

*ANNUAL REPORT*

**2014**



**FINANCIAL CORPORATION**



# TABLE OF *CONTENTS*

|  |    |
|--|----|
| <i>Consolidated Financial Highlights</i>           | 4  |
| <i>Message to the Shareholders</i>                 | 5  |
| <i>Executive Management and Board of Directors</i> | 8  |
| <i>Officers</i>                                    | 9  |
| <i>Shareholder Information</i>                     | 12 |

CONSOLIDATED FINANCIAL HIGHLIGHTS (dollars in thousands, except per share data)

# HIGHLIGHTS

## FOR THE YEAR

|                              | 2014     | 2013     | % Change |
|------------------------------|----------|----------|----------|
| Interest and Dividend Income | \$86,882 | \$71,416 | 21.7%    |
| Interest Expense             | 12,287   | 12,212   | 0.6%     |
| Net Interest Income          | 74,595   | 59,204   | 26.0%    |
| Non-interest Income          | 14,321   | 13,766   | 4.0%     |
| Non-interest Expense         | 52,688   | 43,813   | 20.3%    |
| Net Income                   | 23,074   | 16,679   | 38.3%    |
| Net Income Return on:        |          |          |          |
| Average Assets               | 1.07%    | 0.88%    | 21.6%    |
| Average Equity               | 12.76%   | 11.38%   | 12.1%    |

## AT YEAR END

|                        |             |             |       |
|------------------------|-------------|-------------|-------|
| Assets                 | \$2,189,213 | \$2,131,289 | 2.7%  |
| Loans, net of unearned | 1,355,289   | 1,295,363   | 4.6%  |
| Deposits               | 1,847,079   | 1,835,314   | 0.6%  |
| Shareholders' Equity   | 188,548     | 164,911     | 14.3% |

## PER SHARE DATA

|                     |        |        |        |
|---------------------|--------|--------|--------|
| Net Income, diluted | \$1.60 | \$1.29 | 24.0%  |
| Dividends           | 0.66   | 0.66   | 0.0%   |
| Book Value          | 13.09  | 11.43  | 14.5%  |
| Market Value        | 18.50  | 19.00  | (2.6%) |

# MESSAGE TO THE SHAREHOLDERS

## **To Our Shareholders, Customers, Employees & Friends:**

CNB Financial Corporation has once again achieved double-digit growth in earnings. Net income for 2014 rose 38% over 2013 to \$23.1 million. Prior to 2013, which included acquisition costs of \$2.4 million, the Corporation had four consecutive years of double-digit increases. The overall philosophy that community bank earnings are based on solid core deposits has been the primary driver of this achievement. During the last five years, deposits have increased \$890 million, or 93%.

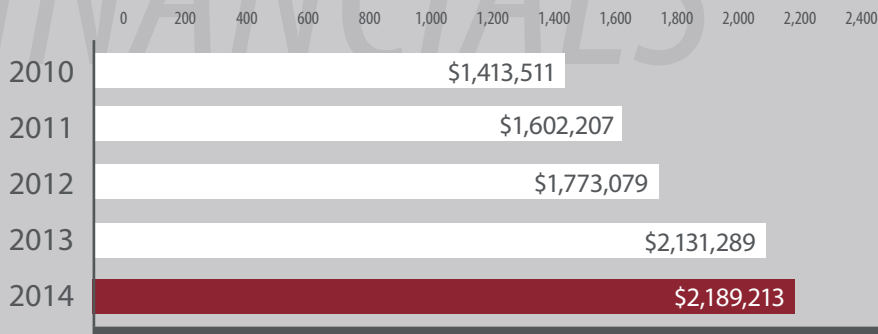
Along with solid earnings, asset quality also improved during the year. The ratio of non-performing assets to total assets was 0.47% at December 31, 2014, a level that has not been achieved since September 2008. In addition, the ratio of classified assets to capital declined substantially during 2014 while achieving a nominal ratio of net chargeoffs to average loans of 0.21%. All of CNB's asset quality metrics are very favorable to allow the Corporation to grow into the future.

