Monday   **July 23, 2012**

Muncy Bank Financial, Inc Announces Second Quarter Financial Results

Muncy Bank Financial, Inc has announced the financial results for the six months ended June 30, 2012.

Net income increased to $2,735,360, compared to $2,394,554 for the same period of 2011. Operating earnings per share for the six months ended June 30, 2012 were $1.78 per share compared to $1.58 per share for the same period of 2011, or an increase of 12.65%.

Return on Average Assets (ROAA) and Return on Average Equity (ROAE) were 1.80% and 18.54% for the six months ended June 30, 2012 compared to 1.68% and 19.25% for the same period of 2011.

The net interest margin for the six months ended June 30, 2012 increased to 4.45% compared to 4.32% for the corresponding period of 2011.

The balance sheet continues to grow as assets have increased $18,147,048 or 6.18% and total $311,413,548; loans have increased 5.05% or $11,295,422 and total $234,529,418; and deposits have increased $15,588,698 or 6.27% and total $263,872,015 as of June 30, 2012.

Shareholders' equity increased 16.51% or $4,603,065 to $32,482,080 at June 30, 2012 from $27,879,015 on June 30, 2011.

Daniel C. Berninger, President and Chief Executive Officer noted that Muncy Bank Financial, Inc (OTCBB: MYBF), the holding company for The Muncy Bank and Trust Company,   was recognized by American Banker Magazine in the May 2012 issue as being ranked 30th on the "Top 200 Community Banks List" in the United States. This list includes all banks and thrifts with less than $2 billion in assets as of December 31, 2011.

Established in 1893, The Muncy Bank and Trust Company has been serving the banking needs of its neighbors and friends for 119 years. It operates through conveniently located offices in Muncy, Hughesville, Montoursville, Dewart and Clarkstown, and can be found on the Internet at www.muncybank.com.

Also published in The Williamsport Sun Gazette – July 29, 2012