CNB FINANCIAL CORP/PA Form 8-K January 28, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

January 28, 2005

CNB FINANCIAL CORPORATION

(Exact name of Registrant as specified in its Charter)

Pennsylvania

(State or other jurisdiction of incorporation)

2-88511

(Commission File No.)

County National Bank
1 South Second Street
PO Box 42
Clearfield, Pennsylvania 16830
(Address of principal executive offices)

25-1450605

(IRS Employer Identification Number)

Registrant s telephone number, including area code: (814) 765-9621

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

	Written communications	pursuant to]	Rule 425 und	ler the Securities	Act (17 CFR	230.425)
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[] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 $[\] \ Pre-commencement \ communications \ pursuant \ to \ Rule \ 13e-4(c) \ under \ the \ Exchange \ Act \ (17 \ CFR \ 240.13e-4(c))$

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Item 2.02. Results of Operations and Financial Condition

CNB Financial Corporation, the parent company of County National Bank, today announced reported earnings of \$1.8 million or \$0.20 diluted earnings per share for the quarter ended December 31, 2004, compared to \$2.4 million or \$0.26 diluted earnings per share for the same quarter of 2003.

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- (a) Financial Statements: None
- (b) Exhibits:

Exhibit 99 News Release announcing fourth quarter and 2004 earnings

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CNB Financial Corporation

Date: January 28, 2005

By: <u>/s/ Joseph B. Bower, Jr.</u>
Joseph B. Bower, Jr.
Treasurer

Exhibit Index

Number Description

Exhibit 99 News Release announcing fourth quarter and 2004 earnings.

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News Release

CCNE
NASDAQ
Contact: Joseph B. Bower
Treasurer
(814) 765-9621
LISTED
FOR IMMEDIATE RELEASE

CNB FINANCIAL CORPORATION REPORTS FOURTH QUARTER EARNINGS FOR 2004 Clearfield, Pennsylvania January, 2005

CNB Financial Corporation, the parent company of County National Bank, today announced reported earnings of \$1.8 million or \$0.20 diluted earnings per share for the quarter ended December 31, 2004, compared to \$2.4 million or \$0.26 diluted earnings per share for the same quarter of 2003. Year to date earnings for 2004 are \$7.9 million compared to \$9.1 million in the same period of 2003. Reported earnings were down primarily due to the \$910,000 after-tax charge for impairment of a preferred stock security as described in our press release on January 25, 2005.

Excluding the non-cash impairment charge of \$910,000, net income was \$8.8 million, or \$0.96 per share for 2004, a decline of 3% compared to 2003. Lower interest rates continued to affect the Corporation throughout most of 2004 with improvement occurring in the fourth quarter. Loan growth through the year was steady and it came with much improved asset quality. Nonperforming assets as a percentage of assets improved to 0.37% as compared to 0.46% a year ago. In addition, total loan delinquency was 0.95% at December 31, 2004 compared to 1.75% at the end of 2003.

William F. Falger, President and Chief Executive Officer, commented, The fourth quarter was a positive quarter for us in terms of the interest income area. We have begun to see slightly rising rates, which have helped to improve our net interest income above the prior year levels. We anticipate continued improvement in 2005 in our net interest margin coupled with increased non-interest income. The net result should provide the Corporation with a strong level of financial performance during 2005.

Financial Highlights (in thousands) (unaudited)

