CNB FINANCIAL CORP/PA
Form S-4/A
July 31, 2013
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As filed with the Securities and Exchange Commission on July 31, 2013

Registration No. 333-189177

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CNB Financial Corporation

(Exact name of registrant as specified in its charter)

Pennsylvania	**6022**	**25-1450605**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

CNB Financial Corporation

1 South Second Street

PO Box 42

Clearfield, Pennsylvania 16830

(814) 765-9621

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Joseph B. Bower, Jr.

President and Chief Executive Officer

CNB Financial Corporation

1 South Second Street

PO Box 42

Clearfield, Pennsylvania 16830

(814) 765-9621

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Richard A. Schaberg, Esq.

Gregory F. Parisi, Esq.

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555 Thirteenth Street, NW

Kimberly J. Schaefer, Esq.

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301 East Fourth Street, Suite 3500

Great American Tower

Columbia Square

Washington, D.C. 20004

(202) 637-5910

Cincinnati, Ohio 45202

(513) 723-4068

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum aggregate offering price(2)	Amount of registration fee(3)
Common Stock, no par value per share	2,339,497	$26,270,148	$3,583.25

(1) Represents the estimated maximum number of shares of CNB Financial Corporation common stock that may be issued upon the completion of the merger described herein. This registration statement also relates to an indeterminate number of shares of CNB Financial Corporation common stock that may be issued upon stock splits, stock dividends or similar transactions in accordance with Rule 416 under the Securities Act.

(2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rule 457(f)(2) and (f)(3) of the Securities Act, the proposed maximum aggregate offering price of the registrant s

common stock was computed by (a) multiplying (i) the book value as of May 31, 2013, of the common stock of FC Banc Corp. to be exchanged or cancelled in connection with the merger, which equaled $24.65, by (ii) 1,408,587, representing the maximum number of shares of FC Banc Corp. common stock expected to be exchanged or cancelled in connection with the merger, and (b) from that total ($34,721,670) subtracting $8,451,522, representing the estimated amount of cash to be paid to the shareholders of FC Banc Corp.

(3) The registrant previously paid $3,583.25 in connection with the initial filing of this Registration Statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED July 31, 2013

PROXY STATEMENT/PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On March 26, 2013, the boards of directors of CNB Financial Corporation, or CNB, and FC Banc Corp., or FC, each unanimously approved a merger agreement between CNB and FC pursuant to which FC will merge with and into CNB, with CNB surviving the merger.

FC is holding a special meeting for its shareholders to vote on the proposals necessary to complete the merger. The merger cannot be completed unless the holders of a majority of the shares of FC common stock outstanding and entitled to vote at FC s special meeting vote to adopt the merger agreement.

The special meeting of FC shareholders will be held at the on , at , local time.

Under the terms and conditions of the merger, the shareholders of FC, as of the record date, will be able to elect to receive either (i) $30.00 in cash or (ii) 1.754 shares of CNB common stock for each share of FC common stock they own. Each FC shareholder s election is subject to proration provisions described in this proxy statement/prospectus that may modify the shareholder s election to ensure that no more than 20% of the outstanding shares of FC common stock (including any dissenters shares but excluding shares of FC common stock to be canceled in connection with the merger) are exchanged for cash. The value of the stock consideration will depend on the market price of CNB common stock on the effective date of the merger. FC shareholders will also receive cash in lieu of any fractional shares they would have otherwise received in the merger. CNB expects to issue up to 2,339,497 shares of its common stock in the merger. CNB common stock is listed on the NASDAQ Global Select Market under the symbol CCNE and FC common stock is quoted on the OTC Bulletin Board under the symbol FCBZ. On , 2013, the last practicable trading day before the printing of the attached proxy statement/prospectus, the closing price of CNB common stock was $ per share and the closing price of FC common stock was $ per share. These prices may fluctuate between now and the closing of the merger. We urge you to obtain current market quotations for both CNB and FC common stock.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card as soon as possible to make sure your shares are represented at the special meeting. If you hold shares through a bank or broker, please use the voting instructions you have received from your bank or broker. If you submit a properly signed proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** each of the proposals being voted on at FC s special meeting. The failure to vote by submitting your proxy or attending FC s special meeting and voting in person will have the same effect as a vote against adoption of the merger agreement.

The accompanying document serves as the proxy statement for FC s special meeting and as the prospectus for the shares of CNB common stock to be issued in the merger. This proxy statement/prospectus describes the FC special meeting, the merger, the documents related to the merger and other related matters. Please carefully review and consider this proxy statement/prospectus. **Please give particular attention to the discussion under the heading Risk Factors beginning on page 22 for risk factors relating to the transaction that you should consider.**

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FC s board of directors unanimously recommends that shareholders vote FOR the adoption of the merger agreement, and FOR the approval of the adjournment of the special meeting, if necessary, in order to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Sincerely,

Robert D. Hord
Chairman of the Board of Directors

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the securities to be issued in the merger or determined if the attached proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The shares of CNB common stock to be issued in the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency.

This proxy statement/prospectus is dated , 2013, and is first being mailed to FC shareholders on or about , 2013.

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105 Washington Square

Bucyrus, Ohio 44820

(419) 562-7040

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

A special meeting of shareholders of FC Banc Corp., or FC, will be held at the on , at , local time, for the following purposes:

1. to consider and vote upon a proposal to adopt the Agreement and Plan of Merger by and between CNB Financial Corporation, or CNB, and FC, dated as of March 26, 2013, pursuant to which FC will merge with and into CNB with CNB surviving; and

2. to consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt the merger agreement.

The merger agreement and proposed merger of FC with and into CNB is more fully described in the attached document, which you should read carefully in its entirety before voting. A copy of the merger agreement is included as Annex A to the attached proxy statement/prospectus.

The board of directors of FC has established the close of business on , 2013, as the record date for the special meeting. Only record holders of FC common stock as of the close of business on that date will be entitled to notice of and vote at the special meeting or any adjournment or postponement of that meeting. A list of shareholders entitled to vote at the special meeting will be available for review at the special meeting upon request by any FC shareholder entitled to vote at the special meeting. The affirmative vote of holders of a majority of the shares of FC common stock outstanding and entitled to vote at the special meeting is required to adopt the merger agreement.

Your vote is important, regardless of the number of shares that you own. **Please complete, sign and return the enclosed proxy card promptly in the enclosed postage-paid envelope**. Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. You may revoke your proxy at any time before the meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions furnished to you by such record holder with these materials. If you do not vote in person or by proxy or if you abstain from voting or do not instruct your broker as to how to vote, if applicable, the effect will be a vote AGAINST adoption of the merger agreement.

The FC board of directors unanimously recommends that you vote FOR adoption of the merger agreement and FOR the approval of the adjournment proposal as described above.

By Order of the Board of Directors,

Jennifer S. Gingery
Secretary

Bucyrus, Ohio

, 2013

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ADDITIONAL INFORMATION

The accompanying proxy statement/prospectus incorporates by reference important business and financial information about CNB from documents that are not included in or delivered with the proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from CNB at the following address and telephone number:

CNB Financial Corporation

1 South Second Street

P.O. Box 42

Clearfield, Pennsylvania 16830

Attention: Richard L. Greslick, Jr.

(814) 765-9621

www.bankcnb.com

(Investor Relations tab)

To obtain timely delivery, you must request the information no later than five business days before the FC special meeting. This means that you must make your request no later than , 2013.

For a more detailed description of the information incorporated by reference in the accompanying proxy statement/prospectus and how you may obtain it, see Where You Can Find More Information beginning on page 115.

The accompanying proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read the proxy statement/prospectus, including any documents incorporated by reference into the proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions or need assistance voting your shares, please contact FC at the address or telephone number listed below:

FC Banc Corp.

105 Washington Square

Bucyrus, Ohio 44820

Attention: Coleman J. Clougherty

(419) 562-7040

Please do not send your stock certificates at this time. You will be sent separate instructions regarding the surrender of your stock certificates.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE FC SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the FC special meeting. These questions and answers may not address all questions that may be important to you as an FC shareholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire proxy statement/prospectus, including the annexes, as well as the documents that have been incorporated by reference in this proxy statement/prospectus.

Q: Why am I receiving this proxy statement/prospectus?

A: CNB and FC have agreed to the acquisition of FC by CNB under the terms of the merger agreement that is described in this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A. In order to complete the merger, FC shareholders must vote to adopt the merger agreement. FC will hold a special meeting of shareholders to obtain this approval. This proxy statement/prospectus contains important information about the merger, the merger agreement, the special meeting of FC shareholders and other related matters, and you should read it carefully. The enclosed voting materials for the FC special meeting allow you to vote your shares of common stock without attending the special meeting in person.

We are delivering this proxy statement/prospectus to you as both a proxy statement of FC and a prospectus of CNB. It is a proxy statement because the board of directors of FC is soliciting proxies from FC shareholders to vote on the adoption of the merger agreement at the FC special meeting of shareholders and adjournments of the special meeting, if necessary, for the purpose of soliciting additional proxies in favor of the foregoing proposal. Your proxy will be used at the FC special meeting or at any adjournment or postponement of that special meeting. It is also a prospectus because CNB will issue CNB common stock to FC shareholders who elect to receive shares of CNB common stock as consideration in the merger, and this prospectus contains information about that common stock.

Q: What will happen in the merger?

A: In the proposed merger, FC will merge with and into CNB, with CNB being the surviving entity. Following the merger, The Farmers Citizens Bank, or FC Bank, FC s principal subsidiary, will be merged with and into CNB Bank, CNB s principal subsidiary, with CNB Bank being the surviving entity.

Q: What are the proposals on which I am being asked to vote?

A: You are being asked to vote on the following proposals: (i) to adopt the merger agreement and (ii) to approve one or more adjournments of the special meeting, if necessary, for the purpose of soliciting additional proxies in favor of the proposal to adopt the merger agreement.

Q: What will I receive in the merger?

A: If the merger agreement is adopted and the merger is subsequently completed, FC shareholders will be entitled to receive for each of their shares of FC common stock either (i) $30.00 in cash, without interest, or (ii) 1.754 shares of CNB common stock.

You will have the opportunity to elect the form of consideration to be received for your shares, subject to proration and allocation procedures set forth in the merger agreement and described in this proxy statement/prospectus which may result in your receiving a portion of the merger consideration in a form other than that which you elected.

CNB may opt to increase the exchange ratio in specific circumstances where FC could otherwise terminate the merger agreement and likewise, FC may opt to decrease the exchange ratio in specific circumstances where CNB could otherwise terminate the merger agreement. For more information regarding these termination rights and the adjustments that may result to the merger consideration, see The Merger Termination of

the Merger Agreement on page 93 for more information.

The value of the stock consideration is dependent upon the value of CNB common stock and, therefore, will fluctuate with the market price of CNB common stock. Accordingly, any change in the price of CNB common stock prior to the merger will affect the market value of the stock consideration that FC shareholders may elect to receive as a result of the merger.

Q: What will happen to shares of CNB common stock in the merger?

A: Each share of CNB common stock outstanding held by CNB shareholders immediately before the merger will continue to represent one share of CNB common stock after the effective time. Accordingly, CNB shareholders will receive no consideration in the merger and the merger will not change the number of shares a CNB shareholder currently owns.

However, after the merger, the current shareholders of CNB as a group will own a smaller percentage of ownership of the combined company than such shareholders percentage ownership of CNB before the merger. Based on the weighted average number of shares of common stock of CNB outstanding at March 31, 2013, the current shareholders of CNB and the current shareholders of FC, each as a group, will own 87% and 13%, respectively, of the combined company following the consummation of the transaction.

Q: Will I receive any fractional shares of CNB common stock as part of the merger consideration?

A: No. CNB will not issue any fractional shares of CNB common stock in the merger. Instead, CNB will pay you the cash value of a fractional share measured by the average of the daily closing prices of CNB common stock on The NASDAQ Global Select Market for the five consecutive trading days immediately preceding, but not including, the trading day immediately prior to the closing date of the merger.

Q: Is there a termination fee potentially payable under the merger agreement?

A: Yes. Under certain circumstances, FC may be required to pay CNB a termination fee if the merger agreement is terminated. See The Merger Agreement Termination Fee on page 95 for more information.

Q: How do I make an election with respect to my shares of FC common stock?

A: Each FC shareholder will receive an election form, which you should complete and return according to the instructions printed on the form. The election deadline will be 5:00 p.m., New York City time, on , 2013, the date prior to the date of the special meeting, or the election deadline. A copy of the election form is being mailed under separate cover on or about the date of this proxy statement/prospectus. If you do not send in the election form by the deadline, you will be deemed not to have made an election and you may be paid CNB common stock. See The Merger Agreement Election Procedures on page 81 for more information.

Q: Can I change or revoke my election with respect to my shares of FC common stock?

A: You may change your election at any time prior to the election deadline by submitting to Registrar and Transfer Company written notice accompanied by a properly completed and signed, revised election form. Shareholders will not be entitled to change or revoke their elections following the election deadline. All elections will be revoked automatically if the merger agreement is terminated.

Q: What if I hold options to purchase shares of FC common stock or restricted stock awards?

A: Immediately prior to the effective time, each outstanding and unexercised option (whether vested or unvested) granted by FC will, by reason of the merger, be canceled and converted into the right to receive in cash an amount (subject to required tax withholdings) equal to the product of (i) the excess, if any, of the cash consideration per share over the exercise price per share of each such option and (ii) the

number of shares of FC common stock subject to the option. FC will make the payments in respect of such canceled options immediately prior to the effective time of the merger. Any options which vest in the ordinary course and are properly exercised prior to the effective time will have the right to receive merger consideration on the same terms as all other outstanding shares of FC common stock.

At the effective time, all outstanding unvested shares of FC common stock granted in the form of restricted stock awards made by FC will become vested rights to receive the merger consideration on the same terms as all other outstanding shares of FC common stock.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of FC common stock?

A: The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, it is expected that a U.S. holder of shares of FC common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash (if any) received as part of the merger consideration but will recognize gain or loss (1) if such holder received the entirety of its consideration in cash or (2) with respect to any cash received in lieu of fractional shares of CNB common stock. See Material U.S. Federal Income Tax Consequences of the Merger beginning on page 72.

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Tax matters are very complicated, and the tax consequences of the merger to each U.S. holder of FC common stock may depend on such holder s particular facts and circumstances. Holders of FC common stock are urged to consult with their tax advisors to fully understand the tax consequences of the merger.

Q: Will I be able to trade the shares of CNB common stock that I receive in the merger?

A: You may freely trade the shares of CNB common stock issued in the merger, unless you are an affiliate of CNB as defined by Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. Affiliates consist of individuals or entities that control, are controlled by, or are under the common control with CNB and include the executive officers and directors and may include significant shareholders of CNB.

Q: What are the conditions to completion of the merger?

A: The obligations of CNB and FC to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including the receipt of required regulatory approvals and tax opinions, and the adoption of the merger agreement by the shareholders of FC.

Q: When do you expect the merger to be completed?

A: We will complete the merger when all of the conditions to completion contained in the merger agreement are satisfied or waived, including obtaining required regulatory approvals and the adoption of the merger agreement by FC shareholders at FC s special meeting. While we expect the merger to be completed no later than the fourth quarter of 2013, because fulfillment of some of the conditions to completion of the merger is not entirely within our control, we cannot assure you of the actual timing.

Q: What FC shareholder approval is required to complete the merger?

A: The merger cannot be completed unless the holders of a majority of the shares of FC common stock outstanding and entitled to vote at the FC special meeting vote to adopt the merger agreement.

Q: Are there any FC shareholders already committed to voting in favor of the merger agreement?

A: Yes. FC s Chairman, Robert D. Hord, and directors Patrick D. Hord and Richard H. Thut entered into voting agreements with CNB requiring them to vote all of their shares in favor of adoption of the merger agreement. As of the record date, Messrs. Hord, Hord and Thut held ; and shares of FC common stock, respectively, which collectively represented approximately %, % and % of the outstanding shares of FC common stock on the record date.

Q: When and where is the FC special meeting?

A: The special meeting of shareholders of FC will be held at the on , at , local time.

Q: What will happen at the FC special meeting?

A: At the special meeting, FC shareholders will consider and vote upon the proposal to adopt the merger agreement. If, at the time of the FC special meeting, there are not sufficient votes for the shareholders to adopt the merger agreement, you may be asked to consider and vote upon a proposal to adjourn such special meeting, so that additional proxies may be collected.

Q: Who is entitled to vote at the FC special meeting?

A: All holders of FC common stock who held shares at the close of business on , 2013, which is the record date for the special meeting of FC shareholders, are entitled to receive notice of and to vote at the FC special meeting. Each holder of FC common stock is entitled to one vote for each share of FC common stock owned as of the record date.

Q: What constitutes a quorum for the FC special meeting?

A: The quorum requirement for the FC special meeting is the presence in person or by proxy of the holders of at least a majority of the total number of outstanding shares of FC common stock entitled to vote.

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Q: How does the board of directors of FC recommend I vote?

A: After careful consideration, the FC board of directors unanimously recommends that all of the FC shareholders vote **FOR** adoption of the merger agreement, and **FOR** the adjournment proposal, if necessary.

Q: Are there any risks that I should consider in deciding whether to vote for adoption of the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the section in this proxy statement/prospectus entitled Risk Factors beginning on page 15 as well as the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed in the section of this proxy statement/prospectus titled Information Regarding Forward-Looking Statements on page 26.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in or incorporated by reference into this proxy statement/prospectus, including its annexes. It contains important information about the merger, the merger agreement, CNB and FC. After you have read and considered this information, you should complete and sign your proxy card and return it in the enclosed postage-paid return envelope as soon as possible so that your shares will be represented and voted at the FC special meeting.

Q: How may I vote my shares for the special meeting proposals presented in this proxy statement/prospectus?

A: You may vote by completing, signing, dating and returning the proxy card in the enclosed postage-paid envelope as soon as possible. This will enable your shares to be represented and voted at the FC special meeting. You can also choose to attend the special meeting and vote your shares in person instead of completing and returning a proxy card.

Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?

A: No. Your broker, bank or other nominee ***will not*** vote your shares unless you provide instructions to your broker, bank or other nominee on how to vote. You should instruct your broker, bank or other nominee to vote your shares by following the instructions provided by the broker, bank or nominee with this proxy statement/prospectus.

Q: How will my shares be represented at the special meeting?

A: At the FC special meeting, the officers named in your proxy card will vote your shares in the manner you requested if you properly signed and submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as the FC board of directors recommends, which is, (1) **FOR** the adoption of the merger agreement and (2) **FOR** the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting.

Q: What if I fail to submit my proxy card or to instruct my broker, bank or other nominee?

A: If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares FC common stock and you do not attend the FC special meeting and vote your shares in person, your shares will not be voted. This will have the same effect as a vote **AGAINST** adoption of the merger agreement, but will have no impact on the outcome of the other proposal.

Q: Can I attend the FC special meeting and vote my shares in person?

A: Yes. Although the FC board of directors requests that you return the proxy card accompanying this proxy statement/prospectus, all FC shareholders are invited to attend the special meeting. Shareholders of record on , can vote in person at the FC special meeting. If your shares are held by a broker, bank or other nominee, then you are not the shareholder of record and you must bring to the special meeting appropriate documentation from your broker, bank or other nominee to enable you to vote at the special meeting.

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Q: Can I change my vote after I have submitted my proxy?

A: Yes. If you do not hold your shares in street name, there are three ways you can change your vote at any time after you have submitted your proxy and before your proxy is voted at the special meeting:

- you may deliver a written notice bearing a date later than the date of your proxy card to FC s Secretary at the address listed below, stating that you revoke your proxy;

- you may submit a new signed proxy card bearing a later date (any earlier proxies will be revoked automatically); or

- you may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy.

You should send any notice of revocation to FC at:

FC Banc Corp.

105 Washington Square

Bucyrus, Ohio 44820

Attn: Jennifer S. Gingery, Secretary

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your voting instructions.

Q: What happens if I sell my shares after the record date but before the special meeting?

A: The record date of the special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you sell or otherwise transfer your shares after the record date for the FC special meeting, but before the date of the FC special meeting, you will retain your right to vote at the FC special meeting, but you will not have the right to receive the merger consideration to be received by FC s shareholders in the merger. In order to receive the merger consideration, an FC shareholder must hold his or her shares through completion of the merger.

Q: What do I do if I receive more than one proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a record holder and also in street name or otherwise through a nominee, you may receive more than one proxy statement/prospectus and/or set of voting instructions relating to the special meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

Q: Are FC shareholders entitled to seek appraisal or dissenters rights if they do not vote in favor of the adoption of the merger agreement?

A: Under Ohio law, holders of shares of FC common stock that meet certain requirements will have the right to dissent from the merger and obtain payment in cash for the fair value of their shares of FC common stock. To exercise appraisal rights, FC shareholders must strictly follow the procedures prescribed by Ohio law. These procedures are summarized under the section entitled The Merger Dissenters Appraisal Rights beginning on page 77. In addition, the text of the applicable appraisal rights provisions of Ohio law is included as Annex B to this proxy statement/prospectus.

Q: Should FC shareholders send in their stock certificates now?

A: No. Following the completion of the merger, FC shareholders will receive a letter of transmittal and instructions for surrendering their stock certificates in exchange for merger consideration. In the meantime, you should retain your stock certificates because they are still valid. Please do not send in your stock certificates with your proxy card or with your form of election.

Q: Will a proxy solicitor be used?

A: No.

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Q: Where can I find more information about the companies?

A: You can find more information about CNB and FC from the various sources described under Where You Can Find More Information beginning on page 115.

Q: Whom should I call with questions?

A: If you have any questions concerning the merger, the other meeting matters or the proxy statement/prospectus, or need assistance voting your shares, please contact FC at the address or telephone number listed below:

FC Banc Corp.

105 Washington Square

Bucyrus, Ohio 44820

Attention: Coleman J. Clougherty

(419) 562-7040

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this proxy statement/prospectus refers in order to fully understand the merger and the related transactions. See Where You Can Find More Information beginning on page 122. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies

CNB Financial Corporation

CNB Financial Corporation, or CNB, is a financial holding company that conducts business primarily through CNB Bank, CNB s principal subsidiary. CNB Bank is a full-service bank engaging in a full range of banking activities and services, including trust and wealth management services, for individual, business, governmental, and institutional customers. CNB Bank operations include Wealth and Asset Management, a private banking division and 29 full-service offices in Pennsylvania, including ERIEBANK, a division of CNB Bank.

At March 31, 2013, CNB had $1.8 billion in assets, $1.5 billion in deposits and $146 million of shareholders equity.

CNB s principal executive offices are located at 1 South Second Street, P.O. Box 42, Clearfield, Pennsylvania 16830, its phone number is (814) 765-9621 and its website is www.bankcnb.com. Information that is included in CNB s website does not constitute part of this proxy statement/prospectus.

FC Banc Corp.

FC Banc Corp., or FC, is the holding company for The Farmers Citizens Bank, or FC Bank. Since 1907, FC Bank has had a tradition of being a locally owned bank proudly serving its customers. With offices in Bucyrus, Cardington, Fredericktown, Mount Hope, Upper Arlington, Shiloh and Worthington, FC Bank is a Federal Deposit Insurance Corporation member and an Equal Housing Lender.

At March 31, 2013, FC had $374.4 million in assets, $334.6 million in deposits, and $33.3 million of shareholders equity.

FC s principal executive offices are located at 105 Washington Square, Bucyrus, Ohio 44820. FC s telephone number is (419) 562-7040 and its website is www.farmerscitizensbank.com. Information that is included in FC s website does not constitute part of this proxy statement/prospectus.

The Special Meeting of Shareholders of FC

***Date, Time and Place of the Special Meeting* (Page 52)**

FC will hold its special meeting of shareholders at the on , at , local time.

***Purpose of the Special Meeting* (Page 52)**

At the special meeting you will be asked to vote upon a proposal to adopt the merger agreement and, if necessary, a proposal to approve one or more adjournments of the special meeting.

***Recommendation of FC Board of Directors* (Page 52)**

The FC board of directors unanimously recommends that you vote **FOR** adoption of the merger agreement and **FOR** approval of the proposal to adjourn the special meeting.

***Record Date; Outstanding Shares; Shares Entitled to Vote* (Page 52)**

Only holders of record of FC common stock at the close of business on the record date of , 2013, are entitled to notice of and to vote at the special meeting. As of the record date, there were shares of FC common stock outstanding, held of record by approximately

shareholders.

Quorum; Vote Required **(Page 52)**

A quorum of FC shareholders is necessary to hold a valid meeting. If at least a majority of the total number of the outstanding shares of FC common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. FC will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of a majority of the outstanding shares of FC common stock is required to adopt the merger agreement. The affirmative vote of a majority of those present in person or by proxy and entitled to vote is required to approve the proposal to adjourn the special meeting.

Share Ownership of Management; Voting Agreement **(Page 52)**

As of the record date, the directors and executive officers of FC and their affiliates collectively owned shares of FC common stock, or approximately % of FC s outstanding shares. FC currently expects that each of its directors and executive officers and their affiliates will vote their shares of FC common stock **FOR** adoption of the merger agreement and approval of the adjournment proposal described in the notice for the special meeting. FC s Chairman, Robert D. Hord, and directors Patrick D. Hord and Richard H. Thut have entered into agreements that require them to do so.

Messrs. Hord, Hord and Thut have each entered into a voting agreement with CNB, which requires each of Messrs. Hord, Hord and Thut to vote all of the shares of FC common stock beneficially owned by him in favor of adoption of the merger agreement. As of the record date, Robert D. Hord, Patrick D. Hord and Richard H. Thut held ; and shares of FC common stock, respectively, which collectively represented approximately %, % and % of the outstanding shares of FC common stock as of the record date, respectively. Messrs. Hord, Hord and Thut were not paid any additional consideration in connection with the execution of the voting agreements.

The Merger and the Merger Agreement

The proposed merger is of FC with and into CNB, with CNB as the surviving corporation in the merger. The merger agreement is attached to this proxy statement/prospectus as Annex A. Please carefully read the merger agreement as it is the legal document that governs the merger.

Structure of the Merger **(Page 79)**

Subject to the terms and conditions of the merger agreement, and in accordance with the Pennsylvania Business Corporation Law of 1988 and the Ohio Revised Code, at the completion of the merger, FC will merge with and into CNB. CNB will be the surviving corporation in the merger and will continue its corporate existence under the laws of the Commonwealth of Pennsylvania. Upon completion of the merger, the separate corporate existence of FC will terminate. In connection with the merger, FC s wholly owned subsidiary, The Farmers Citizens Bank, or FC Bank, may merge with and into CNB Bank, a wholly owned subsidiary of CNB, with CNB Bank surviving.

Consideration to be Received in the Merger **(Page 80)**

Cash or Stock Consideration. The merger agreement provides that FC shareholders will have the right, with respect to each of their shares of FC common stock, to elect to receive, subject to proration as described below, either (i) $30.00 in cash, without interest, or (ii) 1.754 shares of CNB common stock. You will have the opportunity to elect the form of consideration to be received for each of your shares, subject to proration and allocation procedures set forth in the merger agreement, which may result in your receiving a portion of the merger consideration in a form other than that which you elected.

The value of the stock consideration is dependent upon the value of CNB common stock and, therefore, will fluctuate with the market price of CNB common stock. Accordingly, any change in the price of CNB common stock prior to the merger will affect the market value of any stock consideration that FC shareholders will receive as a result of the merger.

No fractional shares of CNB common stock will be issued to any holder of FC common stock upon completion of the merger. For each fractional share that would otherwise be issued, CNB will pay each shareholder cash (without interest) in an amount equal to the fractional share interest to which such shareholder would otherwise be entitled multiplied by the average of the daily closing prices of CNB common stock during the regular session of CNB common stock on the NASDAQ Global Select Market for the five consecutive trading days immediately preceding, but not including, the trading day prior to the closing date of the merger.

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***Election Procedures for Shareholders* (Page 81)**

If you own FC common stock or are the recipient of an award of shares of restricted stock, you will soon receive under separate cover an election form that you may use to indicate whether your preference is to receive cash or shares of CNB common stock. The election deadline will be 5:00 p.m., New York City time, on , 2013, the day prior to the date of the special meeting. To make an election, a holder must submit a properly completed election form and return it so that the form is actually received by Registrar and Transfer Company at or before the election deadline in accordance with the instructions on the election form.

***Non-Electing FC Shareholders* (Page 80)**

FC shareholders who make no election to receive cash or CNB common stock in the merger or who do not make a valid election will be deemed not to have made an election. Shareholders not making an election will be paid in CNB common stock.

***Proration* (Page 80)**

The maximum number of shares of FC common stock to be converted into cash consideration in the merger will be 20% of the outstanding shares of FC common stock (including any shares for which dissenters rights are appropriately exercised but excluding shares of FC common stock to be canceled in accordance with terms of the merger agreement). The remaining shares of FC common stock will be converted into shares of CNB common stock. Therefore, elections are subject to certain proration and other provisions to preserve this requirement regarding the maximum number of shares of FC common stock to be converted into cash in the merger.

