CRA rating is considered in determining whether to grant charters, branches and other deposit facilities, relocations, mergers, consolidations and acquisitions. Less than satisfactory CRA performance may be the basis for denying an application.

The CRA was amended by the GLB Act (described below), to provide that small banks (those under $250 million in assets) that received an "outstanding" on their last CRA exam will not have to undergo another CRA exam for five years, or for four years if the last exam was "satisfactory." In addition, any CRA agreement entered into between a bank and a community group must be disclosed, with both the bank and the group receiving any grants from the bank detailing the amount and use of the funding provided.

Gramm-Leach-Bliley Act

In November 1999, the Gramm-Leach-Bliley Act (the "GLB Act") became law. The GLB Act made significant changes in U.S. banking law, principally by repealing restrictive provisions of the 1933 Glass-Steagall Act. Under the GLB Act, banks and other financial companies, such as securities firms and insurance companies, are now able to combine and to be commonly owned. The GLB Act also permits banks to engage in a broader range of activities than was available to them before the passage of the GLB Act, including insurance and securities underwriting, merchant banking and real estate development and investment. The GLB Act, however, does not authorize banks or their affiliates to engage in commercial activities that are not deemed to be financial in nature.

With respect to bank securities activities, the GLB Act repealed the exemption from the definition of "broker" previously afforded to banks and replaced it with a set of limited exemptions which permits certain activities which have been historically performed by banks to continue. Further, the GLB Act amended the securities laws to include banks within the general definition of a dealer.

The GLB Act imposed new provisions relating to the financial privacy of consumers, authorizing the federal banking regulators to adopt rules that would limit the ability of banks and other financial entities to disclose non-public information about consumers to entities that are not affiliates. Under these rules, banks must establish a disclosure policy for non-public customer information, disclose the policy to their customers, and give their customers the opportunity to object to non-public information being disclosed to any third party. To the extent that state laws are more protective of customer privacy in comparison to the GLB Act, financial institutions are not exempted from such more protective state laws.

The GLB Act contains a variety of other provisions including prohibition against ATM surcharges unless the customer has been advised of the imposition and amount of such

surcharge. As described above, the GLB Act also reduces the frequency of CRA examinations for smaller institutions and imposes certain reporting requirements on depository institutions that make CRA related payments to non-governmental entities.

Lending Limit

The Pennsylvania Banking Code provides that the aggregate indebtedness of any one borrower to a Pennsylvania chartered bank may not exceed 15.0% of the bank's capital, surplus, undistributed profits, capital securities and reserve for loan losses. Based on our financial statements at December 31, 2009, our "one borrower's indebtedness limitation" was $1.51 million. We may engage in loan participations with other banks for loans in excess of that lending limit. However, no assurance can be given that such participations will be available at all or that terms would be favorable to us or our customers.

Safety and Soundness Standards

Under FDIC and state regulations an institution that has leverage capital or risk based capital below the minimum required under the regulations described above will be deemed to be conducting its business in an unsafe manner, unless in full compliance with an agreement with the FDIC to increase its capital or an agreement or order issued by the Pennsylvania Department of Banking. In the event that the institution's ratio of Tier 1 capital to total assets falls below 2.0%, such institution shall be deemed to be in an unsafe and unsound condition.

The FDIC and the other federal banking agencies have adopted "Interagency Guidelines Establishing Standards for Safety and Soundness". The operational and managerial standards described in these guidelines address an institution's general practices, and are designed to provide a framework for the federal regulators to determine whether those practices are sound in principle and whether procedures are in place to ensure that they are properly applied in the normal course of business. The guidelines cover such areas as an internal audit system, loan documentation, credit underwriting, interest rate exposure, asset growth, asset quality, earnings and compensation. Institutions that fail to meet these standards are required to submit compliance plans to their appropriate federal regulators. The guidelines further prohibit the payment of excessive compensation, which is defined as an unsafe and unsound practice.

Financial Services Regulatory Relief Act of 2006

The Financial Services Regulatory Relief Act of 2006 is a wide ranging law that affects many previously enacted financial regulatory laws. The overall intent of the law is to simplify regulatory procedures and requirements applicable to all banks, and to conform conflicting provisions. The Relief Act conforms a number of separate statutes to provide equal definitions and treatment for national banks, state banks, and for federal savings banks in a number of respects. The law streamlines certain reporting requirements, and provides for bank examinations on an 18 month schedule for smaller banks that qualify. The law also authorizes the Federal Reserve to pay interest to banks for the required deposit reserves maintained by banks at the Federal Reserve. While this law has many facets that will benefit the Bank overall, the individual provisions of this law are not considered currently material to the Bank when considered alone.

Recent Developments

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 (the EESA) was signed into law. Pursuant to the EESA, the U.S. Treasury has the authority to, among other things, purchase up to $700 billion of mortgages, mortgage-backed securities and certain other financial instruments from financial institutions for the purpose of stabilizing and providing liquidity to the U.S. financial markets. The EESA also included a provision to increase the amount of deposits insured by the FDIC to $250,000.

On October 14, 2008, then Secretary Paulson, after consulting with the Federal Reserve and the FDIC, announced that the U.S. Treasury will purchase stakes in a wide variety of U.S. banks and thrifts to encourage these institutions to build capital to increase the flow of financing to U.S. businesses and consumers and to support the U.S. economy. Under this program, known as the Troubled Asset Relief Program Capital Purchase Program (the TARP Capital Purchase Program), the Treasury made $250 billion of capital available to qualifying U.S. financial institutions in the form of preferred stock. Participating financial institutions are required to adopt the U.S. Treasury's standards for executive compensation and corporate governance for the period during which the U.S. Treasury holds equity issued under the TARP Capital Purchase Program. These standards generally apply to the chief executive officer, chief financial officer, plus the next three most highly compensated executive officers.

Also on October 14, 2008, after receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President, then Secretary Paulson signed the systemic risk exception to the FDIC Act, enabling the FDIC to temporarily provide a 100% guarantee of the senior debt of all FDIC-insured institutions and their holding companies, as well as deposits in non-interest bearing transaction deposit accounts under a Temporary Liquidity Guarantee Program. Coverage under the Temporary Liquidity Guarantee Program was available for 30 days without charge and thereafter at a cost of 75 basis points per annum for senior unsecured debt and 10 basis points per annum for non-interest bearing transaction deposits.

The Bank's Board of Directors decided not to participate in the U.S. Treasury's TARP Capital Purchase Program. Our management and Board of Directors, after careful consideration, believed it was in the best interests of the Bank's shareholders not to participate. The program's restrictions on possible future dividends, the dilution to earnings, and the uncertainty surrounding future requirements of the program outweighed the benefits of the Bank's participation in the program.

The Bank has elected to take part in the FDIC's Transaction Account Guarantee Program and is eligible for participation in the FDIC's debt guarantee program, both of which are part of the FDIC's Temporary Liquidity Guarantee Program. The Transaction Account Guarantee Program provided a full guarantee on all non-interest-bearing transaction accounts held by any depositor, regardless of dollar amount, through December 31, 2009. The Transaction Account Guarantee Program was extended and is available through June 30, 2010. The Bank's Board of Directors decided to opt-out of the program following December 31, 2009. Additionally, the Bank was eligible for participation in the FDIC's debt guarantee program, which provided for the guarantee of eligible newly issued senior unsecured debt of participating entities. The Bank has no plans to issue any such debt.

Legislative Proposals and Reforms

Congress is often considering some financial industry legislation, and the federal banking agencies routinely propose new regulations. The Bank cannot predict how any new legislation, or new rules adopted by the federal banking agencies, may affect its business in the future.

Impact of Monetary Policies

The earnings and growth of the Bank and of the banking industry as a whole is affected not only by general domestic and foreign economic conditions, but also by the monetary and fiscal policies of the United States and its agencies, particularly the Federal Reserve Board. The Federal Reserve Board affects the national economy by its open market operations in United States government securities, limitations on savings and time deposit interest rates, and adjustments to the discount and reserve retention rates applicable to borrowings by banks which are members of the Federal Reserve System. These actions of the Federal Reserve Board influence the growth of bank loans, investments and deposits and affect interest rates charged on loans and paid on deposits. The nature and impact of any future changes in monetary policies cannot be predicted but, in any event, may have a material effect on our results of operations.

