CNB FINANCIAL CORP/PA
Form 10-K/A
March 16, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 K/A

AMENDMENT NO. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004	**Commission File Number 0-13396**

CNB FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania	**25-1450605**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

County National Bank

1 South Second Street

P.O. Box 42

Clearfield, Pennsylvania 16830

(Address of principal executive office)

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

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 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 preceeding 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 the past 90 days. Yes x 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 an accelerated filer (as defined in Rule 12b-2 of the Act). Yes x No ¨

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 30, 2004.

Common Stock, $1.00 Par Value - $122,016,742

The number of shares outstanding of the registrant s common stock as of March 10, 2005:

Common Stock, $1.00 Par Value **-** 9,129,522 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Shareholders Report for the year ended December 31, 2004 are incorporated by reference into Part I and Part II pursuant to Section 13 of the Act.

Portions of the proxy statement for the annual shareholders meeting on April 19, 2005 are incorporated by reference into Part III. The incorporation by reference herein of portions of the proxy statement shall not be deemed to incorporate by reference the information referred to in Item 402(a)(8) of regulation S-K.

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Exhibit index is located on sequentially numbered page 15.

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PART I.

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PART I.

ITEM 1. BUSINESS

CNB FINANCIAL CORPORATION

CNB Financial Corporation (the Corporation) is a Financial Holding Company registered under the Bank Holding Company Act of 1956, as amended. It was incorporated under the laws of the Commonwealth of Pennsylvania in 1983 for the purpose of engaging in the business of a Financial Holding Company. On April 26, 1984, the Corporation acquired all of the outstanding capital stock of County National Bank (the Bank), a national banking chartered institution. The Corporation is subject to regulation, supervision and examination by the Board of Governors of the Federal Reserve System. In general, the Corporation is limited to owning or controlling banks and engaging in such other activities as are properly incident thereto. The Corporation is currently engaged in three non-banking activities through its wholly owned subsidiaries CNB Investment Corporation, County Reinsurance Company, and CNB Insurance Agency. CNB Investment Corporation was formed in November 1998 to hold and manage investments that were previously owned by County National Bank and the Corporation and to provide the Corporation with additional latitude to purchase other investments. County Reinsurance Company was formed in June of 2001 as a corporation in the state of Arizona. The company provides accidental death and disability and life insurance as a part of lending relationships of the Bank. CNB Insurance Agency was established in February of 2003. The company provides fixed annuity products to banking customers.

The Corporation does not currently engage in any operating business activities, other than the ownership and management of County National Bank, CNB Investment Corporation, County Reinsurance Company, and CNB Insurance Agency.

COUNTY NATIONAL BANK

The Bank is a nationally chartered banking institution incorporated in 1934. The Bank s Main Office is located at 1 South Second Street, Clearfield, (Clearfield County) Pennsylvania. The primary marketing area consists of the Pennsylvania Counties of Clearfield, Elk (excluding the Townships of Millstone, Highland and Spring Creek), McKean, Cambria and Cameron. It also includes a portion of western Centre County including Philipsburg Borough, Rush Township and the western portions of Snow Shoe and Burnside Townships and a portion of Jefferson County, consisting of the boroughs of Brockway, Falls Creek, Punxsutawney, Reynoldsville and Sykesville, and the townships of Washington, Winslow and Henderson. The approximate population of the general trade area is 150,000. The economy is diversified and includes manufacturing industries, wholesale and retail trade, services industries, family farms and the production of natural resources of coal, oil, gas and timber.

In addition to the Main Office, the Bank has 18 full-service branch offices, 1 limited service branch facility, and 2 loan production offices located in various communities in its market area

The Bank is a full-service bank engaging in a full range of banking activities and services for individual, business, governmental and institutional customers. These activities and services principally include checking, savings, and time deposit accounts; real estate, commercial, industrial, residential and consumer loans; and a variety of other specialized financial services. Its Trust division offers a full range of client services.

The Bank s customer base is such that loss of one customer relationship or a related group of depositors would not have a materially adverse effect on the business of the Bank.

