

CNB FINANCIAL CORP/PA
Form FWP
June 09, 2010

Follow-on Offering of Common Shares
\$27,000,000
June 2010
NASDAQ: CCNE
Filed pursuant to Rule 433
Registration Statement No. 333-166111
June 9, 2010

Registration Statement and Prospectus
The
issuer
has
filed
a
registration
statement
(including

a
prospectus)
with
the
SEC
for
the
offering
to
which
this
communication
relates.

Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may obtain these documents for free by visiting EDGAR, the SEC Web site at www.sec.gov. Alternatively, the issuer, the underwriters or any dealer participating in the offering will arrange to provide you the prospectus if you request it by calling RBC Capital Markets at (212) 428-6670.

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Forward Looking Statements

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This presentation, the prospectus supplement, the prospectus in the registration statement and the documents incorporated by reference herein constitute forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act, and the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, with respect to the financial condition, liquidity, results of operations and business of CNB Financial Corporation. These forward-looking statements are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that are not historical facts. They include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions that are subject to change and are subject to change based on various factors (some of which are beyond our control). The words "may," "could," "should," "intend," "expect," "anticipate," "estimate," "believe," "plan," "object," "goal," "expectation," "anticipation," "estimate" and "intention" are intended to identify forward-looking statements.

estimate, expect, intend, plan and similar expressions are intended to identify forward-looking statements. While we believe our plans, objectives, goals, expectations, anticipations, estimates and intentions as reflected in these forward-looking statements can give no assurance that any of them will be achieved. You should understand that various factors, in addition to those discussed in the prospectus supplement, the prospectus in the registration statement and the documents incorporated by reference in this prospectus in the registration statement, could affect our future results and could cause results to differ materially from those stated in our forward-looking statements, including:

- changes in general business, industry or economic conditions or competition;
- changes in any applicable law, rule, regulation, policy, guideline or practice governing or affecting financial holding companies or their subsidiaries, tax or accounting principals or otherwise;
- adverse changes or conditions in capital and financial markets;
- changes in interest rates;
- higher than expected costs or other difficulties related to integration of combined or merged businesses;
- the inability to realize expected cost savings or achieve other anticipated benefits in connection with business combinations and acquisitions;
- changes in the quality or composition of our loan and investment portfolios;
- adequacy of loan loss reserves;
- increased competition;
- loss of certain key officers;
- continued relationships with major customers;
- deposit attrition;
- rapidly changing technology;
- unanticipated regulatory or judicial proceedings and liabilities and other costs;
- changes in the cost of funds, demand for loan products or demand for financial services; and
- other economic, competitive, governmental or technological factors affecting our operations, markets, products, services and other business activities.

Because such forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those stated in our forward-looking statements. The foregoing list of important factors is not exclusive and you are cautioned not to place undue reliance on these factors or any other factors which speak only as of the date of this document or, in the case of documents incorporated by reference, the dates of those documents. We reserve the right to make any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of us except as restricted by applicable law.

Offering Summary

Issuer:

CNB Financial Corporation

Offering:

Follow-on common stock

Gross Amount Offered:

\$27 million

Over-Allotment Option:

15% (\$4.1 million)

Exchange / Symbol:

NASDAQ / CCNE

Market Capitalization

(1)

:

\$101 million (pre-offering)

Current Quarterly Dividend:

\$0.165 per share

(2)

Dividend Yield

(1)

:

5.76%

Use of Proceeds:

General corporate purposes, which may include business expansion and regulatory capital to fund growth, among others

Bookrunner:

RBC Capital Markets

Co-Manager:

Boenning

& Scattergood, Inc.

(1)

As of June 8, 2010.

(2)

Payable on June 15, 2010 to shareholders of record on June 1, 2010.

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Offering Highlights

Regional
community
bank
with
26
branches
and

one
loan
production
office
in
western
central
PA

Balance sheet
growth
opportunity
through
continued
new
hires
and
branch
openings

Earnings growth through prudent deployment of deposits into attractive loan opportunities

Management expects increasing loan-to-deposit ratio as economy improves

Superior core deposit franchise

Diversified loan portfolio and strong credit quality

Experienced management team focused on shareholder value

Strong competitive dynamics in many of the counties in which we operate

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Experienced Management Team

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Treasurer and Chief Financial Officer

Charles R. Guarino

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President of ERIEBANK

David J. Zimmer

37

1

SVP of Operations

Vincent C. Turiano

17

1

SVP of Wealth & Asset Management Services

Todd M. Abrams

12

12

Secretary and VP/Administration

Richard L. Greslick Jr.