If the FC shareholders election and the number of shares of FC common stock for which dissenters rights are appropriately exercised would result in more than 20% of the outstanding shares of FC common stock (including any shares for which dissenters rights are appropriately exercised but excluding shares of FC common stock to be canceled in accordance with terms of the merger agreement) being exchanged for cash, then all FC shareholders who elected to receive stock consideration or who did not make an election will receive stock consideration, and all shareholders who have elected to receive cash consideration will receive the following:

- a number of shares of CNB common stock (rounded to the nearest whole share) equal to the product obtained by multiplying (i) the number of shares for which such shareholder made elections to receive the cash consideration and (ii) a fraction, the numerator of which is the amount by which (a) the sum of the number of shares for which all FC shareholders made elections to receive cash consideration and the number of shares of FC common stock for which dissenters rights are appropriately exercised exceeds (b) the maximum number of shares of FC common stock to be converted into cash consideration, and the denominator of which is the number of shares for which elections were made to receive the cash consideration, and

- the right to receive cash consideration for the remaining number of such shareholder s shares.

If the FC shareholders elections and the number of shares of FC common stock for which dissenters rights are appropriately exercised would result in 20% or fewer of the outstanding shares of FC common stock (including any shares for which dissenters rights are appropriately exercised but excluding shares of FC common stock to be canceled in accordance with terms of the merger agreement) being exchanged for cash, then all FC shareholders who elected to receive cash consideration will receive cash consideration and all FC shareholders who elected to receive stock consideration or made no election will receive stock consideration.

***Treatment of Stock Options and Restricted Stock Awards* (Page 81)**

Immediately prior to the effective time of the merger, or the effective time, each outstanding and unexercised option (whether vested or unvested) granted by FC will, by reason of the merger, be canceled and converted into the right to receive in cash an amount (subject to required tax withholdings) equal to the product of (i) the excess, if any, of the cash consideration per share over the exercise price per share of such option and (ii) the number of shares of FC common stock subject to such option. FC will make the payments immediately prior to the effective time. Any options which vest in the ordinary course and are properly exercised prior to the effective time will have the right to receive merger consideration on the same terms as all other outstanding shares of FC common stock.

At the effective time, all outstanding unvested shares of FC common stock granted in the form of restricted stock awards made by FC will become vested rights to receive the merger consideration, on the same terms as all other outstanding shares of FC common stock.

Surrender of Stock Certificates **(Page 81)**

Following the effective time of the merger, owners of FC common stock will receive under separate cover a letter of transmittal, together with instructions for the exchange of their FC common stock certificates for the merger consideration. Upon surrendering your certificate(s) representing shares of FC s common stock, together with the signed letter of transmittal, you shall be entitled to receive, as applicable (i) certificate(s) representing a number of whole shares of CNB s common stock determined in accordance with the exchange ratio, (ii) a check representing the amount of cash to which you shall have become entitled to, and (iii) a check representing the amount of cash in lieu of fractional shares.

Material U.S. Federal Income Tax Consequences of the Merger **(Page 72)**

The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, it is expected that a U.S. holder of shares of FC common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash (if any) received as part of the merger consideration and will recognize gain or loss if such holder received its consideration solely in cash or with respect to any cash received in lieu of fractional shares of CNB common stock.

FC shareholders are urged to read the discussion in the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 72 and to consult their tax advisors for a full explanation of the tax consequences of the merger.

Recommendation of the FC Board of Directors **(Page 52)**

After careful consideration of the various factors, including those set forth under the headings The Merger FC s Reasons for the Merger and The Merger Recommendation of FC s Board of Directors beginning on page 61, the FC board of directors has determined that the merger agreement, the merger and the transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of FC and its shareholders. Accordingly, the FC Board of Directors unanimously recommends that FC shareholders vote:

- **FOR** the proposal to adopt the merger agreement; and

- **FOR** the proposal to approve adjournments or postponements of the special meeting, if necessary, to permit further solicitation of proxies in favor of the foregoing proposal.

The merger is not conditioned on the proposal to approve adjournments or postponements of the special meeting.

Dissenters Appraisal Rights **(Page 77)**

Under Ohio law, you are entitled to dissenters rights of appraisal in connection with the merger, provided that you meet all of the conditions set forth in Section 1701.85 of the Ohio Revised Code.

In particular, under Ohio law, appraisal rights are only available if, among other things, you are a record holder of shares as of the record date for the FC special meeting, you do not vote your shares in favor of the proposal to adopt the merger agreement at the FC special meeting and you make a written demand upon FC for the fair cash value of your shares of FC common stock. If you are considering demanding payment of the fair cash value of your shares, you should note that the fair value of your shares determined under Section 1701.85 of the ORC could be more than, the same as, or less than the consideration you would receive under the terms of the merger agreement if you did not demand payment of the fair value of your shares of FC common stock.

To exercise appraisal rights, you must follow the strict procedures prescribed by Section 1701.85 of the Ohio Revised Code. For additional information, please see the section titled The Merger Dissenters Appraisal Rights beginning on page 77. In addition, the full text of Section 1701.85 of the Ohio Revised Code is included as Annex B to this proxy statement/prospectus.

Opinion of Boenning & Scattergood, Inc., Financial Advisor to FC **(Page 61)**

On March 26, 2013, Boenning & Scattergood, Inc., or Boenning, rendered to the FC board of directors its oral opinion, subsequently confirmed in writing that, as of such date, the per share consideration to be paid to the holders of FC common stock was fair to FC shareholders from a financial point of view. The full text of Boenning s written opinion, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken in connection with the opinion, is attached to this document as Annex C and is incorporated herein by reference. FC shareholders are urged to read the opinion in its entirety. Boenning s opinion speaks only as of the date of the opinion. **The opinion is directed to the board of directors of FC in connection**

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with its consideration of the merger and does not constitute a recommendation to any shareholder of FC as to how such shareholder should vote at any meeting of shareholders called to consider and vote upon the merger. The opinion is directed only to the fairness, from a financial point of view, of the per share consideration to holders of FC common stock and does not address the underlying business decision of FC to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for FC or the effect of any other transaction in which FC might engage.

Interests of FC s Directors and Executive Officers in the Merger **(Page 68)**

In considering FC s board of directors recommendation to vote in favor of the merger agreement proposal, you should be aware that FC s executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of FC shareholders generally. These interests include certain payments and benefits that may be provided to certain directors and executive officers of FC, including (i) employment opportunities with the combined company, (ii) acceleration of stock options and restricted stock awards, (iii) cash payments at closing pursuant to settlement agreements, or (iv) continuation of indemnification and insurance coverage (for officers and directors) provided by CNB for a limited time after the merger. These interests also include the appointment, as of the effective time of the merger, of each of the FC directors who are not employees of FC or FC Bank and other than Robert D. Hord, to a regional advisory board of CNB Bank. Those regional advisory board members will be paid a fee for each regional advisory board meeting attended in an amount consistent with the amount paid by CNB Bank to members of its currently existing regional advisory board. This per meeting amount is currently $300.00, paid in shares of CNB common stock.

As discussed in more detail in The Merger Interests of FC Directors and Executive Officers in the Merger beginning on page 68, the following table summarizes the interests of FC s directors and executive officers:

	Estimated Net Proceeds from the Cash Out of Equity Awards(1)	Cash Payments under Settlement Agreements(2)	Anticipated Value under Director Retirement Agreements(3)	Combined
Executive Officers				
Coleman Clougherty	$ 133,225	$ 910,897(4)	0	$ 1,044,122
David D. Dygert	$ 187,200	$ 511,450	0	$ 698,650
W. Eugene Spurbeck	$ 44,500	$ 473,653	0	$ 518,153
Louis J. Torchio	$ 21,000	$ 157,236	0	$ 178,236
Jeffrey A. Wise	$ 32,867	$ 188,319	0	$ 221,186
Other executive officers as a group (3 persons)	$ 60,505	$ 324,881	0	$ 385,386
Directors(5)				
Robert D. Hord(6)	$ 13,250	0	$ 227,368	$ 240,618
Patrick Hord	$ 13,875	0	0	$ 13,875
David G. Dostal	$ 7,000	0	$ 90,514	$ 97,514
Patrick J. Drouhard	$ 7,000	0	$ 56,492	$ 63,492
Scott Everhart	$ 23,750	0	0	$ 23,750
Lawrence A. Morrison	$ 17,493	0	0	$ 17,493

(1) This column sets forth the net proceeds (determined prior to reduction for applicable tax withholdings) that the executive officer or director shall receive from the cash out of unvested restricted stock and both vested and unvested stock options.

(2) This column sets forth the lump-sum cash amount (determined prior to reduction for applicable tax withholdings) to be paid to the following executives pursuant to the settlement agreements.

(3) The anticipated values under these director retirement agreements (determined as of December 31, 2013) are subject to a Code Section 280G cap, and payments under such agreements may be less if this cap applies.

(4) This amount payable to Coleman J. Clougherty is subject to a Code Section 280G cut back to $666,271. In July 2013, FC paid to Mr. Clougherty a bonus of $225,667 related to Mr. Clougherty s efforts in negotiating lesser termination fees in respect of FC vendor contracts. The lump-sum cash amount to be paid to Mr. Clougherty under Mr. Clougherty s settlement agreement will be reduced by $225,667. Mr. Clougherty signed an agreement to repay this bonus to FC if the merger agreement is terminated or if his employment should terminate prior to the merger.

(5) The table does not include a $300.00 per meeting fee payable to each FC director (other than Robert D. Hord) for attendance at meetings of a CNB regional advisory board to which they would be appointed in connection with the consummation of the transaction.

(6) Does not include any amounts payable to Mr. Hord as a member of the CNB and CNB Bank boards of directors, which amounts will be paid on the same basis as are currently paid to other non-employee directors serving on such boards.

Additionally, CNB has entered into agreements with each of David D. Dygert, W. Eugene Spurbeck, and Louis J. Torchio regarding his continuing role with the combined company following the merger. As discussed in more detail in The Merger Interests of FC Directors and Executive Officers in the Merger beginning on page 68, under these agreements, Messrs. Dygert, Spurbeck, and Torchio, respectively, (i) receive annual base salary, (ii) are eligible for an annual bonus and to participate in CNB s insurance and benefit plans, (iii) are provided the use of an automobile (Messrs. Dygert and Spurbeck only), (iv) are subject to confidentiality and competition restrictions, and (v) are entitled to a lump-sum severance payment equal to one (1) times such officer s annual base salary upon termination without cause.

FC s board of directors was aware of these interests and considered them, among other matters, when it approved the merger agreement and the merger and the other transactions contemplated thereby. For more information see The Merger Interests of FC Directors and Executive Officers in the Merger beginning on page 68.

***CNB s and CNB Bank s Board of Directors After the Merger* (Page 72)**

Immediately following the effective time of the merger, CNB has agreed that it will expand its board of directors by one (1) seat and designate Robert D. Hord, the current Chairman of FC, to serve on the CNB board of directors for a term to expire at CNB s next annual meeting. At CNB s next annual meeting, Mr. Hord will be included as a nominee for election to the CNB board of directors as a member of Class 2 thereof, for a term to expire at the 2016 CNB annual meeting. Should Mr. Hord reach the mandatory retirement age for directors of CNB before the completion of his term at the 2016 annual meeting, then CNB will, following consultation with Mr. Hord, choose a replacement familiar with FC s market to complete the remainder of Mr. Hord s term. Mr. Hord will also be appointed to the board of directors of CNB Bank effective immediately following the effective time of the merger.

***Bank Merger* (Page 72)**

The merger agreement provides that as soon as practicable after the consummation of the merger or on such later date as CNB specifies, FC Bank shall be merged with and into CNB Bank with CNB Bank surviving.

***No Solicitation of Alternative Transactions* (Page 87)**

The merger agreement restricts FC s ability to solicit or engage in discussions or negotiations with a third party regarding a proposal to acquire a significant interest in FC. However, if FC receives a bona fide unsolicited written acquisition proposal from a third party that is, or is reasonably likely to be, more favorable to FC shareholders than the terms of the merger agreement, FC may furnish nonpublic information to that third party and engage in negotiations regarding an acquisition proposal with that third party, subject to specified conditions in the merger agreement. In addition, the FC board of directors may not:

- modify, qualify, amend or withdraw its approval or recommendation of the merger agreement;
- approve or recommend another acquisition proposal to its shareholders; or
- cause FC to enter into a letter of intent or definitive agreement with respect to an acquisition transaction or that requires FC to abandon, terminate or fail to consummate the merger.

However, the FC board of directors may modify, qualify, amend or withdraw its recommendation of the merger agreement if it determines in good faith, after consultation with counsel and a financial advisor, that a bona fide unsolicited written acquisition proposal is a superior proposal and, after consultation with counsel, that it is required to take such action to comply with its fiduciary duties to shareholders under applicable law. In that event, FC must provide CNB with notice of such determination and cooperate and negotiate in good faith with CNB to adjust or modify the terms and conditions of the merger agreement.

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***Conditions to Completion of the Merger* (Page 91)**

As more fully described in this proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of conditions being satisfied or waived, including:

- FC shareholders must approve the merger agreement;

- CNB and FC must have obtained all regulatory approvals required to consummate the transactions contemplated by the merger agreement, all related statutory waiting periods must have expired, and none of the regulatory approvals shall have imposed any term, condition or restriction that would prohibit or materially limit the ownership or operation by FC or CNB of all or any material portion of the business or assets of FC or CNB, or compel CNB to dispose of or hold separate all or any material portion of the business or assets of FC or CNB, which we refer to in this proxy statement/prospectus as a burdensome condition;

- the registration statement must be effective;

- the absence of any order, decree or injunction in effect, or any law, statute or regulation enacted or adopted, that enjoins, prohibits, materially restricts or makes illegal the consummation of the transactions contemplated by the merger agreement;

- CNB and FC must each receive a legal opinion from their respective counsel regarding treatment of the merger as a reorganization for federal income tax purposes;

- the representations and warranties of each of CNB and FC in the merger agreement must be accurate, subject to exceptions that would not have a material adverse effect; and

- CNB and FC must each have performed in all material respects all obligations required to be performed by it.

***Termination of the Merger Agreement* (Page 93)**

CNB and FC can mutually agree to terminate the merger agreement before the merger has been completed, and either company can terminate the merger agreement if:

- the merger is not consummated by December 31, 2013, unless the terminating party s failure to comply with the merger agreement was the cause of the failure of the merger to occur on or before this date;

- the other party materially breaches any of its representations, warranties, covenants or other agreements contained in the merger agreement (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement), and the breach cannot be or has not been cured within 30 days of written notice of the breach and such breach would entitle the non-breaching party not to consummate the transactions contemplated by the merger agreement;

- any regulatory approval required for consummation of the merger and the other transactions contemplated by the merger agreement has been denied by final nonappealable action of any regulatory authority, or any governmental authority has issued a final

nonappealable order, injunction or decree enjoining or otherwise prohibiting the transactions contemplated by the merger agreement, provided that the terminating party has used its reasonable best efforts to have the order, injunction or decree lifted; or

- the required approval of the merger agreement by the FC shareholders is not obtained.

In addition, CNB may terminate the merger agreement if:

- the FC board of directors:
  - withdraws, qualifies, amends, modifies or withholds its recommendation to the FC shareholders to vote in favor of the merger agreement or makes any statement, filing or release that is inconsistent with the recommendation;
  - materially breaches its obligation to call, give notice of and commence the special meeting;
  - approves or recommends another acquisition proposal;
  - fails to publicly recommend against a publicly announced acquisition proposal within five business days of being requested to do so by CNB;
  - fails to publicly reconfirm its recommendation to its shareholders to vote in favor of the merger agreement within five business days of being requested to do so by CNB, except during a period in which the FC board of directors is evaluating an acquisition proposal to comply with its fiduciary duties to FC shareholders under applicable law; or

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- resolves or otherwise determines to take, or announces an intention to take, any of the actions listed above; or

- FC breaches in any material respect the provisions in the merger agreement prohibiting the solicitation of other offers.

In addition, FC has the right to terminate the merger agreement if the average closing price of CNB common stock for a specified period prior to closing is less than $14.54 and CNB common stock underperforms a specified peer-group index by more than 15%. However, CNB will have the option to increase the amount of CNB common stock to be provided to FC shareholders, in which case no termination will occur. Further, CNB has the right to terminate the merger agreement if the average closing price of CNB common stock for a specified period prior to closing is more than $19.67 and CNB common stock outperforms a specified peer-group index by more than 15%. However, FC will have the option to decrease the amount of CNB common stock to be provided to FC shareholders, in which case no termination will occur.

Termination Fee **(Page 95)**

FC has agreed to pay to CNB a termination fee of $1.6 million if:

- CNB terminates the merger agreement as a result of the FC board of directors:
  - withdrawing, qualifying, amending, modifying or withholding its recommendation to the FC shareholders to vote in favor of the merger agreement or making any statement, filing or release that is inconsistent with the recommendation;
  - materially breaching its obligation to call, give notice of and commence the special meeting;
  - approving or recommending another acquisition proposal;
  - failing to publicly recommend against a publicly announced acquisition proposal within five business days of being requested to do so by CNB;
  - failing to publicly reconfirm its recommendation to its shareholders to vote in favor of the merger agreement within five business days of being requested to do so by CNB; or
  - resolving or otherwise determining to take, or announcing an intention to take, any of the actions listed above; or
- CNB terminates the merger agreement as a result of a material breach by FC of the provisions in the merger agreement prohibiting the solicitation of other offers; and within 12 months of termination of the merger agreement, FC recommends to its shareholders or consummates an acquisition transaction or enters into a definitive agreement with respect to an acquisition transaction. FC has agreed to pay CNB an amount equal to $800,000 in lieu of $1.6 million if CNB terminates the merger agreement as a result of the occurrence of the actions described above but FC does not within 12 months of termination of the merger agreement recommend to its shareholders or consummate an acquisition transaction or enter into a definitive agreement with respect to an acquisition transaction.

FC has further agreed to pay to CNB a termination fee of $1.6 million if:

- CNB or FC terminates the merger agreement as a result of:

the failure of the FC shareholders to approve the merger agreement or the merger not having been consummated by December 31, 2013 due to the failure of FC shareholders to approve the merger agreement, and an acquisition proposal with respect to FC has been publicly announced, disclosed or otherwise communicated to the FC board of directors or senior management of FC prior to December 31, 2013, or prior to the special meeting, as applicable; and

within 12 months of termination of the merger agreement, FC recommends to its shareholders an acquisition proposal or enters into a definitive agreement with respect to, or consummates, an acquisition transaction.

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FC has also agreed to pay to CNB a termination fee of $1.6 million if:

- CNB terminates the merger agreement as a result of a breach by FC of any of its representations, warranties, covenants or agreements contained in the merger agreement and:
  - an acquisition proposal with respect to FC has been publicly announced, disclosed or otherwise communicated to the FC board of directors or senior management of FC prior to such breach or during the related cure period; and
  - within 12 months of termination of the merger agreement, FC recommends to its shareholders an acquisition proposal or enters into a definitive agreement with respect to, or consummates, another acquisition transaction; provided, however, that the termination fee will not be payable to CNB if the acquisition transaction referred to in the immediately preceding clause is for aggregate consideration (whether payable to FC shareholders, FC or FC Bank) equal to or less than $20 million (whether payable in cash, stock or other consideration).

***Waiver or Amendment of Merger Agreement Provisions* (Page 96)**

At any time prior to the completion of the merger, a provision of the merger agreement may be waived by the party intended to benefit by the provision, or may be amended or modified by a written action taken or authorized by the parties respective boards of directors. However, after the approval of the merger agreement by the FC shareholders, no amendment will be made which by law requires further approval by FC shareholders without such further approval.

***Regulatory Approvals Required for the Merger* (Page 75)**

To complete the merger, CNB and FC need the prior approval (or waiver of such approval) of the Board of Governors of the Federal Reserve Board, or FRB. CNB will file a request for a waiver of the required application with the FRB following the date on which the Federal Deposit Insurance Corporation, or FDIC, deems CNB s application for approval, as discussed below, complete.

In addition, approval by the FDIC and the Pennsylvania Department of Banking, is required prior to the merger of FC Bank into CNB Bank. The United States Department of Justice is able to provide input into the approval process of federal banking agencies to challenge any approval on antitrust grounds. CNB and FC cannot predict, however, whether or when the required regulatory approvals will be obtained or whether any such approvals will impose any burdensome condition upon CNB or CNB Bank.

***Accounting Treatment of the Merger* (Page 76)**

The merger will be accounted for using the purchase method of accounting with CNB treated as the acquiror. Under this method of accounting, FC s assets and liabilities will be recorded by CNB at their respective fair values as of the closing date of the merger and added to those of CNB. The excess of purchase price over the net fair values of FC s assets and liabilities will be recorded as goodwill. The excess of the fair value of FC s net assets over the purchase price, if any, will be recognized in earnings by CNB on the closing date of the merger.

Listing of CNB Common Stock to be Issued in the Merger

CNB s common stock is quoted on the NASDAQ Global Select Market under the trading symbol CCNE.

***Differences Between Rights of CNB and FC Shareholders* (Page 97)**

CNB is a Pennsylvania corporation and FC is an Ohio corporation. The CNB articles of incorporation and by-laws contain provisions that are different from the FC articles of incorporation and code of regulations. Upon completion of the merger, FC shareholders who receive stock consideration in the merger will become shareholders of CNB, and their rights will be governed by the Pennsylvania Business Corporation Law of 1988 and CNB s articles of incorporation and by-laws. No change to CNB s articles of incorporation or by-laws will be made as a result of the completion of the merger. For a discussion of certain differences among the rights of CNB shareholders and FC shareholders, see Comparison of Shareholder Rights beginning on page 97.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the caption Information Regarding Forward-Looking Statements on page 26, you should carefully consider the following risk factors in deciding whether to vote for adoption of the merger agreement.

The value of the merger consideration will vary with changes in CNB s stock price.

Upon completion of the merger, each share of FC common stock, other than dissenting shares, will be converted into the right to receive merger consideration consisting of, at the option of the holder of such share, either cash or shares of CNB common stock. Because the per share stock consideration is fixed at 1.754 shares of CNB common stock, the market value of the CNB common stock to be issued in the merger will depend upon the market price of CNB common stock. This market price may vary from the closing price of CNB common stock on the date the merger was announced, on the date that this proxy statement/prospectus was mailed to FC shareholders and on the date of the FC special meeting. Accordingly, FC shareholders who elect to receive stock consideration will not necessarily know or be able to calculate the value of the stock consideration they would be entitled to receive upon completion of the merger.

The market price of CNB common stock after the merger may be affected by factors different from those affecting the shares of CNB or FC currently.

The businesses of CNB and FC differ and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations and market prices of common stock of each of CNB and FC. For a discussion of the businesses of CNB and FC and, in the case of CNB, of certain factors to consider in connection with those businesses, see Information About the Companies beginning on page 28 and the documents incorporated by reference in this proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 115.

FC shareholders may receive a form of consideration different from what they elect.

While each FC shareholder may elect to receive cash or CNB common stock in the merger, no more than 20% of FC common stock outstanding at the completion of the merger will be converted into cash. Therefore, if FC shareholders elect more cash than is available under the merger agreement, their elections will be prorated to permit 80% of FC common stock outstanding at the completion of the merger to be converted into CNB common stock. As a result, your ability to receive cash in accordance with your election may depend on the elections of other FC shareholders.

The merger agreement may not be completed if certain conditions to the merger are not satisfied or waived or if the merger agreement is terminated by the parties in accordance with its terms.

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include:

- approval of the merger agreement by FC shareholders;
- the receipt of required regulatory approvals;
- absence of orders prohibiting the completion of the merger;
- effectiveness of the registration statement of which this proxy statement/prospectus is a part;

the continued accuracy of the representations and warranties by both parties and the performance by both parties of their covenants and agreements; and

the receipt by both parties of legal opinions from their respective tax counsels.

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In addition, FC has the right to terminate the merger agreement if the average closing price of CNB common stock for a specified period prior to closing is less than $14.54 and CNB common stock underperforms a specified peer-group index by more than 15%. However, CNB will have the option to increase the amount of CNB common stock to be provided to FC shareholders, in which case no termination will occur. Further, CNB has the right to terminate the merger agreement if the average closing price of CNB common stock for a specified period prior to closing is more than $19.67 and CNB common stock outperforms a specified peer-group index by more than 15%. However, FC will have the option to decrease the amount of CNB common stock to be provided to FC shareholders, in which case no termination will occur. See the section of this proxy statement/prospectus titled The Merger Agreement Termination of the Merger Agreement beginning on page 93 for a more complete discussion of the circumstances under which the merger agreement could be terminated.

The need for regulatory approvals may delay the date of completion of the merger or may diminish the benefits of the merger.

Before the merger may be completed, various approvals or consents (or waivers of such approvals or consents) must be obtained from state and federal governmental authorities, including the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Pennsylvania Department of Banking. Satisfying any requirements of these regulatory agencies may delay the date of completion of the merger. In addition, it is possible that, among other things, restrictions on the combined operations of the two companies, including divestitures, may be sought by governmental agencies as a condition to obtaining the required regulatory approvals. Any regulatory restriction may diminish the benefits of the merger to CNB. CNB is not required to complete the merger if a governmental agency, as part of its authorization or approval, imposes any term, condition or restriction upon CNB that, in CNB s reasonable determination, would prohibit or materially limit the ownership or operation by CNB of any material portion of FC s or CNB s business or assets, or that would compel CNB to dispose or hold separate any material portion of FC s or CNB s assets.

If the merger is not completed, FC will have incurred substantial expenses without its shareholders realizing the expected benefits.

FC has incurred substantial expenses in connection with the transactions described in this proxy statement/prospectus. If the merger is not completed, FC expects that it will have incurred approximately $500,000 in merger-related expenses, excluding any termination fee that may be due to CNB under the merger agreement. See the section of this proxy statement/prospectus titled The Merger Agreement Termination Fee beginning on page 95 for a discussion of the termination fee. These expenses would likely have a material adverse impact on the operating results of FC because it would not have realized the expected benefits of the merger. There can be no assurance that the merger will be completed.

FC s directors and executive officers have financial interests in the merger that may be different from, or in addition to, the interests of FC shareholders.

In considering the information contained in this proxy statement/prospectus, you should be aware that FC s executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of FC shareholders generally. These interests include, among other things:

- the accelerated vesting of outstanding FC stock options and restricted stock awards in accordance with their existing terms;
- the right to receive cash severance;
- the potential right to increased payments under certain Director Retirement Agreements;
- the right to continued indemnification and liability insurance coverage by CNB after the merger for acts or omissions occurring before the merger; and
- in the case of FC directors who are not employees of FC or FC Bank and other than Robert D. Hord, seats on a regional advisory board of CNB Bank, and any related compensation for such services, if applicable.

Also, CNB entered into agreements with each of David D. Dygert, W. Eugene Spurbeck and Louis J. Torchio regarding his continuing role with the combined company following the merger. Further, CNB has agreed to, immediately following the effective time of the merger, expand its board of directors by one (1) seat and designate Robert D. Hord, the current Chairman of FC, to serve on the CNB board of directors for a term to expire at CNB s next annual meeting. Mr. Hord will also be appointed to the board of directors of CNB Bank effective immediately following the effective time of the merger. See the section of this proxy statement/prospectus titled Interests of FC Directors and Executive Officers in the Merger beginning on page 68 for a discussion of these financial interests.

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FC will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees, suppliers and customers may have an adverse effect on FC. These uncertainties may impair FC s ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers, suppliers and others who deal with FC to seek to change existing business relationships with FC. FC employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the financial results of FC and, following the merger, the combined company. In addition, the merger agreement requires that FC operate in the ordinary course of business consistent with past practice and restricts FC from taking certain actions prior to the effective time of the merger or termination of the merger agreement. These restrictions may prevent FC from pursuing attractive business opportunities that may arise prior to the completion of the merger.

The unaudited pro forma financial data included in this document is preliminary and CNB s actual financial position and results of operations after the merger may differ materially from the unaudited pro forma financial data included in this document.

The unaudited *pro forma* financial data in this document is presented for illustrative purposes only and is not necessarily indicative of what the combined company s actual financial position or results of operations would have been had the merger been completed on the dates indicated. The *pro forma* financial data reflect adjustments, which are based upon preliminary estimates, to record FC s identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of FC as of the date of the completion of the merger. As a result, the final purchase accounting adjustments may differ materially from the *pro forma* adjustments reflected in this document.

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire FC.

Until the completion of the merger, FC is prohibited from soliciting, initiating, encouraging, or with some exceptions, considering any inquiries or proposals that may lead to a proposal or offer for a merger or other business combination transaction with any person other than CNB. In addition, FC has agreed to pay a termination fee of $1.6 million (which may, in certain circumstances, be reduced to $800,000) to CNB in specified circumstances. These provisions could discourage other companies from trying to acquire FC even though those other companies might be willing to offer greater value to FC shareholders than CNB has offered in the merger. The payment of the termination fee also could have a material adverse effect on FC s results of operations.