Transactions with Affiliates, Officers and Directors

Although we are not members of the Federal Reserve System, Sections 23A and 23B of the Federal Reserve Act and the regulations promulgated thereunder are made applicable to us and are enforced by the FDIC. Generally, Sections 23A and 23B and Regulation W issued thereunder: (i) limit the extent to which the insured institution or its subsidiaries may engage in certain covered transactions with an affiliate to an amount equal to 10% of such institution's capital and surplus and place an aggregate limit on all such transactions with affiliates to an amount equal to 20% of such capital and surplus, and (ii) require that all such transactions be on terms substantially the same, or at least as favorable to the institution or subsidiary, as those provided to a non-affiliate. The term "covered transaction" includes the making of loans, the purchase of assets, the issuance of a guarantee and similar types of transactions. Any loan or extension of credit by the bank to an affiliate must be secured by collateral in accordance with Section 23A and Regulation W. We have not been significantly affected by the rules regarding transactions with affiliates.

Our authority to extend credit to executive officers, directors and 10% shareholders, as well as entities controlled by such persons, is governed by Sections 22(g) and 22(h) of the Federal Reserve Act, and Regulation O thereunder which are enforced by the FDIC. They require that any loan, including overdrafts, made by an affected institution to an executive officer or director or his or her affiliates must (i) be made in the ordinary course of business, (ii) be made on terms and conditions substantially the same as those offered to unaffiliated individuals and (iii) not involve more than the normal risk of repayment. Generally, Regulation O also places individual and aggregate limits on the amount of loans an affected institution may make to such persons based, in part, on the institution's capital position, and requires certain board approval procedures to be followed. For a discussion of transactions between the Bank and its officers and directors see Part III, Item 12 hereof, "Certain Relationships and Related Transactions."

ITEM 1A. RISK FACTORS

The Bank is a smaller reporting company and therefore is not required to provide the information required by this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Bank is not an accelerated filer, a large accelerated filer or a well-known seasoned issuer and therefore is not required to provide the information required by this item.

ITEM 2. PROPERTIES

Our headquarters is located at 333 Main Street, Clarion, Pennsylvania. We own approximately 6,000 square feet of building space along with a nineteen space parking lot. These facilities include five teller windows, loan offices, new accounts office, lobby area, drive-through windows, automated teller machine, a night depository, and executive and administrative offices and the Operations Center.

Approximately 1,500 square feet of the building space located at the rear of the building is currently unused.

The Bank owns and operates a branch at 308 Broad Street, New Bethlehem, Pennsylvania which includes a 2,880 square foot single story building with a partial basement, five teller windows, loan office, new accounts office, lobby area, drive-through windows, automated teller machine and a night depository.

The Bank owns and operates a branch at 592 Main Street, Rimersburg, Pennsylvania which includes a 1,430 square foot single story building with three teller windows, loan office, lobby area, drive-through windows, automated teller machine and a night depository. This branch was opened in October 2008.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2009, the Bank was not a party to any litigation except the following:

The Bank was served with a civil action lawsuit on January 31, 2005 in the Clarion County, Pennsylvania Court of Common Pleas by the property owner adjacent to our branch office in New Bethlehem, Pennsylvania. The complaint stated claims against the previous owners of the property, individually and by their partnership, and the Bank. The Plaintiff, Joseph L. Michiline, claims that following a fire at the location in April 2002, followed by the razing of the building that previously housed the Dollar General store, the contour of the property was altered causing ground water to begin leaking into his basement. He therefore suggests that structural damage has occurred at his property and is seeking damages in the amount of $1,000,000. The Bank filed a Preliminary Objection to the Plaintiff's Complaint and Motion and a Brief in Support of Preliminary Objections to the Plaintiff's Complaint and Motion in the Alternative to Dismiss. A second amended complaint in civil action has been filed by the

plaintiff. It is our opinion, after consultation with our counsel, that the Bank will be successful on the merits of this case and that the outcome of the case will have no material adverse effect on the Bank.

ITEM 4. RESERVED

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Bank's common stock is traded on the over-the-counter trading market under the symbol of "CCYY" but is not actively traded. It is not anticipated that an active trading market in the common stock will develop at any time within the foreseeable future.

The following table sets forth the high and low bid information for the common stock, as reported by Nasdaq, as of the most recent practicable date and for the periods indicated. Market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

Year	Quarter	High Bid	Low Bid
2009	Fourth	7.50	5.50
	Third	6.75	6.75
	Second	6.95	6.75
	First	11.00	5.00
2008	Fourth	9.30	8.00
	Third	8.20	6.00
	Second	10.20	8.00
	First	10.20	10.20

Shares of the common stock and certain warrants to purchase shares of common stock were initially sold by the Bank in January 2004 to investors in units at a price of $10.00 per unit. Since such time, shares of the common stock have traded sporadically and there can be no assurance that the prices at which such trades were made are indicative of the common stock's present value. The development of a liquid public market depends on the existence of willing buyers and sellers, the presence of which is not within our control or the control of our market makers. Accordingly, an active and liquid market may not develop for the common stock. As of December 31, 2009, there were approximately 792 shareholders of record of the common stock. The warrants matured as of January 7, 2009 and are no longer exercisable.

Dividends

The board of directors of the Bank intends to follow a policy of retaining the Bank's earnings, if any, for the purpose of increasing the Bank's capital and facilitating the growth of the Bank.

As of December 31, 2009, the Bank had not paid any cash dividends on the common stock and has not determined whether cash dividends would be declared on the common stock in the foreseeable future. Declaration of cash dividends in the future by the board of directors of the Bank will depend upon a number of factors, including the Bank's results of operations and financial condition, investment and opportunities available to the Bank, regulatory requirements, general economic conditions and the discretion of the Bank's board of directors. No assurance can be given that cash dividends will be paid or, once commenced, that cash dividends will continue to be paid. Each share of common stock will be entitled to participate equally in any dividends declared by the board of directors out of funds legally available for that purpose.

The Pennsylvania Banking Code provides that no cash dividends may be paid by a bank on its capital stock unless, following the payment of each such dividend, the capital stock of the bank will be unimpaired and the payment of such dividend will not reduce the surplus of the bank.

Under the Federal Deposit Insurance Act, if losses have been sustained by a bank equal to or exceeding the bank's undivided profits then on hand, no dividend may be declared or paid, and no dividends shall be declared or paid on an amount greater than the bank's net profits less losses and bad debts. Dividends must be approved by the FDIC if the total of all cash dividends declared and paid by a bank in any calendar year, including the proposed dividend, would exceed the total of the bank's net profits for that year plus its retained net profits for the preceding two years less any required transfers to surplus or a fund for the retirement of preferred stock, if any. The Federal Deposit Insurance Act generally prohibits payments of dividends by a bank that is in default of the payment of insurance premiums to the FDIC.

Recent Sales of Unregistered Securities

During the quarter ended December 31, 2009, the Bank did not sell any additional shares of its common stock.

ITEM 6. SELECTED FINANCIAL DATA

The Bank is a smaller reporting company and therefore is not required to provide the information required by this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to provide information about the financial condition and results of operations of Clarion County Community Bank (the "Bank"), and should be read in conjunction with the Bank's financial statements, and their related notes, included herein.

Critical Accounting Policies

Our accounting policies are fundamental to understanding Management's Discussion and Analysis of Financial Condition and Results of Operations. Our accounting policies are more fully described in Note 1 of the Notes to Financial Statements for December 31, 2009 included in this report. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in our financial statements and accompanying notes. Since future events and their effect cannot be determined with absolute certainty, actual results may differ from those estimates. Management makes adjustments to its assumptions and judgments when facts and circumstances dictate. The amounts currently estimated by us would change if different assumptions as to the outcome of future events were made. We evaluate our estimates and judgments on an ongoing basis and predicate those estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Management believes the following critical accounting policies encompass the more significant judgments and estimates used in preparation of our financial statements.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses. Loans that are determined to be uncollectible are charged against the allowance account, and subsequent recoveries, if any, are credited to the allowance. When evaluating the adequacy of the allowance, an assessment of the loan portfolio will typically include changes in the composition and volume of the loan portfolio, overall portfolio quality and past loss experience, review of specific problem loans, current economic conditions which may affect borrowers' ability to repay, and other factors which may warrant current recognition. Such periodic assessments may, in management's judgment, require the Bank to recognize additions or reductions to the allowance.

Various regulatory agencies periodically review the adequacy of the Bank's allowance for loan losses as an integral part of their examination process. Such agencies may require the Bank to recognize additions or reductions to the allowance based on their evaluation of information available to them at the time of their examination. It is reasonably possible that the above factors may change significantly and, therefore, affect management's determination of the allowance for loan losses in the near term.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by

management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for commercial loans by either the present value of expected future cash flows discounted at the loans effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify individual consumer and residential loans for allowance calculation.

Income Taxes

The Bank uses an asset and liability approach to financial accounting and reporting for income taxes. Deferred federal and state tax assets and liabilities are recognized for the expected future tax consequences of existing differences between financial statement and tax bases of existing assets and liabilities. The effect of a change in the tax rate on deferred taxes is recognized in the period of the enactment date. Deferred tax assets are reduced by a valuation allowance, when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized.