37

12

EVP & Chief Lending Officer

Richard L. Sloppy

25

19

EVP & Chief Credit Officer

Mark D. Breakey

17

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President & Chief Executive Officer

Joseph B. Bower Jr.

Industry

CCNE

Title

Executive

Years in

Years at

6

History of CNB Financial

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1865

1934

1984

2005

2006

2008

2009

1865: County
National Bank
of Clearfield
established

1934:

Reorganizes
through a stock
offering to existing
depositors

1984: Forms CNB
Financial Corporation
holding company

2005:

ERIEBANK is
formed

2005: Purchases
assets of Holiday
Consumer Discount
Company and forms
Holiday Financial
Services Corporation

2006: Conversion
to a state banking
charter

2009: Forms
Wealth & Asset
Management

Services Division

2010: Joseph Bower
becomes CEO after
retirement of William
Falger

2008-2009:

Receives approval to
raise \$21 million via
TARP; CNB chooses
not to participate

CNB Financial Overview
Headquarters: Clearfield, PA
Branches: 26
Assets: \$1.2 billion
Loans: \$711 million
Deposits: \$1.0 billion
Primary Subsidiaries
CNB
Bank:

21

full-service
branches,

1

loan
production office, telephone & internet banking,
centralized customer service center

ERIEBANK:

Division

of

CNB

Bank

with

five

full-

service branches, headquartered in Erie, PA

Holiday

Financial

Services:

Consumer

loan

company with eight offices

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CNB Bank

ERIEBANK

As of March 31, 2010.

Expansion into Erie

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Created bank division with "blank sheet of paper"

Opportunity to build commercial based service model

Market

not

overbanked,
yet
dominated
by
larger
players

PNC,
Citizens

Opportunity
magnified
through
NCC
acquisition
and
entry
of
First
Niagara

Smaller customers being neglected by larger institutions

Significantly greater population than our home markets

Erie is fourth largest city in Pennsylvania

Central location between Buffalo-Cleveland-Pittsburgh

Approximately 13,000 businesses in Erie county

Historically manufacturing economy making transition to service industries

Major
employers:
GE
Transportation,
Erie
Insurance,
Plastek
Group,
Hamot

Strong health care component

Four universities

Market Share & Demographics

Source: Company data and SNL Financial.

(1) Includes: PNC, Citizens (Royal Bank of Scotland), First Niagara, and Huntington.

Source
of Growth

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Source
of Growth

As of 6/30/09

As of 3/31/10
County
Number
of CNB
Branches
CNB
Deposits
(\$M)
% of CNB
Franchise
(%)
CNB
Market
Share
(%)
CNB
Market
Rank
Total
Deposits in
Market
(\$M)
Large
Bank
(1)
Market
Share (%)
Population
2009
CNB
Deposits
(\$M)
Clearfield
10
\$386
45.7
28.9
1
\$1,338
6.5
83,103
\$410
Erie
4
135
15.9
4.0
7
3,396
50.3

281,420
249
Elk
4
95
11.3
14.5
4
657
26.6
32,882
98
Mc Kean
3
71
8.4
10.1
3
698
9.7
43,781
73
Centre
1
58
6.9
2.7
10
2,138
27.4
146,233
61
Cambria
1
41
4.8
1.6
10
2,581
0.0
145,753
38
Jefferson
1
32
3.8
3.7
6
857
11.5

45,456
34
Warren
1
28
3.3
4.0
4
708
44.3
40,850
43
Crawford
1
0
0.0
0.0
8
1,088
41.8
89,901
27
Totals
26
\$845
100.0
\$13,462
909,379
\$1,032

Balance Sheet

Deposits of \$1.0 billion, growth of 25% over March 31, 2009

Transaction, money market and savings deposits equal 66% of total

Loans of \$711 million, growth of 5% over March 31, 2009

Profitability

Net income for the quarter of \$2.2 million, or \$0.25 per share

Return on assets of 0.72% and return on equity of 12.0% for first quarter 2010

Net interest margin of 3.57% for first quarter 2010

Asset Quality

Ratio of NPAs

/ Loans + OREO of 2.11%

Net charge-offs to average loans of 0.26% of average loans

Allowance for loan losses to loans of 1.39%

Capital

Tangible common equity to tangible assets of 5.0%

(1)

Leverage ratio of 7.1%

Tier 1 Risk Based Ratio of 10.8%

Total Risk Based Capital Ratio of 12.1%

First Quarter 2010 Highlights

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Financial data at or for the quarter ended March 31, 2010.