The fairness opinion obtained by FC from its financial advisor will not reflect changes in circumstances subsequent to the date of the fairness opinion.

Boenning & Scattergood, Inc., FC s financial advisor in connection with the proposed merger, orally delivered to the board of directors of FC its opinion, which was subsequently confirmed in writing dated as of March 26, 2013. The opinion stated that as of such date, and based upon and subject to the factors and assumptions set forth therein, the per share consideration was fair to the FC shareholders from a financial point of view. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of CNB or FC, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinion was based, may materially alter or affect the relative values of CNB or FC.

CNB may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, CNB s ability to realize anticipated cost savings and to combine the businesses of CNB and FC in a manner that does not materially disrupt the existing customer relationships of FC nor result in decreased revenues from any loss of customers. The success of the merger will also depend upon the integration of employees, systems, operating procedures and information technologies, as well as the retention of key employees. Additionally, the success of the merger is to an extent dependent upon FC customers choosing to continue their relationships with the combined company following the consummation of the transaction, despite that the FC franchise will no longer be locally owned. If CNB is not able to successfully achieve its objectives, or if FC customers choose not to continue their relationships with the combined company, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

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CNB and FC have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of FC s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of CNB to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.

Unanticipated costs relating to the merger could reduce CNB s future earnings per share.

CNB believes that it has reasonably estimated the likely costs of integrating the operations of CNB and FC, and the incremental costs of operating as a combined company. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the combined company. If unexpected costs are incurred, the merger could have a dilutive effect on the combined company s earnings per share. In other words, if the merger is completed, the earnings per share of CNB common stock could be less than they would have been if the merger had not been completed.

After the merger is completed, FC shareholders will become CNB shareholders and will have different rights that may be less advantageous than their current rights.

Upon completion of the merger, FC shareholders will become CNB shareholders. Differences in FC s articles of incorporation and code of regulations and CNB s articles of incorporation and by-laws will result in changes to the rights of FC shareholders who become CNB shareholders. For more information, see Comparison of Shareholder Rights, beginning on page 97 of this document.

Both FC and CNB shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined organization.

FC shareholders currently have the right to vote in the election of the board of directors of FC and on various other matters affecting FC. After the merger, each FC shareholder will hold a percentage ownership of the combined organization that is much smaller than such shareholder s current percentage ownership of FC. It is expected that the former shareholders of FC as a group will receive shares in the merger constituting less than approximately 16% of the outstanding shares of CNB common stock immediately after the merger. Because of this, FC s shareholders will have significantly less influence on the management and policies of CNB than they now have on the management and policies of FC. Additionally, CNB s shareholders will have less influence on the management and policies of CNB than they now have on the management and policies of CNB.

The tax consequences of the merger to an FC shareholder will be dependent upon the merger consideration received.

The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, it is expected that a U.S. holder of shares of FC common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash (if any) received as part of the merger consideration and will recognize gain or loss if such holder received the entirety of its consideration in cash or with respect to any cash received in lieu of fractional shares of CNB common stock.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF CNB FINANCIAL CORPORATION

The following tables set forth selected consolidated historical financial and other data of CNB for the periods and at the dates indicated. The information is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of CNB incorporated by reference elsewhere in this proxy statement/prospectus. The information at and for the three months ended March 31, 2013 and 2012 is unaudited. However, in the opinion of management of CNB, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods have been made. The selected operating data presented below for the three months ended March 31, 2013 and 2012 are not necessarily indicative of the results that may be expected for future periods.

	Three Months Ended March 31,		Year ended December 31,				
(Dollars in thousands, except per share data)	2013	2012	2012	2011	2010	2009	2008
INTEREST AND DIVIDEND INCOME:							
Loans including fees	$ 12,302	$ 12,255	$ 49,760	$ 48,324	$ 46,955	$ 45,839	$ 47,355
Deposits with banks		2	3	110	125	215	429
Federal funds sold							342
Securities:							
Taxable	3,409	3,683	14,685	14,285	11,603	7,687	7,419
Tax-exempt	957	871	3,595	2,957	2,435	2,095	1,414
Dividends	36	13	86	36	29	34	224
Total interest and dividend income	16,704	16,824	68,129	65,712	61,147	55,870	57,183
INTEREST EXPENSE:							
Deposits	2,234	3,149	10,875	13,625	13,558	13,091	14,956
Borrowed Funds	829	797	3,245	3,176	4,716	4,527	4,609
Subordinated Debentures	190	201	800	778	782	850	1,018
Total interest expense	3,253	4,147	14,920	17,579	19,056	18,468	20,583
NET INTEREST INCOME	13,451	12,677	53,209	48,133	42,091	37,402	36,600
PROVISION FOR LOAN LOSSES	930	1,104	6,381	4,937	5,158	4,465	3,787
Net interest income after provision for loan losses	12,521	11,573	46,828	43,196	36,933	32,937	32,813
NON-INTEREST INCOME	3,071	3,415	12,664	10,719	9,650	7,950	2,168
NON-INTEREST EXPENSES	9,682	9,014	35,945	33,282	31,798	30,021	28,479
INCOME BEFORE INCOME TAXES	5,910	5,974	23,547	20,633	14,785	10,866	6,502
INCOME TAX EXPENSE	1,613	1,627	6,411	5,529	3,469	2,354	1,267
NET INCOME	$ 4,297	$ 4,347	$ 17,136	$ 15,104	$ 11,316	$ 8,512	$ 5,235
PER SHARE DATA:							
Basic	$ 0.34	$ 0.35	$ 1.38	$ 1.23	$ 1.06	$ 0.98	$ 0.61
Fully diluted	0.34	0.35	1.38	1.23	1.06	0.98	0.61
Dividends declared	0.165	0.165	0.66	0.66	0.66	0.66	0.645
Book value per share at period end	11.68	10.71	11.65	10.66	8.96	7.92	7.27
AT END OF PERIOD:							
Total assets	$ 1,809,847	$ 1,686,620	$ 1,773,079	$ 1,602,207	$ 1,413,511	$ 1,161,591	$ 1,016,518
Securities	766,011	724,773	741,770	641,340	503,028	347,748	238,181
Loans, net of unearned discount	932,696	860,010	927,824	849,883	794,562	715,142	671,556
Allowance for loan losses	13,897	13,015	14,060	12,615	10,820	9,795	8,719
Deposits	1,545,445	1,436,988	1,485,003	1,353,851	1,162,868	956,858	814,596
FHLB and other borrowings	75,152	74,417	97,806	74,456	105,259	100,003	107,478
Subordinated debentures	20,620	20,620	20,620	20,620	20,620	20,620	20,620
Shareholders equity	146,105	133,183	145,364	131,889	109,645	69,409	62,467
KEY RATIOS:							

Return on average assets	0.96%*	1.06%*	1.00%	1.00%	0.87%	0.79%	0.55%
Return on average equity	11.76%*	12.96%*	12.17%	12.36%	11.62%	12.86%	7.88%
Loan to deposit ratio	60.35%	59.85%	62.48%	62.78%	68.33%	74.74%	82.44%
Dividend payout ratio	48.03%	47.14%	47.93%	53.79%	61.27%	67.27%	105.53%
Average equity to average assets ratio	8.17%	8.14%	8.22%	8.09%	7.46%	6.17%	7.00%

* Returns on average assets and return on average equity for the three months ended March 31, 2013 and 2012 are annualized.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF FC BANC CORP.

The following tables set forth selected consolidated historical financial and other data of FC for the periods and at the dates indicated. The information is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of FC. The information at and for the three months ended March 31, 2013 and 2012 is unaudited. However, in the opinion of management of FC, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods, have been made. The selected operating data presented below for the three months ended March 31, 2013 and 2012 are not necessarily indicative of the results that may be expected for future periods.

	Three Months Ended March 31,		Year ended December 31,				
(Dollars in thousands, except per share data and ratios)	2013	2012	2012	2011	2010	2009	2008
INTEREST INCOME:							
Interest income	$ 3,764	$ 3,869	$ 15,607	$ 15,130	$ 15,176	$ 14,658	$ 12,999
Total interest income	3,764	3,869	15,607	15,130	15,176	14,658	12,999
INTEREST EXPENSE:							
Interest expense	717	855	3,303	4,173	6,370	6,808	6,476
Total interest expense	717	855	3,303	4,173	6,370	6,808	6,476
NET INTEREST INCOME	3,047	3,014	12,304	10,957	8,806	7,850	6,523
PROVISION FOR LOAN AND LEASE LOSSES	375	150	408	960	680	1,175	335
NON-INTEREST INCOME	1,310	707	3,758	2,802	2,556	2,783	1,917
NON-INTEREST EXPENSES	2,920	2,547	10,866	9,549	8,112	7,488	6,212
PREFERRED STOCK DIVIDENDS	3	80	166	451	364	0	0
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 772	$ 671	$ 3,339	$ 1,920	$ 1,488	$ 1,459	$ 1,287
PER SHARE DATA:							
Earnings diluted	$ 0.58	$ 0.67	$ 2.77	$ 2.18	$ 1.73	$ 1.69	$ 1.48
Book value per share at period end	25.11	26.67	25.68	25.98	24.53	23.70	22.96
Dividends declared	0.28	0.25	1.03	0.72	0.56	0.52	0.62
AT END OF PERIOD:							
Total assets	$ 374,428	$ 354,135	$ 367,340	$ 356,613	$ 355,872	$ 323,192	$ 244,403
Loans	239,516	210,925	239,923	205,613	189,004	181,614	156,474
Allowance for loan losses	(2,748)	(2,716)	(3,252)	(2,633)	(2,356)	(2,028)	(1,527)
Investment securities, including Federal bank stock	100,130	120,670	98,298	131,344	142,753	115,753	70,378
Deposits	334,550	309,851	323,437	312,719	309,898	277,226	197,806
Repurchase agreements	0	0	0	128	6,541	4,389	7,725
Other borrowings	5,000	7,500	7,500	7,500	7,512	17,524	17,535
Total common shareholders equity	33,299	26,788	34,018	26,097	21,802	20,904	19,637
Loan to deposit ratio	71.59%	68.07%	74.18%	65.75%	60.99%	65.51%	79.10%
KEY RATIOS:							
Return on average assets	0.84%*	0.76%*	0.94%	0.54%	0.43%	0.50%	0.56%
Return on average common shareholders equity	9.31%*	11.21%*	10.92%	9.84%	8.27%	7.12%	6.76%
Net interest margin FTE	3.86%	3.98%	4.02%	3.62%	2.91%	3.19%	3.11%
Efficiency ratio	67.02%	68.45%	67.65%	69.40%	71.40%	70.42%	73.60%
Common stock dividend payout ratio	48.06%	37.41%	35.97%	33.39%	33.47%	31.05%	42.27%

* Returns on average assets and return on average common shareholders equity for the three months ended March 31, 2013 and 2012 are annualized.

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SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA FOR CNB

The following Selected Unaudited Pro Forma Condensed Combined Financial Data is based on the historical financial data of CNB and FC, and has been prepared to illustrate the effects of the merger. The Selected Unaudited Pro Forma Condensed Combined Financial Data does not give effect to any anticipated synergies, operating efficiencies or cost savings that may be associated with the merger. The Selected Unaudited Pro Forma Condensed Combined Financial Data also does not include any integration costs the companies may incur related to the merger as part of combining the operations of the companies.

The results of operations data below is presented as if the merger was completed on January 1, 2012 and the balance sheet data below is presented as if the merger was completed on March 31, 2013.

The unaudited pro forma financial data included in this proxy statement/prospectus is based on the historical financial statements of CNB and FC, and on publicly available information and certain assumptions that CNB and FC believe are reasonable, which are described in the notes to the Unaudited Pro Forma Condensed Combined Financial Statements included in this proxy statement/prospectus.

This data should be read in conjunction with the CNB and FC historical consolidated financial statements and accompanying notes included or incorporated by reference herein.

CNB has not performed detailed valuation analysis necessary to determine the fair market values of FC s assets to be acquired and liabilities to be assumed. Accordingly, the pro forma condensed combined financial data does not include an allocation of the purchase price, unless otherwise specified. The pro forma adjustments included in this proxy statement/prospectus are subject to change depending on changes in interest rates and the components of assets and liabilities and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after completion of thorough analyses to determine the fair value of FC s tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the fair values of the net assets as compared with the information shown in the unaudited pro forma combined condensed consolidated financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact CNB s statements of income and comprehensive income due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to FC s shareholders equity, including results of operations from March 31, 2013 through the date the merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented in this proxy statement/prospectus.

CNB anticipates that the merger with FC will provide the combined company with financial benefits that include reduced operating expenses. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical benefits of the combined company would have been had the two companies been combined during these periods.

The unaudited pro forma shareholders equity and net income are qualified by the statements set forth under this caption and should not be considered indicative of the market value of CNB common stock or the actual or future results of operations of CNB for any period. Actual results may be materially different than the pro forma information presented.

See also the Unaudited Pro Forma Condensed Combined Financial Statements and notes thereto beginning on page 108.

Selected Unaudited Pro Forma Condensed Combined Financial Data

(Dollars in thousands, except per share data)	**As of and for the Three Months Ended March 31, 2013**	**For the Year Ended December 31, 2012**
Consolidated Statements of Income		
Total interest and dividend income	$ 20,468	$ 83,736
Total interest expense	3,970	18,223

Net interest income	16,498	65,513
Provision for loan losses	1,305	6,789
Net interest income after provision for loan losses	15,193	58,724

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Non-interest income	4,381	16,422
Non-interest expenses	12,753	47,482
Income before income taxes	6,821	27,664
Income tax expense	1,953	7,929
Net income	$ 4,868	$ 19,735
Per Share Data		
Basic	$ 0.34	$ 1.38
Fully Diluted	0.34	1.38
Dividends declared	0.165	0.66
Book value	12.03	

(Dollars in thousands)	**March 31, 2013**
Consolidated Balance Sheets	
Total assets	$ 2,177,328
Securities	859,612
Loans, net of unearned discount	1,164,975
Deposits	1,879,995
FHLB and other borrowings	80,152
Subordinated debentures	20,620
Shareholders equity	172,643

Pro forma tables are based on preliminary due diligence and include management s initial estimates of fair value adjustments which are subject to change based on results from detailed valuation analyses not yet completed.

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UNAUDITED COMPARATIVE PER SHARE DATA

The table below summarizes selected per share information about CNB and FC. CNB share information is presented on a pro forma basis to reflect the proposed merger with FC. CNB expects to issue up to 2,339,497 shares of its common stock in the merger.

The data in the table should be read together with the financial information and the financial statements of CNB and FC incorporated by reference in this proxy statement/prospectus. The pro forma per share data or combined results of operations per share data is presented as an illustration only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the merger had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period. No pro forma adjustments have been included in this proxy statement/prospectus to reflect potential effects of merger integration expenses, cost savings or operational synergies which may be obtained by combining the operations of CNB and FC or the costs of combining the companies and their operations.

It is further assumed that CNB will continue to pay a cash dividend after the completion of the merger at an annual rate of $0.66 per share. The actual payment of dividends is subject to numerous factors, and no assurance can be given that CNB will pay dividends following the completion of the merger or that dividends will not be reduced in the future.

	As of and for the Year Ended December 31, 2012	As of and for the Three Months Ended March 31, 2013
	(In thousands, except per share data)	
CNB Historical Per Share Data:		
Earnings per share:		
Basic	$ 1.38	$ 0.34
Diluted	1.38	0.34
Cash dividends per share	0.66	0.165
Book value per share	11.65	11.68
CNB Unaudited Pro Forma Combined Per Share Data:		
Earnings per share:		
Basic	$ 1.34	$ 0.33
Diluted	1.34	0.33
Cash dividends per share	0.66	0.165
Book value per share	11.99	12.03

	As of and for the Year Ended December 31, 2012	As of and for the Three Months Ended March 31, 2013
	(In thousands, except per share data)	
FC Historical Per Share Data:		
Net income per share:		
Basic	$ 2.77	$ 0.58
Diluted	2.77	0.58
Cash dividends per share	1.03	0.28
Book value per share	25.68	25.11
FC Unaudited Equivalent Pro Forma Per Share Data:(1)		
Net income per share:		

Basic	$ 2.35	$ 0.58
Diluted	2.35	0.58
Cash dividends per share	1.16	0.29
Book value per share	$ 21.03	$ 21.10

(1) Derived by multiplying the combined company pro forma per share information by the exchange ratio of 1.754.

COMPARATIVE MARKET PRICE DATA AND DIVIDEND INFORMATION

CNB common stock is listed and traded on the NASDAQ Global Select Market under the symbol CCNE. FC is not listed on an exchange. FC common stock is quoted on the OTC Bulletin Board under the symbol FCBZ. Although FC common stock is quoted on the OTC Bulletin Board, the trading markets on the OTC Bulletin Board lack the depth, liquidity, and orderliness necessary to maintain a liquid market. The OTC Bulletin Board prices are quotations, which reflect inter-dealer prices, without retail mark-up, markdown or commissions and may not represent actual transactions.

The following table sets forth, for the calendar quarters indicated, in the case of CNB, the high and low sales prices per share of CNB, as reported on the NASDAQ Global Select Market, and, in the case of FC, the high and low bid information as quoted on the OTC Bulletin Board for shares of FC common stock. In addition, the table also sets forth the quarterly cash dividends per share declared by CNB and FC with respect to their common stock. On , the last practicable trading day prior to the date of this proxy statement/prospectus, there were shares of CNB common stock outstanding and shares of FC common stock outstanding. As of May 31, 2013, CNB and FC had approximately 1,700 and 195 shareholders of record, respectively. Such numbers of shareholders do not reflect the number of individuals or institutional investors holding stock in nominee name through banks, brokerage firms and others.

	CNB			FC		
For the calendar quarterly period ended:	High	Low	Dividends Declared	High	Low	Dividends Declared
2013						
March 31, 2013	$ 17.35	$ 16.34	$ 0.165	$ 29.00	$ 22.55	$ 0.28
June 30, 2013 (through , 2013)	$	$	$	$	$	$
2012						
March 31, 2012	$ 17.50	$ 14.59	$ 0.165	$ 20.30	$ 16.25	$ 0.25
June 30, 2012	$ 17.32	$ 14.24	$ 0.165	$ 20.45	$ 19.55	$ 0.26
September 30, 2012	$ 18.20	$ 15.28	$ 0.165	$ 24.00	$ 20.45	$ 0.26
December 31, 2012	$ 17.90	$ 14.62	$ 0.165	$ 23.00	$ 22.00	$ 0.26
2011						
March 31, 2011	$ 15.14	$ 13.51	$ 0.165	$ 18.75	$ 16.50	$ 0.16
June 30, 2011	$ 14.50	$ 12.38	$ 0.165	$ 18.45	$ 16.75	$ 0.16
September 30, 2011	$ 14.37	$ 11.17	$ 0.165	$ 19.40	$ 16.75	$ 0.18
December 31, 2011	$ 17.21	$ 12.17	$ 0.165	$ 20.00	$ 16.25	$ 0.22
2010						
March 31, 2010	$ 18.99	$ 14.70	$ 0.165	$ 24.00	$ 16.50	$ 0.14
June 30, 2010	$ 16.50	$ 10.53	$ 0.165	$ 21.00	$ 16.50	$ 0.14
September 30, 2010	$ 13.93	$ 10.75	$ 0.165	$ 18.50	$ 16.50	$ 0.14
December 31, 2010	$ 15.83	$ 13.00	$ 0.165	$ 17.10	$ 17.00	$ 0.14

The following table presents the last reported sale price of a share of CNB and last reported bid price of a share FC common stock, as reported on the NASDAQ Global Select Market and the OTC Bulletin Board, respectively, on March 25, 2013, the last full trading day prior to the public announcement of the proposed merger, and on , the last practicable trading day prior to the date of this proxy statement/prospectus. The following table also presents the equivalent per share value of the CNB common stock that FC shareholders would receive for each share of their FC common stock if the merger was completed on those dates:

	CNB Common Stock	FC Common Stock	Equivalent Value Per Share of FC Common Stock(1)
March 25, 2013	$ 17.17	$ 23.40	$ 30.12
, 2013	$	$	$

(1) Calculated by multiplying the closing price of CNB common stock as of the specified date by the exchange ratio of 1.754.

The market value of the CNB common stock to be issued in exchange for shares of FC common stock upon the completion of the merger will not be known at the time of the FC special meeting. The above tables show only historical comparisons. Because the market prices of CNB common stock and FC common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful information to FC shareholders in determining whether to adopt the merger agreement. FC shareholders are encouraged to obtain current market quotations for CNB common stock and FC common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference in this proxy statement/prospectus. See Where You Can Find More Information beginning on page 115.

The holders of CNB common stock receive dividends as and when declared by CNB s board of directors out of statutory surplus or from net profits. Following the completion of the merger, subject to approval and declaration by CNB s board of directors, CNB expects to continue paying quarterly cash dividends on a basis consistent with past practice. The current annualized rate of distribution on a share of CNB common stock is $0.66 per share. However, the payment of dividends by CNB is subject to numerous factors, and no assurance can be given that CNB will pay dividends following the completion of the merger or that dividends will not be reduced in the future.

The merger agreement permits FC to continue to pay regular quarterly cash dividends with record and payment dates consistent with past practice prior to completion of the merger.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, including information included or incorporated by reference in this proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between CNB and FC, including future financial and operating results and performance; statements about CNB s and FC s plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, will, shou words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of CNB s and FC s managements and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of CNB and FC. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- the failure of the parties to satisfy the closing conditions in the merger agreement in a timely manner or at all;
- failure of the shareholders of FC to approve the merger agreement;
- the failure to obtain governmental approvals of the merger or the imposition of adverse regulatory conditions in connection with regulatory approvals of the merger;
- disruptions to the parties businesses as a result of the announcement and pendency of the proposed merger;
- costs or difficulties related to the integration of the business following the proposed merger;
- the risk that the anticipated benefits, cost savings and any other savings from the transaction may not be fully realized or may take longer than expected to realize;
- 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 and their subsidiaries or with respect to tax or accounting principles or otherwise;
- adverse changes or conditions in the capital and financial markets;
- changes in interest rates or credit availability;
- the inability to realize expected cost savings or achieve other anticipated benefits in connection with the proposed merger;

changes in the quality or composition of loan and investment portfolios;

adequacy of loan loss reserves and changes in loan default and charge-off rates;

increased competition and its effect on pricing, spending, third-party relationships and revenues;

loss of certain key officers;

continued relationships with major customers;

deposit attrition, necessitating increased borrowings to fund loans and investments;

rapidly changing technology;

unanticipated regulatory or judicial proceedings and liabilities and other costs;

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- changes in the cost of funds, demand for loan products or demand for financial services; and

- other economic, competitive, governmental or technological factors affecting operations, markets, products, services and prices.

Additional factors that could cause CNB s and FC s results to differ materially from those described in the forward-looking statements can be found in the section of this proxy statement/prospectus titled Risk Factors beginning on page 22 and CNB s filings with the SEC, including CNB s Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to CNB or FC or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, CNB and FC undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

INFORMATION ABOUT THE COMPANIES

CNB Financial Corporation

CNB is a registered financial holding company incorporated under the laws of the Commonwealth of Pennsylvania in 1983, with its principal headquarters located in Clearfield, Pennsylvania. CNB is the parent company of CNB Bank, CNB Securities Corporation (which maintains investments in debt and equity securities), County Reinsurance Company (which provides credit life and disability insurance for customers of CNB Bank), CNB Insurance Agency (which provides for the sale of nonproprietary annuities and other insurance products) and Holiday Financial Services Corporation (which offers small balance unsecured loans and secured loans, primarily collateralized by automobiles and equipment, to borrowers with higher risk characteristics).

CNB Bank was incorporated in 1934 and is chartered in the Commonwealth of Pennsylvania. CNB Bank s primary market area consists of the Pennsylvania counties of Cambria, Cameron, Clearfield, Elk, Indiana, McKean and Warren. 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.

ERIEBANK, a division of CNB Bank, began operations in 2005 and provides financial services to individuals and businesses located within its market areas, which include the northwestern Pennsylvania county of Erie and the city of Meadville located in Crawford County. ERIEBANK currently has four full service branch offices in or near the city of Erie, Pennsylvania, two full service branch offices in the city of Meadville, Pennsylvania and one full service branch office in the city of Warren, Pennsylvania.

CNB Bank has 22 full-service branch offices, excluding its ERIEBANK branch offices, located in various communities in its market area.

CNB 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. CNB Bank s Wealth & Asset Management Services division offers a full range of client services.

At March 31, 2013, CNB had $1.8 billion in assets, $1.5 billion in deposits and $146 million of shareholders equity.

CNB s principal executive offices are located at 1 South Second Street, P.O. Box 42, Clearfield, Pennsylvania 16830, its phone number is (814) 765-9621 and its website is www.bankcnb.com. Information that is included on this website does not constitute part of this proxy statement/prospectus. CNB common stock is traded on the NASDAQ Global Select Market under the symbol CCNE.

FC Banc Corp.

FC Banc Corp., or FC, is the holding company for The Farmers Citizens Bank, or FC Bank. Since 1907, FC Bank has had a tradition of being a locally owned bank proudly serving its customers. With offices in Bucyrus, Cardington, Fredericktown, Mount Hope, Upper Arlington, Shiloh and Worthington, FC Bank is a Federal Deposit Insurance Corporation member and an Equal Housing Lender.

At March 31, 2013, FC had $374.4 million in assets, $334.6 million in deposits, and $33.3 million of shareholders equity.

FC s principal executive offices are located at 105 Washington Square, Bucyrus, Ohio 44820. FC s telephone number is (419) 562-7040 and its website is www.farmerscitizensbank.com. Information that is included on this website does not constitute part of this proxy statement/prospectus. FC common stock is quoted on the OTC Bulletin Board under the symbol FCBZ.

General Information about FC and FC Bank

FC Bank opened for business on January 6, 1908. FC Bank is an Ohio-chartered bank subject to the supervision and regulation of the Federal Reserve Bank and the State of Ohio Division of Financial Institutions. FC Bank has provided continuous customer service to Crawford County for more than 100 years. FC Bank conducts a general banking business in north central Ohio that consists of attracting deposits from the general public and applying those funds to the origination of loans for residential, consumer and non-residential purposes. FC Bank s principal types of lending are in commercial real estate, residential real estate, and consumer. In the consumer loan area, FC Bank specializes in home equity loans.

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FC Bank s profitability is significantly dependent on net interest income, which is the difference between interest income generated from interest-earning assets (i.e., loans and investments) and the interest expense paid on interest-bearing liabilities (i.e., customer deposits and borrowed funds). Net interest income is affected by the relative amount of interest-earning assets and interest-bearing liabilities and interest received or paid on these balances. The level of interest rates paid or received by FC Bank can be significantly influenced by a number of environmental factors, such as governmental monetary policy, that are outside of FC s management s control.

The economy of FC Bank s markets is driven by several major components: manufacturing, retail trade, governmental service, general service, and agricultural. The general economic conditions of all of FC Bank s markets are reflective of the state of Ohio and, to a certain extent, our national economy. Currently, the general outlook for the economy is cautiously optimistic. While moderate growth to stable conditions has been seen, in general, the economy has not shown positive signs of a robust economy.

The financial services industry is highly competitive. FC Bank competes with financial services providers, such as banks, savings associations, credit unions, finance companies, mortgage banking companies, insurance companies, and money market and mutual fund companies. FC Bank also faces increased competition from non-banking institutions such as brokerage houses and insurance companies, as well as from financial service subsidiaries of commercial and manufacturing companies. Many of these competitors enjoy the benefits of advanced technology, fewer regulatory constraints, and lower cost structures.

Effects of Economic Trends

FC Bank s business and earnings are affected significantly by the fiscal and monetary policies of the federal government and its agencies. FC Bank is particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the United States. Among the instruments of monetary policy available to the Federal Reserve Board are: (a) conducting open market operations in United States government securities, (b) changing the discount rates of borrowings of depository institutions, and (c) imposing or changing reserve requirements against certain borrowings by banks and their affiliates. These methods are used in varying degrees and combinations to directly affect the availability of bank loans and deposits, as well as the interest rates charged on loans and paid on deposits. For that reason alone, the policies of the Federal Reserve Board have a material effect on the earnings of FC Bank.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FC BANC CORP. S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context requires otherwise, throughout the following disclosure concerning FC s management discussion and analysis of financial condition and results of operations, we, us, our, management, and the Company refer to FC, FC Bank, and management.

The following discussion is intended to focus on and highlight certain financial information regarding the Company and should be read in conjunction with the financial statements and related notes which have been prepared by the management of the Company in accordance with U.S. generally accepted accounting principles. We encourage you to read this discussion and analysis in conjunction with the financial statements and the related notes and the other statistical information included as Annex D to this proxy statement/prospectus.