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Assets Cash and due from banks Interesse bearing deposits \$ 14,296 \$ 15,239 CASH & CASH EQUIVALENTS 29,912 20,981 Securities available for sale NET LOANS 164,002 175,903 NET LOANS 476,352 452,485 FILL B& Federal Reserve Stock 4,792 5,032 FILL B& Federal Reserve Stock 13,862 12,082 FILL B& Federal Reserve Stock 11,182 12,082 FILL B& Federal Reserve Stock 11,182 12,082 Bank Owned Life Insurance 11,182 12,082 Intagible, net 11,182 12,082 Accrued Interest & Other Assets 11,154 9,487 TOTAL ASSETS \$ 725,217 \$ 701,752 Liabilities \$ 71,968 \$ 63,297 ToTAL DEPOSITS \$ 56,905 \$ 573,438 Short-term borrowings 2,000 1,313 Federal Home Luan Bank Advances 40,000 40,000 Subordinated Deleratives 10,310 10,310 Accrued expenses and other liab 7,292 8,244 TOTAL LIABILITIES<	Consolidated Balance Sheets		1-Dec-04 isolidated	31-Dec-03 Consolidated	
Interest-bearing deposits 15,616 5,742	<u>Assets</u>				
CASH & CASH EQUIVALENTS 29.912 20.981	Cash and due from banks			•	\$ 15,239
Securities available for sale 164,202 175,903 NET LOANS 476,352 245,485 FHL R& Federal Reserve Stock 4,792 5,032 Premises & Equipment, Net 13,182 12,944 Bank Owned Life Insurance 13,182 12,248 Intergible, net 11,154 9,487 TOTAL ASSETS 5725,217 5701,752 Liabilities Deposits 574,937 512,141 TOTAL DEPOSITS 574,937 512,141 TOTAL DEPOSITS 596,905 575,438 Short-term borrowings 2,000 1,313 Federal Home Loan Bank Advances 40,000 40,000 Subordinated Debentures 10,310 10,310 Accrued expenses and other liab 566,507 635,305 Sharcholders Equity 2,234 3,694 Common stock, 51 par value 4,243 4,123 Actual expenses and other liab 4,243 3,132 Teasury stock, (123,240 shares for 2004 3,131 66,647 Teasu	Interest-bearing deposits			15,616	5,742
Securities available for sale 164,202 175,903 NET LOANS 476,352 245,485 FHL R& Federal Reserve Stock 4,792 5,032 Premises & Equipment, Net 13,182 12,944 Bank Owned Life Insurance 13,182 12,248 Intergible, net 11,154 9,487 TOTAL ASSETS 5725,217 5701,752 Liabilities Deposits 574,937 512,141 TOTAL DEPOSITS 574,937 512,141 TOTAL DEPOSITS 596,905 575,438 Short-term borrowings 2,000 1,313 Federal Home Loan Bank Advances 40,000 40,000 Subordinated Debentures 10,310 10,310 Accrued expenses and other liab 566,507 635,305 Sharcholders Equity 2,234 3,694 Common stock, 51 par value 4,243 4,123 Actual expenses and other liab 4,243 3,132 Teasury stock, (123,240 shares for 2004 3,131 66,647 Teasu	CASH & CASH EQUIVALENTS			20.012	20.081
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FHLB & Federal Reserve Stock 4,792 5,032 Permiss & Equipment, Net 13,761 12,934 Bank Owned Life Insurance 13,182 12,682 Intangible, net 11,164 9,487 TOTAL ASSETS \$725,217 \$701,752 Liabilities Poposits \$725,217 \$701,752 Liabilities Poposits \$74,968 \$ 63,297 Interest bearing deposits \$724,937 \$12,141 TOTAL DEPOSITS \$96,905 \$75,438 Short-term borrowings \$2,000 1,313 Federal Home Loan Bank Advances 40,000 40,000 Subordinated Debentures 10,310 10,310 Accrued expenses and other liab 7,292 8,244 TOTAL LIABILITIES \$65,607 635,305 Shareholder Faquity 2034 3,694 Common stock, \$1 par value 4,243 4,123 Additional paid-in 4,243 4,123 Retained earnings \$2,582 3,135 Teasury stock, \$123,400 shares for 2004 3,10				•	
Permisse & Equipment, Net 13,761 12,948 Bank Owned Life Insurance 13,182 12,248 Accrued Interest & Other Assets 11,862 12,248 Accrued Interest & Other Assets 11,154 9,487 TOTAL ASSETS \$ 725,217 \$ 701,752 Liabilities Seposits \$ 71,968 \$ 63,297 Non-interest bearing deposits \$ 71,968 \$ 63,297 Interest bearing deposits \$ 596,905 \$ 574,88 Non-interest bearing deposits \$ 2,900 1,313 Federal Home Loan Bank Advances 40,000 40,000 Subordinated Debentures 10,310 10,310 Accrued expenses and other liab 7,222 8,244 TOTAL LIABILITIES 656,507 635,305 Shareholders' Equity 9,234 3,694 Additional paid-in 4,243 4,123 Retained examings 54,348 56,787 Teasury stock, (123,240 shares for 2004 31,120 11,797 1,309 Accumulated other comprehensive income 2,682 3,152					
Bank Owned Life Insurance Intangable, net (11,1862 12,248 Accrued Interest & Other Assets 11,154 9,487 11,1862 12,248 11,154 9,487 Accrued Interest & Other Assets 11,154 9,487 11,154 9,487 TOTAL ASSETS 570,1752 \$ 701,752 Liabilities Deposits Non-interest bearing deposits Interest bearing deposits 524,937 512,141 \$ 71,968 53,297 151,2141 TOTAL DEPOSITS 596,905 575,438 Short-term borrowings 2,000 1,313 Federal Home Loan Bank Advances 40,000 40,000 Subordinated Debentures 10,310					
Accrued Interest & Other Assets 11,154 9,487	Bank Owned Life Insurance			13,182	12,682