(1) Please see the Appendix for a reconciliation of non-GAAP financial information.

Track Record of Growth

\$ in millions

* Compound annual growth rate from 2005-March 2010.

12

Average Annual Increase: *

Assets

12%

Loans

7%

Deposits

13%

\$764

\$781

\$859

\$1,017

\$1,162

\$1,240

\$511

\$547

\$600

\$672

\$715

\$711

\$619

\$631

\$659

\$815

\$957

\$1,032

2005

2006

2007

2008

2009

Mar 31, 2010

Assets

Loans

Deposits

Earnings Per Share & Dividends

* Compound annual growth rate from 1999-2009.

13

Average Annual Increase: *

EPS

7.0%

Div.

7.5%

\$0.50

\$0.59
\$0.71
\$0.95
\$0.99
\$0.86
\$1.01
\$1.08
\$1.05
\$0.61
\$0.98
\$0.26
\$0.25
\$0.32
\$0.34
\$0.37
\$0.47
\$0.47
\$0.52
\$0.55
\$0.57
\$0.62
\$0.65
\$0.66
\$0.17
\$0.17
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
Q1 2009
Q1 2010

Capital Ratios

Source: Company documents and SNL Financial.

14

7.8%

7.9%

6.9%

5.1%

5.1%

5.0%

9.2%

9.2%

9.7%

8.4%

7.9%

7.1%

11.7%

11.7%

11.9%

10.8%

10.7%

10.8%

12.8%

12.8%

12.9%

12.0%

12.0%

12.1%

2005

2006

2007

2008

2009

Mar 31, 2010

Tangible Common Equity to Tangible Assets

Leverage Ratio

Tier 1 Risk Based Ratio

Total Risk Based Capital Ratio

Deposit Composition

15

23% annual compound growth since 2005 in transaction, money market and savings accounts; 1% in CDs

Interest-bearing deposit cost of 1.56% (or total deposit cost of 1.38%) for the quarter ended March 31, 2010

Source: SNL Financial and Company documents. Deposit classifications based on regulatory data.

* Compound annual growth rate from 2005-March 2010.

Avg Annual Increase*

Total Deposits

13%

Jumbo CDs

8%

Retail CDs

-2%

MMDA & Savings

21%

Trans Accts

28%

9%

9%

9%

11%

15%

15%

38%

35%

39%

47%

51%

51%

37%

37%

35%

29%

22%

20%

16%

20%

17%

14%

12%

13%

0%

20%

40%

60%

80%

100%

2005

2006

2007

2008

2009

Mar 31, 2010

Jumbo CDs

Retail CDs

MMDA & Savings

Trans Accts

\$619

\$631

\$659

\$815

\$957

\$1,032

\$ in millions

Investment Portfolio
Other U.S. Gov't
sponsored
securities
35%
U.S. Gov't
sponsored
mortgage & asset
backed

39%
Corporate notes &
bonds
4%
Other securities
0%
Pooled trust
preferred
1%
U.S. Treasury
3%
Pooled SBA
3%
State & Municipal
15%
16
Amortized Cost:
\$394 million
Fair Value:
\$390 million
AA
4%
BBB
2%
BB
1%
C
1%
AAA
86%
NR
5%
A
1%

Investments by Security Type

Investments by S&P Rating

As of March 31, 2010.

Note: Investment portfolio excludes \$1.0 million of trading equity securities resident at the holding company.

Conservative Lending Philosophy

Strong commercial lender with deep customer relationships

Seek to hire top lenders who are long-time residents in each region; understand customers better than competitors

Average lender has 20+ years of experience

In 20+ years, CNB has not lost a loan officer to a competing bank

Strong corporate culture based on decentralized decision making

Approximately 87% of loans in footprint (97% in state of PA) as of March 31, 2010

Compete
primarily
with
service
and
responsiveness,
as
opposed
to
price

Diversification of loan portfolio largely a function of markets in which we are located