Critical Accounting Policies

We have adopted various accounting policies that govern the application of accounting principles generally accepted in the United States of America and with general practices within the banking industry in the preparation of our consolidated financial statements. Our significant accounting policies are described in Note 1 to our consolidated financial statements as of December 31, 2012.

Certain accounting policies involve significant judgments and assumptions by us that have a material impact on the carrying value of certain assets and liabilities. We consider these accounting policies to be critical accounting policies. The judgments and assumptions we use are based on historical experience and other factors, which we believe to be reasonable under the circumstances. Because of the nature of the judgments and assumptions we make, actual results could differ from these judgments and estimates, and such differences could have a material impact on the carrying values of our assets and liabilities and our results of operations. Management has reviewed and approved these critical accounting policies and has discussed these policies with the Company s Audit Committee.

Allowance for Loan Losses

The allowance for loan losses represents the amount which management estimates is adequate to provide for probable losses inherent in its loan portfolio. The allowance method is used in providing for loan losses. Accordingly, all loan losses are charged to the allowance, and all recoveries are credited to it. The allowance for loan losses is established through a provision for loan losses which is charged to operations. The provision is based on management s periodic evaluation of the adequacy of the allowance for loan losses which encompasses the overall risk characteristics of the various portfolio segments, past experience with losses, the impact of economic conditions on borrowers, and other relevant factors. The estimates used in determining the adequacy of the allowance for loan losses, including the amounts and timing of future cash flows expected on impaired loans, are particularly susceptible to significant change in the near term.

A loan is considered impaired when it is probable the borrower will not repay the loan according to the original contractual terms of the loan agreement. Management has determined that first mortgage loans on one-to-four family properties and all consumer loans represent large groups of smaller-balance homogeneous loans that are to be collectively evaluated. Loans that experience insignificant payment delays, which are defined as 90 days or less, generally are not classified as impaired. A loan is not impaired during a period of delay in payment if the Company expects to collect all amounts due, including interest accrued at the contractual interest rate for the period of delay. All loans identified as impaired are evaluated independently by management. Management determines the significance of payment delays on a case-by-case basis, taking into consideration all circumstances concerning the loan, the creditworthiness and payment history of the borrower, the length of the payment delay, and the amount of shortfall in relation to the principal and interest owed. The Company estimates credit losses on impaired loans based on the present value of expected cash flows or the fair value of the underlying collateral if the loan repayment is expected to come from the sale or operation of such collateral. Impaired loans, or portions thereof, are charged off when it is determined a realized loss has occurred. Until such time, an allowance for loan losses is maintained for estimated losses. Cash receipts on impaired loans are applied first to accrued interest receivable unless otherwise required by the loan terms, except when an impaired loan is also a nonaccrual loan. Payments received on nonaccrual loans are recorded as income or applied against principal according to management s judgment as to the collectability of such principal.

Management establishes the allowance for loan losses based upon its evaluation of the pertinent factors underlying the types and quality of loans in the portfolio. Commercial loans and commercial real estate loans are reviewed on a regular basis, with a focus on larger loans along with loans that have experienced past payment or financial deficiencies. Larger commercial loans and commercial real estate loans which are 90 days or more past due are selected for impairment testing. These loans are analyzed to determine whether they are impaired, which means that it is probable that all amounts will not be collected according to the contractual terms of the loan agreement. All commercial loans that are delinquent 90 days and residential mortgage loans that are 120 days delinquent and are placed on nonaccrual status are classified on an individual basis. The remaining loans are evaluated and classified as groups of loans with similar risk characteristics. The Company allocates

allowances based on the factors described below, which conform to the Company s asset classification policy. In reviewing risk within FC Bank s loan portfolio, management has determined there to be several different risk categories within the loan portfolio. The allowance for loan losses consists of amounts applicable to: (i) the loans secured by residential real estate portfolio; (ii) the commercial real estate portfolio; (iii) the consumer loan portfolio; and (iv) the commercial loan portfolio. Factors considered in this process included general loan terms, collateral, and availability of historical data to support the analysis. Historical loss percentages for each risk category are calculated and used as the basis for calculating allowance allocations. Certain qualitative factors are then added to the historical allocation percentage to get the total factor to be applied to nonclassified loans. The following qualitative factors are analyzed:

- Levels of and trends in delinquencies
- Trends in volume and terms
- Trends in credit quality ratings
- Changes in management and lending staff
- Economic trends
- Concentrations of credit

The Company analyzes its loan portfolio each quarter to determine the appropriateness of its allowance for loan losses.

Investment Securities

Currently, the Company s investment securities portfolio is classified as available for sale. The portfolio serves principally as a source of liquidity and is carried at fair value with unrealized holding gains and losses for available-for-sale securities reported as a separate component of stockholders equity, net of tax, until realized. Debt securities acquired with the intent to hold to maturity would be classified as held to maturity and carried at cost adjusted for amortization of premium and accretion of discount, which are computed using the interest method and recognized as adjustments of interest income. Realized security gains and losses are computed using the specific identification method. Interest and dividends on investment securities are recognized as income when earned.

Securities are periodically reviewed for other-than-temporary impairment based upon a number of factors, including, but not limited to, the length of time and extent to which the market value has been less than cost, the financial condition of the underlying issuer, the ability of the issuer to meet contractual obligations, the likelihood of the security s ability to recover any decline in its market value, and whether or not the Company intends to sell the security or whether it s more likely than not that the Company would be required to sell the security before its anticipated recovery in market value. A decline in value that is considered to be other than temporary is recorded as a loss within non-interest income in the Consolidated Statement of Income.

Common stock of the Federal Home Loan Bank, or FHLB, Federal Reserve Bank, and Great Lakes Bankers Bank represents ownership in institutions which are wholly owned by other financial institutions. These equity securities are accounted for at cost and are included in other assets.

FC Bank is a member of the FHLB of Cincinnati and, as such, is required to maintain a minimum investment in stock of the FHLB that varies with the level of advances outstanding with the FHLB. The stock is bought from and sold to the FHLB based upon its $100 par value. The stock does not have a readily determinable fair value and, as such, is classified as restricted stock, carried at cost, and evaluated by management. The stock s value is determined by the ultimate recoverability of the par value rather than by recognizing temporary declines. The determination of whether the par value will ultimately be recovered is influenced by criteria such as the following: (a) the significance of the decline in net assets of the FHLB as compared with the capital stock amount and the length of time this situation has persisted; (b) commitments by the FHLB to make payments required by law or regulation and the level of such payments in relation to the operating performance; (c) the impact of legislative and regulatory changes on the customer base of the FHLB; and (d) the liquidity position of the FHLB. Management concluded that the stock was not impaired at December 31, 2012 or 2011.

Income Taxes

The Company and FC Bank file a consolidated federal income tax return. Deferred tax assets and liabilities are reflected at currently enacted income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

Results of Operations for Periods Ended March 31, 2013 and 2012

General. The Company reported net income available to common stockholders of $772,000 and $671,000 for the three months ended March 31, 2013 and 2012, respectively. Basic and diluted earnings per share for the first three months of 2013 and 2012 were $0.58 and $0.67, respectively. The increase in net income for the first three months of 2013, compared to the same period in 2012 of $101,000, or 15.1%, resulted primarily from an increase in net interest income of $33,000 and an increase in non-interest income of $603,000. These were partially offset by an increase in non-interest expense of $373,000, an increase in provision for loan losses of $225,000, and an increase in income taxes of $14,000. Return on average assets and return on average equity for the first three months of 2013 were 0.84% and 9.19%, respectively, as compared to 0.76% and 8.38% for the same period in 2012.

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Average Balance Sheet and Yield/Rate Analysis. The following table sets forth, for the periods indicated, information concerning the total dollar amounts of interest income from interest-earning assets and the resultant average yields, the total dollar amounts of interest expense on interest-bearing liabilities, and the resultant average costs, net interest income, interest rate spread, and the net interest margin earned on average interest-earning assets. For purposes of this table, average balances are calculated using monthly averages and the average loan balances include nonaccrual loans and exclude the allowance for loan losses and interest income includes accretion of net deferred loan fees. Yields on tax-exempt securities and loans (tax-exempt for federal income tax purposes) are shown on a fully tax equivalent basis utilizing a federal tax rate of 34%.

	For the Three Months Ended March 31,					
	2013			2012		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
	(Dollars in thousands)					
Interest-earning assets:						
Loan, net (3)(4)	$ 238,961	$ 3,089	5.18%	$ 208,185	$ 3,053	5.87%
Taxable investment securities	79,647	477	2.40%	99,731	609	2.44%
Non-taxable investment securities (3)	24,509	197	4.87%	24,820	206	5.03%
Federal funds sold	3,330	1	0.12%	1,306	1	0.31%
Total interest-earning assets	346,447	3,764	4.47%	334,042	3,869	4.76%
Non-interest-earning assets	21,322			17,544		
Total assets	$ 367,769			$ 351,586		
Interest-bearing liabilities:						
Interest-bearing checking	$ 15,362	$ 6	0.16%	$ 15,415	$ 10	0.26%
Money market deposits	7,779	5	0.26%	8,806	5	0.23%
Savings accounts	212,830	377	0.71%	196,730	389	0.79%
Certificates of deposits	77,558	271	1.40%	79,272	377	1.90%
Total deposits	313,529	659	0.84%	300,223	781	1.04%
Short-term borrowings	253		0.73%	421	1	0.74%
Other borrowings	7,656	58	3.03%	8,522	73	3.43%
Total interest-bearing liabilities	321,438	717	0.89%	309,166	855	1.11%
Non-interest-bearing liabilities	12,712			10,397		
Total liabilities	334,150			319,563		
Retained earnings	33,619			32,023		
Total liabilities and retained earnings	$ 367,769			$ 351,586		
Net interest income		$ 3,047			$ 3,014	
Interest rate spread (1)			3.57%			3.66%
Net interest margin (2)			3.86%			3.98%
Ratio of average interest-earnings assets to average interest-bearing liabilities			107.78%			108.05%

(1) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(2) Net interest margin represents net interest income as a percentage of average interest-earning assets.
(3) Yields are presented on a fully tax-equivalent basis using a 34% federal statutory tax rate.
(4) Tax equivalent adjustments to the loan average yield for tax-exempt loans were $3 and $4 for the periods ended March 31, 2013 and 2012, respectively.

Analysis of Changes in Net Interest Income. The following table analyzes the changes in interest income and interest expense in terms of: (1) changes in volume of interest-earning assets and interest-bearing liabilities and (2) changes in yields and rates. The table reflects the extent to which changes in the Company s interest income and interest expense are attributable to changes in rate (change in rate multiplied by prior period volume), changes in volume (changes in volume multiplied by prior period rate), and changes attributable to the combined impact of volume/rate (change in rate multiplied by change in volume). The changes attributable to the combined impact of volume/rate are allocated on a consistent basis between the volume and rate variances. Changes in interest income on securities reflect the changes in interest income on a fully tax equivalent basis.

	For the Three Months Ended March 31, 2013 vs. 2012		
	Increase (Decrease) Due to		
	Volume	Rate	Net
	(Dollars in thousands)		
Interest and dividend income:			
Loans receivable	$ 1,630	$ (1,594)	$ 36
Taxable investment securities	(120)	(12)	(132)
Non-taxable investment securities	(3)	(6)	(9)
Total interest-earnings assets	$ 1.507	$ (1,612)	$ (105)
Interest expense:			
Interest-bearing checking	$	$ (4)	$ (4)
Money market deposits	(2)	2	
Savings accounts	137	(149)	(12)
Certificates of deposit	(8)	(98)	(106)
Total deposits	127	(249)	(122)
Short-term borrowings		(1)	(1)
Other borrowings	(7)	(8)	(15)
Total interest-bearing liabilities	$ 120	$ (258)	$ (138)
Change in net interest income	$ 1,387	$ (1,354)	$ 33

Net interest income. Net interest income, the primary source of revenue for the Company, is determined by the Company s interest rate spread, which is defined as the difference between income on earning assets and the cost of funds supporting those assets and the relative amounts of interest earning assets and interest bearing liabilities. Management periodically adjusts the mix of assets and liabilities, as well as the rates earned or paid on those assets and liabilities in order to manage and improve net interest income. The level of interest rates and changes in the amount and composition of interest earning assets and liabilities affect the Company s net interest income. Net interest income increased by $33,000, or 1.1%, to $3,047,000 for the first three months in 2013, as compared to $3,014,000 for the same period in 2012. This increase in net interest income can be attributed to the decrease in interest expense of $138,000, or 16.1%, partially offset by the decrease in interest income of $105,000, or 2.7%. The decrease to interest expense reflects a 22 basis point decrease in the cost of interest-bearing liabilities to 0.89% for the first three months of 2013, as compared to 1.11% for the same period of 2012. Comparatively, during 2012 and 2011, loan interest income comprised 82.1% and 78.9%, respectively, of interest income, and investment interest comprised 17.9% and 21.1%, respectively, of interest income.

Interest income. Interest income decreased $105,000, or 2.7%, to $3,764,000 over the first three months of 2013, as compared to $3,869,000 for the same period of 2012. This decrease in interest income can be attributed to the decrease in interest earned on investment securities of $141,000, or 17.3%, partially offset by an increase in interest earned on loans of $36,000, or 1.2%.

Interest earned on loans increased $36,000, or 1.2%, to $3,089,000 for the first three months in 2013, as compared to $3,053,000 for the same period of 2012. This increase was attributable to an increase in the average balance of loans outstanding of $30.8 million, or 14.8%, to $239.0 million for the three months ended March 31, 2013, as compared to $208.2 million for the same period of 2012, partially offset by a decrease in yield on the portfolio of 69 basis points to 5.18% for the three months ended March 31, 2013, as compared to 5.87% for the same period of 2012.

Interest earned on taxable securities decreased $132,000, or 21.7%, to $477,000 for the three months ended March 31, 2013, as compared to $609,000 for the same period of 2012. This decrease was primarily attributable to a decline in the average balance of the portfolio of $20.1 million, or 20.1%, to $79.6 million for the three months ended March 31, 2013, as compared to $99.7 million for the same period of 2012 and by a decrease in yield on the portfolio of 4 basis points to 2.40% for the three months ended March 31, 2013, as compared to 2.44% for the same period of 2012.

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Interest earned on non-taxable securities decreased $9,000, or 4.4%, to $197,000 for the three months ended March 31, 2013, as compared to $206,000 for the same period of 2012. This decrease was primarily attributable to a decrease in the average balance of the portfolio of $311,000, or 1.3%, to $24.5 million for the three months ended March 31, 2013, as compared to $24.8 million for the same period of 2012 and by an decrease in yield on the portfolio of 16 basis points to 4.87% for the three months ended March 31, 2013, as compared to 5.03% for the same period of 2012.

Interest expense. Interest expense decreased $138,000, or 16.1%, to $717,000 for the three months ended March 31, 2013, as compared to $855,000 for the same period of 2012. This decrease in interest expense can be attributed to decreases in interest incurred on deposits and borrowings of $122,000 and $16,000, respectively.

Interest incurred on deposits decreased $122,000, or 15.6%, to $659,000 for the three months ended March 31, 2013, as compared to $781,000 for the same period of 2012. This decrease was primarily attributable to a decrease in the cost of interest earning deposits of 20 basis points to 0.84% for the first three months of 2013 from 1.04% for the same period of 2012, partially offset by an increase of $13.3 million, or 4.4%, in the average balance of interest-bearing deposits to $313.5 million for the first three months ended March 31, 2013, as compared to $300.2 million for the same period of 2012.

Interest incurred on borrowings, which includes short-term borrowings and other borrowings with the FHLB, decreased $16,000, or 21.6%, to $58,000 for the three months ended March 31, 2013, as compared to $74,000 for the same period of 2012. This decrease was primarily attributable to a decrease in the average balance of borrowed funds of $1.0 million, or 11.6%, to $7.9 million for the three months ended March 31, 2013, as compared to $8.9 million for the same period of 2012 and by a decrease in the cost of these funds of 38 basis points to 2.93% for the three months ended March 31 2013, as compared 3.31% for the same period of 2012.

Provision for loan losses. The Company maintains an allowance for loan losses in an amount, which, in management s judgment, is adequate to absorb reasonably foreseeable losses inherent in the loan portfolio. The provision for loan losses is determined by management as the amount to be added to the allowance for loan losses, after net charge-offs have been deducted, to bring the allowance to a level which is considered adequate to absorb potential losses inherent in the loan portfolio in accordance with generally accepted accounting principles, or GAAP. The amount of the provision is based on management s regular review of the loan portfolio and consideration of such factors as historical loss experience, generally prevailing economic conditions, changes in size and composition of the loan portfolio, and considerations relating to specific loans, including the ability of the borrower to repay the loan and the estimated value of the underlying collateral. The provision for loan losses increased $225,000 to $375,000 for the three months ended March 31, 2013, as compared to $150,000 for the same period of 2012. The Company experienced net charge-offs of $879,000 in the first quarter of 2013, compared to $67,000 in the first quarter of 2012. This increase was primarily related to the charge-off of two loan relationships that had both encountered severe economic conditions specific to their line of business.

Historical loss percentages for each risk category are calculated and used as the basis for calculating allowance allocations. These historical loss percentages are calculated over a four-year period for all portfolio segments. Certain qualitative factors are then added to the historical allocation percentage to get the adjusted factor to be applied to non classified loans. Please refer to the loan information table in Note 5 to the Company s consolidated financial statements for the allocation of the allowance.

Management reviews significant factors affecting the allowance regularly and believes that the allowance was adequate to cover potentially uncollectible loans as of March 31, 2013 and December 31, 2012.

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Noninterest income. The following table shows the breakdown of noninterest income for the three months ended March 31, 2013 and 2012 (dollars in thousands):

	For the Three Months Ended March 31,		Change	
	2013	2012	Amount	%
Service charges on deposit accounts	$ 126	$ 146	$ (20)	(13.7)
Investment securities gains, net	760	44	716	1,627.3
Gains on loan sales, net	165	150	15	10.0
Bank-owned life insurance earnings	25	24	1	4.2
Other	234	343	(109)	(31.8)
	$ 1,310	$ 707	603	85.3

Noninterest income increased $603,000 from $707,000 for the first three months of 2012 to $1.3 million for the first three months of 2013. This increase in total noninterest income resulted primarily from increased volume of investment sale activity that resulted in net gains of $760,000 for the first three months of 2013, as compared to $44,000 for the same period of 2012. Management had both liquidity needs and a strategic direction to take advantage of yield curve opportunities given a historically low interest rate environment. By moving out the yield curve in a very modest way FC Bank achieved protection against increased downward margin pressures on the earning assets component of that ratio. As the yield on FC Bank s loan portfolio continued to be pressured lower, the investment portfolio was able to maintain a level yield in the first quarter in contrast to the direction of interest rates. Additionally, liquidity needs for increasing loan demand were materializing at the close of the first quarter and a larger federal funds position was established.

Noninterest expense. The following table shows the breakdown of noninterest expense for the three months ended March 31, 2013 and 2012 (dollars in thousands):

	For the Three Months Ended March 31,		Change	
	2013	2012	Amount	%
Salaries and employee benefits	$ 1,646	$ 1,413	$ 233	16.5
Net occupancy and equipment expenses	328	290	38	13.1
Professional fees	106	88	18	20.5
State franchise tax	107	91	16	17.6
Federal deposit insurance	52	54	(2)	(3.7)
Data processing	111	101	10	9.9
Advertising	146	121	25	20.7
Other	424	389	35	9.0
	2,920	$ 2,547	$ 373	14.6

Noninterest expense was $2.9 million for the three months ended March 31, 2013, a $373,000, or 14.6%, increase from noninterest expense of $2.5 million for the same period of 2012. Salaries and employee benefits and occupancy and equipment expenses comprised 67.6% of the total noninterest expense for the three months ended March 31, 2013, as compared to 66.9% for the three months ended March 31, 2012.

The Company s efficiency ratio was 67.02% and 68.45% for the periods ended March 31, 2013 and 2012, respectively. The efficiency ratio represents the percentage of one dollar of expense required to be incurred to earn a full dollar of revenue and is computed by dividing noninterest expense by the sum of interest income and noninterest income. Based on this calculation, the Company spent $0.67 on average to earn $1.00 of revenue for the three months ended March 31, 2013.

Salaries and employees benefits increased $233,000, or 16.5%, for the first three months of 2013 to $1.6 million, compared to $1.4 million for the same period of 2012. This increase is primarily attributed to expansion of the mortgage division that sells loans to the secondary market through the hiring of full-time employees in 2012 and normal salary increases.

Provision for income taxes. The provision for income taxes increased $14,000, or 5.1%, to $287,000 for the first three months of 2013, as compared to $273,000 for the same period of 2012. This increase is due to an increase in pre-tax income of $38,000, or 3.7%, to $1,062,000 for the first three months of 2013, as compared to $1,024,000 for the same period of 2012. The effective tax rate for the three months ended March 31, 2013 and 2012 was 27.0%, compared to 26.7% for the same period of 2012.

Results of Operations for Fiscal Years Ended December 31, 2012, 2011, and 2010

General. The Company reported net income available to common stockholders of $3.3 million, $1.9 million, and $1.5 million in 2012, 2011, and 2010, respectively. Basic and diluted earnings per share were $2.77, $2.18, and $1.73 for 2012, 2011, and 2010, respectively. The increase in net income for 2012 resulted primarily from an increase in net interest income of $1.3 million, a decrease in provision for loan losses of $552,000, and an increase in non-interest income of $956,000. These were offset by an increase in non-interest expense of $1.3 million and an increase in income taxes of $404,000. The increase in net income for 2011 resulted primarily from an increase in net interest income of $2.1 million and an increase in non-interest income of $310,000. These were offset by an increase in provision for loan losses of $280,000, an increase in non-interest expense of $1.4 million, and an increase in income taxes of $161,000. Return on average assets and return on average equity for 2012 were 0.94% and 10.06%, respectively, as compared to 0.54% and 6.34% for 2011 and 0.43% and 5.16% for 2010.

Average Balance Sheet and Yield/Rate Analysis. The following table sets forth, for the periods indicated, information concerning the total dollar amounts of interest income from interest-earning assets and the resultant average yields, the total dollar amounts of interest expense on interest-bearing liabilities and the resultant average costs, net interest income, interest rate spread, and the net interest margin earned on average interest-earning assets. For purposes of this table, average balances are calculated using monthly averages, and the average loan balances include nonaccrual loans and exclude the allowance for loan losses and interest income includes accretion of net deferred loan fees. Yields on tax-exempt securities and loans (tax-exempt for federal income tax purposes) are shown on a fully tax equivalent basis utilizing a federal tax rate of 34%.

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	For the Years Ended December 31,								
	2012			2011			2010		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
	(Dollars in thousands)								
Interest-earning assets:									
Loan, net	$ 227,412	$ 12,759	5.62%	$ 192,753	$ 11,714	6.09%	$ 187,786	$ 11,723	6.26%
Taxable investment securities	83,271	2,007	2.41%	118,377	2,772	2.34%	123,786	3,027	2.45%
Non-taxable investment securities (3)	25,891	840	4.92%	17,609	643	5.53%	11,591	424	5.54%
Federal Funds sold	1,273	1	0.08%	905	1	0.11%	1,843	2	0.11%
Total interest-earning assets	337,847	15,607	4.75%	329,644	15,130	4.69%	325,006	15,176	4.75%
Non-interest-earning assets	19,163			22,989			22,994		
Total assets	$ 357,010			$ 352,633			$ 348,000		
Interest-bearing liabilities:									
Interest-bearing checking	$ 16,412	49	0.30%	$ 41,953	396	0.94%	$ 66,869	1,048	1.57%
Money market deposits	8,531	20	0.23%	10,069	35	0.35%	10,890	123	1.13%
Savings accounts	201,110	1,594	0.79%	150,986	1,312	0.87%	96,275	1,362	1.41%
Certificates of deposits	77,409	1,346	1.74%	87,146	2,132	2.45%	105,278	3,454	3.28%
Total deposits	303,462	3,009	0.99%	290,154	3,875	1.34%	279,312	5,987	2.14%
Short-term borrowings:	249	1	0.40%	5,258	5	0.10%	5,348	12	0.22%
Other borrowings	8,350	293	3.51%	7,933	293	3.69%	9,740	371	3.81%
Total interest-bearing liabilities	312,061	3,303	1.06%	303,345	4,173	1.38%	294,400	6,370	2.16%
Non-interest-bearing liabilities	11,750			18,981			24,746		
Total liabilities	323,811			322,326			319,146		
Retained earnings	33,199			30,307			28,854		
Total liabilities and retained earnings	$ 357,010			$ 352,633			$ 348,000		
Net interest income		$ 12,304			$ 10,957			$ 8,806	
Interest rate spread (1)			3.69%			3.32%			2.59%
Net interest margin (2)			4.02%			3.62%			2.91%
Ratio of average interest-earnings assets to average interest-bearing liabilities			108.26%			108.67%			110.40%

(1) Interest rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.

(2) Net interest margin represents net interest income as a percentage of average interest-earning assets.

(3) Yields are presented on a fully tax-equivalent basis using a 34% federal statutory tax rate.

(4) Tax equivalent adjustments to interest income for tax-exempt securities was $15, $26 and $38 for 2012, 2011, and 2010, respectively.

Analysis of Changes in Net Interest Income. The following table analyzes the changes in interest income and interest expense in terms of: (1) changes in volume of interest-earning assets and interest-bearing liabilities and (2) changes in yields and rates. The table reflects the extent to which changes in interest income and interest expense are attributable to changes in rate (change in rate multiplied by prior period volume), changes in volume (changes in volume multiplied by prior period rate), and changes attributable to the combined impact of volume/rate (change in rate multiplied by change in volume). The changes attributable to the combined impact of volume/rate are allocated on a consistent basis between the volume and rate variances. Changes in interest income on securities reflect the changes in interest income on a fully tax equivalent basis.

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	For the Years Ended December 31, 2012 vs. 2011			For the Years Ended December 31, 2011 vs. 2010		
	Increase (Decrease) Due to			Increase (Decrease) Due to		
	Volume	Rate	Net	Volume	Rate	Net
	(Dollars in thousands)			(Dollars in thousands)		
Interest and dividend income:						
Loans receivable	$ 1,996	$ (951)	$ 1,045	$ 318	$ (327)	$ (9)
Taxable investment securities	(844)	79	(765)	(129)	(126)	(255)
Non-taxable investment securities	335	(138)	197	220	(1)	219
Federal funds sold				(1)		(1)
Total interest-earnings assets	$ 1,487	$ (1,010)	$ 477	$ 408	$ (454)	$ (46)
Interest expense:						
Interest-bearing checking	$ (163)	$ (184)	$ (347)	$ (315)	$ (337)	$ (652)
Money market deposits	(5)	(10)	(15)	(8)	(80)	(88)
Savings accounts	405	(123)	282	596	(646)	(50)
Certificates of deposit	(219)	(567)	(786)	(534)	(788)	(1,322)
Total deposits	18	(884)	(866)	(261)	(1,851)	(2,112)
Short-term borrowings	(9)	5	(4)		(7)	(7)
Other borrowings				(67)	(11)	(78)
Total interest-bearing liabilities	$ 9	$ (879)	$ (870)	$ (328)	$ (1,869)	$ (2,197)
Change in net interest income	$ 1,478	$ (131)	$ 1,347	$ 736	$ 1,415	$ 2,151

2012 Results Compared to 2011 Results

Net interest income. Net interest income, the primary source of revenue for the Company, is determined by the Company s interest rate spread, which is defined as the difference between income on earning assets and the cost of funds supporting those assets and the relative amounts of interest-earning assets and interest-bearing liabilities. Management periodically adjusts the mix of assets and liabilities, as well as the rates earned or paid on those assets and liabilities in order to manage and improve net interest income. The level of interest rates and changes in the amount and composition of interest-earning assets and liabilities affect the Company s net interest income. Net interest income increased by $1.3 million, or 12.3%, to $12.3 million in 2012, compared to $11.0 million in 2011. This increase in net interest income can be attributed to an increase in interest income of $477,000, or 3.2%, and a decrease in interest expense of $870,000, or 20.8%. The decrease to interest expense reflects a 32 basis point decrease in the cost of interest-bearing liabilities to 1.06% in 2012 from 1.38% in 2011. Comparatively, during 2012 and 2011, loan interest income comprised 81.8% and 77.4% of interest income, and investment interest comprised 18.2% and 22.6%, respectively, of interest income.

Interest income. Interest income increased $477,000, or 3.2%, to $15.6 million for 2012, compared to $15.1 million for 2011. This increase in interest income can be attributed to an increase in interest earned on loans of $1.0 million partially offset by a decrease in interest earned on investment securities of $568,000.

Interest earned on loans increased $1.0 million, or 8.9%, to $12.7 million for 2012, compared to $11.7 million for 2011. This increase was attributable to an increase in the average balance of loans outstanding of $34.7 million, or 18.0%, to $227.4 million for the year ended December 31, 2012, as compared to $192.8 million for 2011, partially offset by a decrease in yield on the portfolio of 47 basis points to 5.62% for the year ended December 31, 2012, as compared to 6.09% for 2011.