Use of Fair Value Measurements

On January 1, 2008, the Bank adopted ASC 820-10, "Fair Value Measurements" (ASC 820-10) to determine the fair value of its financial instruments based on the fair value hierarchy established in ASC 820-10, which also clarifies that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820-10 establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs in the methodology for determining fair value are observable or unobservable. Observable inputs reflect market-based information obtained from independent sources (Level 1 or Level 2), while unobservable inputs reflect management's estimate of market data (Level 3). For assets and liabilities that are actively traded and have quoted prices or observable market data, a minimal amount of subjectivity concerning fair value is needed. Prices and values obtained from third party vendors that do not reflect forced liquidation or distressed sales are not adjusted by management. When quoted prices or observable market data are not available, management's judgment is necessary to estimate fair value.

At December 31, 2009, approximately 4.0% of total assets, or \$4.0 million, consisted of financial instruments recorded at fair value. A total of \$0.5 million of these financial instruments used valuation methodologies involving Level 1 observable market data (quoted prices in active markets for identical assets). The balance of \$3.5 million used valuation methodologies

involving Level 2 significant other observable inputs (quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability). See Note 15 of the Bank's financial statements included in Item 8 of this annual report for additional information regarding ASC 820-10 and its impact on the Bank's financial statements.

Recent Developments

For a discussion of certain other recent developments, such as the Emergency Economic Stabilization Act of 2008, the TARP Capital Purchase Program, and the Temporary Liquidity Guarantee Program, see "Item 1. Business – Supervision and Regulation – Recent Developments."

Summary

Total assets increased $19.4 million during 2009 from $81.6 million at December 31, 2008 to $100.9 million. Loans increased $16.6 million from $70.2 million at December 31, 2008 to $86.9 million at December 31, 2009. Funding for loan growth during 2009 came primarily from an increase in deposits. Total deposits were $90.6 million at December 31, 2009, an increase of $17.9 million compared to $72.7 million at the end of 2008.

The Bank recorded a net profit of $978,000, or a diluted earnings per share of $0.62, in 2009, an increase of 257.1% or $704,000 from the 2008 net profit of $274,000.

Stockholders' equity increased by $1,498,000 during 2009, predominantly due to profits of $978,000 and additional stock sales from exercised warrants of $515,000 in 2009. Book value per share increased to $6.36 at December 31, 2009, from $5.61 at December 31, 2008 due to the profits and stock sales.

The Bank's return on average assets (ROA) for 2009 was 1.10% compared to 0.38% in 2008 while the return on average equity (ROE) was 10.34% for 2009 compared to 3.40% in 2008. The Bank experienced revenue growth in 2009 as net interest income increased 34.6% and noninterest income increased 7.4%. Therefore, even though noninterest expense also increased by 19.8%, the Bank increased its pre-tax profits by 134.8%. The Bank's improved revenues are primarily the result of its strategies to increase the loan portfolio, control the cost of funds on deposits, grow noninterest income and control noninterest expense.

The following table summarizes the net changes in the income statement:

(in thousands)	2009	2008	Net Change	Percent Change
Net interest income	$ 3,413	$ 2,537	$ 876	34.5%
Noninterest income	180	167	13	7.9%
Noninterest expense	(2,833)	(2,365)	(468)	19.8%
Income before provision for loan losses & tax benefit	760	339	421	124.2%
Provision for loan losses	(245)	(120)	(125)	104.2%
Income tax benefit	(463)	55	(408)	(741.8)%
Net Income	$ 978	$ 274	$ 704	256.9%

Results of Operations

Net Interest Income

Net interest income, the primary source of earnings for the Bank, is the difference between interest and fees earned on earning assets, and interest paid on interest-bearing liabilities. Earning assets include loans, investment securities, federal funds sold and interest bearing deposits in banks. Interest-bearing liabilities include savings, interest-bearing demand and time deposits. Changes in the volume and mix of interest-earning assets and interest-bearing liabilities, as well as their respective yields and rates, have a significant impact on the level of net interest income. Net interest margin is calculated as net interest income divided by average interest-earning assets and represents our net yield on our earning assets.

Net interest income increased to $3,413,000 for the year ended December 31, 2009, from $2,537,000 for the year ended December 31, 2008, an increase of $876,000. Interest income increased $676,000 to $5,206,000 for the year ended December 31, 2009, from $4,531,000 for the year ended December 31, 2008. This increase is primarily the result of an increase in average earning assets to $85,309,000 in 2009, an increase of $16,831,000 from $68,478,000 in 2008. The yield on interest-earning assets decreased to 6.10% for the year ended December 31, 2009 compared to 6.62% for the year ended December 31, 2008, primarily due to the overall interest rate market decreasing as a result of decreases in the Federal Reserve key lending rates.

Interest expense decreased $201,000 to $1,793,000 for the year ended December 31, 2009, from $1,994,000 for the year ended December 31, 2008. This decrease is the result of the overall interest rate market decreasing offset slightly by an increase in average interest-bearing liabilities of $14,591,000 from December 31, 2008 to December 31, 2009. The average rate on interest-bearing liabilities decreased to 2.55% for the year ended December 31, 2009 compared to 3.58% for the year ended December 31, 2008 due to the overall interest rate market decreasing as a result of decreases in the Federal Reserve key lending rates.

The Bank's net interest margin for the year ended December 31, 2009 was 4.00% compared to 3.70% in 2008. The increase in the net interest margin is primarily due to interest sensitive liabilities repricing at a faster rate than interest sensitive assets.

The following table shows the Bank's daily average balance of assets, liabilities and shareholders' equity as well as the amount of interest income or interest expense and the average rate for each category of interest-earning assets and interest-bearing liabilities, for the periods indicated. Non-accruing loans, if any, are included in the average balances of loans.

	Year Ended December 31					
	2009			2008		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
(In thousands)						
Interest earning assets:						
Loans	$78,019	$5,032	6.45%	$60,086	$4,208	7.00%
Taxable investment securities[1]	3,573	166	4.65%	3,133	163	5.21%
Interest-bearing deposits	3,498	8	0.23%	4,407	141	3.19%
Federal funds sold and other	105	1	0.29%	852	19	2.18%
Total interest earning assets	85,309	5,206	6.11%	68,478	4,531	6.62%
Non-interest earning assets:						
Other assets	4,498			3,872		
Less allowance for loan losses	(561)			(460)		
TOTAL	$89,246			$71,890		
Interest bearing liabilities:						
Demand deposits	$5,403	$77	1.43%	$5,000	$118	2.36%
Savings deposits	16,608	238	1.43%	12,272	281	2.29%
Time deposits	48,144	1,477	3.07%	38,388	1,594	4.15%
FHLB borrowings	173	1	0.58%	77	1	1.87%
Total interest bearing liabilities	$70,328	$1,793	2.55%	$55,737	$1,994	3.58%
Non-interest bearing liabilities:						
Demand deposits	9,102			7,837		
Other	360			273		
Total Non-interest-bearing	9,462			8,110		
Shareholders' equity	9,456			8,043		
TOTAL	$89,246			$71,890		
Net interest earnings		$3,413			$2,537	
Interest rate spread[2]			3.56%			3.04%
Net interest margin[3]			4.01%			3.70%

(1) Securities available-for-sale are presented at amortized cost.
(2) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(3) Net interest margin represents net interest income as a percentage of average interest-earning assets.

Rate Volume Analysis

Future net interest income will be affected by changes in both average interest rates and average volumes of interest-earning assets and interest-bearing liabilities. The following table sets forth certain information regarding changes in interest income and interest expense for the periods indicated for each category of interest-earning assets and interest-bearing liabilities. Information is provided on changes attributable to (i) changes in volume (changes in average volume multiplied by prior rate), (ii) changes in rate (changes in average rate multiplied by prior average volume), and (iii) total change.