The Bank s loan portfolio is diversified so that one industry, group of related industries or changes in household economic conditions would not comprise a material portion of the loan portfolio.

The Bank s business is not seasonal nor does it have any risks attendant to foreign sources.

COMPETITION

The banking industry in the Bank s service area continues to be extremely competitive, both among commercial banks and with other financial service providers such as consumer finance companies, thrifts, investment firms, mutual funds and credit unions. The increased competition has resulted from changes in the legal and regulatory guidelines as well as from economic conditions. Mortgage banking firms, leasing companies, financial affiliates of industrial companies, brokerage firms, retirement fund management firms, and even government agencies provide additional competition for loans and other financial services. Some of the financial service providers operating in the Bank s market area operate on a large-scale

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regional or national basis and possess resources greater than those of the Bank and the Corporation. The Bank is generally competitive with all competing financial institutions in its service area with respect to interest rates paid on time and savings deposits, service charges on deposit accounts and interest rates charged on loans.

SUPERVISION AND REGULATION

The Bank is subject to supervision and examination by applicable federal and state banking agencies, including the Office of the Comptroller of the Currency. In addition, the Bank is insured by and subject to some or all of the regulations of the Federal Deposit Insurance Corporation (FDIC). The Bank is also subject to various requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types, amounts and terms and conditions of loans that may be granted, and limitation on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the operation of the Bank. In addition to the impact of regulation, commercial banks are affected significantly by the actions of the Federal Reserve Board, including actions taken with respect to interest rates, as it attempts to control the money supply and credit availability in order to influence the economy.

EXECUTIVE OFFICERS

The table below lists the executive officers of the Corporation and County National Bank and sets forth certain information with respect to such persons.

NAME	AGE	PRINCIPAL OCCUPATION FOR LAST FIVE YEARS
WILLIAM F. FALGER	57	PRESIDENT AND CHIEF EXECUTIVE OFFICER, CNB FINANCIAL CORPORATION, SINCE 1/1/01;
		PRESIDENT AND CHIEF EXECUTIVE OFFICER, COUNTY NATIONAL BANK, SINCE 1/01/93.
JOSEPH B. BOWER, JR.	41	SECRETARY, SINCE 12/31/03 & TREASURER, CNB FINANCIAL CORPORATION, SINCE 11/18/97 EXECUTIVE VICE PRESIDENT, CHIEF OPERATING
		OFFICER, SINCE 12/31/03 AND PREVIOUSLY CHIEF FINANCIAL OFFICER, COUNTY NATIONAL BANK, SINCE 11/10/97
MARK D. BREAKEY	46	SENIOR VICE PRESIDENT AND CREDIT RISK MANAGER, COUNTY NATIONAL BANK, SINCE 5/95
DONALD E. SHAWLEY	49	SENIOR VICE PRESIDENT, COUNTY NATIONAL BANK, SINCE 9/29/98. TRUST OFFICER SINCE 11/1/85.
RICHARD L. SLOPPY	54	SENIOR VICE PRESIDENT AND

SENIOR LOAN OFFICER,
COUNTY NATIONAL BANK, SINCE 1/1/04

Officers are elected annually at the reorganization meeting of the Board of Directors.

EMPLOYEES

The Corporation has no employees who are not employees of County National Bank. As of December 31, 2004, the Bank had a total of 242 employees of which 192 were full time and 50 were part time.

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MONETARY POLICIES

The earnings and growth of the banking industry are affected by the credit policies of monetary authorities, including the Federal Reserve System. An important function of the Federal Reserve System is to regulate the national supply of bank credit in order to control recessionary and inflationary pressures. Among the instruments of monetary policy used by the Federal Reserve to implement these objectives are open market activities in U.S. Government Securities, changes in the discount rate on member bank borrowings and changes in reserve requirements against member bank deposits. These operations are used in varying combinations to influence overall economic growth and indirectly, bank loans, securities, and deposits. These variables may also affect interest rates charged on loans or paid for deposits. The monetary policies of the Federal Reserve authorities have had a significant effect on the operating results of commercial banks in the past and are expected to continue to have such an effect in the future.