Interest earned on taxable securities decreased $765,000, or 27.6%, to $2.0 million for the year ended December 31, 2012, compared to $2.8 million for 2011. This decrease was primarily attributable to a decline in the average balance of the portfolio of $35.1 million, or 29.7%, to $83.3 million for the year ended December 31, 2012, compared to $118.4 million for 2011, partially offset by an increase in yield on the portfolio of 7 basis points to 2.41% for the year ended December 31, 2012, compared to 2.34% for 2011.

Interest earned on non-taxable securities increased $197,000, or 30.6%, to $840,000 for the year ended December 31, 2012, compared to $643,000 for 2011. This increase was primarily attributable to an increase in the average balance of the portfolio of $8.3 million, or 47%, to $25.9 million for the year ended December 31, 2012, compared to $17.6 million for 2011, partially offset by an decrease in yield on the portfolio of 61 basis points to 4.92% for the year ended December 31, 2012, compared to 5.53% for 2011.

Interest expense. Interest expense decreased $870,000, or 20.8%, to $3.3 million for the year ended December 31, 2012, compared to $4.2 million for 2011. This decrease in interest expense can be attributed to decreases in interest incurred on deposits and borrowings of $866,000 and $4,000, respectively.

Interest incurred on deposits decreased $866,000, or 22.3%, to $3.0 million for the year ended December 31, 2012, compared to $3.9 million for 2011. This decrease was primarily attributable to a decrease in the cost of interest-earning deposits of 35 basis points to 0.99% in 2012 from 1.34% in 2011, partially offset by an increase of $13.3 million, or 4.6%, in the average balance of interest-bearing deposits to $303.5 million for 2012 as compared to $290.2 million for 2011.

Interest incurred on borrowings, which includes short-term borrowings and other borrowings with the FHLB, decreased $4,000, or 1.3%, to $294,000 for the year ended December 31, 2012, compared to $298,000 for 2011. This decrease was primarily attributable to a decrease in the average balance of borrowed funds of $4.6 million, or 34.8%, to $8.6 million for 2012, compared to $13.2 million for 2011, partially offset by an increase in the cost of these funds of 116 basis points to 3.42% for 2012 compared to 2.26% for 2011.

Provision for loan losses. Management concluded that the allowance was adequate as of December 31, 2012 and 2011. The provision for loan losses decreased $552,000 to $408,000 for the year ended December 31, 2012, compared to $960,000 for 2011. These provisions were part of the normal operations of the Company for 2012. As a result of the provisions for loan losses during 2012 and 2011, the Company s allowance for loan losses amounted to $3.3 million, or 1.36%, of the Company s total loan portfolio at December 31, 2012, compared to $2.6 million, or 1.28%, at December 31, 2011. The Company s allowance for loan losses as a percentage of non-performing loans at December 31, 2012 and December 31, 2011 was 115.48% and 733.43%, respectively.

Noninterest income. The following table shows the breakdown of noninterest income for the years ended December 31, 2012 and 2011 (dollars in thousands).

	For the Year Ended December 31,		Change	
	2012	2011	Amount	%
Service charges on deposit accounts	$ 634	$ 626	$ 8	1.3
Investment securities gains, net	862	853	9	1.1
Gains on loan sales, net	954	230	724	314.8
Bank-owned life insurance earnings	101	111	(10)	(9.0)
Loan servicing income	254	94	160	170.2
Fees on investment services	355	310	45	14.5
Debit card fees	469	424	45	10.6
Other	129	154	(25)	(16.2)
	$ 3,758	$ 2,802	$ 956	34.1

Noninterest income increased $956,000 from $2.8 million for 2011 to $3.8 million for 2012. The increase in total noninterest income during 2012 compared to 2011 resulted primarily from increased volume of loan sale activity that resulted in gains of $954,000 in 2012 compared to $230,000 in 2011. Loan servicing income also increased $160,000 to $254,000 in 2012 compared to $94,000 in 2011 as the banks mortgage division continued to grow and mature.

Noninterest expense. The following table shows the breakdown of noninterest expense for the years ended December 31, 2012 and 2011 (dollars in thousands).

	For the Year Ended December 31,		Change	
	2012	2011	Amount	%
Salaries and employee benefits	$ 6,199	$ 5,064	$ 1,135	22.4
Net occupancy and equipment expenses	1,201	1,188	13	1.1
Professional fees	433	390	43	11.0
State franchise tax	386	354	32	9.0
Federal deposit insurance	347	336	11	3.3
Data processing	213	364	(151)	(41.5)
Advertising	401	393	8	2.0
Other	1,686	1,460	226	15.5
	$ 10,866	$ 9,549	$ 1,317	13.8

Noninterest expense was $10.9 million for the year ended December 31, 2012, a $1.3 million, or 13.8%, increase from noninterest expense of $9.5 million for 2011. Salaries and employee benefits and occupancy and equipment expenses comprised 68.1% of the total noninterest expense for 2012 compared to 65.5% for 2011.

FC Bank s efficiency ratio was 67.65% and 69.40% for the years ended December 31, 2012 and 2011, respectively. The efficiency ratio represents the percentage of one dollar of expense required to be incurred to earn a full dollar of revenue and is computed by dividing noninterest expense by the sum of interest income and noninterest income. Based on this calculation, the Company spent $0.68 on average to earn $1.00 of revenue during the year ended December 31, 2012.

Salaries and employees benefits increased $1.1 million, or 22.4%, for 2012 to $6.2 million compared to $5.1 million for 2011. This increase is primarily attributed to the expansion of the mortgage division that sells loans to the secondary market through the hiring of full-time employees as well as an increase in bonus and incentive expenses of $236,000 from $995,000 in 2011 to $1.2 million in 2012.

Data processing costs declined $151,000, or 41.5%, for 2012 to $213,000 compared to $364,000 for 2011. This decline is due to elevated costs in 2011 associated with the conversion of the Company s core processing system.

Provision for income taxes. The provision for income taxes increased $404,000, or 46.0%, to $1.3 million for 2012 as compared to $879,000 for 2011. This increase is due to an increase in pre-tax income of $1.5 million, or 47.3%, to $4.8 million for 2012 as compared to $3.3 million for 2011. The effective tax rate for 2012 was 26.8% compared to 27.0% for 2011. This slight decline is mainly due to an increased percentage of the Company s tax free income to total income.

2011 Results Compared to 2010 Results

Net interest income. Net interest income increased by $2.2 million, or 23.7%, to $11.0 million in 2011, compared to $8.8 million in 2010. This increase in net interest income can be attributed to a decrease in interest expense of $2.2 million, or 34.5%, partially offset by a decrease in interest income of $110,000, or 0.7%. The decrease to interest expense reflects a 78 basis point decrease in the cost of interest-bearing liabilities to 1.38% in 2011 from 2.16% in 2010. Comparatively, during 2011 and 2010, loan interest income comprised 77.4% and 77.2% of interest income, and investment interest comprised 22.6% and 22.8%, respectively, of interest income.

Interest income. Interest income decreased $46,000, or 0.3%, to $15.1 million for 2011, compared to $15.2 million for 2010. This decrease in interest income can be attributed to a decrease in interest earned on loans of $9,000 and a decrease in interest earned on investment securities of $36,000.

Interest earned on loans decreased $9,000, or 0.1%, to $11.7 million for 2011, compared to $11.7 million for 2010. This decrease was attributable to an increase in the average balance of loans outstanding of $5.0 million, or 2.6%, to $192.8 million for the year ended December 31, 2011, as compared to $187.8 million for 2010, which was more than offset by the decrease in yield on the portfolio of 17 basis points to 6.09% for the year ended December 31, 2011, as compared to 6.26% for 2010.

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Interest earned on taxable securities decreased $255,000, or 8.4%, to $2.8 million for the year ended December 31, 2011, compared to $3.0 million for 2010. This decrease was primarily attributable to a decline in the average balance of the portfolio of $5.4 million, or 4.4%, to $118.4 million for the year ended December 31, 2011, compared to $123.8 million for 2010, and by an decrease in yield on the portfolio of 11 basis points to 2.34% for the year ended December 31, 2011, compared to 2.45% for 2010.

Interest earned on non-taxable securities increased $219,000, or 51.7%, to $643,000 for the year ended December 31, 2011, compared to $424,000 for 2010. This increase was primarily attributable to an increase in the average balance of the portfolio of $6.0 million, or 51.9%, to $17.6 million for the year ended December 31, 2011, compared to $11.6 million for 2010, partially offset by an decrease in yield on the portfolio of 1 basis point to 5.53% for the year ended December 31, 2011, compared to 5.54% for 2010.

Interest expense. Interest expense decreased $2.2 million, or 34.5%, to $4.2 million for the year ended December 31, 2011, compared to $6.4 million for 2010. This decrease in interest expense can be attributed to decreases in interest incurred on deposits and borrowings of $2.1 million and $85,000, respectively.

Interest incurred on deposits decreased $2.1 million, or 35.3%, to $3.9 million for the year ended December 31, 2011, compared to $6.0 million for 2010. This decrease was primarily attributable to a decrease in the cost of interest-earning deposits of 80 basis points to 1.34% in 2011 from 2.14% in 2010, partially offset by an increase of $10.8 million, or 3.9%, in the average balance of interest-bearing deposits to $290.2 million for 2011 as compared to $279.3 million for 2010.

Interest incurred on borrowings, which includes short-term borrowings and other borrowings with the FHLB, decreased $85,000, or 22.2%, to $298,000 for the year ended December 31, 2011, compared to $383,000 for 2010. This decrease was primarily attributable to a decrease in the average balance of borrowed funds of $1.9 million, or 12.6%, to $13.2 million for 2011, compared to $15.1 million for 2010, and a decrease in the cost of these funds of 28 basis points to 2.26% for 2011 compared to 2.54% for 2010.

Provision for loan losses. The provision for loan losses increased $280,000 to $960,000 for the year ended December 31, 2011, compared to $680,000 for 2010. These provisions were part of the normal operations of the Company for 2011. As a result of the provisions for loan losses during 2011 and 2010, the Company s allowance for loan losses amounted to $2.6 million, or 1.28%, of the Company s total loan portfolio at December 31, 2011, compared to $2.4 million, or 1.25%, at December 31, 2010. The Company s allowance for loan losses as a percentage of nonperforming loans at December 31, 2011 and December 31, 2010, was 733.43% and 281.48%, respectively.

Noninterest income. The following table shows the breakdown of noninterest income for the years ended December 31, 2011 and 2010 (dollars in thousands).

	For the Year Ended December 31,		Change	
	2011	2010	Amount	%
Service charges on deposit accounts	$ 626	$ 726	$ (100)	(13.8)
Investment securities gains, net	853	725	128	17.7
Gains on loan sales, net	230	145	85	58.6
Bank-owned life insurance earnings	111	116	(5)	(4.3)
Other	982	844	138	16.4
	$ 2,802	$ 2,556	$ 246	9.6

Noninterest income increased $246,000 from $2.6 million for 2010 to $2.8 million for 2011. The increase in total noninterest income during 2011 compared to 2010 resulted primarily from increased volume of loan sale activity that resulted in gains of $230,000 in 2011 compared to $145,000 in 2010 and increased gains on investment sales of $128,000 from $725,000 in 2010 to $853,000 in 2011 as well as an increase in other income of $138,000, which was partially offset by the decrease in service charges on deposits of $100,000.

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Noninterest expense. The following table shows the breakdown of noninterest expense for the years ended December 31, 2011 and 2010 (dollars in thousands).

	For the Year Ended December 31,		Change	
	2011	2010	Amount	%
Salaries and employee benefits	$ 5,064	$ 3,731	$ 1,333	35.7
Net occupancy and equipment expenses	1,188	1,167	21	1.8
Professional fees	390	406	(16)	(3.9)
State franchise tax	354	257	97	37.7
Federal deposit insurance	336	347	(11)	(3.2)
Data processing	364	423	(59)	(13.9)
Advertising	393	450	(57)	(12.7)
Other	1,460	1,331	129	9.7
	$ 9,549	$ 8,112	$ 1,437	17.7

Noninterest expense was $9.5 million for the year ended December 31, 2011, a $1.4 million, or 17.7%, increase from noninterest expense of $8.1 million for 2010. Salaries and employee benefits and occupancy and equipment expenses comprised 65.5% of the total noninterest expense for 2011 compared to 60.4% for 2010.

The Company s efficiency ratio was 69.4% and 71.4% for the years ended December 31, 2011 and 2010, respectively. The efficiency ratio represents the percentage of one dollar of expense required to be incurred to earn a full dollar of revenue and is computed by dividing noninterest expense by the sum of interest income and noninterest income. Based on this calculation, the Company spent $0.69 and $0.71 on average to earn $1.00 of revenue during the years ended December 31, 2011 and 2010.

Salaries and employees benefits increased $1.3 million, or 35.7%, for 2011 to $5.0 million compared to $3.7 million for 2010. This increase is primarily attributed to an increase in bonus and incentive expenses of $836,000 from $159,000 in 2010 to $995,000 in 2011. This increase period over period is attributed to the increased activity in a growing and maturing mortgage loan division.

Provision for income taxes. The provision for income taxes increased $161,000, or 22.4%, to $879,000 for 2011 as compared to $718,000 for 2010. This increase is due to an increase in pre-tax income of $679,000, or 26.4%, to $3.3 million for 2011 as compared to $2.6 million for 2010. The effective tax rate for 2011 was 27.0% compared to 27.9% for 2010. This slight decline is mainly due to an increased percentage of the Company s tax free income to total income.

Changes in Financial Condition

General March 31, 2013 versus December 31, 2012

The Company s total assets increased $7.1 million, or 1.9%, to $374.4 million at March 31, 2013 from $367.3 million at December 31, 2012. The increase was primarily comprised of increases in cash and due from banks, investment securities, and net loans of $3.8 million, $1.8 million, and $547,000, respectively.

The increase in the Company s total assets reflects a corresponding increase in total liabilities of $7.8 million, or 2.3%, to $340.9 million at March 31, 2013, compared to $333.1 million at December 31, 2012, and a decrease in total stockholders equity of $719,000, or 2.1%, to $33.5 at March 31, 2013, compared to $34.2 at December 31, 2012. The increase in total liabilities is primarily due to increases in deposits of $11.1 million, or 3.4%, to $334.6 million from $323.4 million, partially offset by decreases in other borrowings and other liabilities of $2.5 million, or 33.3%, and $806,000, or 36.6%, respectively, to $5.0 million and $1.4 million, respectively. The net decrease in total stockholders equity is primarily attributed to increases in retained earnings and a decrease in treasury stock of $402,000 and $43,000, respectively, which are more than offset by the decrease in accumulated other comprehensive income of $1.2 million.

General December 31, 2012 versus December 31, 2011

The Company s total assets increased $10.7 million, or 3.0%, to $367.3 million at December 31, 2012 from $356.6 million at December 31, 2011. The increase was primarily comprised of increases in cash and due from banks and net loans of $10.3 million and $33.7 million, respectively, partially offset by a decrease in investment securities of $33.0 million.

The increase in the Company s total assets reflects a corresponding increase in total liabilities of $8.3 million, or 2.6%, to $333.1 million at December 31, 2012, compared to $324.8 million at December 31, 2011, and an increase in total stockholders equity of $2.4 million, or 7.6%, to $34.2 at December 31, 2012 compared to $31.8 million at December 31, 2011. The increase in total liabilities is primarily due to increases in deposits of $10.7 million, or 3.4%, to $323.4 million from $312.7 million, partially offset by a decrease in other liabilities of $2.3 million, or 50.8%, to $2.2 million from $4.5 million. The net increase in total stockholders equity is primarily attributed to increases in common stock, retained earnings, and accumulated other comprehensive income of $5.5 million, $2.1 million, and $252,000, respectively, partially offset by decreases in preferred stock and additional paid-in capital of $1.5 million and $4.0 million, respectively.

Investment securities available for sale. The investment portfolio, all of which is classified as available for sale, decreased $33.0 million, or 25.4%, to $96.8 million at December 31, 2012, compared to $129.9 million at December 31, 2011. The primary purposes of the Company s investment portfolio are to provide a source of liquidity sufficient to meet deposit withdraws or loan funding demands, to assist in the management of interest rate risk, and to secure certain public deposits. As investment securities matured or were called, the Company did not immediately replace those securities and used the proceeds to fund loan demand. The amortized costs and the fair value of investment securities are as follows.

	March 31, 2013		December 31, 2012		December 31, 2011	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(Dollars in thousands)					
U.S. government agency securities	$	$	$ 3,001	$ 3,013	$ 27,516	$ 27,596
Obligations of states and political subdivisions	24,263	25,273	28,100	29,904	25,587	26,588
Mortgage-backed securities in government-sponsored entities	73,671	73,322	63,231	63,852	74,679	75,649
Total debt securities	97,934	98,595	94,332	96,769	127,782	129,833
Equity securities in financial institutions	121	72	121	66	121	48
Total	$ 98,055	$ 98,667	$ 94,453	$ 96,835	$ 127,903	$ 129,881

Contractual maturities and yields on investment securities are shown in the following table. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	March 31, 2013										
	One Year or Less		More than One Year through Five Years		More than Five Years through Ten Years		More than Ten Years		Total Securities		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
	(Dollars in thousands)										
Obligations of states and political subdivisions	$		$ 1,655	4.40%	$ 3,261	3.64%	$ 19,347	4.87%	$ 24,263	$ 25,273	4.67%
Mortgage-backed securities in government-sponsored entities							73,671	2.14%	73,671	73,322	2.14%
Total	$		$ 1,655	4.40%	$ 3,261	3.64%	$ 93,018	2.71%	$ 97,934	$ 98,595	2.77%

There were 31 positions that were temporarily impaired at March 31, 2013. Declines in the fair value of available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses to the extent the impairment is related to credit losses. The amount of the impairment related to other factors is recognized in other comprehensive income. In estimating other-than-temporary impairment losses, management considers, among other things, (i) the length of time and

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the extent to which the fair value has been less than cost; (ii) the financial condition and near-term prospects of the issuer; and (iii) whether or not the Company is more likely than not to sell the security before recovery of its cost basis. As of March 31, 2013, management does not have the intent to sell any of the securities in the table on the previous page and believes that it is more likely than not that the Company will not have to sell any such securities before a recovery of cost. The Company has concluded that any impairment of its investment securities portfolio is not other than temporary but is the result of interest rate changes, sector credit ratings changes, or Company-specific ratings changes that are not expected to result in the noncollection of principal and interest during the period. Management does not believe any of the securities are impaired due to reasons of credit quality. Accordingly, as of March 31, 2013, management believes the impairments are temporary and no impairment loss has been realized in the Company s Consolidated Statement of Income.

Loans. Since loans typically provide higher interest yields than other types of interest-earning assets, a substantial percentage of our earning assets are invested in the loan portfolio. Average loans for the years ended December 31, 2012, 2011, and 2010 were $227.4 million, $192.8 million, and $187.8 million, respectively. Before allowance for loan losses, total loans outstanding at December 31, 2012, 2011, and 2010 were $239.9 million, $205.6 million, and $189.0 million, respectively. The principal component of the Company s loan portfolio is loans secured by real estate mortgages. Most of the Company s real estate loans are secured by residential or commercial property. The Company does originate traditional long-term residential mortgages, but the majority is sold into the secondary market. The Company obtains a security interest in real estate whenever possible, in addition to any other available collateral. This collateral is taken to increase the likelihood of the ultimate repayment of the loan. Generally, the Company limits the loan-to-value ratio on loans we make to 80%. We attempt to maintain a relatively diversified loan portfolio to help reduce the risk inherent in concentration in certain types of collateral. FC Bank in its strategic plan and direction has actively sought out quality loan relationships as it has grown its market presence. Having access to very viable markets and a reputation of being a quality community bank, FC has been able to historically grow its loan portfolio profitably.

The following table summarizes the composition of the Company s loan portfolio, excluding loans held for sale, as of March 31, 2013, and for each of the five years ended December 31:

	March 31,		December 31,									
	2013		2012		2011		2010		2009		2008	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Loans secured by real estate:												
Residential	$ 32,746	13.7%	$ 29,873	12.5%	$ 45,996	22.4%	$ 38,363	20.3%	$ 39,519	21.8%	$ 38,997	24.9%
Commercial	191,372	79.9%	192,451	80.2%	140,525	68.3%	126,703	67.0%	115,001	63.3%	91,100	58.2%
Construction	585	0.2%	699	0.3%	2,610	1.3%	6,992	3.7%	8,844	4.9%	11,523	7.4%
Commercial, industrial, and agricultural	14,392	6.0%	16,282	6.8%	15,330	7.5%	15,883	8.4%	16,739	9.2%	12,889	8.2%
Consumer	421	0.2%	618	0.3%	1,152	0.6%	1,063	0.6%	1,511	0.8%	1,965	1.3%
	239,516	100.0%	239,923	100.0%	205,613	100.0%	189,004	100.0%	181,614	100.0%	156,474	100.0%
Less allowance for loan losses	2,748		3,252		2,633		2,356		2,028		1,527	
Net loans	$ 236,768		$ 236,671		$ 202,980		$ 186,648		$ 179,586		$ 154,947	

The following table summarizes the loan maturity distribution, excluding loans held for sale, by type, and related interest rate characteristics. The information in this table is based on the contractual maturities of individual loans, including loans which may be subject to renewal at their contractual maturity. Renewal of such loans is subject to review and credit approval, as well as modification of terms upon maturity. Actual repayments of loans may differ from the maturities reflected below because borrowers have the right to prepay obligations with or without prepayment penalties.

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	December 31, 2012			
	Due within one year	Due after one through five years	Due after five years	Total
Loans secured by real estate:				
Residential	$ 848	$ 4,690	$ 24,335	$ 29,873
Commercial	14,584	47,538	130,329	192,451
Construction	503		196	699
Commercial, industrial, and agricultural	4,335	1,791	10,156	16,282
Consumer	414	205		619
Total loans	$ 20,684	$ 54,224	$ 165,016	$ 239,923
Loans maturing after one year with:				
Fixed interest rates				$ 93,853
Floating interest rates				125,387
				$ 219,240

Allowance for loan losses. The allowance for loan losses represents the amount which management estimates is adequate to provide for probable losses inherent in its loan portfolio. The allowance method is used in providing for loan losses. Accordingly, all loan losses are charged to the allowance, and all recoveries are credited to it. The allowance for loan losses is established through a provision for loan losses which is charged to operations. The provision is based on management s periodic evaluation of the adequacy of the allowance for loan losses which encompasses the overall risk characteristics of the various portfolio segments, past experience with losses, the impact of economic conditions on borrowers, and other relevant factors. The estimates used in determining the adequacy of the allowance for loan losses, including the amounts and timing of future cash flows expected on impaired loans, are particularly susceptible to significant change in the near term.

At December 31, 2012 and 2011, the allowance for loan losses was $3.3 million and $2.6 million, respectively, or 1.36% and 1.28% of total loans, respectively. The increase in the allowance for loan losses is a result of significant growth in commercial real estate loans and increases in specific reserves on impaired loans. The Company had net recoveries of $211,000 in 2012 as compared to net charge-offs in 2011 of $683,000.

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The following table summarizes the activity related to the Company s allowance for loan losses for the periods ended March 31, 2013 and 2012, and for the five years ended December 31:

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
					(Dollars in thousands)		
Beginning balance	$ 3,252	$ 2,633	$ 2,633	$ 2,356	$ 2,028	$ 1,527	$ 1,224
Charge-offs:							
Residential real estate	562	17	93	40	104	330	
Commercial real estate	108		134		231	227	40
Construction real estate		56		651			
Commercial, industrial, and agricultural	209			17		150	37
Consumer	4	5	19	31	44	25	30
Total charge-offs	883	78	246	739	379	732	107
Recoveries:							
Residential real estate		1	2		2	44	
Commercial real estate		4	436		5		40
Construction real estate				30			
Commercial, industrial, and agricultural				4			17
Consumer	4	6	19	22	20	14	18
Total charge-offs	4	11	457	56	27	58	75
Net (charge-offs) recoveries	(879)	(67)	211	(683)	(352)	(674)	(32)
Provision for loan losses	375	150	408	960	680	1,175	335
Ending balance	$ 2,748	$ 2,716	$ 3,252	$ 2,633	$ 2,356	$ 2,028	$ 1,527
Ratios:							
Net charge-offs (recoveries) to average gross loans outstanding	1.47%	0.13%	(0.09)%	0.35%	0.19%	0.40%	0.02%
Allowance for loan losses to gross loans	1.14%	1.29%	1.36%	1.28%	1.25%	1.12%	0.98%

The following table sets forth the allocation of the allowance by category and the percent of loans in each category to total loans as of March 31, 2013, and as of the five years ended December 31, 2012:

(Dollars in thousands)	March 31, 2013		December 31, 2012		2011		2010		2009		2008	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Loans secured by real estate:												
Residential	$ 293	13.7%	$ 329	12.5%	$ 349	22.4%	$ 425	20.3%	$ 174	21.8%	$ 192	24.9%
Commercial	2,278	79.9%	2,777	80.2%	2,085	68.3%	1,666	67.0%	1,308	63.3%	945	58.2%
Construction	5	0.2%	6	0.3%	25	1.3%	77	3.7%	35	4.9%	197	7.4%
Commercial, industrial, and agricultural	152	6.0%	107	6.8%	117	7.5%	176	8.4%	444	9.2%	124	8.2%
Consumer	20	0.2%	33	0.3%	57	0.6%	12	0.6%	67	0.8%	69	1.3%
	$ 2,748	100.0%	$ 3,252	100.0%	$ 2,633	100.0%	$ 2,356	100.0%	$ 2,028	100.0%	$ 1,527	100.0%

Nonperforming Assets. The following table shows the nonperforming assets and the related percentage of nonperforming assets to total assets and gross loans as of March 31, 2013, and as of the five years ended December 31, 2012. Generally, a loan is placed on nonaccrual status when it becomes 90 days past due as to principal or interest, or, after considering economic or business conditions and collection efforts, the borrower s financial condition is such that the collection of the loan is doubtful.

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	March 31, 2013	2012	2011	December 31, 2010 (dollars in thousands)	2009	2008
Nonaccrual loans:						
Residential real estate	$ 821	$ 98	$ 227	$	$ 25	$ 369
Commercial real estate	996	2,718		597	548	522
Construction real estate						
Commercial, industrial, and agricultural				17		
Consumer						
Total nonaccrual loans	1,817	2,816	227	614	573	891
Loans delinquent 90 days or greater and still accruing:						
Residential real estate			132	223	12	85
Commercial real estate						
Construction real estate						
Commercial, industrial, and agricultural						
Consumer						
Total loans delinquent 90 days or greater and still accruing			132	223	12	85
Total nonperforming loans	1,817	2,816	359	837	585	976
Other real estate owned				27		
Total nonperforming assets	$ 1,817	$ 2,816	$ 359	$ 864	$ 585	$ 976
Ratios:						
Nonperforming loans to gross loans	0.76%	1.17%	0.17%	0.44%	0.32%	0.62%
Nonperforming assets to gross assets	0.49%	0.77%	0.10%	0.24%	0.18%	0.40%
Allowance for loan loans to nonperforming loans	151.24%	115.48%	733.43%	281.48%	346.67%	156.45%

At March 31, 2013, nonperforming assets were $1.8 million, or 0.49%, of total assets and nonperforming loans were 0.76% of total loans. Comparatively, at December 31, 2012, nonperforming assets were $2.8 million, or 0.77%, of total assets and nonperforming loans were 1.17% of total loans. Comparatively, at December 31, 2011, nonperforming assets were $359,000, or 0.10%, of total assets and nonperforming loans were 0.17% of total loans. Nonaccrual loans decreased $1.0 million to $1.8 million at March 31, 2013, from $2.8 million at December 31, 2012. Nonaccrual loans increased $2.6 million to $2.8 million at December 31, 2012, from $227,000 at December 31, 2011. This increase is primarily the result of a troubled debt restructuring on a commercial real estate loan relationship in the fourth quarter of 2012 in the amount of $2.2 million. The amount of foregone interest income on nonaccrual loans for the years ended December 31, 2012, 2011, and 2010, was approximately $67,000, $60,000, and $77,000, respectively.

At March 31, 2013, impaired loans totaled $5.4 million, of which $700,000 of these impaired loans had a specific allowance allocation of approximately $96,000, or 1.8% of loans individually evaluated for impairment. At December 31, 2012, impaired loans totaled $6.0 million of which $2.4 million of these impaired loans had a specific allowance allocation of approximately $784,000, or 13.1%, of loans individually evaluated for impairment. At December 31, 2011, impaired loans totaled $5.8 million of which $2.5 million of these impaired loans had a specific allowance allocation of $270,000, or 4.7%, of loans individually evaluated for impairment. The reduction in specific allowance allocation is directly attributed to one credit that was charged down in the first quarter of 2013 to its regulatory fair value.