Loan growth for 2014 was 4.6% and was achieved with a key focus placed on reducing the level of classified assets. The Corporation's markets are recovering well, and even expanding, after the lengthy recent recession. Liquidity is strong with a loan to deposit ratio of 73%, and investment portfolio provides consistent cash flows to fund future loan growth.

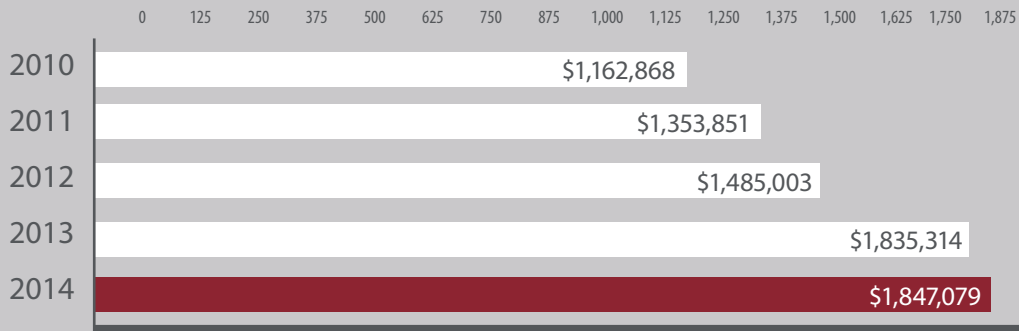
In 2014, deposit customers became more confident in the local and US economies. There has been a spending expansion by our business customers as orders have increased and equipment replacement and building expansions have begun. Customers have also started investing money back into the markets through stocks, bonds and mutual funds. As deposits across our market area grew over the last five years, there was an underlying assumption that confidence would be restored and spending would once again occur, thereby reducing the deposit base of financial institutions. CNB has fared well as many of the deposit customers gained are true relationships with core operating accounts.

# FINANCIALS

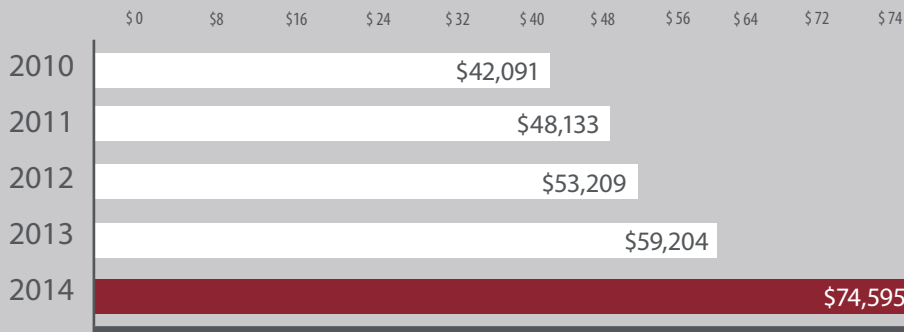
## ASSET GROWTH (in thousands)



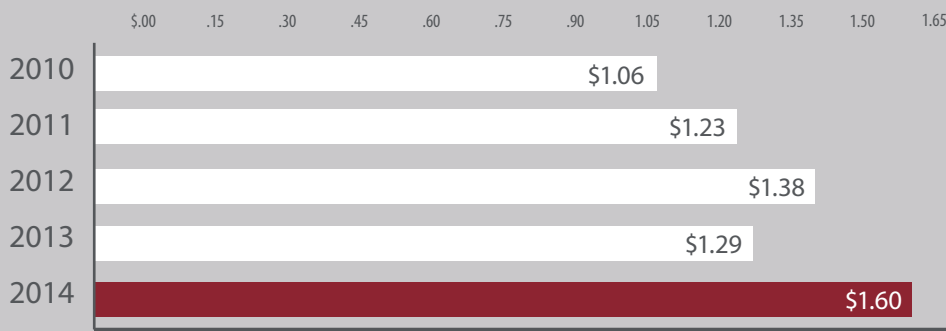
## DEPOSIT GROWTH (in thousands)



## NET INTEREST INCOME (in thousands)



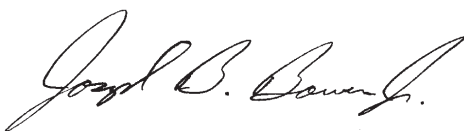
## EARNINGS PER SHARE (diluted)