In view of the changing conditions in the national economy and in the money markets, as well as the effect of actions by monetary and fiscal authorities including the Federal Reserve System, no prediction can be made as to possible future changes in interest rates, deposit levels, loan demand or their effect on the business and earnings of the Corporation and the Bank.

DISTRIBUTION OF ASSETS, LIABILITIES, & SHAREHOLDER S EQUITY;

INTEREST RATES AND INTEREST DIFFERENTIAL

The following tables set forth statistical information relating to the Corporation and its wholly-owned subsidiaries. The tables should be read in conjunction with the consolidated financial statements of the Corporation which are incorporated by reference hereinafter.

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Average Balances and Net Interest Margin

(Dollars in thousands)

	December 31, 2004			December 31, 2003			December 31, 2002		
	Average Balance	Annual Rate	Interest Inc./Exp.	Average Balance	Annual Rate	Interest Inc./Exp.	Average Balance	Annual Rate	Interest Inc./Exp.
Assets									
Interest-bearing deposits with banks	$ 3,484	3.36%	$ 117	$ 1,818	2.42%	$ 44	$ 1,733	4.85%	$ 84
Federal funds sold and securities purchased under agreements to resell	6,246	1.92%	120	13,395	1.34%	180	14,034	1.90%	267
Securities:									
Taxable	108,437	3.45%	3,746	117,018	3.81%	4,457	125,461	5.19%	6,507
Tax-Exempt (1)	41,508	6.94%	2,881	45,297	6.90%	3,125	44,104	6.87%	3,030
Equity Securities (1)	14,027	3.95%	554	13,576	3.73%	507	12,700	3.53%	448
Total Securities	173,702	4.27%	7,418	191,104	4.35%	8,313	198,032	5.22%	10,336
Loans									
Commercial (1)	180,422	6.19%	11,163	147,719	6.19%	9,141	107,821	6.67%	7,194
Mortgage (1)	263,083	6.65%	17,495	247,365	7.25%	17,927	241,757	7.86%	19,011
Installment	30,178	8.70%	2,626	34,496	8.64%	2,981	37,608	8.14%	3,063
Leasing	3,669	6.70%	246	8,955	6.91%	619	16,246	7.03%	1,142
Total Loans (2)	477,352	6.61%	31,530	438,535	6.99%	30,668	403,432	7.54%	30,410
Total earning assets	651,054	5.98%	38,948	629,639	6.19%	38,981	601,464	6.77%	40,746
Non Interest Bearing Assets									
Cash & Due From Banks	14,268			15,130			13,508		
Premises & Equipment	13,124			12,723			12,213		
Other Assets	39,311			39,458			19,867		
Allowance for Loan Losses	(5,904)			(5,627)			(4,422)		
Total Non Interest Earning Assets	60,799			61,684			41,166		
Total Assets	$ 711,853		$ 38,948	$ 691,323		$ 38,981	$ 642,630		$ 40,746
Liabilities and Shareholders Equity									
Interest-Bearing Deposits									
Demand - interest-bearing	$ 127,272	0.29%	$ 373	$ 127,965	0.44%	$ 563	$ 132,288	0.85%	$ 1,126
Savings	76,440	0.62%	473	77,578	0.90%	696	77,851	1.53%	1,192
Time	311,227	3.12%	9,705	301,254	3.19%	9,623	265,112	3.99%	10,590
Total interest-bearing deposits	514,939	2.05%	10,551	506,797	2.15%	10,882	475,251	2.72%	12,908
Short-term borrowings	3,739	0.88%	33	1,654	0.67%	11	1,915	2.09%	40
Long-term borrowings	40,000	5.10%	2,041	40,000	5.09%	2,036	38,740	5.10%	1,976
Subordinated debentures	10,000	5.03%	503	10,000	4.71%	471	5,833		277
Total interest-bearing liabilities	568,678	2.31%	13,128	558,451	2.40%	13,400	521,739	2.91%	15,201
Demand - non-interest-bearing	68,986			60,124			56,321		
Other liabilities	6,576			8,230			8,121		