At March 31, 2013, approximately 93% of our loans were collateralized by real estate, and 100% of our impaired loans were secured by real estate. The Company utilizes third-party appraisers to determine the fair value of collateral dependent loans. Impaired loans are individually reviewed on a quarterly basis to determine the level of impairment. As of March 31, 2013, there are no impaired loans carried at a value in excess of the appraised value. The Company typically records a charge-off or creates a specific reserve for impaired loans when repayment is not expected to occur as agreed upon under the original terms of the loan agreement.

The Company considers a loan to be a troubled debt restructuring (TDR) when the debtor experiences financial difficulties and the Company provides concessions with the original terms of the loan agreement. Concessions can relate to the contractual interest rate, maturity date, or payment structure of the note. As part of our workout plan for individual loan relationships, the Company may restructure loan terms to assist borrowers facing challenges in the current economic environment. During the year

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ended December 31, 2012, the Company modified the terms of one commercial real estate loan relationship totaling $2.2 million and placed the loan relationship on nonaccrual status. There were no TDRs during the period ended March 31, 2013, or in years previous to 2012. See Note 5 to the consolidated financial statements for additional information on TDRs.

Deposits. The average amount and the average rate paid on deposits are summarized below for the period ended March 31, 2013, and for the years ended December 31, 2012 and 2011.

	For the Three Months Ended March 31, 2013			For the Years Ended December, 2012			2011		
	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate	Average Balance	Percent	Weighted Average Rate
	(Dollars in thousands)								
Deposit type:									
Non-interest-bearing demand	$ 8,902	2.8%		$ 5,767	1.9%		$ 15,137	5.0%	
Interest-bearing checking	15,362	4.8%	0.16%	16,412	5.3%	0.30%	41,953	13.7%	0.95%
Savings accounts	212,831	66.0%	0.48%	201,109	65.0%	0.79%	150,987	49.4%	0.87%
Money market accounts	7,779	2.4%	0.26%	8,531	2.8%	0.23%	10,069	3.3%	0.35%
Time deposits	77,558	24.1%	2.04%	77,409	25.0%	1.74%	87,568	28.6%	2.43%
Total deposits	$ 322,432	100.0%	0.82%	$ 309,228	100.0%	0.97%	$ 305,714	100.0%	1.27%

Our primary sources of funds for loans and investments are our deposits, advances from the FHLB of Cincinnati, and federal funds sold. Our core deposits as of March 31, 2013, and as of December 31, 2012 and 2011, represented $257.0 million, or 76.8%, of total deposits, $246.2 million, or 76.1% of total deposits, and $230.6 million, or 73.7%, of total deposits, respectively. Our loan-to-deposit ratio was 71.6%, 74.2%, and 65.8% at March 31, 2013 and December 31, 2012 and 2011, respectively. Core deposits have been a focus of FC Bank for over three years. Marketing campaigns, coupled with an increasing low interest rate environment, aided in the strategic direction of the bank to increase its core deposits and lessen its dependency on time deposits that historically are very competitive and price sensitive.

All of the Company s time deposits are certificates of deposits. The maturity distribution of our time deposits of $100,000 or more is as follows:

(Dollars in thousands)	March 31, 2013
Within three months	$ 6,907
Beyond three but within six months	7,240
Beyond six but within twelve months	17,523
Beyond one year	14,140
Total	$ 45,810

The Dodd-Frank Act permanently raised the standard maximum deposit insurance amount to $250,000. The FDIC insurance coverage limit applies per depositor and per insured depository institution for each account ownership category.

Short-Term Borrowings. For the period ended March 31, 2013, and for the years ended December 31, 2012 and 2011, the Company had no short-term borrowings for which the average balance outstanding during the period was 30% or greater of stockholders equity.

Other Borrowings. Deposits and repayment of loan principal are the Company s primary sources of funds for lending activities and other general business purposes. However, when the supply of lendable funds or funds available for general business purposes cannot satisfy the demand for loans or general business purposes, the Company can obtain funds from the FHLB of Cincinnati. At March 31, 2013 and at December 31, 2012 and 2011, the Company had $5.0 million, $7.5 million, and $7.5 million of FHLB borrowings outstanding, respectively.

Capital Resources. Total stockholders equity was $33.5 million at March 31, 2013 and $34.2 million and $31.8 million at December 31, 2012 and 2011, respectively. The $719,000 decrease during the period ended March 31, 2013, can be attributed to the other comprehensive loss that occurred in the amount of $1.2 million and $373,000 in dividends, partially offset by net income of $775,000 during the period. The $2.4 million increase during the year ended December 31, 2012, can be attributed to the net income of $3.5 million and other comprehensive income of $252,000 during the year, partially offset by dividends on preferred stock and common stock of $166,000 and $1.2 million, respectively. The $2.4 million increase during the year ended December 31, 2011, can be attributed to the net income of $2.4 million and other comprehensive income of $1.0 million during the year, partially offset by dividends on preferred stock and common stock of $451,000 and $641,000, respectively.

The following table shows the return on average assets (net income divided by average total assets), return on average equity (net income divided by average equity), and equity to assets ratio (average equity divided by average total assets) for the period ended March 31, 2013, and for the years ended December 31, 2012 and 2011.

	For the Three Months Ended March 31, 2013	For the Years Ended December, 2012	2011
Return on average assets	0.84%	0.94%	0.54%
Return on average equity	9.19%	10.06%	6.34%
Dividend payout ratio	48.06%	35.97%	33.39%
Average equity to average assets ratio	9.14%	9.30%	8.59%
Tier 1 capital to average assets ratio	9.00%	9.07%	8.60%

The annualized return on average assets was 0.84% for the three months ended March 31, 2013, and for the years ended December 31, 2012 and 2011, the return on average assets was 0.94% and 0.54%, respectively. The annualized return on average equity was 9.22% for the three months ended March 31, 2013, and for the years ended December 31, 2012 and 2011, the return on average equity was 10.06% and 6.34%, respectively.

Regulatory Capital. The Company is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weighting and other factors. Failure to meet capital requirements can initiate regulatory action.

Quantitative measures established by regulation to ensure capital adequacy require the maintenance of minimum amounts and ratios (as set forth in the tables below) of Total capital and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes that, as of December 31, 2012 and 2011, the Company met all capital adequacy requirements to which it is subject.

As of December 31, 2012, the Company is categorized as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Company must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the following table (dollar figures are in thousands). There are no conditions or events since those notifications that management believes have changed those categories.

	March 31, 2013		December 31, 2012		2011	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
Total capital						
(to risk-weighted assets)						
Actual	$ 35,562	15.09%	$ 35,662	15.28%	$ 33,257	15.34%
For capital adequacy purposes	18,853	8.00	18,670	8.00	17,344	8.00
To be well capitalized	23,567	10.00	23,337	10.00	21,680	10.00
Tier I capital						
(to risk-weighted assets)						
Actual	$ 32,799	13.92%	$ 32,743	14.03%	$ 30,624	14.13%
For capital adequacy purposes	9,425	4.00	9,335	4.00	8,672	4.00
To be well capitalized	14,138	6.00	14,002	6.00	13,008	6.00
Tier I capital						
(to average assets)						
Actual	$ 32,799	9.00%	$ 32,742	9.07%	$ 30,624	8.60%
For capital adequacy purposes	14,577	4.00	14,442	4.00	14,251	4.00
To be well capitalized	18,222	5.00	18,050	5.00	17,814	5.00

Liquidity. Liquidity measures an organization s ability to meet its cash obligations as they come due. The consolidated statements of cash flows included in the accompanying financial statements provide analysis of the Company s cash and cash equivalents and the sources and uses of cash. Liquidity is monitored by both management and the Company Board s Asset-Liability Committee, which establishes and monitors ranges of acceptable liquidity. Also, the Company is a member of FHLB which provides for a total borrowing line of approximately $26.5 million, with approximately $19.0 million, available at December 31, 2012 and $22.2 million available at March 31, 2013. Management believes that the Company s current liquidity position is acceptable.

Market Risk and Interest Rate Sensitivity

As a financial institution, the Company s primary source of market risk is interest rate risk, which is the exposure to fluctuations in future earnings resulting from changes in interest rates. This exposure is correlated to the repricing characteristics of the Company s portfolio of assets and liabilities. Each asset or liability reprices either at maturity or during the life of the instrument.

The principal purpose of asset/liability management is to maximize current and future net interest income within acceptable levels of interest rate risk while satisfying liquidity and capital requirements. Net interest income is enhanced by increasing the net interest margin and by the growth in earning assets. As a result, the primary goal of interest rate risk management is to maintain a balance between risk and reward such that net interest income is maximized while risk is maintained at an acceptable level.

The Company uses an asset-liability management model to measure the effect of interest rate changes on its net interest income. Management also reviews asset-liability maturity gap and repricing analyses regularly. Management does not always attempt to achieve a precise match between interest sensitive assets and liabilities because it believes that an actively managed amount of interest rate risk is inherent and appropriate in the management of profitability. Asset-liability modeling techniques and simulation involve assumptions and estimates that inherently cannot be measured with precision. Key assumptions in these analyses include maturity and repricing characteristics of assets and liabilities, prepayments on amortizing assets, non-maturing deposit sensitivity, and loan and deposit pricing. These assumptions are inherently uncertain due to the timing, magnitude, and frequency of rate changes and changes in market conditions and management strategies, among other factors. However, the analyses are useful in quantifying risk and provide a relative gauge of the Company s interest rate risk position over time. Management reviews interest rate risk on a quarterly basis and reports to the Asset-Liability Committee. This review includes earnings shock scenarios whereby interest rates are immediately increased and decreased by 100, 200, 300, and 400 basis points. These scenarios, detailed in the table below, indicate that there would not be a significant variance in net interest income over a one-year period due to interest rate changes; however,

actual results could vary significantly. At March 31, 2013 and December 31, 2012 and 2011, all interest rate risk levels according to the model were within the tolerance limits of the Asset-Liability Committee s approved policy. In addition, the table does not take into consideration changes that management would make to realign its assets and liabilities in the event of an unexpected changing interest rate environment. Due to the historically low interest rate environment, the -200, -300, and -400 scenarios have been excluded from the table.

March 31, 2013		December 31, 2012		December 31, 2011	
Change in Basis Points	% Change in Net Interest Income	Change in Basis Points	% Change in Net Interest Income	Change in Basis Points	% Change in Net Interest Income
400	5.50%	400	4.80%	400	8.70%
300	4.20%	300	3.70%	300	6.80%
200	2.80%	200	2.60%	200	4.80%
100	1.50%	100	1.30%	100	2.60%
-100	-2.40%	-100	-2.50%	-100	-5.60%

Effects of Inflation and Changing Prices

The effect of relative purchasing power over time due to inflation has not been taken into account in our consolidated financial statements. Rather, our financial statements have been prepared on an historical cost basis in accordance with generally accepted accounting principles.

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THE SPECIAL MEETING OF FC SHAREHOLDERS

This proxy statement/prospectus is being furnished to holders of FC common stock for use at a special meeting of FC s shareholders and any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

The special meeting of shareholders of FC will be held at the , on , at , local time.

Purpose of the Special Meeting

At the special meeting, FC s shareholders as of the record date will be asked to consider and vote on the following proposals:

1. to adopt the Agreement and Plan of Merger by and between CNB and FC, dated as of March 26, 2013, pursuant to which FC will merge with and into CNB, with CNB surviving; and
2. to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt the merger agreement.

Recommendation of the FC Board of Directors

The FC board of directors has unanimously approved the merger agreement and recommends that you vote your shares as follows:

- **FOR** adoption of the merger agreement; and
- **FOR** the proposal to adjourn the special meeting, if necessary, to permit further solicitation of proxies.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of FC common stock at the close of business on the record date of , 2013, are entitled to notice of and to vote at FC s special meeting. As of the record date, there were shares of FC common stock outstanding, held of record by shareholders. Each holder of FC common stock is entitled to one vote for each share of FC common stock owned as of the record date.

The list of shareholders entitled to vote at the special meeting will be available for review at the special meeting upon request by any FC shareholder entitled to vote at the special meeting.

Quorum; Vote Required

A quorum of FC shareholders is necessary to hold a valid meeting. If at least a majority of the total number of the outstanding shares of FC common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. FC will include proxies marked as abstentions and broker non-votes in determining the number of shares present at the special meeting.

The affirmative vote of the holders of a majority of the outstanding shares of FC common stock is required to adopt the merger agreement. The affirmative vote of a majority of those present in person or by proxy and entitled to vote is required to approve the proposal to adjourn the special meeting.

Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the adoption of the merger agreement, but will have no effect on the other proposal.

Share Ownership of Management; Voting Agreement

As of the record date, the directors and executive officers of FC and their affiliates collectively owned shares of FC common stock, or approximately % of FC s outstanding shares. FC currently expects that each of its directors and executive officers and their affiliates will vote their shares of FC common stock **FOR** adoption of the merger agreement and the other proposal described in the notice for the special meeting, although, except for FC s Chairman, Robert D. Hord, and directors Patrick D. Hord and Richard H. Thut, none of them has entered into an agreement requiring them to do so.

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Messrs. Hord, Hord and Thut has each entered into a voting agreement with CNB that requires him to vote all of his shares of FC common stock beneficially owned by him in favor of adoption of the merger agreement. As of the record date, Messrs. Hord, Hord and Thut held ; and shares of FC common stock, which collectively represented approximately % of the outstanding shares of FC common stock as of the record date. Messrs. Hord, Hord and Thut were not paid any additional consideration in connection with the execution of their respective voting agreements.

When considering the FC board of directors recommendation that you vote in favor of the adoption of the merger agreement, you should be aware that the executive officers and directors of FC have financial interests in the merger that may be different from, or in addition to, the interests of shareholders of FC. See The Merger Interests of FC s Directors and Executive Officers in the Merger beginning on page 68.

Voting of Proxies

If you are an FC shareholder, the FC board of directors requests that you return the proxy card accompanying this document for use at the FC special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed postage-paid envelope.

All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, **if no instructions are given, the shares will be voted FOR adoption of the merger agreement and FOR an adjournment of the special meeting to solicit additional proxies, if necessary.**

If you have any questions concerning the merger, the other meeting matters or this proxy statement/prospectus or need assistance voting your shares, please contact FC at the address or telephone number listed below:

FC Banc Corp.

105 Washington Square

Bucyrus, Ohio 44820

Attention: Coleman J. Clougherty

(419) 562-7040

If you hold your shares of FC common stock in street name, meaning in the name of a bank, broker or other nominee who is the record holder, you must either direct the record holder of your shares of FC common stock how to vote your shares or obtain a proxy from the record holder to vote your shares in person at the special meeting.

If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of FC common stock and you do not attend the special meeting and vote your shares in person, your shares will not be voted. This will have the same effect as a vote **AGAINST** adoption of the merger agreement.

How to Revoke Your Proxy

If you are an FC shareholder, you may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

- delivering a written notice bearing a date later than the date of your proxy card to the Secretary of FC, stating that you revoke your proxy;
- submitting a new signed proxy card bearing a later date (any earlier proxies will be revoked automatically); or

attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy. You should send any notice of revocation to Jennifer S. Gingery, Secretary, at the following address:

FC Banc Corp.

105 Washington Square

Bucyrus, Ohio 44820

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your vote.

Voting in Person

If you are an FC shareholder and plan to attend the FC special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy from the broker, bank or other nominee in order to vote your shares.

Whether or not you plan to attend the special meeting, FC requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope. This will not prevent you from voting in person at the special meeting but will assure that your vote is counted if you are unable to attend.

Abstentions and Broker Non-Votes

Only shares affirmatively voted for adoption of the merger agreement, including shares represented by properly executed proxies that do not contain voting instructions, will be counted as votes **FOR** adoption of the merger agreement and **FOR** approval of the proposal to adjourn the special meeting.

Brokers who hold shares of FC common stock in street name for a customer who is the beneficial owner of those shares may not exercise voting authority on the customer s shares with respect to the actions proposed in this document without specific instructions from the customer. Proxies submitted by a broker that do not exercise this voting authority are referred to as broker non-votes. If your broker holds your FC stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this document.

Accordingly, you are urged to mark and return the enclosed proxy card to indicate your vote, or fill out the voter instruction form, if applicable.

Abstentions and broker non-votes will be included in determining the presence of a quorum at the special meeting. Abstentions and broker non-votes will have the same effect as voting **AGAINST** the proposal to adopt the merger agreement, but will have no effect on the other proposal.

Proxy Solicitation

If you are an FC shareholder, the enclosed proxy is solicited by and on behalf of the FC board of directors. FC will pay the expenses of soliciting proxies to be voted at the special meeting, except that CNB has agreed to pay the costs of preparing, printing, filing and mailing this document, other than attorneys and accountants fees which will be paid by the party incurring the expense. Following the original mailing of the proxies and other soliciting materials, FC and its agents also may solicit proxies by mail, telephone, facsimile or in person. No additional compensation will be paid to directors, officers or other employees of FC for making these solicitations. FC intends to reimburse persons who hold FC common stock of record but not beneficially, such as brokers, custodians, nominees and fiduciaries, for their reasonable expenses in forwarding copies of proxies and other soliciting materials to, and requesting authority for the exercise of proxies from, the persons for whom they hold the shares.

This proxy statement/prospectus and the proxy card are first being sent to FC shareholders on or about , 2013.

Stock Certificates

If you are an FC shareholder, you should not send in any certificates representing FC common stock. Following the completion of the merger, you will receive separate instructions for the exchange of your certificates representing FC common stock.

Proposal to Approve Adjournment of the Special Meeting

FC is also submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments of the special meeting if there are not sufficient votes to adopt the merger agreement at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that FC may not have received sufficient votes to adopt the

merger agreement by the time of the special meeting. In that event, FC would need to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite shareholder approval to adopt the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy card. If the special meeting is adjourned, FC is not required to give notice of the time and place of the adjourned meeting unless the board of directors fixes a new record date for the special meeting.

The proposal to approve one or more adjournments of the special meeting requires the affirmative vote of a majority of those present in person or by proxy and entitled to vote on the proposal. The FC board of directors retains full authority to the extent set forth in FC s Code of Regulations and Ohio law to adjourn the special meeting for any other purpose, or to postpone the special meeting before it is convened, without the consent of any FC shareholders.

PROPOSAL I THE MERGER

The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement and financial advisors opinions attached as annexes to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement and FC s financial advisor s opinion attached as annexes to this proxy statement/prospectus, for a more complete understanding of the merger.

General

On March 26, 2013, the CNB board of directors and the FC board of directors approved the merger agreement. The merger agreement provides for the acquisition by CNB of FC through a merger of FC with and into CNB, with CNB as the surviving corporation. Following the merger, FC Bank will be merged with and into CNB Bank, with CNB Bank as the surviving entity.

Upon completion of the merger, holders of FC common stock (other than stock held by FC or CNB) will be entitled to elect to receive, for each share of FC common stock that is issued and outstanding, (i) $30.00 in cash, without interest, or (ii) 1.754 shares of CNB common stock, subject to proration provisions described herein and set forth in the merger agreement.

See The Merger Agreement, beginning on page 79, for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

For the past five years, the boards of directors of FC and FC Bank have discussed their increasing concerns regarding the ability of FC Bank to continue to grow in a safe and sound manner and profitably in an environment of escalating competition, rapidly changing technology, increasing regulatory compliance and oversight expense, increasing general operating expenses, low interest rates, shrinking margins, inconsistent demand for quality loans, increased capital requirements for the banking industry, limited availability of capital, and expanding customer demand for new products and services. The directors have focused on how to meet the burgeoning expense of the current and future banking environment while avoiding risky growth and continuing the ongoing safe and sound operation of FC Bank. In an effort to better understand and address the current and future industry environment, the current and prospective opportunities for FC and FC Bank in particular, and to plan for the future, the FC board of directors has periodically consulted with financial and banking industry advisors.

In 2010, the FC board of directors asked a financial advisor to solicit the interest of other financial institutions and persons in respect of a possible merger or other business combination with FC and FC Bank. FC held discussions with a number of the solicited financial institutions and persons regarding a potential transaction, but none of those discussions developed into a definitive agreement. The list of solicited institutions did not include CNB.

At a strategic board retreat on March 9, 2011, the FC directors invited representatives of Boenning & Scattergood, Inc., or Boenning, to make a presentation concerning the state of the community banking industry and to present ideas for how FC and FC Bank could increase shareholder value in light of the challenging business environment. Boenning suggested, among other things, that FC consider (a) a stock offering of a significant dollar amount to permit significant future growth; (b) a merger with a financial institution of similar size; (c) the sale of FC and FC Bank to a larger financial institution in FC s market or to a financial institution looking to expand into FC s market; and (d) remaining independent and acquiring small banks in existing or adjacent markets. Boenning s presentation described each of the strategic alternatives and their relative advantages and disadvantages in detail. Boenning also provided a list of potential merger partners based on such parties sizes and geographic proximity to FC s market, along with financial information for each of those potential partners. The list of potential merger partners did not include CNB.

After extensive discussion and consideration of the alternatives throughout 2011, FC s board of directors decided to request that Boenning explore the possibility of a merger with either a similar sized or larger institution. In October 2011, Boenning contacted 13 financial institutions (which institutions did not include CNB) selected by the FC board of directors from a list of 25 potential partners identified by Boenning on the basis of their size, geographic proximity to FC s market and Boenning s knowledge of the banking industry in such markets, and received two expressions of interest. Following the receipt of the expressions of interest, FC held discussions with each of those financial institutions concerning a potential business combination transaction, but those discussions did not lead to the negotiation of a definitive agreement.

Following the termination of those discussions, the FC board of directors continued to periodically conduct strategic reviews and explore business combinations with comparably sized financial institutions and, in September 2012, following extensive discussion, the FC board of directors determined to consider the possibility of a $10 million equity offering. During the consideration of such an offering, Boenning, in an informal meeting with CNB management in October 2012, became aware of CNB s interest in expanding its market and pursuing growth opportunities in Ohio. In October 2012, representatives of Boenning discussed with the FC board of directors the possibility of exploring a business combination transaction with CNB and, with the approval of the FC board of directors, Boenning introduced the senior executive management teams of FC and CNB to each other, and dialogue regarding the potential business combination transaction began in November 2012.

CNB s management and board of directors have periodically conducted strategic reviews as part of their on-going efforts to improve CNB s banking franchise and enhance shareholder value. These reviews have focused on assessing opportunities for increasing earnings through organic growth and for growth through acquisitions of other banks or *de novo* branching. CNB s management and board of directors also regularly review the banking industry environment and potential strategies for enhancing CNB s competitive position in this environment. As part of the strategic reviews, CNB s management and board of directors have considered potential acquisition targets, including banking institutions located in Ohio. In particular, CNB had been interested in entering the Ohio market given the size and nature of the market. CNB had also been interested in opportunities to replicate CNB s ERIEBANK business model.

On November 16, 2012, CNB entered into a confidentiality agreement with FC, agreeing to maintain the confidential nature of any non-public information shared by FC with CNB.

Senior executive officers of CNB and FC met on January 9, 2013 and held substantive discussions concerning their respective businesses and a potential business combination transaction. On January 15, 2013 the CNB board of directors discussed with CNB s senior executive officers a potential strategic transaction between CNB and FC. At that meeting, CNB senior managers reviewed the opportunity and the expected financial impact on CNB of a possible transaction with FC. At the conclusion of the discussion, CNB s board of directors authorized management to submit to FC a non-binding indication of interest outlining the terms of a proposed acquisition by CNB of FC.

CNB submitted a non-binding indication of interest to FC on January 25, 2013, which contemplated that CNB would acquire 100% of the outstanding shares of common stock of FC at a price of $30.00 per share (for total consideration of approximately $40.4 million, representing a market premium at that time of 25% over FC s stock price, or 118% of tangible book value as of December 31, 2012), with at least 80% of the consideration being paid to FC s shareholders in the form of shares of CNB common stock. The pro forma annualized cash dividend based on the then-current FC dividend indicated an anticipated increase of 12% in projected dividends for FC shareholders. Among other things, the indication of interest also provided for the merger of FC Bank into CNB Bank concurrently with the merger of FC into CNB, the appointment of a director of FC to the CNB board, and operation of the former FC Bank as a separately branded division of CNB Bank. Further, the indication of interest provided CNB with 60 days of exclusivity to negotiate the definitive terms of a merger with FC.

Following the submission of the non-binding indication of interest, the senior executive officers of CNB and FC engaged in further substantive discussions concerning the terms and conditions of the transaction proposed by CNB. While these discussions were ongoing, in January 2013, another bank holding company, referred to herein as Company A, approached FC on an unsolicited basis and, after discussions, on February 11, 2013, submitted a non-binding indication of interest to combine with FC.

Company A s non-binding indication of interest contemplated acquiring 100% of the outstanding stock of FC at a price of $28.20 per share (for total consideration of approximately $37.6 million for FC shares, representing a market premium of 17.5% and 110% of tangible book value as of December 31, 2012), with at least 80% of the consideration being paid to FC s shareholders in the form of shares of Company A s common stock. Based on the then-current FC dividend, the pro forma annualized cash dividend indicated an anticipated decrease of 78% in projected dividends for FC shareholders. Among other things, Company A s non-binding indication of interest provided for the merger of FC Bank into Company A s subsidiary bank concurrently with the merger of FC into Company A, but did not contemplate the appointment of a FC director to board of directors of Company A and did not indicate that the former FC Bank would be operated as a separately branded division of Company A s banking subsidiary.

Both CNB s and Company A s non-binding indications of interest contained similar proposed transaction legal structures and neither contained any financing contingency.

On February 12, 2013, at a special meeting of the boards of directors of FC and FC Bank, the directors, with the assistance of representatives of Boenning and Vorys, Sater, Seymour and Pease LLP, legal counsel to FC and FC Bank, discussed in depth the non-binding indications of interest provided by CNB and Company A. After the discussion, the directors concluded that the CNB proposal

was more attractive than Company A s proposal because, based on the information presented, the CNB transaction involved a better price and potentially better future prospects for FC shareholders that became shareholders of CNB. The FC directors also noted that the CNB proposal was more favorable for FC shareholders than any of the earlier business combination transactions considered by FC in 2012. Representatives of Boenning stated that they believed that, based upon the current condition of the institutions, the terms of the CNB proposal would be fair for FC shareholders from a financial perspective. At the conclusion of the discussion, FC s board of directors authorized management to execute CNB s non-binding indication of interest, provided that such non-binding indication of interest was first revised to (i) include certain pricing protection mechanisms, (ii) clarify certain aspects of the proposed appointment of an FC director to the CNB board of directors, and (iii) include any other provisions favorable to FC as determined by management and FC s legal and financial advisors.

Following discussions with CNB s senior executive officers regarding these revisions and the agreement by CNB to the revised draft of the non-binding indication of interest submitted to CNB by FC, FC executed CNB s non-binding indication of interest on February 12, 2013. Following FC s execution of the non-binding indication of interest, CNB and its representatives were provided access to a secure virtual data room containing due diligence materials and non-public information about FC.

Thereafter and continuing throughout the negotiations process, CNB and representatives of CNB conducted a due diligence review of FC s business, finances and operations. CNB made supplemental requests for due diligence materials, and representatives of the parties had numerous discussions with respect to matters raised in the course of the due diligence process. Additionally, from February 26, 2013 through February 28, 2013, CNB and its representatives conducted an on-site due diligence review of FC s business, finances and operations at FC s principal office in Bucyrus, Ohio and engaged in discussions with certain senior managers of FC concerning the terms of their potential employment by CNB following the consummation of the proposed acquisition.

On March 8, 2013, Hogan Lovells US LLP, CNB s legal counsel, transmitted an initial draft merger agreement to FC s advisors. On March 15, 2013, Hogan Lovells US LLP transmitted initial drafts of voting agreements pursuant to which certain directors of FC would agree to vote their shares of FC common stock in favor of the proposed transaction and certain other ancillary documents, including employment and settlement agreements, to FC s advisors. On March 19, 2013, FC s legal advisors transmitted an initial round of comments to the draft merger agreement to Hogan Lovells US LLP. The parties and their legal advisors negotiated the terms and conditions of the merger agreement and the related ancillary documents over the course of the next week.

During the week of March 18, 2013, FC conducted on-site reverse due diligence of CNB and CNB Bank with the assistance of Boenning and legal counsel. As part of its review, FC reviewed various CNB and CNB Bank documents that were requested by FC and met with CNB s management to discuss CNB s business, results of operations and prospects. FC also reviewed CNB s publicly-available documents previously filed with the Securities and Exchange Commission and discussed CNB s relationships with its bank regulators as well as CNB s ability to address new and anticipated regulatory requirements.

At a special meeting of the FC board of directors on March 19, 2013, the FC board of directors met with representatives of Boenning and Vorys to discuss the status of the negotiations with CNB, and reviewed and discussed the then-most recent version of the draft merger agreement. The directors asked numerous questions regarding the terms and conditions of the merger agreement, to which representatives of Vorys and Boenning responded. The FC board of directors also reviewed and discussed its position as to various points in the merger agreement that were the subject of ongoing negotiations.