	2009 vs. 2008			**2008 vs. 2007**		
	Increase/	**Change Due To:**		**Increase/**	**Change Due To:**	
(In thousands)	**(Decrease)**	**Rate**	**Volume**	**(Decrease)**	**Rate**	**Volume**
Assets:						
Loans	$ 1,256	$ (432)	$ 824	$ 659	$ (145)	$ 804
Taxable investment securities	29	(26)	3	52	27	25
Interest bearing deposits	(29)	(104)	(133)	(71)	(62)	(9)
Federal funds sold and other	(16)	(2)	(18)	(37)	(24)	(13)
Total interest-earning assets	1,240	(564)	675	603	(204)	807
Liabilities:						
Demand deposits	10	(51)	(41)	34	(10)	44
Savings deposits	98	(141)	(43)	46	(26)	72
Time deposits	405	(522)	(117)	17	(280)	297
FHLB borrowings	3	(3)	-	1	-	1
Total interest-bearing liabilities	516	(717)	(201)	98	(316)	414
Net interest income	$ 724	$ 153	$ 876	$ 505	$ 112	$ 393

Provision for Loan Losses

The allowance for loan losses increased $133,000 to $638,000 at December 31, 2009 compared with $505,000 at December 31, 2008. In determining the provision for loan losses, management considers loan loss experience, changes in composition and volume of the portfolio, the level and composition of non-performing loans, the adequacy of the allowance for loan losses, and prevailing economic conditions. The allowance for loan losses of $638,000 at December 31, 2009 approximates 0.73% of total gross loans at December 31, 2009. There were ten charge-offs during 2009 totaling $112,000. As of December 31, 2009, there were sixteen loans on non-accrual status, six of which were considered impaired by management. See "Loans – Asset Quality", "-Risk Elements" and "Allowance for Possible Loan Losses" below.

Non-interest Income and Non-interest Expense

The Bank's noninterest income increased 7.4% to $180,000 in 2009 compared to $167,000 in 2008, which is an increase of $13,000. This increase is primarily due to increases of $6,000 in fees on deposit accounts and miscellaneous fees and commissions of $7,000.

The Bank's noninterest expense increased 19.8% to $2,833,000 in 2009 from $2,365,000 in 2008. The increase in noninterest expense in 2009 is primarily due to increases in salaries and employee benefits of $170,000, FDIC deposit insurance premiums of $140,000, occupancy and equipment expenses of $47,000, professional expenses of $30,000, and miscellaneous expenses of $119,000 slightly offset by a decrease in data processing expenses of $38,000.

The components of noninterest expense and their respective increases are detailed in the table below.

(in thousands)	2009	2008	Net Change	Percentage Change
Salaries and employee benefits	$ 1,259	$ 1,089	$ 170	15.6%
FDIC deposit insurance premiums	179	39	140	359.0%
Occupancy and Equipment	270	223	47	21.2%
Data Processing	370	408	(38)	(9.3%)
Professional	189	159	30	18.9%
Other	566	447	119	26.6%
Total noninterest expense	$ 2,833	$ 2,365	$ 468	19.8%

The increases in salaries and employee benefits from 2008 to 2009 are primarily attributable to increases in wage costs, bonuses and benefits costs during 2009, which increased due to the hiring of personnel to staff our new Rimersburg branch and due to general salary increases. The increases in occupancy and equipment expenses are attributable to an increase in depreciation expenses due to the building and equipment purchases made in connection with the addition of our Rimersburg branch office. The increase in professional expenses was due to increased fees associated with audit requirements for compliance with Sarbanes-Oxley Section 404 and regulatory fees is primarily due to additional increases in the FDIC assessment fees due to the increased cost of FDIC insurance for funds on deposit with the Bank. Data processing expenses decreased due, in part, to statement preparation and rendering activities being brought in-house.

Taxes

The Bank reported net losses during its year of inception of 2004 through 2006. As a result the Bank did not report provisions for income taxes during its first three years of operations and accumulated a federal net operating loss (NOL) carry-forward, to be used to off-set future taxable income. During 2008, the Bank's pre-tax income of approximately $219,000 was increased by various temporary and permanent book-to-tax differences which resulted in federal taxable income of approximately $293,000. The federal NOL carryover was utilized to reduce taxable income and accordingly, no current provision for income taxes was recorded for

2008. The net increase of deferred tax assets during 2008 resulted in a deferred tax benefit of approximately $55,000. During 2009, the Bank's remaining deferred tax valuation allowance was reversed resulting in the recording of a $646,000 tax benefit. The reversal of the deferred tax valuation allowance was due to a steady increase in quarterly and pre-tax income for calendar 2007, 2008 and the 2009 year to date period. Additionally, the Bank generated taxable income for the 2009 and 2008 calendar years and expects to generate taxable income for 2010. Furthermore, the Bank has consistently outperformed budget and strategic planning profitability projections during these periods. Management determined it was more likely than not the Bank's deferred tax asset would be realized. A tax benefit of $463,000 was recorded for the year ended December 31, 2009 resulting from the provision for income taxes, net of the reversal of the deferred tax valuation allowance previously mentioned.

The federal net operating loss carry-forward of $1,589,000 is available to offset future taxable income expiring at various dates through 2026.

The Commonwealth of Pennsylvania taxes banks based on the level of stockholders' equity, as apposed to income. The Bank incurred Pennsylvania Bank Shares Tax expense of $66,000 and $54,000 for the years ended December 31, 2009 and 2008, respectively.

Statement of Condition

Our assets at December 31, 2009 consisted primarily of cash and cash equivalents, including federal funds sold, which totaled $6.0 million; certificates of deposit, which totaled $0.1 million; investment securities, which totaled $4.0 million; and loans, which totaled $86.9 million. Premises and equipment totaled $1.9 million at December 31, 2009, and consisted of equipment and facilities at our headquarters and two branch locations. Other assets totaled $1.8 million, which included deferred taxes of $0.7 million and a prepaid for FDIC assessment fees of $0.4 million.

The Effect of Regulatory Policies and Economic Conditions

The Bank's business and earnings are affected by the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities. The Federal Reserve Board regulates the supply of money in order to influence general economic conditions. Among the instruments of monetary policy available to the Federal Reserve Board are (i) conducting open market operations in United States government obligations, (ii) changing the discount rate on financial institution borrowings, (iii) imposing or changing reserve requirements against financial institution deposits, and (iv) restricting certain borrowings and imposing or changing reserve requirements against certain borrowings by financial institutions and their affiliates. These methods are used in varying degrees and combinations to affect directly the availability of bank loans and deposits, as well as the interest rates charged on loans and paid on deposits.

The Bank's business and earnings are also affected by general and local economic conditions. During 2009 certain credit markets experienced difficult conditions and volatility. Downturns in the credit market can cause a decline in the value of certain loans and securities, a

reduction in liquidity and a tightening of credit. A downturn in the credit market often signals a weakening economy that can cause job losses and thus distress on borrowers and their ability to repay loans. Uncertainties in credit markets and the economy present significant challenges for the financial services industry. Regulatory policies and economic conditions have had a significant effect on the operating results of financial institutions in the past and are expected to continue to do so in the future; however, the Bank cannot accurately predict the nature, timing or extent of any effect such policies or economic conditions may have on its future business and earnings.

Loans

Gross loans totaled $87,581,000 at December 31, 2009 and represented 86.8% of total assets for 2009. Average loans totaled $78,019,000 for 2009, and represented 91.5% of total average interest-earning assets for 2009.

The following table shows the Bank's loan distribution at the end of each of the last two years:

	At December 31,			
	2009		2008	
	Amount	% of total	Amount	% of total
Loans:	(Dollars in thousands)			
Residential real estate	$40,154	45.8%	$33,709	47.6%
Commercial mortgage	35,318	40.3%	28,341	40.1%
Commercial - other	6,372	7.3%	4,394	6.2%
Consumer installment	3,931	4.5%	3,714	5.2%
Other	1,806	2.1%	614	0.9%
Total Loans	$87,581	100.0%	$70,772	100.0%

Residential real estate loans include first mortgage loans to purchase existing residential real estate or refinance existing first mortgage loans, and home equity loans and lines of credit. All of these loans are secured by either a first or second lien on residential real estate. The Bank also originates loans to individuals for construction of single-family dwellings. These loans are secured by the property under construction and typically have maturities of six to nine months before transferring to a full residential mortgage.

Commercial loans primarily represent loans to commercial borrowers for working capital and other short-term needs and term loans for the acquisition of business assets. The terms of such loans generally range from one to five years. Commercial mortgages include mortgages on owner occupied buildings and investment properties, secured by first mortgages on these properties. Amortization is generally based on terms of 15 years or less.

Consumer loans are granted primarily to individuals on an installment basis and are generally secured by personal property, including automobiles.

The following table summarizes the contractual maturities of certain loan categories at December 31, 2009 (in thousands).

	Within One Year	1-5 Years	Over 5 Years	Total
Commercial [1]	$1,852	$8,862	$30,976	$41,690
Residential Real Estate	158	1,568	38,428	40,154
Consumer and other	250	3,190	2,297	5,737

(1) The commercial category includes commercial loans and commercial mortgages.

The table below presents the breakdown of loans with fixed and variable rates at December 31, 2009 for loans in the following categories (in thousands):

	Fixed Interest Rates	Variable Interest Rates
Commercial [1]	$25,553	$16,137
Residential Real Estate	39,738	416
Consumer and other	3,914	1,823

[1] The commercial category includes commercial loans and commercial mortgages.