Total Liabilities	644,240		13,128	626,805		13,400	586,181		15,201
Shareholders Equity	67,613			64,518			56,449		
Total Liabilities and Shareholders Equity	$ 711,853		$ 13,128	$ 691,323		$ 13,400	$ 642,630		$ 15,201
Interest Income/Earning Assets		5.98%	$ 38,948		6.19%	$ 38,981		6.77%	$ 40,746
Interest Expense/Interest Bearing Liabilities		2.31%	13,128		2.40%	13,400		2.91%	15,201
Net Interest Spread		3.67%	$ 25,820		3.79%	$ 25,581		3.86%	$ 25,545
Interest Income/Interest Earning Assets		5.98%	$ 38,948		6.19%	$ 38,981		6.77%	$ 40,746
Interest Expense/Interest Earning Assets		2.02%	13,128		2.13%	13,400		2.53%	15,201
Net Interest Margin		3.97%	$ 25,820		4.06%	$ 25,581		4.25%	$ 25,545

(1) The amounts are reflected on a fully tax equivalent basis using the federal statutory rate of 35% in 2004 and 2003 and 34% in 2002, adjusted for certain tax preferences.

(2) Average outstanding includes the average balance outstanding of all non-accrual loans. Loans consist of the average of total loans less average unearned income. The amount of loan fees included in the interest income on loans is not material.

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Net Interest Income

Rate-Volume Variance

(Dollars in thousands)

	For Twelve Months Ended December 31, 2004 over (under) 2003 Due to Change In			For Twelve Months Ended December 31, 2003 over (under) 2002 Due to Change In		
	Volume	Rate	Net	Volume	Rate	Net
Assets						
Interest-Bearing Deposits with Banks	$ 40	$ 33	$ 73	$ 4	$ (44)	$ (40)
Federal Funds Sold and securities purchased under agreements to resell	(96)	36	(60)	(12)	(75)	(87)
Securities:						
Taxable	(327)	(384)	(711)	(438)	(1,612)	(2,050)
Tax-Exempt	(261)	17	(244)	82	13	95
Equity Securities	17	30	47	31	28	59
Total Securities	(627)	(268)	(895)	(333)	(1,690)	(2,023)
Loans						
Commercial	2,024	(2)	2,022	2,662	(715)	1,947
Mortgage	1,139	(1,571)	(432)	441	(1,525)	(1,084)
Installment	(373)	18	(355)	(253)	171	(82)
Leasing	(365)	(8)	(373)	(513)	(10)	(523)
Total Loans	2,425	(1,563)	862	2,337	(2,079)	258
Total Earning Assets	$ 1,798	$ (1,831)	$ (33)	$ 2,004	$ (3,769)	$ (1,765)
Liabilities and Shareholders Equity						
Interest-Bearing Deposits						
Demand - Interest-Bearing	$ (3)	$ (187)	$ (190)	$ (37)	$ (526)	$ (563)
Savings	(10)	(213)	(223)	(4)	(492)	(496)
Time	319	(237)	82	1,444	(2,411)	(967)
Total Interest-Bearing Deposits	306	(637)	(331)	1,403	(3,429)	(2,026)
Short-Term Borrowings	14	8	22	(5)	(24)	(29)
Long-Term Borrowings	0	5	5	64	(4)	60
Subordinated debentures	0	32	32	198	(4)	194
Total Interest-Bearing Liabilities	$ 320	$ (592)	$ (272)	$ 1,660	$ (3,461)	$ (1,801)
Change in Net Interest Income	$ 1,478	$ (1,239)	$ 239	$ 344	$ (308)	$ 36

1.

The change in interest due to both volume and rate had been allocated to volume and rate changes in proportion to the relationship of the absolute dollar amounts of the change in each.

2. Included in interest income is $1,992, $1,878 and $1,621 of fees for the years ending 2004, 2003 and 2002, respectively.
3. Income on restructured loans accounted for under SFAS Nos. 114 & 118 are included in interest earning assets.