Between March 19, 2013 and March 26, 2013, the parties continued to negotiate and revise the merger agreement and certain ancillary documents, directly and through legal counsel, to address the unresolved business and legal issues in connection with the merger. During this period, representatives of CNB and FC also prepared disclosure schedules and exhibits required by the terms and conditions of the merger agreement.

On March 26, 2013, FC s board of directors held a special meeting to review and consider the proposed transaction with CNB. Copies of the merger agreement and related materials were distributed to the members of the FC board of directors in advance of the meeting. At the meeting, members of FC s senior executive management, together with representatives of Vorys and Boenning, discussed the status of negotiations with CNB and presented to the FC board of directors the material terms and conditions of the merger agreement, including all material revisions made to the agreement since the directors March 19, 2013 meeting. The FC board of directors also considered the presentation by Boenning as to the fairness, from a financial point of view, of the merger consideration that FC shareholders would receive in accordance with the merger agreement. Boenning concluded its presentation by giving its oral opinion, later confirmed in writing, that such merger consideration was fair to FC and its shareholders from a financial point of view.

At the conclusion of the special meeting, the FC board of directors unanimously determined that the merger with CNB, in accordance with the terms and conditions of the merger agreement, was fair to, and in the best interests of, FC and its shareholders and other proper constituencies, after which the directors unanimously adopted resolutions to approve the merger and the merger agreement and, subject to the exercise of the FC

board of directors fiduciary duties and the terms and conditions of the merger agreement, recommend that the shareholders of FC approve the merger and the merger agreement.

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On March 26, 2013, CNB s board of directors met with CNB s legal and financial advisors to review and consider the proposed transaction with FC and the terms of the merger agreement. After discussion, CNB s board of directors unanimously approved the transaction and authorized CNB s management to execute and deliver the merger agreement.

Following the meetings of the FC and CNB boards of directors on March 26, 2013, the parties executed the merger agreement and related documents, including the voting agreements of Messrs. Thut, Robert D. Hord and Patrick Hord, and publicly announced the transaction in a press release.

FC s Reasons for the Merger

In reaching its decision to approve the merger agreement and related transactions, the FC board of directors consulted with executive management, the board s financial advisors, and its legal counsel and considered a number of factors, including, among others, the following, which are not presented in order of priority:

- a combined FC and CNB may create a company with sufficient size and scale to more efficiently compete in a highly-competitive industry;
- the likelihood of a need for additional capital, and CNB s access to capital to support future growth and address likely future regulatory requirements for the industry generally;
- the combined company s potential to increase shareholder value and to create opportunities for enhanced earnings and potential dividends;
- increased liquidity for FC s shareholders resulting from the merger, and the fact that CNB s common shares are traded on the NASDAQ Global Stock Market;
- projected increased dividend payout levels;
- CNB s plan to retain FC s name and presence in FC s present markets;
- the current and prospective business and economic environment in which FC operates, including local and regional economic conditions;
- the continuing consolidation in the financial services industry;
- increased regulatory burdens on financial institutions;
- the uncertainties in the regulatory and economic climate going forward;
- the compatibility of FC s and CNB s respective core philosophies and the similarities between the markets served by FC and CNB;

the business, earnings, operations, financial condition, management, prospects, capital levels and asset quality of FC and FC Bank;

the financial analysis prepared by Boenning and opinion of Boenning that the merger consideration is fair, from a financial point of view, to FC s shareholders;

the form and amount of merger consideration, and the ability of FC s shareholders to participate in the future performance of the combined company;

the belief by the FC board of directors that CNB is a high-quality financial services company with a compatible business culture and shared approach to customer service and increasing shareholder value;

the belief of the FC board of directors that CNB shares FC s commitment to supporting FC s local communities and developing the local economies;

CNB s plan to retain many of FC s front-line employees, enabling FC customers to continue to interact with the same people after the merger;

the increased lending opportunities in the communities served by FC Bank as a result of the combined banks increased lending limits;

- direct representation of FC on the board of directors of CNB;
- economies of scale with respect to overhead and operating expenses of the combined company;
- the effect of the merger on FC s and FC Bank s employees, including the prospects for continued employment and the other benefits agreed to be provided by CNB to FC s and FC Bank s employees; and
- the effect of the merger on FC s and FC Bank s customers and the communities in which they conduct business.

The FC board of directors also considered a variety of potentially negative factors in its deliberations concerning the merger agreement and the merger, including the following, which are not presented in order of priority:

- FC would lose the autonomy associated with being an independent financial institution;
- FC s customers may be hesitant to engage with a much larger financial institution;
- the fact that, while FC expects that the merger will be consummated, there can be no assurance that all conditions to the parties obligations to complete the merger agreement will be satisfied, including the risks that necessary regulatory or shareholder approvals might not be obtained and, as a result, the merger may not be consummated;
- the risk that any potential benefits and synergies sought in the merger may not be realized or may not be realized within the expected time period, and the risks associated with the integration of the two companies;
- the restrictions of the conduct of FC s business prior to the completion of the merger, which are customary for merger agreements such as the merger agreement between FC and CNB, but which, subject to specific exceptions, could delay or prevent FC from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of FC absent the pending completion of the merger;
- the significant risks and costs involved in connection with entering into and completing the merger, of failing to complete the merger in a timely manner, or at all, including as a result of any failure to obtain required regulatory approvals, such as the risks and costs relating to diversion of management and employee attention, potential employee attrition, and the potential effect on business and customer relationships;
- the fact that FC would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement, and the possibility that the $1.6 million termination fee payable by FC upon the termination of the merger agreement under certain circumstances could discourage other potential acquirers from making a competing bid to acquire FC;
- the possibility of litigation in connection with the merger;
- the other risks described under the heading Risk Factors beginning on page 22; and

as FC currently does not anticipate asking Boenning to update its opinion, that the opinion will not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed.

During its consideration of the merger agreement, FC s board of directors was also aware that FC officers and directors may have financial interests in the merger that are different from, or are in addition to, the interests of FC shareholders and took those issues into consideration in negotiating the merger agreement. See Interests of FC s Directors and Executive Officers in the Merger, beginning on page 68.

The foregoing discussion of the factors considered by the FC board of directors is not intended to be exhaustive, but does set forth the principal factors considered by the board. Based on the factors described above, the FC board of directors determined that the merger with CNB would be advisable and in the best interests of FC shareholders and unanimously approved the merger agreement and related transactions contemplated by the merger agreement and recommended approval of the proposed merger by FC shareholders. In view of the wide variety and complexity of factors considered by the FC board of directors in connection with its evaluation of the merger, the board of directors did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any factor, was favorable or unfavorable to the ultimate determination of the board. Rather, the FC board of directors made its recommendation based on the totality of information presented to and the investigation conducted by it. In considering the factors discussed above, individual directors may have given different weights to different individual factors.

Recommendation of the FC Board of Directors

The FC board of directors has unanimously approved the merger agreement and recommends that FC s shareholders vote **FOR** adoption of the merger agreement.

Opinion of Boenning & Scattergood, Inc., Financial Advisor to FC

By letter dated April 27, 2012, as amended February 11, 2013, FC retained Boenning & Scattergood, Inc., or Boenning, to act as its exclusive financial advisor in connection with a possible sale, merger, or other business combination with CNB. Boenning is an investment banking firm headquartered in West Conshohocken, Pennsylvania with an expertise in merger and acquisitions involving banks and other financial institutions. Boenning is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Boenning acted as financial advisor to FC in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement, dated as of March 26, 2013. At a meeting of the FC board of directors on March 26, 2013, the FC board of directors reviewed the merger agreement and Boenning delivered to the board of directors its oral and written opinion, that as of such date, the merger consideration was fair to the holders of FC common stock from a financial point of view. The FC board of directors approved the merger agreement at this meeting.

The full text of Boenning s written opinion dated March 26, 2013, which is referred to herein as the Opinion, is attached as Annex C and is incorporated in this proxy statement/prospectus by reference. The Opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Boenning in rendering the Opinion. The description of the Opinion set forth below is qualified in its entirety by reference to the Opinion. FC shareholders are urged to read the entire Opinion carefully in connection with their consideration of the proposed merger.

The Opinion speaks only as of its date. The Opinion was directed to the FC board of directors and is directed only to the fairness, from a financial point of view, of the merger consideration to be paid to the holders of FC common stock. It does not address the underlying business decision of FC to engage in the merger or any other aspect of the merger and is not a recommendation to any FC shareholder as to how such shareholder should vote at the special meeting with respect to the merger or any other matter.

In connection with rendering the Opinion, Boenning reviewed and considered, among other things:

- the merger agreement;
- audited financial statements for the three years ended December 31, 2012 and other historical financial information of FC;
- certain publicly available financial statements and other historical financial information of CNB;
- an internal budget for FC for the year ending December 31, 2013, as provided by senior management of FC;
- certain internal financial projections in respect of FC s annual earnings growth and dividends, as provided orally by senior management of FC;
- publicly available median analyst earnings estimate for CNB for the years ending December 31, 2013 and December 31, 2014;

the pro forma financial impact of the proposed merger between CNB and FC based on assumptions as determined by the senior managements of FC and CNB, relating to transaction expenses, purchase accounting adjustments, and cost savings;

the terms and structures of other recent mergers and acquisition transactions in the commercial banking sector;

the current market environment generally and in the commercial banking sector in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Boenning considered relevant.

Boenning also discussed with certain members of senior management of FC the business, financial condition, results of operations and prospects of FC and held similar discussions with senior management of CNB concerning the business, financial condition, results of operations and prospects of CNB.

In performing its review, Boenning relied upon the accuracy and completeness of all of the financial and other information that was available to Boenning from public sources, that was provided to Boenning by FC and CNB, or their respective representatives, or that was otherwise reviewed by Boenning, and Boenning has assumed such accuracy and completeness for purposes of rendering the Opinion. Boenning has further relied on the assurances of the respective managements of FC and CNB that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Boenning has not been asked to and has not undertaken an independent verification of any of such information and does not assume any responsibility or liability for the accuracy or completeness thereof. Boenning did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of FC and CNB or any of their respective subsidiaries. Boenning renders no opinion or evaluation on the collectability of any assets or the future performance of any loans of FC and CNB. Boenning did not make an independent evaluation of the adequacy of the allowance for loan losses of FC and CNB, or the combined entity after the merger, and it has not reviewed any individual credit files relating to FC and CNB. Boenning has assumed, with FC s consent, that the respective allowances for loan losses for both FC and CNB are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Boenning used an internal budget for FC and financial projections in respect of FC s annual earnings growth and dividends as provided by the senior management of FC and publicly available earnings estimates for CNB as discussed with senior management of CNB. Boenning also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by and/or reviewed with the senior management of FC. With respect to those projections, estimates and judgments, the management of FC confirmed to Boenning that those projections, estimates and judgments reflected the best currently available estimates and judgments of FC management of the future financial performance of FC and Boenning assumed that such performance would be achieved. The projections in respect of FC s annual earnings growth and dividends were furnished orally to Boenning by FC s senior management team and were used by Boenning in certain of its analyses. FC does not publicly disclose internal management projections of the type orally provided to Boenning in connection with its review of the merger. As a result, such projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. Boenning expresses no opinion as to such financial projections or estimates or the assumptions on which they are based. Boenning has also assumed that there has been no material change in FC s and CNB s assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Boenning. Boenning has assumed in all respects material to its analysis that FC and CNB will remain as going concerns for all periods relevant to its analyses, that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct, that each party to the merger agreement will perform all of the covenants required to be performed by such party under the merger agreement and that the conditions precedent in the merger agreement are not waived. Finally, with the consent of FC, Boenning has relied upon the advice that FC has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

The Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof could materially affect the Opinion. Boenning has not undertaken to update, revise, reaffirm or withdraw the Opinion or otherwise comment upon events occurring after the date thereof.

The Opinion was directed to the FC board of directors in connection with its consideration of the merger and does not constitute a recommendation to any shareholder of FC as to how any such shareholder should vote at the FC special meeting. The Opinion is directed only to the fairness, from a financial point of view, of the merger consideration to the holders of FC common stock and does not address the underlying business decision of FC to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for FC or the effect of any other transaction in which FC might engage. The Opinion shall not be reproduced or used for any other purposes, without Boenning s prior written consent. The Opinion has been approved by Boenning s fairness opinion committee. Boenning has consented to inclusion of the Opinion and a summary thereof in this proxy statement/prospectus and in the registration statement on Form S-4 which includes this proxy statement/prospectus. Boenning does not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director, or employee, or class of such persons, relative to the compensation to be received in the merger by any other shareholder.

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In rendering its Opinion, Boenning performed a variety of financial analyses. The following is a summary of the material analyses performed by Boenning, but is not a complete description of all the analyses underlying Boenning s opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Boenning did not attribute any particular weight to any analysis or factor that it considered. Rather, Boenning made qualitative judgments as to the significance and relevance of each analysis and factor. Boenning did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support the Opinion; rather Boenning made its determination as to the fairness of the merger consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Boenning believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Boenning s comparative analyses described below is identical to FC or CNB and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of FC or CNB and the companies to which they are being compared.

In performing its analyses, Boenning also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of FC, CNB and Boenning. The analysis performed by Boenning is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Boenning prepared its analyses solely for purposes of rendering the Opinion and provided such analyses to the FC board of directors at the March 26, 2013 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Boenning s analyses do not necessarily reflect the value of FC s common stock or the prices at which FC s common stock may be sold at any time. The analysis and the Opinion of Boenning was among a number of factors taken into consideration by the board of directors of FC in making its determination to approve of FC s entry into the merger agreement and the analyses described below should not be viewed as determinative of the decision the board of directors of FC or management with respect to the fairness of the merger.

At the March 26, 2013 meeting of the FC board of directors, Boenning presented certain financial analyses of the merger. The summary below is not a complete description of the analyses underlying the opinions of Boenning or the presentation made by Boenning to the FC board of directors, but is instead a summary of the material analyses performed and presented in connection with the Opinion.

Summary of Proposal

Boenning reviewed the financial terms of the proposed transaction. Shares of FC common stock issued and outstanding immediately prior to the merger will be converted into a combination of shares of Company common stock and cash in aggregate amount equal to $40,432,000, including the implied economic value of certain stock options and subject to certain potential adjustments as described in this proxy statement/prospectus. Pursuant to the terms of the merger agreement, each FC shareholder will have the right, with respect to each of their shares of FC common stock, to elect to receive, subject to certain proration and allocation provisions set forth in the merger agreement, either (i) $30.00 in cash, without interest, or (ii) 1.754 shares of CNB common stock. The exchange ratio was determined by dividing $30.00 by $17.11, which reflects the average closing price of CNB common stock for the ten trading days ending on March 25, 2013, the last trading day before the announcement of the merger.

Based upon financial information as or for the quarter ended December 31, 2012, Boenning calculated the following transaction ratios:

Transaction Value / Book Value:	118.2%
Transaction Value / Tangible Book Value:	118.2%
Transaction Value / Last Twelve Months Earnings:	11.5x
Market Premium:	27.7%

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Boenning calculated the pro forma cash dividend FC shareholders would receive, on a relative basis, based on the exchange ratio of 1.754 shares of CNB common stock for each share of FC common stock. Based upon the quarterly cash dividends of FC and CNB as of March 25, 2013, Boenning calculated the following values:

CNB Quarterly Cash Dividend Annualized:	$ 0.66
Exchange Ratio:	1.754
Pro Forma Quarterly Cash Dividend Annualized:	$ 1.16
FC Quarterly Cash Dividend Annualized:	$ 1.12
Change ($):	$ 0.04
Change (%):	3.0%

FC Comparable Company Analysis

Boenning also used publicly available information to compare selected financial and market trading information for FC and a group of financial institutions selected by Boenning.

The FC peer group consisted of the following selected Ohio publicly-traded banks and thrifts with total assets between $250 million and $650 million.

Croghan Bancshares, Inc	United Bancorp, Inc.
CSB Bancorp, Inc.	Consumers Bancorp, Inc.
Cortland Bancorp	Minster Financial Corp.
Killbuck Bancshares, Inc.	Commercial Banchsares, Inc.*
National Bancshares Corporation	Ohio Heritage Bancorp, Inc.

* Data as of 9/30/12

The analysis compared publicly available financial information for FC and the median financial and market trading data for the FC peer group as of and for the year ended December 31, 2012, unless otherwise noted. The table below sets forth the data for FC and the median data for the FC peer group as of and for the year ended December 31, 2012, with pricing data as of March 25, 2013. Core EPS is defined as core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of held to maturity and available for sale securities, amortization of intangibles, goodwill and nonrecurring items. The assumed tax rate is 35%.

	FC	Comparable Group Median
Total Assets *(in millions)*	$ 367	$ 440
Tangible Common Equity / Tangible Assets	9.5%	8.5%
Total Risk Based Capital Ratio	14.5%	13.4%
Return on Average Assets	0.94%	0.74%
Return on Average Equity	10.9%	7.3%
Net Interest Margin	3.64%	3.53%
Efficiency Ratio	67.7%	71.1%
Loans / Deposits	74.2%	71.8%
Non-performing Assets / Assets	0.77%	1.21%
Price / Tangible Book Value	91.4%	109.6%
Price / LTM Core EPS	8.9x	12.7x

Market Capitalization (*in millions*)	$ 31.3	$ 43.5

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CNB Comparable Company Analysis

Boenning also used publicly available information to compare selected financial and market trading information for CNB and a group of financial institutions selected by Boenning.

CNB s peer group consisted of the following selected Pennsylvania NASDAQ-listed banks and thrifts with total assets between $950 million and $2.7 billion.

Metro Bancorp, Inc.	Orrstown Financial Services, Inc.
Univest Corporation of Pennsylvania	Codorus Valley Bancorp, Inc.
Bryn Mawr Bank Corporation	ACNB Corporation
Citizens & Northern Corporation	Republic First Bancorp, Inc.

The analysis compared publicly available financial information for CNB and the median financial and market trading data for CNB peer group as of and for the year ended December 31, 2012. The table below sets forth the data for CNB and the median data for Company peer group as of and for the year ended December 31, 2012, with pricing data as of March 25, 2013.

	CNB	Comparable Group Median
Total Assets *(in millions)*	$ 1,773	$ 1,260
Tangible Common Equity / Tangible Assets	7.6%	8.2%
Total Risk Based Capital Ratio	15.3%	14.9%
Return on Average Assets	1.00%	0.88%
Return on Average Equity	12.17%	8.15%
Net Interest Margin	3.47%	3.83%
Efficiency Ratio	53.7%	64.6%
Loans / Deposits	62.5%	74.5%
Non-performing Assets / Assets	1.41%	1.70%
Price / Tangible Book Value	159.5%	118.7%
Price / LTM Core EPS	12.4x	14.0x
Market Capitalization (*in millions*)	$ 214.8	$ 177.9

FC Discounted Dividend Analysis

Using a discounted dividend analysis, Boenning compared the price per share for FC s common stock implied in the transaction to the implied price per share for FC s common stock based on discounting projected future cash flows that would accrue to a holder over a five-year period based on five-year earnings growth and dividend assumptions provided by FC s management. FC management s projected earnings growth rate for the projected five-year period was a range of 0% to 10% while its projected cash dividend per share payout was consistent with its current annual payout of $1.04 per share. This analysis employed two different terminal value calculation methodologies: (i) an earnings based (P/E multiple) terminal value calculation, which applied an 8.9x P/E multiple (based on FC s trading data as March 25, 2013) to the projected earnings in year five of the projection period; and (ii) a tangible book value based (P/TBV multiple) terminal value calculation, which applied a 90% P/TBV multiple (based on FC s trading data as March 25, 2013) to projected tangible book value per share at the end of year five of the

projection period. The terminal values were then discounted to present value using a discount rate of 6.83%. This discount rate was used in order to reflect an expected rate of return that may be required by holders of or prospective buyers of FC s common stock. In addition, FC s

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management five-year projections assumed a capital raise of $10 million, priced at 90% of December 31, 2012 tangible book value. The discounted dividend analysis indicated, based upon the aforementioned assumptions and on a stand-alone basis, an implied mid-point per share valuation range of FC s common stock of $20.80 to $25.38 per share as illustrated below.

		Terminal Price to Earnings Multiple				
		8.0 x	8.5 x	**8.9 x**	11.3 x	13.6 x
	0.0	$ 16.48	$ 17.18	$ 17.87	$ 21.44	$ 25.01
	2.5	17.74	18.51	19.29	23.23	27.17
EPS Growth Rate (%)	**5.0**	19.11	19.95	20.80	25.14	29.48
	7.5	20.57	21.50	22.43	27.20	31.97
	10.0	22.14	23.16	24.18	29.41	34.64

		Terminal Price to Tangible Book Value Multiple				
		0.7 x	0.8 x	**0.9 x**	1.0 x	1.1 x
	0.0	$ 19.88	$ 22.27	$ 24.65	$ 26.31	$ 27.97
	2.5	20.16	22.58	25.00	26.70	28.39
EPS Growth Rate (%)	**5.0**	20.45	22.91	25.38	27.10	28.83
	7.5	20.75	23.26	25.77	27.53	29.28
	10.0	21.06	23.62	26.19	27.98	29.77

In connection with the discounted dividend analysis performed, Boenning considered, and discussed with FC s board of directors, how the present value analysis would be affected by changes in the underlying assumptions, including variations with respect to the growth rate of assets, net interest spread, non-interest income and non-interest expenses, earnings, and terminal valuation multiples. Boenning noted that the discounted dividend stream and terminal value analysis is a widely used valuation methodology, but the assumptions that must be made, and the results of this analysis, are not necessarily indicative of actual values or future results.

Analysis of Selected Merger Transactions

Boenning reviewed four sets of comparable mergers and acquisitions.

The first set of mergers and acquisitions included 34 transactions announced from January 1, 2012 through March 25, 2013 in which the targets were U.S. banks with assets between $250 million and $750 million. Boenning deemed these transactions to be reflective of the proposed combination of FC and CNB. Boenning derived and reviewed the following multiples: transaction price per share to book value per share, transaction price per share to tangible book value per share, transaction price per share to last twelve months earnings per share and core deposit premium. As illustrated in the following table, Boenning compared the proposed merger multiples to the median multiples of these comparable transactions. Core deposit premium is defined as the difference between the purchase price paid by a buyer to the tangible book value of a seller expressed as a percentage of the seller s core deposits. Core deposits are defined as all deposits less all deposit accounts with balances over $100,000 and foreign deposits.

	FC / CNB	**Comparable Transactions Median**
Transaction Value / Book Value	118.2%	103.9%
Transaction Value / Tangible Book Value	118.2%	112.3%
Transaction Value / Last Twelve Months Earnings	11.5x	16.7x
Core Deposit Premium	2.3%	0.9%

The second set of mergers and acquisitions included 8 transactions announced from January 1, 2012 through March 25, 2013 in which the targets were Midwest banks with assets between $250 million and $750 million. Boenning deemed these transactions to be reflective of the proposed FC and CNB combination. Boenning reviewed the following multiples: transaction price to book value per share, transaction price to tangible book value per share, transaction price to last twelve months earnings per share and core deposit premium. As illustrated in the following table, Boenning compared the proposed merger multiples to the median multiples of these comparable transactions.

	FC / CNB	Comparable Transactions Median
Transaction Value / Book Value	118.2%	96.3%
Transaction Value / Tangible Book Value	118.2%	98.7%
Transaction Value / Last Twelve Months Earnings	11.5x	15.1x
Core Deposit Premium	2.3%	(0.3%)

The third set of mergers and acquisitions included 7 transactions announced from January 1, 2012 through March 25, 2013 in which the targets were U.S. banks with assets between $250 million and $750 million, NPAs/Assets less than 1% and Tangible Equity/ Tangible Assets greater than 7.5%. Boenning deemed these transactions to be reflective of the proposed FC and CNB combination. Boenning reviewed the following multiples: transaction price to book value per share, transaction price to tangible book value per share, transaction price to last twelve months earnings per share and core deposit premium. As illustrated in the following table, Boenning compared the proposed merger multiples to the median multiples of these comparable transactions.

	FC / CNB	Comparable Transactions Median
Transaction Value / Book Value	118.2%	122.3%
Transaction Value / Tangible Book Value	118.2%	122.3%
Transaction Value / Last Twelve Months Earnings	11.5x	16.8x
Core Deposit Premium	2.3%	2.7%

The fourth set of mergers and acquisitions included 7 transactions announced from October 31, 2012 through March 25, 2013 in which the targets were U.S. banks with assets between $250 million and $750 million. Boenning deemed these transactions to be reflective of the proposed FC and CNB combination. Boenning reviewed the following multiples: transaction price to book value per share, transaction price to tangible book value per share, transaction price to last twelve months earnings per share and core deposit premium. As illustrated in the following table, Boenning compared the proposed merger multiples to the median multiples of these comparable transactions.

	FC / CNB	Comparable Transactions Median
Transaction Value / Book Value	118.2%	100.7%
Transaction Value / Tangible Book Value	118.2%	100.7%
Transaction Value / Last Twelve Months Earnings	11.5x	15.6x
Core Deposit Premium	2.3%	0.1%

Pro Forma Merger Analysis

Boenning analyzed certain potential pro forma effects of the merger, assuming the following: (i) the merger is completed in the fourth quarter of 2013; (ii) the implied price to be paid for each share of FC common stock at the time of the announcement was $30.00 based on the fixed stock-for-stock exchange ratio of 1.754 shares of CNB s common stock for each share of FC s common stock; (iii) CNB would be able to achieve estimated pre-tax cost savings of $2.2 million on an annual basis and such savings would be fully phased-in in 2014; (iv) estimated one-time transaction related costs of $8.7 million pre-tax are expensed prior to closing; (v) FC s performance was calculated in accordance with FC s management s prepared earnings projections; (vi) CNB s performance was calculated in accordance with the publicly available earnings estimates for CNB; and (vii) certain other assumptions pertaining to costs and expenses associated with the transaction, intangible amortization, opportunity cost of cash and other items. The analyses indicated that, for the full years 2013 and 2014, the merger (excluding transaction expenses) would be accretive to CNB s projected earnings per share and, on a pro forma basis as of December 31, 2012, would be dilutive to CNB s tangible book value per share. The actual results achieved by the combined company may vary from projected results and the variations may be material.

Boenning s Compensation and Other Relationships with FC

Boenning has acted as financial advisor to FC in connection with the merger and received fees totaling $22,500 prior to the execution of the definitive agreement. In addition, FC agreed to pay Boenning a transaction fee of 1.5% of the aggregate deal value, or approximately $630,000 of which $150,000 was paid upon the signing of a definitive agreement with the remainder to be paid upon the closing of the merger. FC has also agreed to reimburse Boenning for its reasonable out-of-pocket expenses, up to $15,000 and subsequent to management approval thereafter, and to indemnify Boenning against certain liabilities arising out of its engagement. Boenning s Opinion was approved by Boenning s fairness opinion committee.

In the ordinary course of their respective broker and dealer businesses, Boenning may purchase securities from and sell securities to FC and CNB and their affiliates. Boenning may also actively trade the debt and/or equity securities of FC and CNB or their affiliates for its own accounts and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Since July 2011, Boenning has received $212,000 in aggregate compensation for services provided to FC, including broker-dealer services, consisting of $172,500 for advisory services provided to FC in connection with the merger, $25,000 for advisory services provided to FC that were unrelated to the merger and approximately $14,500 in brokerage commissions, and, in addition, has received $33,125 as reimbursement of expenses incurred in the provision of such services.

Interests of FC s Directors and Executive Officers in the Merger

Certain directors and executive officers of FC have interests in the merger as individuals in addition to, or different from, their interests as shareholders of FC, including, but not limited to, (i) in the case of certain officers and directors of FC, agreements with FC Bank that provide for payments and benefits in addition to the merger consideration, (ii) the continuation of indemnification and insurance coverage (for officers and directors) provided by CNB for a limited time after the merger and (iii) in the case of Mr. Hord, Mr. Hord s appointment, immediately following the effective time of the merger, to the CNB and CNB Bank boards of directors. The FC board of directors was aware of these interests and considered them, among other matters, when it approved the merger agreement.

The dates and share prices used below to quantify these interests have been selected based upon applicable disclosure requirements and are for illustrative purposes only. They do not necessarily reflect the dates on which certain events will occur and do not represent a projection about the future value of FC common stock.

Restricted Stock and Stock Options

Each holder of an FC stock option (whether vested or unvested) that is unexercised and outstanding as of the effective time shall, by reason of the merger, be canceled and converted into the right to receive in cash an amount (less applicable tax withholdings) equal to the product of (i) the excess, if any, of the cash consideration per share over the exercise price per share of such option and (ii) the number of shares of FC common stock subject to such option, with no FC stock option being exercisable following the effective time. FC stock options which vest in the ordinary course and are properly exercised prior to the effective time will have the right to receive merger consideration on the same terms as all other outstanding shares of FC common stock. Similarly, each outstanding restricted stock award which is unvested immediately prior to the effective time shall vest as of the effective time and will have the right to receive merger consideration on the same terms as all other outstanding shares of FC common stock. See the section titled The Merger Agreement Consideration to be Received in the Merger Treatment of FC Stock Options and Restricted Stock Awards beginning on page 81.