No real
estate
bubble
in
western
central
PA

real
estate
values
have
generally
remained
stable

Conservative credit limits in place

Loans greater than \$500 thousand require Loan Committee approval

Loans
relationships
greater
than
\$1.5
million
require
full
Board
approval
17

Loan Portfolio Overview

30%
29%
29%
31%
31%
32%
26%
26%

27%
27%
27%
27%
38%
39%
36%
34%
33%
34%
6%
5%
8%
9%
8%
8%
0%
20%
40%
60%
80%
100%
2005
2006
2007
2008
2009
Mar 31, 2010
Consumer and
other
Commercial,
industrial, and
agricultural
Commercial
mortgage
Residential
mortgage
\$511
\$547
\$600
\$672
\$715
\$711
\$ in millions
18

C&I
loans
represent
34%

of
our
loan
portfolio
vs.
12%
for
our
peers
(1)

Construction
loans
represent
2%
vs.
7%
for
our
peers
(1)(2)

Commercial
real
estate
loans
represent
27%
vs.
37%
for
our
peers
(1)

Loan
yield
of
6.46%
for
quarter
ended
March
31,
2010
vs.
5.68%
for
our
peers

- (1)
- (1)
Peers include banks with assets between \$750 million to \$2 billion with headquarters in PA, OH or Upstate NY. See Appendix for full list. Loan composition based on regulatory data.
- (2)
Construction loans split between commercial mortgage and residential mortgage in the chart.

Loan Portfolio Overview
Commercial
&
Industrial
Breakdown
by
Industry
(1)
19

Total C&I:

\$240 million

% of Total Loans:

34%

Note: As of 3/31/10. Loan classifications based on most recent 10-Q; total gross loans of \$714 million.

(1) Industry classifications based on NAICS codes.

All Other Industries

46%

Oil & Gas Wells & Drilling

10%

Hospitals

8%

Social Services

5%

Trucking

4%

Powdered Metals

4%

Welding

& Fabricating /

Tool & Die

4%

Restaurants/Fast Food

4%

Schools/ Townships/

Boroughs

3%

General Manufacturing

8%

Building Supply &

Hardware Stores

4%

Total C&I

Industry

(1)

\$M

%

Oil & Gas Wells & Drilling

\$24.0

10.0%

General Manufacturing

20.4

8.5%

Hospitals

18.8

7.8%

Social Services

12.7

5.3%

Welding & Fabricating / Tool & Die

10.4
4.3%
Restaurants/Fast Food
9.7
4.0%
Building Supply & Hardware Stores
9.7
4.0%
Powdered Metals
9.7
4.0%
Trucking
8.8
3.7%
Schools / Townships / Boroughs
8.0
3.3%
Coal Mining
6.1
2.5%
Airports
6.1
2.5%
Sewer & Water / Excavators
6.0
2.5%
Financial Institutions
5.5
2.3%
Sand & Gravel
5.4
2.2%
Construction Equipment / Contractors
4.6
1.9%
Oil Distribution
3.9
1.6%
Doctors
3.8
1.6%
Auto Body / Auto Parts
3.0
1.2%
New & Used Autos
2.9
1.2%
Car Washes
2.6
1.1%

Recycling	
2.5	
1.0%	
Saw	
mills / Timber	
2.2	
0.9%	
Hotels/Motels	
2.1	
0.9%	
Grocery / Convenience Stores	
1.9	
0.8%	
Insurance Agencies	
1.6	
0.7%	
Funeral Homes	
1.0	
0.4%	
Real Estate Developers	
0.1	
0.1%	
All Other Industries	
47.0	
19.6%	
Total	
\$240.5	
100.0%	

Loan Portfolio Overview
Non-Owner Occupied
Commercial
Real
Estate
by
Industry
(1)

Note: As of 3/31/10. Loan classifications based on most recent 10-Q; total gross loans of \$714 million.

(1) Industry classifications based on NAICS codes.

Malls & Plazas

19%

Industrial

4%

Storage Units

2%

Hotels/Motels

18%

Real Estate

Developers

15%

1-4 Family

Rental

11%

Other

Commercial

9%

Office

8%

Multifamily

9%

Retail

5%

Social Services

14%

Powdered

Metals

10%

Car Washes

7%

Doctors

5%

Trucking

4%

Other

Industries

25%

Oil Distribution

4%

Restaurants/

Fast Food

12%

Welding &

Fabricating /

Tool & Die

6%

General

Manufacturing

13%

Total Owner Occupied:

\$45 million

% of Commercial Real Estate Loans:

% of Total Loans:

Owner Occupied

Commercial

Real

Estate

by

Industry

(1)