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Investment Portfolio

(Dollars In Thousands)

	December 31, 2004				December 31, 2003				December 31, 2002			
		Unrealized				Unrealized				Unrealized		
	Amortized Cost	Gains	Losses	Market Value	Amortized Cost	Gains	Losses	Market Value	Amortized Cost	Gains	Losses	Market Value
Securities Available for Sale:												
U.S. Treasury	$ 13,096	$	$ 85	$ 13,011	$ 13,282	$ 62	$ 6	$ 13,338	$ 10,169	$ 145	$	$ 10,314
U.S. Government agencies and corporations	30,563		303	$ 30,260	30,312	162	35	$ 30,439	26,109	431	8	26,532
Obligations of States and Political Subdivisions	41,712	2,567		$ 44,279	45,401	3,294		$ 48,695	47,322	2,520	105	49,737
Other Debt Securities	66,893	1,799	147	$ 68,545	73,171	2,384	279	$ 75,276	87,441	2,950	500	89,891
Marketable Equity Securities	7,811	665	369	$ 8,107	8,962	558	1,365	$ 8,155	8,680	280	409	8,551
	$ 160,075	$ 5,031	$ 904	$ 164,202	$ 171,128	$ 6,460	$ 1,685	$ 175,903	$ 179,721	$ 6,326	$ 1,022	$ 185,025

Maturity Distribution of Investment Securities

(Dollars In Thousands)

December 31, 2004

	Within One Year		After One But Within Five Years		After Five But Within Ten Years		After Ten Years		Collaterialized Mortgage Obligation and Other Asset Backed Securities	
	$ Amt.	Yield	$ Amt.	Yield	$ Amt.	Yield	$ Amt.	Yield	$ Amt.	Yield
Securities Available for Sale:										
U.S. Treasury	$ 7,049	1.73%	$ 5,962	2.32%	$		$		$	
U.S. Government agencies and corporations	14,970	2.02%	14,802	2.42%	488	3.76%				
Obligations of States and Political Subdivisions	1,329	7.11%	7,432	6.58%	8,952	7.01%	26,566	7.04%		
Other Debt Securities		0.00%	6,333	6.13%	9,184	7.34%	12,348	3.61%	40,680	3.91%
TOTAL	$ 23,348	2.22%	$ 34,529	3.98%	$ 18,624	7.09%	$ 38,914	5.74%	$ 40,680	3.91%

The weighted average yields are based on market value and effective yields weighted for the scheduled maturity with tax-exempt securities adjusted to a taxable-equivalent basis using a tax rate of 34%.

The portfolio contains no holdings of a single issuer that exceeds 10% of shareholders   equity other than the US Treasury and governmental agencies.

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LOAN PORTFOLIO

(Dollars in thousands)

A. TYPE OF LOAN

	2004	2003	2002	2001	2000
Commercial, Financial and Agricultural	$ 187,261	$ 168,794	$ 130,121	$ 98,745	$ 79,229
Residential Mortgage	149,621	141,720	143,569	154,115	160,523
Commercial Mortgage	115,566	110,951	97,928	73,904	59,680
Installment	27,526	30,910	36,289	39,442	40,128
Lease Receivables	2,074	6,285	13,600	22,249	30,318
GROSS LOANS	482,048	458,660	421,507	388,455	369,878
Less: Unearned Income	111	411	1,143	2,282	3,722
TOTAL LOANS NET OF UNEARNED	$ 481,937	$ 458,249	$ 420,364	$ 386,173	$ 366,156

B. LOAN MATURITIES AND INTEREST SENSITIVITY

	December 31, 2004			
	One Year or Less	One Through Five Years	Over Five Years	Total Gross Loans
Commercial, Financial and Agricultural				
Loans With Predetermined Rate	$ 13,325	$ 44,411	$ 26,834	$ 84,570
Loans With Floating Rate	84,156	18,535		102,691
	$ 97,481	$ 62,946	$ 26,834	$ 187,261