## Message to the Shareholders continued...

One key focus for 2014, as mentioned earlier, was to improve asset quality. That was not the only initiative. Perhaps the most significant focus was to integrate the FCBank acquisition. Much has occurred in Ohio for the Corporation during the first 15 months following the acquisition with very positive results. The FCBank team is almost entirely in place and has done an excellent job retaining many of the existing customers while creating many new relationships. A new office in Dublin, Ohio opened in July housing our commercial lending and private banking groups. In addition, CNB Bank and ERIE-BANK each opened new loan production offices during the year in Hollidaysburg, PA and Ashtabula, OH, respectively. Both have been very well received in each market. ERIEBANK also constructed and opened, in January 2015, its eighth office, located in the northwest area of the city of Erie, PA.

CNB's Board, management, and team look forward to 2015 with a clean balance sheet, an improving economy, and a capacity for expanding customer relationships. Your confidence and ownership has been a real strength for this Corporation.



Joseph B. Bower, Jr.  
*President and Chief Executive Officer*

# EXECUTIVE MANAGEMENT & BOARD OF DIRECTORS

## Corporate Officers, CNB Financial Corporation

**Joseph B. Bower, Jr.**  
*President & Chief Executive Officer*

**Richard L. Greslick, Jr.**  
*Secretary*

**Brian W. Wingard**  
*Treasurer & Principal Financial Officer*

**Vincent C. Turiano**  
*Assistant Secretary*

## Executive Officers, CNB Bank

**Joseph B. Bower, Jr.**  
*President & Chief Executive Officer*

**Mark D. Breakey**  
*Senior Executive Vice President &  
Chief Credit Officer*

**Richard L. Greslick, Jr.**  
*Senior Executive Vice President,  
Chief Operating Officer*

**Mary Ann Conaway**  
*Executive Vice President,  
Human Resources*

**Joseph E. Dell, Jr.**  
*Executive Vice President &  
Chief Lending Officer*

**Leanne D. Kassab**  
*Executive Vice President,  
Customer Experience*

**Vincent C. Turiano**  
*Executive Vice President, Wealth Officer*

**Brian W. Wingard**  
*Executive Vice President &  
Chief Financial Officer*

## Board of Directors

*CNB Financial Corporation and CNB Bank*

**Dennis L. Merrey**  
*Chairman of the Board  
Retired, Formerly President, Clearfield  
Powdered Metals, Inc. (Manufacturer)*

**Joseph B. Bower, Jr.**  
*President and Chief Executive Officer,  
CNB Financial Corporation; President &  
Chief Executive Officer, CNB Bank*

**William F. Falger**  
*Retired, Formerly President &  
Chief Executive Officer, CNB Financial  
Corporation, CNB Bank*

**Richard L. Greslick, Jr.**  
*Senior Executive Vice President & Chief  
Operating Officer, CNB Bank; Secretary,  
CNB Financial Corporation*

**R. Duane Hord**  
*President of Hord Livestock Company, Inc.  
(Agriculture)*

**Robert W. Montler**  
*President & Chief Executive Officer,  
Lee Industries and Keystone Process  
Equipment (Manufacturer)*

**Joel E. Peterson**  
*President, Clearfield Wholesale Paper  
(Wholesaler)*

**Deborah Dick Pontzer**  
*Economic Development & Workforce  
Specialist, Office of Congressman  
Glenn Thompson*

**Jeffrey S. Powell**  
*President, J.J. Powell, Inc.  
(Petroleum Distributor)*

**James B. Ryan**  
*Retired, Formerly Vice President of  
Sales, Marketing, Windfall Products, Inc.  
(Manufacturer)*

**Nick Scott, Jr.**  
*Vice President & Owner, Scott Enterprises  
(Hospitality Industry)*

**Richard B. Seager**  
*President and Chief Executive Officer,  
Beacon Light Behavioral Health Systems  
(Health Services)*