Total Non-Owner Occupied:

\$148 million

% of Commercial Real Estate Loans:

% of Total Loans:

20

23%

6%

77%

21%

(\$ in '000s)
For the Year Ending
For the Quarter Ending
12/31/05
12/31/06
12/31/07
12/31/08
03/31/09
06/30/09

09/30/09
12/31/09
03/31/10
Nonaccrual
\$1,561
\$1,619
\$1,979
\$3,046
\$3,445
\$5,772
\$13,447
\$12,757
\$12,841
90+ Days Past Due
462
128
395
533
732
762
710
584
1,727
Total Non-Performing Loans
2,023
1,747
2,374
3,579
4,177
6,534
14,157
13,341
14,568
Other Real Estate Owned
85
181
516
671
685
651
243
252
478
Total Non-Performing Assets
2,108
1,928
2,890
4,250
4,862
7,185

14,400

13,593

15,046

Non-Performing Loans / Loans

0.40%

0.32%

0.40%

0.53%

0.62%

0.97%

2.04%

1.87%

2.05%

Non-Performing Assets / Loans + OREO

0.41%

0.35%

0.48%

0.63%

0.72%

1.06%

2.08%

1.90%

2.11%

Loan Loss Reserves

\$5,603

\$6,086

\$6,773

\$8,719

\$9,024

\$9,230

\$9,465

\$9,795

\$9,914

Reserves / Loans

1.10%

1.11%

1.13%

1.30%

1.33%

1.37%

1.37%

1.37%

1.39%

Reserves / Non-Performing Loans

277%

348%

285%

244%

216%

141%

67%

73%

68%

Net Charge-Offs (NCOs)

\$765

\$888

\$825

\$1,841

\$557

\$802

\$859

\$1,171

\$466

NCOs / Average Loans

0.15%

0.17%

0.14%

0.28%

0.33%

0.47%

0.50%

0.66%

0.26%

Asset Quality Summary

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NCOs / Average Loans

22

Source: Company documents and SNL Financial.

(1) Peers include banks with assets between \$750 million to \$2 billion with headquarters in PA, OH or Upstate NY. See Appendix for full list.

(1)

Q1 2010

0.15%

0.16%

0.12%

0.14%

0.30%

0.17%

0.02%

0.14%

0.19%

0.09%

0.13%

0.10%

0.14%

0.26%

0.41%

0.28%

0.01%

2005

2006

2007

2008

2009

CCNE -

CNB Bank

CCNE -

Holiday Financial Services

Peers

NPAs
/ Loans + OREO
23
0.41%
0.35%
0.48%
0.63%
1.90%
2.11%

0.75%

0.77%

0.78%

1.20%

2.35%

2.60%

2005

2006

2007

2008

2009

Mar 31, 2010

CCNE

Peers

(1)

Source: Company documents and SNL Financial.

(1) Peers include banks with assets between \$750 million to \$2 billion with headquarters in PA, OH or Upstate NY. See Appendix for full list.

2010 Goals

Prudent loan deployment throughout our core counties

Continued expansion in Erie market

Growth primarily via market share capture

Continue build out of wealth management business

Assess next area of geographic expansion

Expand with people before locations

Expect not to expand to over-banked regions

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Marcellus Shale Natural Gas
Marcellus Shale Formation

Natural gas development stimulates the economy

Natural gas ancillary businesses

Payments to land owners

Although in early stages, Marcellus gas producers spent \$4.5 billion to develop shale gas reserves in 2009, up from \$3.2 billion in 2008

Estimated to have created 44,000 jobs state-wide

Employment opportunities could expand to 111,000 jobs by the end of 2011

Companies plan to increase spending to \$8.8 billion for 2010 and over \$11 billion for 2011

Projects are likely 2-4 years away from completion and management believes that these projects could represent an economic opportunity to western central PA

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Source: Penn State, The Economic Impacts of the Pennsylvania Marcellus Shale Natural Gas Play: An Update, May 24, 2010. Note that Marcellus Shale estimates are not particular to the Company's markets.
Map Source: U.S. Geological Survey Open-File Report 2005-1268.

Investment Highlights

Strong deposit franchise

25% deposit growth in last year

(1)

88% of deposits are core deposits

(1)

Favorable competitive dynamics and growth prospects

Strong market position; larger regional banks have largely ignored western central PA

Local economies improving

Development of Marcellus Shale natural gas reserves could provide additional economic boost over the next decade

Diversified loan portfolio and strong asset quality

Experienced management team

Attractive dividend yield

26

(1)

Deposit growth from March 31, 2009 to March 31, 2010;
core deposits as of March 31, 2010 and exclude jumbo CDs.

