

CNB FINANCIAL CORP/PA
Form 8-K
April 19, 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)
April 19, 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.)

25-1450605
(IRS Employer
Identification Number)

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

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 under the Securities Act (17 CFR 230.425)
- 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 for the quarter ended March 31, 2005.

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

Exhibit 99 News Release announcing first quarter earnings.

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: April 19, 2005

By: /s/ Joseph B. Bower, Jr.
Joseph B. Bower, Jr.
Treasurer

Exhibit Index

| <u>Number</u> | <u>Description</u> |
|---------------|--|
| Exhibit 99 | News Release announcing first quarter earnings |

Exhibit 99

News Release

CCNE
NASDAQ
LISTED

Contact: Joseph B. Bower, Jr.
Treasurer
(814) 765-9621

FOR IMMEDIATE RELEASE

CNB FINANCIAL CORPORATION REPORTS FIRST QUARTER EARNINGS FOR 2005
Clearfield, Pennsylvania April, 2005

CNB Financial Corporation, the parent company of County National Bank, today announced reported earnings of \$2.0 million or \$0.22 diluted earnings per share for the quarter ended March 31, 2005, compared to \$2.0 million or \$0.22 diluted earnings per share for the first quarter of 2004.

Annualized return on average equity for the quarter ended March 31, 2005 was 12.56 percent compared to 13.09 percent in the year ago quarter. Annualized return on average assets was 1.16 percent in the quarter ended March 31, 2005, compared with 1.16 percent in the first quarter of 2004.

William F. Falger, President and Chief Executive Officer, commented, "The Corporation experienced several one-time expenses in the first two months of the year that kept earnings growth to a minimum. However, the month of March reflected very positive earnings and are indicative of monthly earnings going forward for the remainder of 2005."

| <u>Financial Highlights (in thousands)</u> | (Unaudited) | (Unaudited) | (Unaudited) |
|--|--|----------------------------------|----------------------------------|
| Consolidated Balance Sheets | 31-Mar-05 <u>Consolidated</u> | 31-Dec-04 <u>Consolidated</u> | 31-Mar-04 <u>Consolidated</u> |

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Assets

| | | | |
|------------------------------------|-------------------|------------|------------|
| Cash and due from banks | \$ 13,299 | \$ 14,296 | \$ 13,856 |
| Interest-bearing deposits | 9,165 | 15,616 | 8,902 |
| | <hr/> | <hr/> | <hr/> |
| CASH & CASH EQUIVALENTS | 22,464 | 29,912 | 22,758 |
| Securities available for sale | 177,251 | 164,202 | 170,611 |
| NET LOANS | 475,487 | 476,352 | 464,915 |
| FHLB & Federal Reserve Stock | 4,363 | 4,792 | 4,697 |
| Premises & Equipment, Net | 14,161 | 13,761 | 12,814 |
| Bank Owned Life Insurance | 13,363 | 13,182 | 12,807 |
| Intangible, net | 11,776 | 11,862 | 12,129 |
| Accrued Interest & Other Assets | 11,339 | 11,154 | 11,540 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 730,204 | \$ 725,217 | \$ 712,271 |
| | <hr/> | <hr/> | <hr/> |

Liabilities

| | | | |
|---------------------------------|----------------|-----------|-----------|
| Deposits | | | |
| Non-interest bearing deposits | \$ 72,909 | \$ 71,968 | \$ 67,055 |
| Interest bearing deposits | 529,411 | 524,937 | 517,629 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL DEPOSITS | 602,320 | 596,905 | 584,684 |
| Short-term borrowings | 2,000 | 2,000 | 1,993 |
| Federal Home Loan Bank Advances | 40,000 | 40,000 | 40,000 |
| Subordinated Debentures | 10,310 | 10,310 | 10,310 |
| Accrued expenses and other liab | 7,306 | 7,292 | 7,071 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES | 661,936 | 656,507 | 644,058 |

Shareholders' Equity

| | | | |
|---|-------------------|------------|------------|
| Common stock, \$1 par value | 9,234 | 9,234 | 3,694 |
| Additional paid-in | 4,142 | 4,243 | 4,221 |
| Retained earnings | 55,193 | 54,348 | 57,622 |
| Treasury stock, 117,924 shares | (1,653) | (1,797) | (1,224) |
| Accumulated other comprehensive income | 1,352 | 2,682 | 3,900 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL SHAREHOLDERS' EQUITY | 68,268 | 68,710 | 68,213 |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | \$ 730,204 | \$ 725,217 | \$ 712,271 |
| | <hr/> | <hr/> | <hr/> |

Nonperforming Assets

| | | | |
|--------------------------|--------------|----------|----------|
| | 2,933 | \$ 2,690 | \$ 3,386 |
| % of Total Assets | 0.40% | 0.37% | 0.48% |

Trust Assets

| | | | |
|--|------------|------------|------------|
| | \$ 183,380 | \$ 192,361 | \$ 193,183 |
|--|------------|------------|------------|

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Consolidated Income Statement (Unaudited)

Three Months Ended Three Months Ended
March 31, 2005 March 31, 2004

Interest Income

| | | |
|----------------------|-------|-------|
| Loans including fees | 7,931 | 7,527 |
| Deposits with banks | 66 | 12 |
| Federal funds sold | 83 | 18 |
| Securities | 1,716 | 1,679 |
| | <hr/> | <hr/> |

TOTAL INTEREST AND DIVIDENDS

9,796 9,236

Interest Expense

| | | |
|---------------------------------|-------|-------|
| Deposits | 2,871 | 2,628 |
| Federal Home Loan Bank advances | 508 | 510 |
| Subordinated Debentures | 151 | 118 |

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| | | |
|--|-----------------|-----------------|
| Total interest expense | 3,530 | 3,256 |
| NET INTEREST INCOME | 6,266 | 5,980 |
| Provision for loan losses | 167 | 300 |
| NET INTEREST AFTER PROVISION | 6,099 | 5,680 |
| Other Income | | |
| Trust income | 220 | 248 |
| Service charges on deposits | 885 | 850 |
| Other charges and fees | 132 | 128 |
| Realized security gains | -- | 169 |
| Gain on sale of loans | 34 | 23 |
| Gain on sale of loans | | |
| BOLI | 181 | 126 |
| Wealth Management | 93 | 37 |
| Other | 31 | 129 |
| TOTAL OTHER INCOME | 1,576 | 1,710 |
| Non-Interest Expenses | | |
| Salaries | 1,878 | 1,817 |
| Benefits | 764 | 710 |
| Occupancy, net | 702 | 679 |
| Data Processing | 391 | 363 |
| Amortization of intangible | 128 | 129 |
| Director's Fees | 128 | 103 |
| Total other expenses | 1,119 | 1,023 |
| Total non-interest expenses | 5,110 | 4,824 |
| NET INCOME BEFORE TAXES | 2,565 | 2,566 |
| Federal income tax | 518 | 551 |
| NET INCOME | \$ 2,047 | \$ 2,015 |
| Earnings Per Share, Fully diluted | \$ 0.22 | \$ 0.22 |
| Dividends Per Share | \$ 0.13 | \$ 0.13 |
| Return on Average Assets (ROA) | 1.16% | 1.16% |
| Return on Average Equity (ROE) | 12.56% | 13.09% |

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.