Asset Quality

The Bank manages asset quality and controls credit risk through diversification of the loan portfolio and the application of policies designed to foster sound underwriting and loan monitoring practices. The Bank's senior officers are charged with monitoring asset quality, establishing credit policies and procedures subject to approval by the Board of Directors, seeking the consistent application of these policies and procedures across the Bank and adjusting policies as appropriate for changes in market conditions.

Non-performing assets include non-performing loans and foreclosed real estate held for sale. Non-performing loans consist of loans where the principal, interest, or both, is 90 or more days past due and loans that have been placed on non-accrual status. Income recognition of interest is discontinued when, in the opinion of management, the collectability of such interest becomes doubtful. A loan is generally classified as non-accrual when principal or interest has been in default for a period of 90 days or more or because of a deterioration in the financial condition of the borrower such that payment in full of principal or interest is not expected. Loans past due 90 days or more and still accruing interest are loans that are generally well secured and in the process of collection. When loans are placed on non-accrual, accrued income from the current period will be reversed from current earnings. Consumer loans are to be charged off when principal or interest is 90 or more days delinquent or will be placed on non-accrual if the collateral is sufficient to recover the principal.

The Bank had sixteen non-performing loans or assets at December 31, 2009. Non-performing loans, consisting of loans on non-accrual status, loans past due 90 days or more and still accruing interest, and renegotiated troubled debt were $666,000 at December 31, 2009, an increase from $229,000 reported at December 31, 2008. As a percentage of total loans, non-

performing loans represented 0.8% at December 31, 2009 and 0.3% at December 31, 2008. The increase in nonperforming loans since 2008 is indicative of the decline in economic conditions. These nonperforming loans are not of one particular portfolio, but rather represent several customer segments. Higher unemployment levels and economic fears have impacted the performance of both consumer and commercial portfolios.

The allowance for loan losses represents 95.8% of non-performing loans at December 31, 2009. As of December 31, 2009, for purposes of accounting and reporting in accordance with accounting standards, the Bank had no significant troubled debt restructuring. As of December 31, 2009, for purposes of accounting and reporting in accordance with ASC 310-10, the Bank had six "impaired" loans in the amount of $318,000. The amount of the allowance for loan losses allocated to this loan was $38,000 at December 31, 2009.

The following table is a summary of non-performing loans and renegotiated loans for the years presented.

	Non-performing Loans As of December 31,	
Non-accrual loans:	2009	2008
Real estate	$ 301	$ 133
Consumer	51	16
Commercial	314	80
Total	666	229
Loans past due 90 days or more and still accruing interest:		
Real estate	-	-
Consumer	-	-
Commercial	-	-
Total loans past due 90 days or more	-	-
Troubled debt restructurings:		
Real estate	-	-
Consumer	-	-
Commercial	-	-
Total troubled debt restructurings	-	-
Total non-performing loans	$ 666	$ 229

For further details on asset quality, see Note 3, Notes to Financial Statements.

Risk Elements

Risk elements in the loan portfolio include loans past due, non-accrual loans, other real estate owned and a concentration of loans to one type of borrower. We closely monitor the loan portfolio to reduce the risk of delinquent and problem loans. Strict underwriting criteria, which include loan to value and debt to income ratios, are followed, which also helps reduce credit risk in the loan portfolio. The loan review function is performed by the Chief Credit Officer who

evaluates loan quality, including adherence to underwriting criteria. The loan reviewer reports directly to the Board of Directors. The Pennsylvania Department of Banking and the FDIC, as the Bank's primary regulators, also review the loan portfolio as part of its review process. A substantial portion of the Bank's loan portfolio is represented by loans in Clarion County which are secured by real estate in Clarion County. Consistent with its focus on providing community-based financial services, the Bank does not attempt to diversify its loan portfolio geographically by making significant amounts of loans to borrowers outside its market area. However, as with most financial institutions in this market area, the ultimate collectability of a substantial portion of the Bank's loan portfolio is susceptible to changes in the market condition of this area. As of December 31, 2009, there was no concentration of loans exceeding 10% of total loans to aggregated borrowers engaged in similar activities that would cause them to be similarly impacted by economic or other conditions.

Allowance for Loan Losses

The allowance for loan losses is maintained at an amount considered adequate by management and the Board of Directors for probable incurred credit losses based upon a periodic evaluation of the risk characteristics of the loan portfolio.

The allowance for loan losses is established for probable incurred loan losses through a provision for loan losses. Loans that are determined to be uncollectible are charged against the allowance account, and subsequent recoveries, if any, are credited to the allowance. When evaluating the adequacy of the allowance, an assessment of the loan portfolio will typically include changes in the composition and volume of the loan portfolio, overall portfolio quality and past loss experience, review of specific problem loans, current economic conditions which may affect borrowers' ability to repay, and other factors which may warrant current recognition. The Bank also considers historical loss experience of peer banks due to the Bank's limited loss experience since operations commenced in 2004. The Bank's periodic evaluations may, in management's judgment, require the Bank to recognize additions or reductions to the allowance.

The following table summarizes the activity in the allowance for loan losses for the years ended December 31, 2009 and December 31, 2008. Also presented are certain key ratios regarding the allowance:

	Year ended December 31,	
	2009	2008
	(dollars in thousands)	
Allowance for possible loan losses, beginning of year	$505	$419
Real estate loans charged-off	(61)	-
Consumer loans charged-off	(23)	(22)
Commercial loans charged-off	(28)	(12)
Recoveries	0	0
Provision	245	120
Balance, end of year	$638	$505
Average loans	78,019	60,086
Total gross loans at end of year	87,581	70,772
Allowance as a percentage of total gross loans	0.73%	0.71%

The following table reflects the allowance for loan losses by category as of December 31, 2009 and December 31, 2008:

	At December 31,			
	2009		2008	
	Amount	% of loans in each category	Amount	% of loans in each category
Commercial	$424,000	47.6%	$291,000	46.3%
Residential Real Estate	148,000	45.8%	151,000	47.6%
Consumer and other	66,000	6.6%	63,000	6.1%
Total	$638,000	100.0%	$505,000	100.0%

The specific amount of the allowance in any particular category may be reallocated in the future to reflect current conditions. Accordingly, the Bank considers the entire allowance to be available to absorb losses in any category.

Management is not aware of any potential problem loans, trends or uncertainties, which it reasonably expects, will materially impact future operating results, liquidity, or capital resources which have not been disclosed. Additionally, management has disclosed all known material credits, which cause management to have serious doubts as to the ability of such borrowers to comply with the loan repayment schedules.

Federal Funds Sold and Investment Securities

The Bank also derives interest income from investments in securities. The Bank invests a portion of its available funds in short-term and longer-term instruments, including federal funds sold and investment securities.

Federal funds sold are used primarily for daily cash management purposes. Average federal funds sold of $105,000 for 2009 represented 0.12% of total average interest earning assets for 2009. Federal funds sold are used primarily for daily cash management purposes. Investment securities include obligations of the United States Government and its agencies and government backed mortgage-backed securities. The Bank's investment securities portfolio provides liquidity through proceeds from scheduled maturities and principal reduction on mortgage-backed securities.

Investment securities are classified under one of the following categories: "held to maturity" and accounted for at historical cost, adjusted for accretion of discounts and amortization of premiums; "available for sale" and accounted for at fair market value, with unrealized gains and losses reported as a separate component of shareholders' equity; or "trading" and accounted for at fair market value, with unrealized gains and losses reported as a component of net income. Management determines the appropriate classification at the time of purchase. The Bank as a matter of policy does not hold trading securities.

At December 31, 2009, the Bank identified investment securities that would be held for indefinite periods of time but not necessarily to maturity, including securities that would be used as part of the Bank's asset/liability management strategy and possibly sold in response to changes in interest rates, prepayments and similar factors. These securities are classified as "available for sale." These securities are carried at fair value, with any temporary unrealized gains or losses reported as a separate component of other comprehensive income (loss), net of the related income tax effect. At December 31, 2009, the Bank reported accumulated other comprehensive income of $56,000 in the Stockholders' Equity section of the Balance Sheet.

The table below presents the amortized cost and total estimated fair values of available-for-sale securities as of December 31, 2009 and 2008:

	At December 31, 2009		At December 31, 2008	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Residential mortgage-backed securities	$3,418,708	$3,492,194	$2,136,546	$2,187,899
U.S. Government agencies	500,000	511,246	1,000,000	1,025,390
Total available for sale	$3,918,708	$4,003,440	$3,136,546	$3,213,289

The Bank did not hold any investments classified as held to maturity at December 31, 2009 or 2008.