C. RISK ELEMENTS

	2004	2003	2002	2001	2000
Loans on non-accrual basis	$ 1,683	$ 1,873	$ 1,830	$ 1,174	$ 652
Accruing loans which are contractually past due 90 days or more as to interest or principal payment	177	1,076	1,106	432	1,136

	$ 1,860	$ 2,949	$ 2,936	$ 1,606	$ 1,788

1. Interest income recorded on the non-accrual loans for the year ended December 31, 2004 was $99. Interest income which would have been recorded on these loans had they been on accrual status was $258.
2. Loans are placed in non-accrual status when the interest or principal is 90 days past due, unless the loan is in collection, well secured and it is believed that there will be no loss of interest or principal.
3. At December 31, 2004 there was $12,495 in loans which are considered problem loans which were not included in the table above. In the opinion of management, these loans are adequately secured and losses are believed to be minimal.

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SUMMARY OF LOAN LOSS EXPERIENCE

(Dollars in Thousands)

Analysis of the Allowance for Loan Losses

Years Ended December 31,	2004	2003	2002	2001	2000
Balance at beginning of Period	$ 5,764	$ 5,036	$ 4,095	$ 3,879	$ 3,890
Charge-Offs:					
Commercial, Financial and Agricultural	51	19	152	38	144
Commercial Mortgages	226	174	82	162	3
Residential Mortgages	147	109	127	87	12
Installment	409	511	468	494	413
Overdraft Deposit Accounts	236				
Leasing	30	111	235	234	395
	1,099	924	1,064	1,015	967
Recoveries:					
Commercial, Financial and Agricultural	1	1	1	1	18
Commercial Mortgages	13	2	52	4	2
Residential Mortgages	20			8	
Installment	56	80	87	83	95
Overdraft Deposit Accounts	21				
Leasing	9	34	65	55	34
	120	117	205	151	149
Net Charge-Offs:	(979)	(807)	(859)	(864)	(818)
Provision for Loan Losses	800	1,535	1,800	1,080	807
Balance at End-of-Period	$ 5,585	$ 5,764	$ 5,036	$ 4,095	$ 3,879
Percentage of net charge-offs during the period to average loans outstanding	0.21%	0.18%	0.21%	0.23%	0.22%

The Provision for loan losses reflects the amount deemed appropriate by management to provide for probable incurred losses based on present risk characteristics of the loan portfolio. Management s judgement is based on the evaluation of individual loans, the overall risk characteristics of various portfolio segments, past experience with losses, the impact of economic condition on borrowers, and other relevant factors.

ALLOCATION OF THE ALLOWANCE FOR LOAN LOSSES

(Dollars In Thousands)

2004	2003	2002	2001	2000

		% of Loans in each Category		% of Loans in each Category		% of Loans in each Category		% of Loans in each Category		% of Loans in each Category
Real Estate Mortgages	$ 2,400	55.01%	$ 2,042	55.09%	$ 1,428	57.29%	$ 1,026	58.70%	$ 811	59.54%
Installment	446	5.74%	497	6.74%	490	8.61%	519	10.15%	473	10.84%
Commercial, Financial and Agricultural	2,396	38.23%	2,472	36.80%	1,776	30.87%	1,066	25.42%	706	21.42%
Overdraft Deposit Accounts	308	0.61%								
Leasing	20	0.41%	79	1.37%	178	3.23%	212	5.73%	221	8.20%
Unallocated	15	0.00%	674	0.00%	1,164	0.00%	1,272	0.00%	1,668	0.00%
TOTALS	$ 5,585	100.00%	$ 5,764	100.00%	$ 5,036	100.00%	$ 4,095	100.00%	$ 3,879	100.00%

1. In determining the allocation of the allowance for possible credit losses, County National Bank considers economic trends, historical patterns and specific credit reviews.
2. With regard to the credit reviews, a watchlist is evaluated on a monthly basis to determine potential commercial losses. Consumer loans and mortgage loans are allocated using historical loss experience. The total of these reserves is deemed allocated , while the remaining balance is unallocated .