APPENDIX

Summary Financial Highlights

Source: Company documents and SNL Financial.

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(\$ in millions, except per share data)

Quarter Ended

2005

2006

2007

2008

2009

03/31/2009

03/31/2010

BALANCE SHEET

Assets

\$764

\$781

\$859

\$1,017

\$1,162

\$1,027

\$1,240

Loans

\$511

\$547

\$600

\$672

\$715

\$677

\$711

Deposits

\$619

\$631

\$659

\$815

\$957

\$825

\$1,032

Shareholders' Equity

\$70

\$72

\$69

\$62

\$69

\$62

\$72

PROFITABILITY

Net Income

\$9.1

\$9.6

\$9.1

\$5.2

\$8.5

\$2.2

\$2.2

EPS

\$1.01

\$1.08

\$1.05

\$0.61

\$0.98

\$0.26

\$0.25

Return on Average Assets

1.23%

1.26%

1.12%

0.55%

0.79%

0.88%

0.72%

Return on Average Equity

13.4%

13.5%

12.8%

7.9%

12.9%

14.2%

12.0%

Net Interest Margin

3.97%

4.17%

4.27%

4.33%

4.00%

4.07%

3.57%

Efficiency Ratio

57.3%

57.7%

61.8%

65.1%

59.9%

63.6%

65.9%

Noninterest Expense/ Avg Assets

2.70%

2.87%

3.09%

3.03%

2.73%

2.88%

2.69%

CAPITAL

Tang. Common Equity / Tang. Assets

7.8%

7.9%

6.9%

5.1%

5.1%

5.1%

5.0%

Leverage Ratio

9.2%

9.2%

9.7%

8.4%

7.9%

7.9%

7.1%

Tier 1 Risk Based Ratio

11.7%

11.7%

11.9%

10.8%

10.7%

11.0%

10.8%

Total Risk Based Capital Ratio

12.8%

12.8%

12.9%

12.0%

12.0%

12.3%

12.1%

ASSET QUALITY

NPAs/ Assets

0.28%

0.25%

0.34%

0.42%

1.17%

0.47%

1.21%

NPAs/Loans+OREO

0.41%

0.35%

0.48%

0.63%

1.90%

0.72%

2.11%

NCOs / Average Loans

0.15%

0.17%

0.14%

0.28%

0.49%

0.33%

0.26%

Reserves/ Loans

1.10%

1.11%

1.13%

1.30%

1.37%

1.33%

1.39%

Peer Analysis
Balance Sheet
Profitability (MRQ)
Asset Quality
Valuation *
Yields &
Costs*
Company Name
State

Ticker
Assets
(\$M)
Deposits
(\$M)
Loans
(\$M)
TCE /
TA
(%)
Total
RBC
Ratio
(%)
ROAA
(%)
ROAE
(%)
NIM
(%)
Eff
Ratio
(%)
Nonint
Inc/ Rev
(%)
Texas
Ratio
(%)
Res./
NPAs
(%)
NCOs/
Avg
Loans
(%)
NPAs/
Assets
(%)
Market
Cap
(\$M)
Div.
Yield
(%)
Loan
Yield
(%)
Dep
Cost

(%)

Arrow Financial Corp.

NY

AROW

1,861

1,470

1,121

7.0

15.4

1.17

15.0

3.81

55.7

20.4

3.5

381.2

0.07

0.20

269

4.1

5.92

1.15

Canandaigua National Corp.

NY

CNND

1,613

1,428

1,143

6.1

NA

0.89

12.5

4.17

60.5

30.7

24.8

52.2

0.75

1.65

142

3.4

5.62

0.92

Tower Bancorp

PA

TOBC

1,542

1,277

1,162

9.8

15.4
0.51
4.6
3.62
67.9
14.1
4.9
83.5
0.09
0.85
155
5.2
5.82
1.48
Alliance Financial Corp.
NY
ALNC
1,445
1,130
905
6.1
13.7
0.77
8.9
3.61
66.0
29.1
9.9
97.1
0.35
0.69
131
4.0
5.30
1.08
First National Community Bancorp
PA
FNCB
1,376
1,053
944
6.1
12.6
0.57
8.5
3.58
57.6
14.6
51.3
42.6