Maturities and weighted average yields of available-for-sale securities, at amortized cost, at December 31, 2009, segregated by contractual maturity, are illustrated below:

	At December 31, 2009									
	Within 1 Year		After 1 But Within 5 Years		After 5 But Within 10 Years		After 10 Years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(Dollars in thousands)									
Investment securities available for sale:										
Mortgage-backed securities	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ 3,418,708	4.57%	$ 3,418,708	4.57%
U.S. government agencies	-	0.00%	-	0.00%	500,000	5.13%	-	0.00%	500,000	5.13%
Total amortized cost	$ -	0.00%	$ -	0.00%	$ 500,000	5.13%	$ 3,418,708	4.57%	$ 3,918,708	4.64%

The Bank did not have any sales of securities available for sale in 2009 and 2008. Of the Bank's investment securities, $1,977,000 was pledged at December 31, 2009 and $1,036,000 was pledged at December 31, 2008 to secure public deposits.

Deposits

The Bank's deposit base is its primary source of funds. The Bank offers a broad range of deposit products, including non-interest and interest bearing demand deposits, savings and money market accounts, and certificates of deposit.

The following table shows the breakdown of the average balances and average rates paid on the Bank's deposit categories for 2009 and 2008:

Average Deposits and Rates Paid:

	2009		2008	
	Amount	Rate	Amount	Rate
(In thousands)				
Non-interest bearing demand deposits	$9,103	--	$7,837	--
Interest bearing demand deposits	5,403	1.43%	5,000	2.36%
Savings deposits & MMDA	16,608	1.43%	12,272	2.29%
Time deposits	48,144	3.07%	38,388	4.15%
Total	$79,258	2.26%	$63,497	3.14%

The Bank's time certificates of deposit with balances of $100,000 or more totaled $17.5 million and $12.1 million at December 31, 2009 and 2008, respectively, and comprised 19.3% and 16.6% of the Bank's total deposits, respectively.

Maturities of time certificates of deposit of $100,000 or more outstanding at December 31, 2009 are summarized below:

Time Certificates of Deposit of $100,000 or More
(In thousands)

3 months or less	$ 2,414
Over 3 months through 6 months	3,604
Over 6 through 12 months	5,558
Over 12 months	5,884
Total	$17,460

Maturities of time certificates of deposit of less than $100,000 outstanding at December 31, 2009 are summarized below:

Time Certificates of Deposit of Less Than $100,000
(In thousands)

3 months or less	$ 8,938
Over 3 months through 6 months	5,976
Over 6 through 12 months	8,253
Over 12 months	13,541
Total	$ 36,708

Liquidity

Liquidity assesses the Bank's ability to meet financial obligations consisting of lending commitments, deposit outflows, operational expenses and contingencies that arise during the normal course of business. Liquidity is also defined as the Bank's ability to meet the borrowing and deposit withdrawal requirements of the customers of the Bank in addition to meeting current and planned expenditures. The Bank's liquidity is derived primarily from its deposit base and equity capital and is provided through the Bank's cash, balances in correspondent banks, federal funds sold, investments maturing or repaying within one year and securities available for sale. The Bank's growth has continued to be funded primarily through these sources. At December 31, 2009, cash and cash equivalents, certificates of deposit and securities classified as securities available for sale, totaled $10.1 million and were 9.99% of total assets. The Bank also maintains a borrowing line of credit in the amount of $43.2 million at the Federal Home Loan Bank of Pittsburgh, and at December 31, 2009, the Bank did not have any amounts outstanding under such line of credit. As a result of our management of liquid assets and the ability to generate liquidity through additional deposits or borrowings, the Bank maintains liquidity sufficient to satisfy our deposit withdrawal requirements and meet our customers' borrowing needs.

Cash flows provided by operations in 2009 were $554,000 which was a 23.4% decrease over the $449,000 of cash provided by operations during 2008. In 2009, net cash of $17.5 million was used in investing activities primarily due to loans made of $17.2 million and purchases of available for sale securities of $2.0 million. Net cash of $17.6 million was used by investing activities in 2008 primarily due to loans made of $18.0 million. For the year of 2009, net cash of $18.4 million was provided by financing activities due primarily to growth of $17.9 million in

deposits and $515,000 in proceeds from the exercise of warrants. For the year of 2008, net cash of $16.3 million was provided by financing activities due primarily to growth of $15.9 million in deposits and $403,000 in proceeds from the exercise of warrants.

Maintenance of liquidity is coordinated by the Asset/Liability Management Committee of the Bank, which monitors projected liquidity needs and determines the desirable level of liquidity, based in part on the Bank's commitments and management's assessment of the Bank's ability to generate funds.

Managing the Bank's liquidity position involves a significant degree of analytical estimation and other objective factors. Although customer demand for funds, in the form of loans or deposit withdrawals, is largely dependent on general economic factors outside the Bank's control, management believes that its present liquidity structure is adequate to meet such needs.

The Bank anticipates it can meet its obligations over the next 12 months and has no material commitments for capital expenditures. There are no known trends, demands, commitments, or events that will result in or that are reasonably likely to result in the Bank's liquidity increasing or decreasing in any material way.

Capital Resources

The Bank's shareholders' equity totaled $10.1 million at December 31, 2009, an increase of $1.5 million compared to $8.6 million at December 31, 2008. The Bank's accumulated deficit decreased by approximately $1.0 million, to $2.3 million at December 31, 2009 from $3.3 million at December 31, 2008. The decrease in accumulated deficit along with a $515,000 increase in common stock and surplus due to the issuance of 54,941 shares of common stock upon the exercise of warrants held by existing shareholders.

The assessment of capital adequacy depends on a number of factors such as asset quality, liquidity, earnings performance, changing competitive conditions, economic forces and growth and expansion activities. We seek to maintain a capital base to support our growth and expansion activities, to provide stability to current operations and to promote public confidence.

The Bank's capital position exceeds regulatory minimums. The primary indicators relied on by the FDIC and other bank regulators in measuring strength of capital position are the leverage ratio, Tier 1 risk-based capital ratio, and total risk-based capital ratio. The leverage ratio consists of Tier 1 capital divided by quarterly average assets. Tier I capital consists of common and qualifying preferred shareholders' equity less goodwill. Total capital consists of Tier 1 capital, qualifying subordinated debt and a portion of the allowance for loan losses. Risk-based capital ratios are calculated with reference to risk weighted assets, which consist of both on and off balance sheet risks (such as letters of credit, lines of credit and home equity lines).

The following tables show our regulatory and other capital ratios at December 31, 2009 and December 31, 2008, compared to the ratios required to be deemed "well capitalized" by our regulators. The Bank's capital ratios at December 31, 2009, are well above minimum regulatory requirements. Being classified as a "well-capitalized" institution allows the Bank to have special regulatory consideration in various areas.

	Actual		To be Well Capitalized under Prompt Corrective Action Provisions	
	Amount	**Ratio**	**Amount**	**Ratio**
As of December 31, 2009:				
Total capital (to risk-weighted assets)	$ 10,337	13.95 %	≥ $ 7,412	≥ 10.0 %
Tier 1 capital (to risk-weighted assets)	9,699	13.09 %	≥ 4,447	≥ 6.0 %
Tier 1 capital (to average assets)	9,699	9.87 %	≥ 4,915	≥ 5.0 %
As of December 31, 2008:				
Total capital (to risk-weighted assets)	$ 8,785	13.62 %	≥ $ 6,451	≥ 10.0 %
Tier 1 capital (to risk-weighted assets)	8,280	12.83 %	≥ 3,870	≥ 6.0 %
Tier 1 capital (to average assets)	8,280	10.55 %	≥ 3,926	≥ 5.0 %

Contractual Obligations

In the normal course of business, the Bank becomes party to various outstanding contractual obligations that will require future cash outflows. The following table reflects our contractual obligations outstanding as of December 31, 2009:

	Payments due by period at December 31, 2009				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
	(Dollars in thousands)				
Leases	10	3	5	2	0
Time deposits (1)	54,168	34,743	18,103	1,322	0
Total	$54,178	$34,746	$18,108	$1,324	$0

(1) Excludes interest.

Off-Balance Sheet Arrangements

The Bank's financial statements do not reflect off-balance sheet arrangements that are made in the normal course of business. These off-balance sheet arrangements consist of unfunded loans and letters of credit made under the same standards as on-balance sheet instruments. These unused commitments at December 31, 2009 totaled $7.0 million. The commitments at December 31, 2009 consisted of $1.5 million in construction lines of credit; $0.7 million in residential lines of credit; $0.1 million in personal lines of credit; $4.9 million in

commercial lines of credit and commitments to make commercial loans, and letters of credit; and $0.4 million in commitments to make commercial real estate loans. These instruments have fixed maturity dates, and because many of them will expire without being drawn upon, they do not generally present any significant liquidity risk to the Bank. Management believes that any amounts actually drawn upon these commitments can be funded in the normal course of operations.