The unallocated component of the allowance for loan losses has declined over the last several years as management has refined its methodology for monitoring and measuring credit risk. In 2004, additional individual loans were subject to specific review, resulting in an increase in specific allowance allocations. In addition, consideration of current economic risk factors were applied to individual pools of homogeneous pools of loans. In prior years, economic risk factors were applied to the portfolio of loans as a whole and were reflected as unallocated.

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DEPOSITS

(Dollars In Thousands)

December 31,	2004 Average Amount	2004 Annual Rate	2003 Average Amount	2003 Annual Rate	2002 Average Amount	2002 Annual Rate
Demand - Non Interest Bearing	$ 68,986		$ 60,124		$ 56,321	
Demand - Interest Bearing	127,272	0.29%	127,965	0.44%	132,288	0.85%
Savings Deposits	76,440	0.62%	77,578	0.90%	77,851	1.53%
Time Deposits	311,227	3.12%	301,254	3.19%	265,112	3.99%
TOTAL	$ 583,925		$ 566,921		$ 531,572	

The maturity of certificates of deposits and other time deposits in denomination of $100,000 or more as of December 31, 2004.

(Dollars In Thousands)

Maturing in:

Three months or less	$ 32,773
Greater than three months and through six months	7,010
Greater than six months and through twelve months	7,672
Greater than twelve months	45,610
	$ 93,065

Key ratios for the Corporation for the years ended December 31, 2004 and 2003 appear in the Annual Shareholders Report for the year ended December 31, 2004 under the caption Selected Financial Data on pages 27 and 28 and are incorporated herein by reference. Short-term borrowings for the Corporation were less on average than 30% of the Corporation s stockholders equity at December 31, 2004.

ITEM 2. PROPERTIES

The headquarters of the Corporation and the Bank are located at 1 South Second Street, Clearfield, Pennsylvania, in a building owned by the Corporation. The Bank operates 19 full-service, 1 limited service office, and 2 loan production offices. Of these 22 offices, 17 are owned and 5 are leased from independent owners. There are no incumberances on the offices owned, and the rental expense on the leased property is immaterial in relation to operating expenses.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Corporation or the Bank is a party, or of which any of their property is the subject, except ordinary routine proceedings which are incidental to the business. In the opinion of management and counsel, pending legal proceedings will not have a material adverse effect on the consolidated financial position of the Corporation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

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PART II.

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information relating to the Corporation s common stock is on page 28 of the Annual Shareholders Report for the year ended December 31, 2004 and is incorporated herein by reference. There were 1,554 registered shareholders of record as of March 10, 2005.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
10/1/04 to 10/31/04	442	14.95		362,600
11/1/04 to 11/30/04	236	15.17		362,600
12/1/04 to 12/31/04	1,499	$ 16.13		362,600
Total	2,177	$ 15.79		

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item is presented on pages 29 and 30 of the Annual Shareholders Report for the year ended December 31, 2004 and is incorporated herein by reference.

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

OPERATIONS

Information required by this item is presented on pages 31 to 40 of the Annual Shareholders Report for the year ended December 31, 2004 and is incorporated herein by reference.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information required by this item is presented on pages 37 and 38 of the Annual Shareholders Report for the year ended December 31, 2004 and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements and report, which appear in the Annual Shareholders Report for the year ended December 31, 2004, are incorporated herein by reference:

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation s management, including the Corporation s Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of the Corporation s disclosure controls and Procedures. Based on that evaluation, the Corporation s Chief Executive Officer and Principal Financial Officer concluded that the Corporation s disclosure controls and procedures were effective to ensure that the financial and nonfinancial information required to be disclosed by the Corporation in the reports that it files or submits under the Securities Exchange Act of 1934, including the form 10-K for the period ended December 31, 2004, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms.

There have been no significant changes in the Corporation s internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation or any significant deficiencies or material weaknesses in such internal controls requiring corrective actions. As a result, no corrective actions were taken.