0.87
4.00
73
0.0
5.33
1.52
Citizens & Northern Corp.
PA
CZNC
1,347
952
720
8.8
18.4
1.34
11.5
3.79
55.2
22.3
7.0
80.3
0.03
0.72
140
3.1
6.50
1.36
VIST Financial Corp.
PA
VIST
1,339
1,062
905
4.5
12.1
0.21
2.3
3.40
71.2
32.0
39.6
40.8
0.56
2.78
44
2.7
5.57
1.72
Orrstown Financial Services
PA

ORRF

1,316

998

898

10.1

15.4

1.08

10.4

3.76

58.3

28.0

22.9

50.3

0.21

1.82

176

4.0

5.38

1.12

Royal Bancshares of Pennsylvania

PA

RBPAA

1,222

826

659

6.1

17.0

-0.20

-2.4

2.79

86.2

14.1

81.2

26.2

2.11

8.96

35

0.0

6.65

2.34

Bryn Mawr Bank Corp.

PA

BMTC

1,221

914

893

7.8

12.8

0.74

8.5

4.06
66.5
34.2
8.4
141.3
1.70
0.56
172
3.4
5.76
0.60
LNB Bancorp
OH
LNBB
1,159
979
793
5.1
13.8
0.46
5.1
3.69
69.1
20.4
44.1
43.2
0.86
3.83
36
0.8
5.41
1.22
First Citizens Banc Corp
OH
FCZA
1,106
882
784
4.5
14.3
0.01
0.2
3.95
69.3
18.3
49.3
36.6
1.20
3.79
36

0.0
5.64
0.92
Farmers National Banc Corp.
OH
FMNB
1,040
777
609
7.3
12.2
0.34
4.1
4.01
63.6
21.0
16.4
76.0
1.31
1.04
56
2.9
6.30
1.42
Chemung Financial Corp.
NY
CHMG
1,008
833
586
7.7
13.7
0.81
8.7
3.83
70.9
33.3
14.6
79.9
0.12
1.25
71
5.0
6.08
0.82
ACNB Corp.
PA
ACNB
979
734

658
8.3
13.4
1.00
10.8
3.97
64.1
24.9
22.6
66.0
0.04
1.98
83
5.4
5.40
0.91
Franklin Financial Services Corp.
PA
FRAF
974
727
750
7.2
11.1
0.81
9.9
3.46
63.9
24.1
24.9
48.1
0.11
2.00
71
5.9
5.18
1.29
Republic First Bancorp
PA
FRBK
968
846
679
6.7
11.9
-1.59
-22.4
3.38
87.0
5.4

60.5
28.7
2.70
4.94
22
0.0
5.19
1.20
AmeriServ Financial
PA
ASRV
961
802
712
7.7
15.5
-0.38
-3.4
3.78
85.9
28.5
17.7
105.9
0.68
2.12
37
0.0
5.36
1.49
Wilber Corp.
NY
GIW
938
787
577
7.5
13.3
0.76
9.6
3.90
71.9
14.4
19.9
56.8
0.38
1.66
64
4.0
5.71
1.13

Codorus Valley Bancorp

PA

CVLY

893

737

649

6.5

13.2

0.77

9.4

3.69

67.3

18.9

44.3

27.3

0.11

3.91

30

3.3

5.77

1.55

Penseco Financial Services Corp.

PA

PFNS

883

649

605

10.7

17.2

1.35

10.0

4.19

62.1

24.3

6.8

202.7

0.08

0.36

109

5.1

5.75

0.88

Farmers & Merchants Bancorp

OH

FMAO

871

683

556

10.3

14.7

0.58
5.4
3.59
65.9
17.3
16.4
38.8
0.16
1.81
92
3.7
6.03
1.44
Adirondack Trust Company
NY
ADKT
857
754
428
8.3
17.3
1.15
11.1
4.09
66.4
32.1
7.3
157.9
0.00
0.64
103
3.1
5.55
0.54
Camco Financial Corp.
OH
CAFI
851
649
700
7.2
11.1
0.06
0.9
3.25
86.1
21.6
93.3
29.5
0.72

8.27
21
0.0
5.65
1.80
Ohio Valley Banc Corp.
OH
OVBC
836
679
652
7.9
13.7
0.93
11.4
4.34
65.0
18.7
47.4
24.7
0.21
1.61
71
4.7
7.02
1.75
Bank of Utica
NY
BKUT
812
684
51
13.1
16.2
1.54
12.3
3.25
24.5
2.1
1.2
168.6
-0.12
0.17
60
3.3
5.44
1.70
First Keystone Corp.
PA
FKYS