**Peter F. Smith**  
*Attorney at Law*

## Director Emeritus

**L. E. Soult, Jr.**



# OFFICERS

## Administrative Services

**Timothy A. Bracken**  
*Vice President, Controller*

**Edward H. Proud**  
*Vice President, Information Systems*

**Susan M. Warrick**  
*Vice President, Operations*

**Donna J. Collins**  
*Vice President, Regulation & Examination*

**Thomas J. Ammerman, Jr.**  
*Assistant Vice President, Security*

**Shannon L. Irwin**  
*Assistant Vice President, Human Resources*

**Paul A. McDermott**  
*Assistant Vice President, Facilities*

**Carolyn B. Smeal**  
*Assistant Vice President, Operations*

**Becky Coleman**  
*Operations Officer*

**Carol J. Cossick**  
*Assistant Controller*

**Thomas W. Grice**  
*Network Administration Officer*

**Amy B. Potter**  
*Marketing Officer*

**Dennis J. Sloppy**  
*Information Systems Officer*

**B.J. Sterndale**  
*Training Officer*

**Brenda L. Terry**  
*Banking Officer*

## Branch Division

**Vickie L. Baker**  
*Assistant Vice President, Regional Branch Administration, Bradford Main Office*

**Tyler A. Kirkwood**  
*Regional Branch Administration, Clearfield Industrial Park Road Office*

**Mary A. Baker**  
*Assistant Vice President, Northern Cambria Office*

**Susan J. Shimmel**  
*Assistant Vice President, Clearfield Old Town Road Office*

**Deborah Peak**  
*Banking Officer, Indiana*

**Larry A. Putt**  
*Banking Officer, Clearfield*

**Nadine J. Rodgers**  
*Banking Officer, Indiana*

**Mary Ann Roney**  
*Banking Officer, Bradford*

**Gregory R. Williams**  
*Banking Officer, Clearfield*

**Lori Curtis**  
*Community Office Manager, Philipsburg Plaza Office*

**Denise J. Greene**  
*Community Office Manager, DuBois Office*

**Lynette Hebel**  
*Community Office Manager, Karthaus and Kylertown Offices*

**Caroline Henry**  
*Community Office Manager, Philipsburg Presqueisle Street Office*

**Alesia McElwee**  
*Community Office Manager, Clearfield Main Office*

**Douglas M. Shaffer**  
*Community Office Manager, Punxsutawney Office*

**Lori D. Shimmel**  
*Community Office Manager, Houtzdale and Madera Offices*

**Pam Synder**  
*Community Office Manager, Kane Office*

## Lending Division

**Jeffrey W. Alabran**  
*Senior Vice President, Commercial Banking, Indiana*

**Gregory M. Dixon**  
*Vice President, Commercial Banking, Clearfield*

**Michael E. Haines**  
*Vice President, Commercial Banking, St. Marys*

**Robin L. Hay**  
*Vice President, Commercial Banking, Clearfield*

**Karen R. Pflugstler**  
*Vice President, Commercial Banking, DuBois*

**Timothy C. Nagle**  
*Vice President, Commercial Banking, Blair County*

**Matthew Q. Raptosh**  
*Vice President, Commercial Banking, Philipsburg*

**Michael C. Sutika**  
*Vice President, Commercial Banking, Clearfield*

**Joseph H. Yaros**  
*Vice President, Commercial Banking, Bradford*

**David W. Ogden**  
*Vice President, Credit Administration*

**Eileen F. Ryan**  
*Vice President, Mortgage Lending*

**Ruth Anne Ryan-Catalano**  
*Vice President, Retail Banking*

**C. Brett Stewart**  
*Vice President, Commercial Banking, Indiana*

**Christopher L. Stott**  
*Vice President, Retail Lending*

**James C. Davidson**  
*Assistant Vice President, Private Banking*

**Cory Johnston**  
*Assistant Vice President, Credit Administration*

**Michael Mignogna**  
*Assistant Vice President, Commercial Banking, Blair County*