The following table reflects our commitments to extend credit by type of loan and maturity date.

	At December 31, 2009				
Commitments to extend credit:	**Total Amounts Committed**	**Less Than 1 Year**	**1-4 Years**	**4-5 Years**	**After 5 Years**
	(Dollars in thousands)				
Personal lines of credit	102	102	-	-	-
Home equity	993	-	-	-	993
Commercial lines of credit	4,305	1,554	2,495	125	131
Letters of credit	252	252	-	-	-
Construction	1,575	1,575	-	-	-
Mortgage commitments	1,040	1,040	-	-	-
Total commitments	8,267	4,523	2,495	125	1,124

Recent Accounting Pronouncements and Other Matters

Refer to Note 1 of the financial statements for information relating to recent accounting pronouncements and other matters.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Bank is a smaller reporting company and therefore is not required to provide the information required by this item. However, the Bank has voluntarily provided the following disclosure concerning its interest rate risk.

Interest Rate Sensitivity

Interest rate sensitivity or market risk is the potential risk to earnings and/or equity value due to changes in interest rates and other market conditions as they relate to the financial industry. The Bank's market risk exposure is primarily its exposure to interest rate risk (IRR). The measuring, monitoring and management of IRR is the responsibility of the Asset Liability Management Committee (the ALCO). The Board of Directors of the Bank has delegated responsibility for asset liability management to the ALCO whose main objectives are to manage IRR while optimizing earnings through net interest income and management of the balance sheet. The Bank uses a simulation model on a quarterly basis to measure IRR. This model utilizes the Bank's financial data and various management assumptions and projections as they relate to growth, interest rates, noninterest income and noninterest earnings in order to forecast the interest sensitivity of the Bank and its potential impact on net interest income, earnings and equity. The model projects a "most likely" forecast which is then "shocked" with various interest rate increases and decreases in order to project the *short term* effects on net interest income and net income. The model also projects the effects on the economic value of equity (EVE) of the Bank using the same interest rate increases and decreases. The EVE sensitivity measure is a measure of the *long-term* risk of the bank.

As of December 31, 2009, the Bank's *earnings sensitivity* analysis indicates that the Bank is slightly liability sensitive in the near term and is exposed to declining earnings if rates increase. The Bank's *EVE sensitivity* analysis indicates that the Bank becomes modestly asset sensitive in the long term. Since the earnings model uses numerous assumptions regarding the effect of changes in interest rates on the timing and extent of re-pricing characteristics, future cash flows and customer behavior, the model cannot precisely estimate net income and the effect on net income from sudden changes in interest rates. Actual results will differ from simulated results due to the timing, magnitude and frequency of interest rate changes and changes in market conditions and management strategies, among other factors.

Management actively monitors and manages the Bank's interest rate exposure using gap analysis. Gap analysis measures the difference between volumes of rate-sensitive assets and liabilities and quantifies these repricing differences for various time intervals. A positive gap results when the amount of interest rate sensitive assets exceeds interest rate sensitive liabilities and generally means the bank will benefit during periods of rising interest rates. A negative gap results when the amount of interest rate sensitive liabilities exceeds interest rate sensitive assets and generally means the Bank will benefit during periods of falling interest rates. Fluctuations in interest rates are not predictable or controllable.

The following table sets forth the amount of the Bank's interest-earning assets and interest-bearing liabilities at December 31, 2009 (in thousands), which are expected to mature or reprice in each of the time periods shown:

	Three Months or Less	After Three Through Twelve Months	After One Through Five Years	After Five Years	Total
Assets					
Interest-bearing deposits	5,446	-	-	-	5,446
Certificates of deposit	-	100	-	-	100
Investment securities	-	-	511	3,492	4,003
Loans	23,901	11,584	17,133	34,254	86,872
Total interest-earning assets	$29,347	$11,684	$17,644	$37,746	$96,421
Liabilities					
Interest bearing demand deposits	$ 1,138	$ -	$ 5,182	$ -	$ 6,320
Money market accounts	5,042	-	15,125	-	20,167
Time deposits	7,657	25,622	20,890	-	54,169
Total interest-bearing liabilities	$13,837	$25,622	$41,197	$ -	$80,656
Period gap	$15,510	($13,938)	($23,553)	$37,746	$15,765
Period gap as a percentage of total average interest earning assets	18.18%	(16.34%)	(27.61%)	44.25%	
Cumulative sensitivity gap	$15,510	$1,572	($21,981)	$15,765	
Cumulative gap as a percentage of total average interest earning assets	18.18%	1.84%	(25.77%)	18.48%	
Cumulative sensitivity ratio [(1)]	212.09%	103.98%	72.75%	119.55%	

[(1)] Cumulative interest sensitive assets divided by cumulative interest sensitive liabilities.

Interest rate risk arises from the mismatches (i.e., the interest sensitivity gap) between the dollar amount of repricing or maturing assets and liabilities, and is measured in terms of the interest rate sensitivity gap to total assets.

Since all interest rates do not adjust at the same velocity, gap analysis is only a general indicator of interest rate sensitivity. The analysis of the Bank's interest-earning assets and interest-bearing liabilities presents only a static view of the timing of maturities and repricing characteristics, without taking into consideration the fact that changes in interest rates do not affect all assets and liabilities equally. Net interest income may be impacted by other significant factors in a given interest rate environment, including changes in the volume and mix of interest-earning assets and interest bearing liabilities.

As indicated by the above table, the Bank had a one-year cumulative positive gap. Since the interest earning assets will re-price more rapidly than the interest bearing liabilities, the net portfolio value of net interest income will tend to increase during periods of rising interest rates, but will decrease during periods of declining interest rates.

In theory, maintaining a nominal level of interest rate sensitivity can diminish interest rate risk. In practice, this is made difficult by a number of factors, including cyclical variation in

loan demand, different impacts on interest-sensitive assets and liabilities when interest rates change, and the availability of funding sources. Bank management will generally attempt to maintain a balance between rate-sensitive assets and liabilities to minimize the overall interest rate risk to the Bank. The Bank does not use derivatives to manage interest rate risk.

We also rely on a "net interest earnings at risk" analysis which measures the volatility of the Bank's net interest earnings caused by a movement in market interest rates, and an "equity value at risk" analysis which measures the volatility of the market value of the Bank's portfolio equity. The earnings at risk analysis will forecast the impact on our net interest income from instantaneous 100 and 200 basis point increases and decreases in the market rates. In assessing the impact on earnings, this analysis assumes that no change occurs in our funding sources or types of assets in response to the rate change.

The following table sets forth our interest rate risk profile at December 31, 2009. The interest rate sensitivity of our assets and liabilities, and the impact on net interest income, illustrated in the following table would vary substantially if different assumptions were used or if actual experience differs from that indicated by the assumptions.

	At December 31, 2009	
	Change in Net Interest Income	% Change in Net Interest Income
	(Dollars in thousands)	
Up 200 basis points	150	(3.88%)
Up 100 basis points	82	(2.12%)
Down 200 basis points	(72)	(1.86%)
Down 100 basis points	(39)	(1.01%)

In the "equity value of risk" analysis, the economic value of shareholders' equity as a result of interest rate changes is analyzed in the manner presented in the following hypothetical table. This analysis estimates the projected change in the value of equity as of December 31, 2009 as a result of hypothetical interest rate movements. The results of the simulations in the up 100 and 200 basis points categories reflect the balance sheet and interest rate environment changes during 2009 as discussed above.

Simulated % Change in Economic
Value of Shareholders' Equity at December 31, 2009

Assumed Changes in Basis Points	% Changes
-200	48.9%
-100	23.3%
+100	(13.6%)
+200	(31.0%)

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements are filed as a part of this report following Item 15 below:

Reports of Independent Registered Public Accounting Firms
Balance Sheets as of December 31, 2009 and 2008
Statements of Income for the Years Ended December 31, 2009 and 2008
Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2009 and 2008
Statements of Cash Flows for the Years Ended December 31, 2009 and 2008
Notes to Financial Statements

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A(T): CONTROLS AND PROCEDURES

The Bank maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by it in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods required by the Federal Deposit Insurance Corporation, including, without limitation, those controls and procedures designed to ensure that such information is accumulated and communicated to the Bank's management to allow timely decisions regarding required disclosures.

