

## BOARD OF DIRECTORS

Nancy S. Bratton

Jody D. Graybill

John P. Henry, III

Samuel G. Kint

David M. McMillen

Charles C. Saner

Roger Shallenberger

Lowell M. Shearer

David L. Swartz

Frank L. Wright

**FNBM is collecting toys for local families this holiday season.**



### Toy Drive

All toys collected through Dec. 9th will go to Juniata County Head Start & Join Hands Ministry in Perry County.

*Stop by any office to make a donation.*

First Community Financial Corporation  
Last 4 Quarters Trading Range\*

<u>Quarter Ending</u>	<u>HI</u>	<u>LOW</u>
9/30/2011	\$32.00	\$29.00
6/30/2011	\$30.00	\$27.50
3/31/2011	\$29.75	\$26.91
12/31/2010	\$28.00	\$25.56

\*This table reports per share prices at which the Corporation's common stock has actually traded in private transactions and some public databases transactions during the periods indicated of which the Corporation has knowledge, excluding transactions which the Corporation has reason to believe were not the result of arms' length negotiation (such as transactions between family members at prices reflecting a significant discount to other reported transactions). To the best of the Corporation's knowledge, such prices do not include any retail mark-up, mark-down or commission.

### Dividend Reinvestment/ Stock Purchase Plan

- ◆ Opportunity to reinvest dividends directly into the company with compound growth
- ◆ Opportunity to purchase additional shares with voluntary cash payments
- ◆ No brokerage commissions or fees
- ◆ Prospectus and enrollment information available

\*For shareholder services questions, please feel free to contact us at 717-436-2144, extensions 2102 or 2125, or at [jaskauffman@fnbmifflintown.com](mailto:jaskauffman@fnbmifflintown.com) or [bleister@fnbmifflintown.com](mailto:bleister@fnbmifflintown.com).



MIFFLINTOWN OFFICE  
(717) 436-2144

TUSCARORA VALLEY OFFICE  
(717) 436-8947

FERMANAGH OFFICE  
(717) 436-8968

DELAWARE OFFICE  
(717) 535-5158

EAST WATERFORD OFFICE  
(717) 734-2400

WEST PERRY OFFICE  
(717) 789-4500

ICKESBURG OFFICE  
(717) 438-3050

NEW BLOOMFIELD OFFICE  
(717) 582-7599

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(717) 789-2400

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(717) 582-7424

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(717) 582-3977

TRUST & INVESTMENT SERVICES  
(717) 436-2144

TOLL-FREE  
1-866-950-2144

[www.fnbmifflintown.com](http://www.fnbmifflintown.com)

*First Community  
Financial Corporation*

Financial Statements  
September 30, 2011

During these times of national and global financial turmoil, community banks continue to support many local areas and organizations, enabling families to buy or remodel homes, while building financial security. We use local dollars to fund local loans, while making lending decisions here. According to the Independent Community Bankers of America, their members hold more than \$1 trillion in assets, \$900 billion in deposits and \$700 billion in consumer, small business and agricultural loans, while employing many local people.

In addition to reporting that construction of our twelfth branch near Newport, PA, continues to progress, we are pleased to report the following results for September 30, 2011 (as compared to September 30, 2010):

Net income grew 21%.  
Loans grew \$14,000,000.  
Dividends increased 11%.  
Return on average equity was 14%.

The strength of community banking derives from the commitment of its employees, and strong results are a reflection of that commitment. Your investment in First Community Financial Corporation is greatly appreciated.

Sincerely,

Jody D. Graybill  
President & CEO

FIRST COMMUNITY FINANCIAL CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(Dollars in Thousands)

	September 30, 2011 (unaudited)	September 30, 2010 (unaudited)
<b>ASSETS</b>		
Cash & Due from Banks	\$ 8,142	\$ 6,480
Interest Bearing Deposits with Banks	759	1,366
Federal Funds Sold	2,934	7,095
Investment Securities	107,455	109,378
Loans - Net of Unearned Income	244,963	230,605
Allowance for Loan Losses	(2,561)	(2,019)
Net Loans	242,402	228,586
Premises and Equipment	6,539	5,888
Other Assets	14,138	14,315
<b>TOTAL ASSETS</b>	<b>\$ 382,369</b>	<b>\$ 373,108</b>
<b>LIABILITIES</b>		
Deposits		
Non-Interest Bearing	\$ 33,817	\$ 28,892
Interest Bearing	291,823	288,696
Total Deposits	325,640	317,588
Short-Term Borrowings	2,850	4,102
Long-Term Borrowings	20,155	21,155
Other Liabilities	2,840	2,620
<b>TOTAL LIABILITIES</b>	<b>351,485</b>	<b>345,465</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common Stock	7,051	7,033
Capital in Excess of Par Value	485	398
Retained Earnings	21,952	18,752
Treasury Stock	(110)	(110)
Accumulated Other Comprehensive Income (Loss)	1,506	1,570
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>30,884</b>	<b>27,643</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$ 382,369</b>	<b>\$ 373,108</b>

FIRST COMMUNITY FINANCIAL CORPORATION  
STATEMENTS OF INCOME  
(Dollars in Thousands, Except Per Share Data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
<b>INTEREST INCOME</b>				
Interest & Fees on Loans	\$ 3,718	\$ 3,629	\$ 10,992	\$ 10,647
Interest on Securities	926	943	2,719	2,864
Other Interest & Dividends	7	11	23	32
<b>TOTAL INTEREST INCOME</b>	<b>4,651</b>	<b>4,583</b>	<b>13,734</b>	<b>13,543</b>
<b>INTEREST EXPENSE</b>				
Interest on Deposits	1,186	1,376	3,807	4,463
Interest on Borrowings	207	229	624	779
<b>TOTAL INTEREST EXPENSE</b>	<b>1,393</b>	<b>1,605</b>	<b>4,431</b>	<b>5,242</b>
<b>NET INTEREST INCOME</b>	<b>3,258</b>	<b>2,978</b>	<b>9,303</b>	<b>8,301</b>
Provision for Loan Losses	303	89	454	203
<b>NON-INTEREST INCOME</b>				
Service Charges on Deposits	202	171	570	567
Fiduciary Activities	114	102	428	372
Realized Gain(Loss) on Sales of Securities	-	-	12	182
Realized Gains on Sale of Other Real Estate	-	67	6	67
Other Income	459	335	1,249	893
<b>TOTAL NON-INTEREST INCOME</b>	<b>775</b>	<b>675</b>	<b>2,265</b>	<b>2,081</b>
<b>NON-INTEREST EXPENSES</b>				
Employee Compensation & Benefits	1,270	1,170	3,738	3,397
Net Occupancy & Equipment Expense	267	272	815	851
Other Non-Interest Expense	813	815	2,528	2,558
<b>TOTAL NON-INTEREST EXPENSES</b>	<b>2,350</b>	<b>2,257</b>	<b>7,081</b>	<b>6,806</b>
Income Before Income Taxes	1,380	1,307	4,033	3,373
Applicable Income Taxes	290	307	861	741
<b>NET INCOME</b>	<b>\$ 1,090</b>	<b>\$ 1,000</b>	<b>\$ 3,172</b>	<b>\$ 2,632</b>
Basic Earnings Per Share	\$ 0.78	\$ 0.71	\$ 2.26	\$ 1.88