**Autumn F. Farley**  
*Commercial Loan Portfolio Manager & Support Lending Officer*

**Katie A. Penoyer**  
*Commercial Banking Officer*

## Wealth & Asset Management Services

**Craig C. Ball**  
*Vice President, Wealth & Asset Management*

**Eric A. Johnson**  
*Vice President, Wealth & Asset Management*

**Glenn R. Pentz**  
*Vice President, Wealth & Asset Management*

**Andrew Roman**  
*Vice President, Wealth & Asset Management*

**Calvin R. Thomas, Jr.**  
*Vice President, Wealth & Asset Management*

**Shawn Amblod**  
*Assistant Vice President, Wealth & Asset Management*

**R. Michael Love**  
*Assistant Vice President, Wealth & Asset Management*

**Andrew D. Franson**  
*Wealth & Asset Operations Officer*

# OFFICERS & AFFILIATES

## ERIEBANK, a Division of CNB Bank

**David J. Zimmer**  
*President*

**Steven M. Cappellino**  
*Senior Vice President,  
Commercial Banking, Meadville Office*

**Donald W. Damon**  
*Senior Vice President, Private Banking*

**William L. DeLuca, Jr.**  
*Senior Vice President,  
Commercial Banking*

**David Bogardus**  
*Vice President,  
Commercial Banking, Ashtabula*

**Betsy Bort**  
*Vice President, Commercial Banking*

**Scott O. Calhoun**  
*Vice President, Commercial Banking*

**Joshua P. Miller**  
*Vice President, ERIEBANK Investment  
Advisors*

**Larry Morton**  
*Vice President, ERIEBANK Investment  
Advisors*

**John M. Schulze**  
*Vice President, Commercial Banking*

**William J. Vitron, Jr.**  
*Vice President, ERIEBANK Investment  
Advisors*

**Chrystal M. Fairbanks**  
*Assistant Vice President,  
Commercial Banking, Ashtabula*

**Katie J. Jones**  
*Assistant Vice President, Regional Retail  
Administrator, Harborcreek Office*

**Carla M. LaGuardia**  
*Assistant Vice President, Commercial  
Banking, West 12th Street Office*

**James Miale**  
*Assistant Vice President, Commercial  
Banking, Meadville Office*

**Gregory Noon**  
*Assistant Vice President, Commercial  
Banking, Warren Office*

**Paul D. Sallie**  
*Assistant Vice President, Private Banking*

**Debra Masone**  
*Community Office Manager,  
Vernon Office*

**Erin Mehler**  
*Community Office Manager,  
Interchange Office*

**Helicia E. Sonney**  
*Community Office Manager,  
Asbury Office*

**Theresa L. Swanson**  
*Community Office Manager,  
Warren Office*

**Mary J. Taormina**  
*Community Office Manager,  
Meadville Office*

**Abby L. Williams**  
*Community Office Manager,  
West 12th Street Office*

**Kelly S. Buck**  
*Private Banking Officer*

**Russell Daniels**  
*Commercial Lending Officer*

**Allison Hodas**  
*Cash Management Officer*

**Julie L. Martin**  
*Operations Officer*

**Timothy Roberts**  
*Commercial Lending Officer*

## ERIEBANK Regional Board of Directors

**Joseph B. Bower, Jr.**  
*President and Chief Executive Officer,  
CNB Financial Corporation, CNB Bank*

**Mark D. Breakey**  
*Senior Executive Vice President &  
Chief Credit Officer, CNB Bank*

**Gary L. Clark**  
*Managing Partner,  
Stonebank Management, LLC (Consulting)*

**Jane M. Earll**  
*Esquire, (Senator, Retired)*

**David K. Galey**  
*Vice President of Administration,  
Greenleaf Corporation (Manufacturer)*

**James E. Gehrlein**  
*Chairman, Enterprise Loan Fund of  
Develop Erie (Community Development)*

**Richard L. Greslick, Jr.**  
*Senior Executive Vice President &  
Chief Operating Officer, CNB Bank;  
Secretary, CNB Financial Corporation*