TOTAL ASSETS \$725,217 \$701,752	Intangible, net			11,862	12,248
Liabilities Deposits Non-interest bearing deposits S 71,968 S 63,297 Interest bearing deposits S 24,937 S 12,141 S 12,4937 S 12,493 S 12,4937 S 12,	Accrued Interest & Other Assets			11,154	9,487
Deposits S 71,968 \$ 63,297	TOTAL ASSETS			\$ 725,217	\$ 701,752
Deposits S 71,968 \$ 63,297	T : 1992				
Non-interest bearing deposits \$71,968 \$63,297					
Interest bearing deposits	•			\$ 71.968	\$ 63.297
TOTAL DEPOSITS 2,000 1,313				•	
Short-term borrowings 2,000					
Federal Home Loan Bank Advances Subordinated Debentures 10,310	TOTAL DEPOSITS			596,905	575,438
Subordinated Debentures 10,310 10,310 Accrued expenses and other liab 7,292 8,244 TOTAL LIABILITIES 656,507 635,305 Shareholders' Equity 9,234 3,694 Additional paid-in 4,243 4,123 Retained earnings 54,348 56,787 Treasury stock, (123,240 shares for 2004 and 93,885 shares for 2003) (1,797) (1,309) Accumulated other comprehensive income 2,682 3,152 TOTAL SHAREHOLDERS' EQUITY \$725,217 \$701,752 Nonperforming Assets \$2,690 \$3,235 % of Total Assets \$192,361 \$200,485 Trust Assets \$192,361 \$200,485 Consolidated Income Statement For Quarter Ended 31-Dec-04 31-Dec-04 31-Dec-03 Interest Income 1 1 44 Loans including fees \$8,021 \$7,464 \$31,005 \$30,328 Deposits with banks 53 12 117 44 Federal funds sold 92 33 120 180	_				
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Shareholders Equity Shareholders Equity Shareholders Equity Shareholders Shareho	Accrued expenses and other hab			7,292	8,244
Shareholders Equity Shareholders Shareh	TOTAL LIABILITIES			656,507	635,305
Additional paid-in	Shareholders' Equity			,	,
Retained earnings 54,348 56,787	Common stock, \$1 par value			9,234	3,694
Treasury stock, (123,240 shares for 2004 and 93,885 shares for 2003)					
Accumulated other comprehensive income 2,682 3,152				54,348	56,787
Accumulated other comprehensive income 2,682 3,152				(4 =0=)	(1.200)
TOTAL SHAREHOLDERS' EQUITY TOTAL LIABILITIES & SHAREHOLDERS' EQUITY Nonperforming Assets % of Total Assets % of Total Assets Trust Assets Consolidated Income Statement For Quarter Ended 31-Dec-04 31-Dec-03 Interest Income Loans including fees					
Nonperforming Assets \$2,690 \$3,235	Accumulated other comprehensive income			2,682	3,152
Nonperforming Assets \$2,690 \$3,235	TOTAL SHAREHOLDERS' EOUITY			68.710	66.447
% of Total Assets 0.37% 0.46% Trust Assets 5 Consolidated Income Statement For Quarter Ended 31-Dec-03 Year To Date 31-Dec-03 Interest Income Loans including fees \$ 8,021 \$7,464 \$ 31,005 \$30,328 Deposits with banks 53 12 117 44 Federal funds sold 92 33 120 180 Securities 1,484 1,675 6,231 7,034 TOTAL INTEREST AND DIVIDENDS 9,650 9,184 37,473 37,586 Interest Expense Deposits 2,742 2,614 10,551 10,882		JITY			
% of Total Assets 0.37% 0.46% Trust Assets 5 Consolidated Income Statement For Quarter Ended 31-Dec-03 Year To Date 31-Dec-03 Interest Income Loans including fees \$ 8,021 \$7,464 \$ 31,005 \$30,328 Deposits with banks 53 12 117 44 Federal funds sold 92 33 120 180 Securities 1,484 1,675 6,231 7,034 TOTAL INTEREST AND DIVIDENDS 9,650 9,184 37,473 37,586 Interest Expense Deposits 2,742 2,614 10,551 10,882					
Trust Assets Sample					
Consolidated Income Statement For Quarter Ended 31-Dec-03 31-Dec-04 31-Dec-03 31-Dec-04 31-Dec-03					
Securities Sec	Trust Assets	5		\$ 192,361	\$ 200,485
Securities Sec					
Interest Income Loans including fees \$ 8,021 \$7,464 \$ 31,005 \$ 30,328 Deposits with banks 53 12 117 44 Federal funds sold 92 33 120 180 Securities 1,484 1,675 6,231 7,034 TOTAL INTEREST AND DIVIDENDS 9,650 9,184 37,473 37,586 Interest Expense Deposits 2,742 2,614 10,551 10,882			3 31-D 6		
Loans including fees \$ 8,021 \$7,464 \$ 31,005 \$30,328 Deposits with banks 53 12 117 44 Federal funds sold 92 33 120 180 Securities 1,484 1,675 6,231 7,034 TOTAL INTEREST AND DIVIDENDS 9,650 9,184 37,473 37,586 Interest Expense 10,551 10,882					
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Securities 1,484 1,675 6,231 7,034 TOTAL INTEREST AND DIVIDENDS 9,650 9,184 37,473 37,586 Interest Expense 2,742 2,614 10,551 10,882					
TOTAL INTEREST AND DIVIDENDS 9,650 9,184 37,473 37,586 Interest Expense Deposits 2,742 2,614 10,551 10,882					
Interest Expense 2,742 2,614 10,551 10,882	Securities	1,484	1,6/5	0,231	/,034
Interest Expense 2,742 2,614 10,551 10,882	TOTAL INTEREST AND DIVIDENDS	9.650	9.184	37.473	37,586
Deposits 2,742 2,614 10,551 10,882		>,000	,,101	5.,.,5	,5 00
Federal Home Loan Bank advances 518 513 2,075 2,047		2,742	2,614	10,551	10,882
		518	513	3 2,075	2,047