The Corporation meets the conditions as discussed in SEC Release No. 50754 of November 30, 2004 and intends to use the 45 day extension period to complete documentation before filing *Management s annual report over financial reporting,* required by Item 308(a) of Regulation S-K, and the related *Attestation report of the registered public accounting firm*, required by Item 308(b) of Regulation S-K. As such, the Corporation will file an amended 10-K within the 45 day extension period. As of the date of this filing, management of the Corporation is not aware of any material weaknesses in its internal control over financial reporting for the year ended December 31, 2004.

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information relating to the Corporation s directors appears on pages 3 and 4 of the Proxy Statement for the Annual Meeting to be held on April 19, 2005 and is incorporated herein by reference. Information relating to Executive Officers is included in Part I.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is presented on pages 6-10 of the Proxy Statement for the Annual Meeting of Shareholders to be held April 19, 2005 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is presented on pages 2-4 of the Proxy Statement for the Annual Meeting of Shareholders to be held April 19, 2005 and is incorporated herein by reference.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is presented on page 10 of the Proxy Statement for the Annual Meeting of Shareholders to be held April 19, 2005 and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND PROCEDURES

Information concerning principal accountant fees and procedures is incorporated herein by reference to the Concerning the Independent Public Accountants section of the proxy statement for the 2005 Annual Meeting of Shareholders, filed with the Securities and Exchange Commission on or about March 16, 2005.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(A) The following documents are filed as a part of this report:

1. The following financial statements of the Corporation incorporated by reference in Item 8:

Consolidated Statements of Condition at December 31, 2004 and 2003

Consolidated Statements of Income for the years ended December 31, 2004, 2003 and 2002

Consolidated Statements of Cash Flows for the years ended December 31, 2004, 2003 and 2002

Consolidated Statements of Changes in Shareholders Equity for the years ended December 31, 2004, 2003 and 2002

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm on Financial Statements

2. All financial statement schedules are omitted since they are not applicable.

3. The following exhibits:

EXHIBIT NUMBER	DESCRIPTION
3 i	Articles of Incorporation
3 ii	By-Laws
10(A)	Employment Contract, President and CEO, filed herewith*
10(B)	Form of employment contract for Other Executive Officer, Joseph B. Bower, Jr., filed herewith*
10(C)	Stock Option Plan filed in the 1999 Proxy Statement Form DEF 14A incorporated herein by reference
13	Portions of Annual Report to Shareholders for 2004, filed herewith
21	Subsidiaries of the Registrant
23	Consent of Independent Registered Public Accounting Firm
31.1	CEO Certification
31.2	Principal Financial Officer Certification

* Management contract or compensatory plan.

A Form 8-K was filed on November 9, 2004 announcing the declaration of a 13 cent per share dividend payable on December 15, 2004 to holders of record on December 3, 2004.

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A Form 8-K was filed on January 25, 2005 announcing the Corporation s intent to record an other-than-temporary impairment non-cash after-tax charge of $910,000, or $0.10 per share, in the quarter ending December 31, 2004 related to a perpetual preferred stock issued by Fannie Mae.

A Form 8-K was filed on January 28, 2005 announcing earnings for the quarter ended December 31, 2004.

A Form 8-K was filed on February 8, 2005 announcing the declaration of a 13 cent per share dividend payable on March 15, 2005 to holders of record on March 3, 2005.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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
(Registrant)

Date: March 15, 2005

By: /s/ William F. Falger

WILLIAM F. FALGER
President & Chief Executive 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 indicated on March 16, 2005.

/s/ William F. Falger WILLIAM F. FALGER		President and Chief Executive Officer, Director
/s/ Robert E. Brown ROBERT E. BROWN	Director	/s/ Jeffrey S. Powell JEFFREY S. POWELL
/s/ Michael F. Lezzer MICHAEL F. LEZZER	Director	/s/ James B. Ryan JAMES B. RYAN
/s/ James J. Leitzinger JAMES J. LEITZINGER	Director	/s/ Peter F. Smith PETER F. SMITH
/s/ Dennis L. Merrey DENNIS L. MERREY	Director	/s/ Deborah Dick Pontzer DEBORAH DICK PONTZER
/s/ William R. Owens WILLIAM R. OWENS	Director	/s/ James P. Moore JAMES P. MOORE