**Charles Hagerty**  
*Vice President, Northern Tier Markets,  
UPMC Health Plan (Health Services)*

**Thomas Kennedy**  
*President, Professional Development  
Associates, Inc. (Real Estate Developer)*

**Charles H. Reams**  
*President, C. H. Reams & Associates, Inc.  
(Insurance)*

**Nick Scott, Jr.**  
*Vice President & Owner, Scott Enterprises  
(Hospitality Industry)*

**James E. Spoden**  
*Esquire, MacDonald Illig Jones &  
Britton, LLP (Law Office)*

**David J. Zimmer**  
*President, ERIEBANK*

## **FCBank, a Division of CNB Bank**

**J. Andrew Dale**  
*President*

**Kimberly S. Emerson**  
*Vice President, Private Banking*

**Terrance E. Hamm**  
*Vice President, Commercial Banking*

**Robert N. Hatch**  
*Vice President, Commercial Banking*

**Stephen R. Lust**  
*Vice President, Regional Retail Sales  
Manager*

**Jeffrey C. Perkins**  
*Vice President, Private Banking*

**Dean J. Vande Water**  
*Vice President, Commercial Relationship  
Manager*

**Brian C. Bach**  
*Assistant Vice President, Agriculture  
Lending*

**Donna M. Conley**  
*Assistant Vice President, Lending*

**William R. Diehl**  
*Assistant Vice President, Dublin Office*

**Elizabeth M. Ricketts**  
*Assistant Vice President,  
Regional Branch Administration*

**J. Ralph Parker**  
*Senior Credit Officer*

**Jared Butler**  
*Network Administrator, Facilities Officer*

**Annette D. Lester**  
*Community Office Manager,  
Cardington Office*

**Clara J. McClung**  
*Community Office Manager,  
Worthington Office*

**Brian A. McFarland**  
*Community Office Manager,  
Upper Arlington Office*

**Michelle P. Muchow**  
*Banking Officer, Dublin Office*

**Toni M. Ridge**  
*Banking Officer, Bucyrus North Office*

**Teri A. Slate**  
*Community Office Manager, Shiloh Office*

**Travis M. Smith**  
*Operations Officer*

**Ashley Snyder**  
*Agricultural Lending Officer*

**Elaine M. Wilson**  
*Community Office Manager,  
Fredericktown Office*

## **FCBank, Regional Board of Directors**

**Joseph B. Bower, Jr.**  
*President and Chief Executive Officer, CNB  
Financial Corporation, CNB Bank*

**Mark D. Breakey**  
*Senior Executive Vice President & Chief  
Credit Officer, CNB Bank*

**Patrick J. Drouhard**  
*Retired, Superintendent, Cardington-  
Lincoln School District (Education)*

**Richard L. Greslick, Jr.**  
*Executive Vice President and Chief  
Operating Officer, CNB Bank; Secretary,  
CNB Financial Corporation*

**R. Duane Hord**  
*President, Hord Livestock, Inc.  
(Agriculture)*

**Patrick Hord**  
*CEO, Hord Livestock, Inc. (Agriculture)*

**Lawrence A. Morrison**  
*CPA and Partner, Kleshinski, Morrison &  
Morris, LLP (Accounting)*

**David Royer**  
*Vice President of Finance & Development,  
Continental Real Estate Companies (Real  
Estate Developer)*

**J. Randall Schoedinger**  
*CEO, Schoedinger Funeral and Cremation  
Services*

**J. Andrew Dale**  
*President, Chairman*

## **Holiday Financial Services Corporation, a Subsidiary of CNB Financial Corporation**

### **BOARD OF DIRECTORS**

**Joseph B. Bower, Jr.**  
*Chairman*

**Richard L. Greslick, Jr.**  
*Secretary*

**Christopher L. Stott**  
*Director*

**Brian W. Wingard**  
*Director*

### **CORPORATE OFFICERS**

**Christopher L. Stott**  
*Chairman*

**Joseph P. Strouse**  
*President*

## **CNB Securities Corporation, a Subsidiary of CNB Financial Corporation, Wilmington, DE**

### **BOARD OF DIRECTORS**

**Timothy A. Bracken**  
*Director*

**Glenn R. Pentz**  
*Director*

**Donald R. McLamb, Jr.**  
*Wilmington Trust SP Services, Inc.*

### **CORPORATE OFFICERS**

**Brian W. Wingard**  
*President*

**Donald R. McLamb, Jr.**  
*Treasurer, Wilmington Trust SP Services, Inc.*

**Elizabeth F. Bothner**  
*Secretary, Wilmington Trust SP Services, Inc.*

# SHAREHOLDER INFORMATION

## **Annual Meeting**

The Annual Meeting of the Shareholders of CNB Financial Corporation will be held Tuesday, April 21, 2015 at 2:00 p.m. at the Clearfield, PA campus of Lock Haven University located at 201 University Drive, Clearfield, PA 16830.