789
605
405
7.3
11.9
1.11
11.3
3.56
57.1
16.0
7.1
122.3
0.19
0.55
86
5.8
5.93
1.66
QNB Corp.
PA
QNBC
771
662
456
7.6
11.5
0.97
13.1
3.64
55.2
14.2
7.8
91.7
0.50
0.90
62
4.8
5.84
1.52
High
1,861
1,470
1,162
13.1
18.4
1.54
15.0
4.34
87.0
34.2

93.3
381.2
2.70
8.96
269
5.9
7.02
2.34
Median
994
814
690
7.4
13.7
0.77
9.2
3.73
65.9
20.7
18.8
61.4
0.28
1.66
71
3.4
5.68
1.33
Low
771
605
51
4.5
11.1
-1.59
-22.4
2.79
24.5
2.1
1.2
24.7
-0.12
0.17
21
0.0
5.18
0.54
CNB Financial Corp.
PA
CCNE
1,240

1,032
711
5.0
12.1
0.72
12.0
3.57
65.9
20.2
20.5
65.9
0.26
1.21
101
5.8
6.46
1.38
29

Source: Company documents and SNL Financial. Financial Data as of 3/31/10 (or most recent quarter when 3/31/10 data unavailable). * As of 6/8/10.

Note: Includes public commercial banks with assets between \$750M and \$2.0Bn headquartered in PA, OH and Upstate NY.

Stock Performance

Dec-08

Feb-09

Apr-09

Jun-09

Aug-09

Oct-09

Dec-09

Feb-10

Apr-10

Jun-10

40%

60%

80%

100%

120%

140%

160%

180%

CCNE

S&P 500

NASDAQ Bank

CCNE Peers

CCNE

2.6%

S&P 500

17.6%

NASDAQ Bank

(14.9%)

CCNE Peers

(13.8%)

06/29/09 -

CCNE

added to the Russell

3000 Index and

Russell 2000 Index

Note: As of 06/08/10. CCNE Peers include banks with assets between \$750 million to \$2 billion with headquarters in PA, OH or Upstate NY. See Appendix for full list.

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Non-
GAAP Financial Reconciliation
31
Quarter Ended
(\$ in thousands)
2005
2006
2007
2008

2009
03/31/2009
03/31/2010
Total Shareholders' Equity
\$69,968
\$72,279
\$69,283
\$62,467
\$69,409
\$62,462
\$71,884
Less Goodwill
10,821

10,821

10,821

10,821

10,821

10,821

10,821

10,821

Less Other Intangible Assets
800

385

285

185

85

160

60

Tangible Common Equity
\$58,347
\$61,073
\$58,177
\$51,461
\$58,503
\$51,481
\$61,003
Total Assets

\$764,018

\$780,850

\$858,700

\$1,016,518

\$1,161,591

\$1,027,241

\$1,239,814

Less Goodwill

10,821

10,821

10,821

10,821

10,821

10,821

10,821

Less Other Intangible Assets

800

385

285

185

85

160

60

Tangible Assets

\$752,397

\$769,644

\$847,594

\$1,005,512

\$1,150,685

\$1,016,260

\$1,228,933

Total Shareholders' Equity / Total Assets

9.16%

9.26%

8.07%

6.15%

5.98%

6.08%

5.80%

Tangible Common Equity / Tangible Assets

7.75%

7.94%

6.86%

5.12%

5.08%

5.07%

4.96%

Tangible common equity to tangible assets is a non-GAAP financial measure calculated using GAAP amounts. Tangible common equity

is calculated

by excluding

the balance

of goodwill

and other

intangible assets

from the

calculation of

stockholders equity.

Tangible assets is calculated by excluding the balance of goodwill and other intangible assets from the calculation of total assets. We believe

that

this

non-GAAP

financial

measure

provides

information

to

investors

that

is

useful

in

understanding

our

financial

condition.

Because not all companies use the same calculation of tangible common equity and tangible assets, this presentation may not be comparable to other similarly titled measures calculated by other companies. A reconciliation of this non-GAAP financial measure is provided below.

Follow-on Offering of Common Shares
\$27,000,000
June 2010
NASDAQ: CCNE