As of the end of the period covered by this report, an evaluation of the effectiveness of the design and operation of the Bank's disclosure controls and procedures was carried out under the supervision and with the participation of the Bank's management, including the chief executive officer who also serves as the Bank's chief financial officer. Based on and as of the date of such evaluation, this officer concluded that the Bank's disclosure controls and procedures were effective.

The Bank's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the Exchange Act. The Bank's management, with the participation of the Bank's principal executive officer who also serves as the Bank's principal financial officer, has evaluated the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control—Integrated Framework, the Bank's management concluded that our internal control over financial reporting was effective as of December 31, 2009.

There was no change in the internal control over financial reporting that occurred during the quarter ended December 31, 2009 that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. An adequate system of internal control over financial reporting encompasses the processes and procedures that have been established by management to:

- Maintain records that, in reasonable detail, accurately reflect the Bank's transactions;

- Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of the financial statement and footnote disclosures in accordance with accounting principles generally accepted in the United States, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and the directors of the Bank; and

- Provide reasonable assurance regarding the prevention of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Management conducted an evaluation of the effectiveness of the Bank's internal control over financial reporting based on the criteria in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation under the criteria in Internal Control-Integrated Framework, management concluded that internal control over financial reporting was effective as of December 31, 2009. Furthermore, during the conduct of its assessment, management identified no material weakness in its financial reporting control system.

The Board of Directors of the Bank, through its Audit Committee, provides oversight to managements' conduct of the financial reporting process. The Audit Committee, which is composed entirely of independent directors, is also responsible to recommend the appointment of independent public accountants. The Audit Committee also meets with management, the internal audit staff, and the independent public accountants throughout the year to provide assurance as to the adequacy of the financial reporting process and to monitor the overall scope of the work performed by the internal audit staff and the independent public accountants.

This annual report does not include an attestation report of the Bank's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Bank's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Bank to provide only management's report in this annual report.

/s/ James L. Kifer
James L. Kifer
President, Chief Executive Officer and Chief Financial Officer

ITEM 9B: OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information under the sections captioned "Election of Directors—Information Concerning Nominees and Continuing Directors," "Election of Directors—Executive Officers Who are Not Directors," "Election of Directors—Board Meetings and Committees," "Election of Directors—Section 16(a) Beneficial Ownership Reporting Compliance," "Election of Directors—Code of Ethics" and "Shareholder Proposals for 2011 Annual Meeting" in the Bank's Proxy Statement filed with the FDIC with respect to its 2010 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information under the sections captioned "Election of Directors-Director Compensation," "Election of Directors—Remuneration of Chief Executive Officer," "Election of Directors—Employment Agreement," "Election of Directors—Stock Compensation Program," "Election of Directors—Option Grants in Last Fiscal Year," "Election of Directors—Outstanding Stock Option and Other Equity Awards at Fiscal Year End," "Election of Directors—Aggregated Option Exercises in Last Fiscal Year" and "Election of Directors—Employee Retirement Plan" in the Bank's Proxy Statement filed with the FDIC with respect to its 2010 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information under the section captioned "General Information–Principal Shareholders," "Election of Directors-Equity Plan Compensation Information" and "Election of Directors-Security Ownership of Management" in the Bank's Proxy Statement filed with the FDIC with respect to its 2010 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENENCE

The information under the section captioned "Election of Directors- Director Independence," "Election of Directors—Transactions with Related Persons," "Election of Directors—Information Concerning Nominees and Continuing Directors" and "Election of Directors—Board Meetings and Committees in the Bank's Proxy Statement filed with the FDIC with respect to its 2010 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information under the section captioned "Ratification of Appointment of Independent Auditors--Audit and All Other Fees" and "Ratification of Appointment of Independent Auditors--Audit Committee Pre-Approval Policies and Procedures" in the Bank's

Proxy Statement filed with the FDIC with respect to its 2010 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) List of Documents Filed as Part of This Report:

(1) Financial Statements

The financial statements listed below are set forth on the following pages:

Reports of Independent Registered Public Accounting Firms
Balance Sheets as of December 31, 2009 and 2008
Statements of Income for the Years Ended December 31, 2009 and 2008
Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2009 and 2008
Statements of Cash Flows for the Years Ended December 31, 2009 and 2008
Notes to Financial Statements

(2) Financial Statement Schedules

The Bank is not filing separate financial statement schedules because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits Required by Item 601

Listing of Exhibits — See the Exhibits' Index on page ___ of this Form 10-K.

(b) Exhibits — The exhibits to this Form 10-K begin on page ___.

(c) Financial Statement Schedules — All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable or pertain to items as to which the required disclosures have been made elsewhere in the financial statements and notes thereto, and therefore have been omitted.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CLARION COUNTY COMMUNITY BANK

Date: March 23, 2010

By: /s/ James L. Kifer
James L. Kifer
President and Chief Executive Officer and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ James L. Kifer James L. Kifer	President and Chief Executive Officer and Chief Financial Officer and Director (principal executive officer, principal financial officer and principal accounting officer)	March 23, 2009
/s/ William E. Hager III William E. Hager III	Chairman of the Board and Director	March 23, 2010
/s/ J. Todd Bish J. Todd Bish	Director	March 23, 2010
/s/ Susanne A. Burns Susanne A. Burns	Director	March 23, 2010
/s/ J. Fred Cherico J. Fred Cherico	Director	March 23, 2010
____________________ Rodney R. Flick	Director	
/s/ H. Jerome Heffner H. Jerome Heffner	Director	March 23, 2010
____________________ Stephen J. Jaworski	Director	
/s/ Don D. Lewis Don D. Lewis	Director	March 23, 2010
/s/ Mark V. Neiswonger Mark V. Neiswonger	Director	March 23, 2010
/s/ Thomas B. Ray Thomas B. Ray	Director	March 23, 2010
/s/ Richard A. Shirey Richard A. Shirey	Director	March 23, 2010

CLARION COUNTY COMMUNITY BANK FORM 10-K

INDEX TO EXHIBITS

Number	Title
3.1	Articles of Incorporation of Clarion County Community Bank (Incorporated by reference to Exhibit 2.1 to the Bank's Form 10-SB filed with the FDIC.)
3.2	Articles of Amendment to Articles of Incorporation of Clarion County Community Bank (Incorporated by reference to Exhibit 2.2 to the Bank's Form 10-SB filed with the FDIC.)
3.3	Bylaws of Clarion County Community Bank (Incorporated by reference to Exhibit 2.3 to the Bank's Form 10-SB filed with the FDIC.)
4.1	Form of certificate evidencing shares of Clarion County Community Bank Common Stock (Incorporated by reference to Exhibit 3.1 to the Bank's Form 10-SB filed with the FDIC.)
10.1	Clarion County Community Bank Stock Compensation Program (Incorporated by reference to Exhibit 6.1 to the Bank's Form 10-SB filed with the FDIC.)
10.2	Clarion County Community Bank Common Stock Purchase Option Certificates and Agreements (Incorporated by reference to Exhibit 6.2 to the Bank's Form 10-SB filed with the FDIC.)
10.3	Employment Agreement between James L. Kifer and Clarion County Community Bank (incorporated by reference to Exhibit 6.3 to the Bank's Form 10-SB filed with the FDIC), as amended by Amendment to Employment Agreement dated January 3, 2008 (incorporated by reference to Exhibit 10.1 to the Bank's Form 8-K filed with the FDIC on January 8, 2008)
10.4	Employment Agreement between Scott B. Daum and Clarion County Community Bank (incorporated by reference to Exhibit 6.4 to the Bank's Form 10-SB filed with the FDIC), as amended by Amendment to Employment Agreement dated January 3, 2008 (incorporated by reference to Exhibit 10.2 to the Bank's Form 8-K filed with the FDIC on January 8, 2008)
10.5	Employment Agreement between Michael A. Fornof and Clarion County Community Bank (incorporated by reference to Exhibit 6.5 to the Bank's Form 10-SB filed with the FDIC), as amended by Amendment to Employment Agreement dated January 3, 2008 (incorporated by reference to Exhibit 10.3 to the Bank's Form 8-K filed with the FDIC on January 8, 2008)

10.6	Agreement dated May 27, 2003 between Clarion County Community Bank and Fiserv Solutions, Inc. (Incorporated by reference to Exhibit 6.6 to the Bank's Form 10-SB filed with the FDIC.)
10.7	Settlement Agreement dated November 9, 2004 between Clarion County Community Bank and CNB Financial Corporation (Incorporated by reference to Exhibit 6.7 to the Bank's Form 10-SB filed with the FDIC.)
14.1	Clarion County Community Bank Code of Ethics (Incorporated by reference to Exhibit 14.1 to the Bank's Annual Report on Form 10-KSB for the year ended December 31, 2005 filed with the FDIC.)
31.1	Chief Executive Officer / Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer / Chief Financial Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002