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Subordinated Debentures	139	116	502	471
Total interest expense	3,399	3,243	13,128	13,400
NET INTEREST INCOME	6,251	5,941	24,345	24,186
Provision for loan losses	0	255	800	1,535
NET INTEREST AFTER PROVISION	6,251	5,686	23,545	22,651
Other Income				
Trust income	307	283	1,005	1,001
Service charges on deposits	1,183	914	3,988	3,457
Other charges and fees	116	102	469	511
Realized security gains	(3)	102	313	270
Loss on Impaired Security	(1,400)	0	(1,400)	0
Gain on sale of loans	59	58	162	557
BOLI	123	137	500	488
Wealth Management	68	55	208	259
Other	185	181	377	593
TOTAL OTHER INCOME	638	1,832	5,622	7,136
Non-Interest Expenses				
Salaries	1,894	1,669	7,096	6,733
Benefits	795	613	2,995	2,573
Occupancy, net	665	624	2,607	2,400
Data Processing	352	336	1,443	1,411
Amortization of intangible	129	131	509	517
Director's Fees	105	217	332	578
Total other expenses	1,078	891	4,450	3,713
Total non-interest expenses	5,018	4,481	19,432	17,925
NET INCOME BEFORE TAXES	1,871	3,037	9,735	11,862
Federal income tax	63	652	1,864	2,805
NET INCOME	\$ 1,808	\$2,385	\$ 7,871	\$ 9,057
Earnings Per Share, Fully Diluted	\$ 0.20	\$ 0.26	\$ 0.86	\$ 0.98
Dividends Per Share	\$ 0.13	\$ 0.13	\$ 0.52	\$ 0.47
Return on Average Assets (ROA)	1.11%	1.31%	1.11%	1.31%
Return on Average Equity (ROE)	12.04%	14.79%	12.04%	14.79%

Note: This press release may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results and trends could differ materially from those set forth in such statements due to various factors. These factors include operating, legal and regulatory risks; changing economic competitive conditions; and other risks and uncertainties.

County National Bank s website is www.bankcnb.com.