## **Corporate Address**

CNB Financial Corporation  
1 S. Second Street  
P.O. Box 42  
Clearfield, PA 16830  
(814) 765-9621

## **Stock Transfer Agent & Registrar**

Computershare  
P.O. Box 30170  
College Station, TX 77842  
(800) 368-5948

## **Form 10-K**

Shareholders may obtain a copy of the Annual Report to the Securities and Exchange Commission on Form 10-K by writing to:

CNB Financial Corporation  
1 S. Second Street  
P.O. Box 42  
Clearfield, PA 16830  
ATTN: Shareholder Relations

## **Quarterly Share Data**

For information regarding the Corporation's quarterly share data, please refer to Item 5 in the 2014 Form 10-K.

## **Market Makers**

The following firm has chosen to make a market in the stock of the Corporation. Inquiries concerning their services should be directed to:

Boenning & Scattergood, Inc.  
1700 Market Street, Ste 1420  
Philadelphia, PA 19103  
(800) 842-8928

## **Corporate Profile**

CNB Financial Corporation is a leader in providing integrated financial solutions which create value for both consumers and businesses. These solutions encompass checking, savings, time and deposit accounts, Private Banking, loans and lines of credit (real estate, commercial, industrial, residential and consumer), credit cards, cash management, online banking, mobile banking, merchant credit card processing, on-site banker and accounts receivable handling. In addition, the Corporation provides wealth and asset management services, retirement plans and other employee benefit plans.

### **CNB Bank**

A subsidiary of CNB Financial Corporation, CNB is a regional independent community bank in North Central Pennsylvania with over 400 employees who make customer service more responsive and reliable. For 150 years, the Bank has strived to be more customer-driven than its competitors and to build long-term customer relationships by being reliable and competitively priced.

CNB continually seeks innovative ways to execute a personal, quality-driven customer service strategy and prides itself on being first-to-market for many of these innovations. To satisfy customers' financial needs and expectations, it offers a variety of delivery channels, which include twenty-one full-service offices, one loan production office, nineteen ATMs, telephone banking (1-866-224-7314), Internet banking ([www.BankCNB.com](http://www.BankCNB.com)), mobile banking, and a centralized customer service center (1-800-492-3221).

### **ERIEBANK**

Headquartered in Erie, Pennsylvania, ERIEBANK is a division of CNB Bank. Presently, there are eight full service offices in Pennsylvania, which house its commercial, retail and Private Banking divisions. Five of those offices are in Erie, two in Meadville, and one in Warren, Pennsylvania. ERIEBANK also has one loan production office in Ashtabula, Ohio. In addition, ERIEBANK Investment Advisors provides wealth and asset management services, retirement plans and other employee benefit plans.

### **FCBANK**

FCBank, a division of CNB Bank, is headquartered in Bucyrus, Ohio with nine full service offices in the communities of Bucyrus, Shiloh, Mt. Hope, Cardington, Fredericktown, Worthington, Dublin, and Upper Arlington. FCBank is driven by a strong focus on meeting the financial needs of businesses and individuals in a way only a community bank can deliver. FCBank offers commercial, retail, and Private Banking services.

### **Holiday Financial Services**

Holiday Financial Services, a subsidiary of CNB Financial Corporation, is a consumer loan company, and currently has thirteen convenient office locations in State College, Bradford, Clearfield, Hollidaysburg, Erie, Northern Cambria, Ridgway, Johnstown, Ebensburg, DuBois, Indiana, Clarion, and Huntingdon, Pennsylvania.



The common stock of the Corporation trades on the NASDAQ Global Select Market under the symbol CCNE.





**CNB Financial Corporation**

1 South Second Street – P.O. Box 42

Clearfield, PA 16830

800-492-3221

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