The following table sets forth, based on outstanding awards under FC equity plans as of June 7, 2013 (i) the number of shares of unvested restricted stock, (ii) the number of vested stock options, (iii) the number of unvested stock options held by each FC executive officer and director, and (iv) the estimated net proceeds (determined prior to reduction for applicable tax withholdings) such officers and directors will receive in connection with merger as a result of the cash-out of such equity awards as described above.

	Number of Shares of Unvested Restricted Stock(1)	Number of Vested Stock Options	Number of Unvested Stock Options(2)	Estimated Net Proceeds
Executive Officers				
Coleman Clougherty	1,000	29,513	900	$ 133,225
David D. Dygert	3,400	2,840	4,260	$ 187,200

W. Eugene Spurbeck	1,000	2,900	600	$ 44,500
Louis J. Torchio	500	200	300	$ 21,000
Jeffrey A. Wise	250	5,473	150	$ 32,867
Other executive officers as a group (3 persons)	1,250	4,510	750	$ 60,505

	Number of Shares of Unvested Restricted Stock(1)	Number of Vested Stock Options	Number of Unvested Stock Options(2)	Estimated Net Proceeds
Directors				
Robert D. Hord		1,650	600	$ 13,250
Patrick Hord		2,700	300	$ 13,875
David G. Dostal		1,200	300	$ 7,000
Patrick J. Drouhard		1,200	300	$ 7,000
Scott Everhart		2,200	800	$ 23,750
Lawrence A. Morrison		5,450	300	$ 17,493

(1) All shares of restricted stock fully vest on May 5, 2014, except for David D. Dygert s restricted stock, of which 1,700 shares fully vest on April 25, 2014 and 1,700 shares fully vest on February 12, 2016.

(2) All unvested stock options have an exercise price of $18.00 per share, except for 500 of the unvested stock options for Scott Everhart, which have an exercise price of $22.90 per share.

Employment Agreements with CNB and CNB Bank

In anticipation of the closing of the merger, each of David D. Dygert, Executive Vice President and Columbus Metro Regional Manager of Commercial Banking of FC Bank; W. Eugene Spurbeck, Chief Operations Officer and Chief Credit Officer of FC Bank; and Louis J. Torchio, Executive Vice President and Director of Residential and Consumer Lending of FC Bank, have entered into employment agreements with CNB and CNB Bank that will become effective upon closing.

Pursuant to the employment agreement with David D. Dygert, Dygert will serve as the Senior Vice President of Commercial Lending of FC Bank, a division of CNB Bank, for a two-year term with an annual base salary of $174,000. Upon commencement of employment, Dygert will receive a grant of restricted shares of CNB stock with an aggregate fair market value of $60,000 on the date of grant. During the term of the agreement, Dygert will be eligible to participate in CNB s insurance and benefit plans and to receive an annual bonus, upon meeting certain additional requirements, not to exceed an amount equal to 100 percent of the annual base salary. In addition, Dygert will be provided the use of an automobile during the term of the employment agreement.

Pursuant to the employment agreement with W. Eugene Spurbeck, Spurbeck will serve as Senior Vice President of Commercial Banking of FC Bank, a division of CNB Bank, for a two-year term with an annual base salary of $175,000. During the term of the agreement, he will be eligible to participate in CNB s insurance and benefit plans and will be eligible for an annual bonus with a target equal to 35 percent of his annual base salary upon meeting certain conditions; however, the annual bonus will not be less than five percent of his annual base salary. In addition, Spurbeck will be provided the use of an automobile during the term of the employment agreement.

Pursuant to the employment agreement with Louis J. Torchio, Torchio will serve as Senior Vice President of Retail Banking of FC Bank, a division of CNB Bank, for a two-year term with an annual base salary of $175,100. During the term of the agreement, he will be eligible to participate in CNB s insurance and benefit plans and will be eligible for an annual bonus with a target equal to 35 percent of his annual salary upon meeting certain conditions.

Each of the employment agreements contains confidentiality restrictions with respect to certain confidential information and a covenant not to compete with CNB while employed by CNB and until the expiration of one (1) year following the date on which the individual is last employed by CNB.

Under each of these employment agreements, if the employment of the officer is terminated without cause during the term of the agreement, the applicable officer will be entitled to receive, subject to timely execution and delivery of a general release of claims, a lump-sum severance payment equal to one (1) times such officer s annual base salary. In addition to this severance payment, any unvested portion of Dygert s unvested award of restricted stock will fully vest.

The employment agreements with Messrs. Dygert, Spurbeck and Torchio are filed as Exhibits 10.13, 10.14 and 10.15 to the registration statement of which this proxy statement/prospectus forms a part.

In addition to the employment agreements described above, Coleman J. Clougherty, the President and Chief Executive Officer of FC Bank, is expected to continue employment with CNB Bank after the merger.

Settlement Agreements

In anticipation of the merger, each of Coleman J. Clougherty, the President and Chief Executive Officer of FC Bank; Jeffrey A. Wise, the Controller of FC Bank; David D. Dygert, Executive Vice President and Columbus Metro Regional Manager of Commercial Banking of FC Bank; W. Eugene Spurbeck, Chief Operations Officer and Chief Credit Officer of FC Bank; and Louis J. Torchio, Executive Vice President and Director of Residential and Consumer Lending of FC Bank, as well as three other executive officers of FC Bank, have entered into settlement agreements with CNB, FC, and FC Bank, under which FC agreed to pay to each of the executives above lump-sum cash amounts, less applicable tax withholdings, in full satisfaction of the obligations of FC and FC Bank under employment agreements between each executive, FC, and FC Bank.

The following table sets forth the amount of the lump-sum cash amounts (determined prior to reduction for applicable tax withholdings) to be paid to the following executives pursuant to the settlement agreements or:

Executive Officer	Settlement Payment	
Coleman J. Clougherty	$	910,897(1)
Jeffrey A. Wise	$	188,319
David D. Dygert	$	511,450
W. Eugene Spurbeck	$	473,653
Louis J. Torchio	$	157,236
Other executive officers as a group (3 persons)	$	324,881

(1) This amount payable to Coleman J. Clougherty is subject to a Code Section 280G cut back to $666,271 which amount will be further reduced by the amount of the transaction related bonus paid to Mr. Clougherty by FC, as described below under the heading Transaction Related Bonus .

Transaction Related Bonus

In July 2013, FC paid to Mr. Clougherty a bonus of $225,667 related to Mr. Clougherty s efforts in negotiating lesser termination fees in respect of FC vendor contracts. The lump-sum cash amount to be paid to Mr. Clougherty, as set forth in the table above, under Mr. Clougherty s settlement agreement will be reduced by $225,667. Mr. Clougherty signed an agreement to repay this bonus to FC if the merger agreement is terminated or if his employment should terminate prior to the merger.

Director Retirement Agreements

Certain active and inactive FC Bank directors, including David D. Dostal, Patrick J. Drouhard, and R. Duane Hord, are parties to director retirement agreements with FC Bank. Pursuant to these agreements, upon a change in control, (i) inactive participants in pay status will receive a lump sum payment equal to their remaining benefit balance under the agreements within three business days of the change in control and (ii) active participants who separate from service within 24 months of the change in control will receive a benefit, despite the director s years of service, determined based on their date of separation from service in a single lump-sum payment within 60 days of such separation.

The anticipated values under these director retirement agreements as of December 31, 2013 for the three current FC Bank directors are set forth below. All director retirement agreements, however, are subject to a Code Section 280G cap, and payments under such agreements may be less if this cap applies.

Director	Anticipated Value	
David D. Dostal	$	90,513.37
Patrick J. Drouhard	$	56,491.96
R. Duane Hord	$	227,367.82

Board Appointments for FC s Existing Directors

Immediately following the effective time of the merger, CNB has agreed that it will expand its board of directors by one (1) seat and designate Robert D. Hord, age 67, the current Chairman of FC, to serve on the CNB board of directors for a term to expire at CNB s next annual meeting. At CNB s next annual meeting, Mr. Hord will be included as a nominee for election to the CNB board of directors as a member of Class 2 thereof, for a term to expire at the 2016 CNB annual meeting. Should Mr. Hord reach the mandatory retirement age for directors of CNB before the completion of his term at the 2016 annual meeting, then CNB will, following consultation with Mr. Hord, choose a replacement familiar with FC s market to complete the remainder of Mr. Hord s term. Mr. Hord will also be appointed to the board of directors of CNB Bank effective immediately following the effective time of the merger.

Mr. Hord has been a director of FC Bank since 1979 and of FC since 1994, serving as its Chairman since 1996. Mr. Hord is the President of Hord Livestock, Inc., a grain and hog operation in Crawford County, Ohio, a position he has held since 1979. Mr. Hord has also been the President of Hord Elevator, LLC, a grain receiving and feed mill located in Crawford County, Ohio, for over 10 years. Mr. Hord also serves on the Crawford County Economic Development Board. Mr. Hord s executive and director-level experience provide him with valuable and extensive corporate governance experience and insight into FC s markets.

Mr. Hord, when appointed, will be an independent director of CNB. Independent directors are those who, in the judgment of CNB s board of directors, meet the standards for independence as required by NASDAQ.

Other than as described herein, there are no arrangements or understandings between Mr. Hord and any other person pursuant to which Mr. Hord will be designated to serve on the boards of directors of CNB and CNB Bank. There has been no transaction nor are there any proposed transactions between CNB, CNB Bank and Mr. Hord that would require disclosure pursuant to Item 404(a) of Regulation S-K.

Compensation of Mr. Hord as Chairman of FC and FC Bank

Members of the FC board of directors are paid an annual fee of $875 and members of the FC Bank board of directors are paid an annual fee of $17,000, except that the Chairman of the FC Bank board of directors is paid an annual fee of $34,000. Members of the FC board of directors are eligible to receive a cash bonus for their board service at the sole discretion of the directors. Members of the FC Bank board of directors are also eligible to receive grants of restricted shares of FC common stock.

In addition to the foregoing benefits, FC Bank pays premiums with respect to health insurance coverage for the Chairman of the FC and FC Bank boards of directors, Robert D. Hord.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(2)	All Other Compensation ($)(3)	Total ($)
Robert D. Hord	34,875	0	10,315	5,543	50,733

(1) FC paid Mr. Hord $34,000 and $875 for his service on the FC Bank board of directors and FC board of directors, respectively, during the year ended December 31, 2012.

(2) Represents an increase in actuarial value under the director retirement agreement to which Mr. Hord is a party.

(3) Mr. Hord received a cash bonus for his service on the FC board of directors during the year ended December 31, 2012 of $3,000. The remainder of $2,543 represents premiums paid by FC Bank with respect to health insurance coverage during 2012.

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In addition, CNB has also agreed to, at the effective time of the merger, appoint each of the directors of FC, other than Robert D. Hord, who are not employees of FC or FC Bank to a regional advisory board of CNB Bank. Those regional advisory board members will be paid a fee for each regional advisory board meeting attended in an amount consistent with the amount paid by CNB Bank to members of its currently existing regional board. This per meeting amount is currently $300.00, paid in shares of CNB common stock.

Indemnification

Pursuant to the merger agreement, all rights to indemnification and all limitations of liability existing in favor of any director or officer of FC or FC Bank as provided for in FC s Articles of Incorporation or Code of Regulations or in any similar document of FC Bank with respect to matters occurring on or prior to the effective time of the merger will continue in full force and effect to the extent provided by applicable law.

Officers and Directors Insurance

FC and CNB agreed that prior to the effective time of the merger, FC will purchase extended reporting period endorsement under FC s existing directors and officers liability insurance coverage for FC s directors and officers, for a period of six years following the effective time of the merger. If the cost of that liability insurance is over 150% of the amount currently being paid by FC for such insurance, then FC will enter into an agreement to spend up to that amount to purchase lesser coverage as may be obtained with such amount.

Summary of Golden Parachute Arrangements

The following table sets forth the aggregate dollar value of the various elements of compensation that each senior executive officer of FC would receive that is based on or otherwise relates to the merger, assuming the following:

- the merger closed on , 2013, the last practicable date prior to the date of these materials, and

- the employment of the executive officers is terminated without cause immediately following the closing of the merger on , 2013, the last practicable date prior to the date of these materials.

Any changes in these assumptions or estimates would affect the amounts shown in the following table.

Name	Cash (1)	Equity (2)	Pension/ NQDC (3)	Perquisites/ Benefits (4)	Tax Reimbursement (5)	Other(6)	Total(7)
Clougherty	$ 910,897(8)	$ 40,800					$ 951,697
Dygert	$ 511,450(9)	$ 153,120					$ 664,570
Spurbeck	$ 473,653(9)	$ 37,200					$ 510,853
Torchio	$ 157,236	$ 18,600					$ 175,836
Wise	$ 188,319	$ 9,300					$ 197,619
Other executive officers as a group (3 persons)	$ 324,881	$ 46,500					$ 371,381

(1) **Cash:** The amounts in this column reflect the amounts payable by FC to each executive officer pursuant to settlement agreements entered into among the executive officers, FC, FC Bank, and CNB. See the section titled Interests of FC s Directors and Executive Officers in the Merger Settlement Agreements beginning on page 68.

(2) **Equity:** The amounts in this column reflect the value of the vesting of the executive officers unvested equity awards that would occur at the effective time of the merger. For purposes of calculating these amounts, the merger is assumed to take place on June 7, 2013. The unvested equity awards consist of unvested restricted stock and unvested options. See the section titled Interests of FC s Directors and Executive Officers in the Merger beginning on page 68. The restricted stock amounts are based on a price per share of common stock of $30.00. The unvested stock options are based on a price per share equal to the product of (i) the excess, if any, of the cash consideration per share ($30.00) over the exercise price per share of such option ($18.00), and (ii) the number of shares of FC common stock subject to such option.

Name	Stock Options	Restricted Stock	Total Equity
Clougherty	$ 10,800	$ 30,000	$ 40,800
Dygert	$ 51,120	$ 102,000	$ 153,120
Spurbeck	$ 7,200	$ 30,000	$ 37,200
Torchio	$ 3,600	$ 15,000	$ 18,600
Wise	$ 1,800	$ 7,500	$ 9,300
Other executive officers as a group (3 persons)	$ 9,000	$ 37,500	$ 46,500

(3) **Pension/NQDC:** No pension or nonqualified deferred compensation arrangements exist with the executive officers.

(4) **Perquisites/Benefits:** No perquisites or other personal benefits or property, or health care and welfare benefits are provided to any of the executive officers, other than cash-out payments of accumulated sick days in accordance with FC Bank policy and on a uniform basis applicable to all FC Bank employees.

(5) **Tax Reimbursement:** No tax reimbursements are provided to any of the executive officers.

(6) **Other:** No other amounts are provided to any of the executive officers.

(7) **Total:** The amounts listed in this column represent the total amounts available to each executive officer.

(8) The amount payable to Clougherty pursuant to the settlement agreement is subject to a Code Section 280G cut back to $666,271 which amount will be further reduced by the amount of the transaction related bonus paid to Mr. Clougherty by FC, as described herein under the heading Transaction Related Bonus.

(9) The amounts payable to Dygert and Spurbeck are subject to a Code Section 280G cap, and to the extent such cap applies, payments to these executive officers may be less than set forth in this column.

CNB s and CNB Bank s Board of Directors After the Merger

Immediately following the effective time of the merger, CNB has agreed that it will expand its board of directors by one (1) seat and designate Robert D. Hord, the current Chairman of FC, to serve on the CNB board of directors for a term to expire at CNB s next annual meeting. At CNB s next annual meeting, Mr. Hord will be included as a nominee for election to the CNB board of directors as a member of Class 2 thereof, for a term to expire at the 2016 CNB annual meeting. Should Mr. Hord reach the mandatory retirement age for directors of CNB before the completion of his term at the 2016 annual meeting, then CNB will, following consultation with Mr. Hord, choose a replacement familiar with FC s market to complete the remainder of Mr. Hord s term. Mr. Hord will also be appointed to the board of directors of CNB Bank effective immediately following the effective time of the merger.

Bank Merger

The merger agreement provides that as soon as practicable after the consummation of the merger, FC Bank will be merged with and into CNB Bank. CNB has caused CNB Bank, and FC has caused FC Bank, to enter into an agreement and plan of merger providing for the bank merger. CNB Bank will be the surviving entity in the bank merger and will continue its corporate existence.

Material U.S. Federal Income Tax Consequences of the Merger

The following summary describes the anticipated material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of FC s common stock. The following summary is based upon the Internal Revenue Code of 1986, or the Code, its legislative history, existing and proposed regulations thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No assurance can be given that the IRS would not

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assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below. Tax considerations under state, local and foreign laws, under federal laws other than those pertaining to income tax, and under federal laws applicable to alternative minimum taxes are not addressed in this proxy statement/prospectus.

For purposes of this summary, we use the term U.S. holder to mean a beneficial owner which is:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or
- an estate that is subject to U.S. federal income taxation on its income regardless of its source.

If a partnership or other entity taxed as a partnership holds FC common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in such partnerships should consult their tax advisors about the tax consequences of the merger to them.

This summary addresses only those U.S. holders of FC common stock that hold their FC common stock as a capital asset within the meaning of Section 1221 of the Code and does not address all the U.S. federal income tax consequences that may be relevant to particular holders of FC common stock in light of their individual circumstances or to holders of FC common stock that are subject to special rules, such as:

- financial institutions;
- pass-through entities and investors in pass-through entities;
- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect to use a mark to market method of accounting;
- persons that hold FC common stock as a hedge or as part of a straddle, constructive sale or conversion transaction, or other risk management transaction;

- regulated investment companies;
- real estate investment trusts;
- expatriates or persons whose functional currency is not the U.S. dollar;
- persons who are not U.S. holders;
- retirement plans; and
- holders who acquired their shares of FC common stock through the exercise of an employee stock option or otherwise as compensation.

The actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within the control of CNB, FC or their advisors. You should consult with your own tax advisor as to the tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local and foreign and other tax laws, and of changes in those laws.

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Tax Consequences of the Merger Generally. The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. If, as intended, the merger qualifies as a reorganization, the material U.S. federal income tax consequences will be as follows:

- no gain or loss will be recognized by CNB or FC as a result of the merger;

- no gain or loss will be recognized by U.S. holders who exchange all of their FC common stock solely for CNB common stock pursuant to the merger (with respect to cash received instead of a fractional share of CNB common stock, see below under Receipt of Cash Consideration Only and Cash Received Instead of a Fractional Share of CNB Common Stock);

- gain (but not loss) will be recognized by U.S. holders of FC common stock who receive both shares of CNB common stock and cash in exchange for shares of FC common stock pursuant to the merger, in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the CNB common stock and cash received by a U.S. holder of FC common stock exceeds such U.S. holder s basis in its FC common stock and (2) the amount of cash received by such U.S. holder of FC common stock (except with respect to U.S. holders who receive cash only or cash instead of a fractional share of CNB common stock, which is discussed below under Receipt of Cash Consideration Only and Cash Received Instead of a Fractional Share of CNB Common Stock);

- the aggregate basis of the CNB common stock received by a U.S. holder of FC common stock in the merger (including the basis of fractional shares of CNB common stock deemed received, prior to their deemed redemption as described below) will be the same as the aggregate basis of FC common stock for which it is exchanged, decreased by the amount of cash (if any) received in the merger (other than cash received instead of fractional share interests in CNB common stock), and increased by the amount of gain recognized on the exchange (other than gain recognized with respect to cash received instead of fractional share interests in CNB common stock, as discussed below under Receipt of Cash Consideration Only and Cash Received Instead of a Fractional Share of CNB Common Stock); and

- the holding period of CNB common stock received in exchange for shares of FC common stock (including fractional shares of CNB common stock deemed received and redeemed as described below) will include the holding period of FC common stock for which it is exchanged.

If a U.S. holder of FC common stock acquired different blocks of FC common stock at different times or at different prices, any gain or loss will be determined separately with respect to each block of FC common stock, and the cash and shares of CNB common stock received will be allocated pro rata to each such block of stock. In computing the amount of gain realized, if any, a U.S. holder of FC common stock may not offset a loss realized on one block of shares against the gain realized on another block of shares. U.S. holders should consult their tax advisors with regard to identifying the bases and holding periods of the particular shares of CNB common stock received in the merger.

At the time that a U.S. holder makes a cash or stock election pursuant to the terms of the merger agreement, such U.S. holder will not know whether, and to what extent, the proration provisions of the merger agreement might alter the mix of consideration such U.S. holder will receive. As a result, the U.S. federal income tax consequences to such U.S. holder will not be ascertainable with certainty until such U.S. holder knows the precise amount of cash and/or CNB common shares that such U.S. holder will receive in the merger.

Completion of the merger is conditioned on, among other things, the receipt by CNB and FC of legal opinions from Hogan Lovells US LLP and Vorys, Sater, Seymour and Pease LLP, respectively, each dated as of the closing date of the merger, that for U.S. federal income tax purposes the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In addition, prior to the effectiveness of the registration statement of which this proxy statement/prospectus is a part, each of Hogan Lovells US LLP and Vorys, Sater, Seymour and Pease LLP will deliver an opinion to CNB and FC, respectively, to the same effect as the opinions described above. These opinions will be based on certain assumptions and on representations and covenants contained in representation letters provided by FC and CNB and will assume that these representations are true, correct and complete, and that FC and CNB, as the case may be, will comply with these covenants. Although the merger agreement allows each of CNB and FC to waive its tax opinion closing condition, neither CNB nor FC currently anticipates waiving this condition. If either CNB or FC does waive its tax opinion closing condition after the registration statement of which this proxy statement/prospectus is a part is declared effective by the Securities and Exchange Commission, and if the U.S. federal income tax consequences of the merger to FC shareholders have materially changed, CNB and FC will recirculate the proxy statement/prospectus and resolicit the

shareholder vote of FC. Neither of the legal opinions will be binding on the Internal Revenue Service or on any court. Neither CNB nor FC intends to request any ruling from the Internal Revenue Service as to the U.S. federal income tax consequences of the merger and there is no guarantee that the Internal Revenue Service will treat the merger as a reorganization within the meaning of Section 368(a) of the Code.

Taxation of Capital Gain. Except as described under Additional Considerations Recharacterization of Gain as a Dividend below, gain that U.S. holders of FC common stock recognize in connection with the merger generally will constitute capital gain and will constitute long-term capital gain if such U.S. holders have held (or are treated as having held) their FC common stock for more

than one year as of the date of the merger. For U.S. holders of FC common stock that are non-corporate holders, long-term capital gain is generally taxed at preferential rates. You are urged to consult with your own tax advisors about the U.S. federal income tax rate on long-term capital gain applicable to you.

Additional Considerations Recharacterization of Gain as a Dividend. In limited circumstances, all or part of the gain that a particular U.S. holder of FC common stock recognizes could be treated as dividend income rather than capital gain. Because the possibility of dividend treatment depends primarily upon the particular circumstances of a holder of FC common stock, including the application of certain constructive ownership rules, U.S. holders of FC common stock should consult their own tax advisor regarding the potential tax consequences of the merger to them.

Receipt of Cash Consideration Only and Cash Received Instead of a Fractional Share of CNB Common Stock. A U.S. holder of FC common stock who receives the entirety of its consideration in the form of cash will generally recognize gain or loss equal to the difference between the amount of cash received and its tax basis in its FC common stock. In addition, a U.S. holder of FC common stock who receives cash instead of a fractional share of CNB common stock will be treated as having received the fractional share pursuant to the merger and then as having exchanged the fractional share for cash in a redemption by CNB. As a result, such U.S. holder of FC common stock will generally recognize gain or loss equal to the difference between the amount of cash received and its tax basis in its fractional share interest as set forth above. The gain or loss recognized by the U.S. holders described in this paragraph will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the U.S. holder s holding period for the relevant shares is greater than one year. The deductibility of capital losses is subject to limitations.

You are urged to consult with your own tax advisors about the particular tax consequences of the merger to you, including the effects of U.S. federal, state and local, foreign and other tax laws.

Backup Withholding and Information Reporting. Payments of cash to a U.S. holder of FC common stock pursuant to the merger are subject to information reporting and may, under certain circumstances, be subject to backup withholding unless the U.S. holder provides CNB with its taxpayer identification number and otherwise complies with the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules are not additional tax and generally will be allowed as a refund or credit against the U.S. holder s federal income tax liability, provided that the U.S. holder timely furnishes the required information to the Internal Revenue Service.

A U.S. holder of FC common stock who receives CNB common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder of FC common stock who is required to file a U.S. federal income tax return and who is a significant holder that receives CNB common stock in the merger will be required to file a statement with such U.S. federal income tax return setting forth such holder s basis in FC common stock surrendered and the fair market value of the CNB common stock and cash received in the merger. A significant holder is a holder of FC common stock, who, immediately before the merger, owned at least 5% of the outstanding stock of FC or has a tax basis of $1 million or more in its FC common stock.

This summary does not address tax consequences that may vary with, or are contingent on, individual circumstances. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to you will depend upon the facts of your particular situation. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local and foreign income and other tax consequences to you of the merger.

Regulatory Approvals Required for the Merger

General. CNB and FC have agreed to use their reasonable best efforts to obtain all permits, consents, approvals and authorizations of all third parties and governmental authorities that are necessary to consummate the merger. This includes the approval of or notice to the FRB, the FDIC and the Pennsylvania Department of Banking. CNB has filed the application or notice materials necessary to obtain these regulatory approvals and nonobjections. The merger cannot be completed without such approvals and non-objections. CNB and FC cannot assure you that all required regulatory approvals and non-objection will be obtained, when they will be received or whether there will be conditions in the approvals or any litigation challenging the approvals.

FRB. Unless approval is waived, the merger is subject to the prior approval of the FRB, which may not approve the merger if:

- such transaction would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any part of the United States; or

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the effect of such transaction, in any section of the country, may be to substantially lessen competition, or tend to create a monopoly, or in any manner restrain trade, unless in each case the FRB finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served.

In every case, the FRB is required to consider the financial and managerial resources and future prospects of the banks concerned and the convenience and needs of the communities to be served. Under the Community Reinvestment Act of 1977, the FRB also must take into account the record of performance of each bank in meeting the credit needs of the entire community, including low and moderate-income neighborhoods, served by each bank holding company and its subsidiaries. In addition, the FRB must consider the effectiveness of the companies in combating money laundering activities. Further, the FRB must consider the extent to which the proposed transaction would result in greater or more concentrated risks to the stability of the United States banking or financial system. Applicable regulations require publication of notice of an application for approval of the merger and an opportunity for the public to comment on the application in writing and to request a hearing.

If a waiver is sought but not granted, and application is thereafter made to the FRB, any transaction approved by the FRB may not be completed until 30 days after such approval, during which time the U.S. Department of Justice may challenge such transaction on antitrust grounds and seek divesture of certain assets and liabilities. With the approval of the FRB and the U.S. Department of Justice, the waiting period may be reduced to 15 days.

CNB will file a request for a waiver of the required application with the FRB following the date on which the FDIC deems the Bank Merger Act application, as discussed below, complete.

FDIC. The Bank Merger Act requires the prior written approval of the FDIC before any insured depository institution may merge or consolidate with another insured depository institution if the resulting institution is to be a state non-member bank. As a state non-member bank, CNB s subsidiary, CNB Bank, filed its application for approval of the merger with the FDIC on April 25, 2013.

The Bank Merger Act prohibits the FDIC from approving any proposed merger transaction that would result in a monopoly, or would further a combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Similarly, the Bank Merger Act prohibits the FDIC from approving a proposed merger transaction whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade.

In every proposed merger transaction, the FDIC must also consider the financial and managerial resources and future prospects of the existing and proposed institutions, the convenience and needs of the community to be served, and the effectiveness of each insured depository institution involved in the proposed merger transaction in combatting money-laundering activities, including in overseas branches. In addition, the FDIC must consider the effectiveness of the companies in combating money laundering activities. Further, the FDIC must consider the extent to which the proposed transaction would result in greater or more concentrated risks to the stability of the United States banking or financial system. Any transaction approved by the FDIC may not be completed until 30 days after such approval. With the concurrence of the U.S. Department of Justice, the waiting period may be reduced to 15 days.

Pennsylvania Department of Banking. Pursuant to Chapter 16 of the Pennsylvania Banking Code of 1965, a merger that will result in a Pennsylvania state-chartered institution must be approved by the Department of Banking and Securities, or the Department. In every proposed merger transaction the Department must consider, among other things, whether the proposed transaction adequately protects the interests of depositors, other creditors and shareholders. The Department also must consider whether the proposed transaction would be consistent with adequate and sound banking and in the public interest on the basis of the financial history and condition of the parties, their prospects, the character of their management, the potential effect of the merger or consolidation on competition and the convenience and needs of the area primarily to be served by the resulting institution.

Accounting Treatment of the Merger

The merger will be accounted for using the purchase method of accounting with CNB treated as the acquiror. Under this method of accounting, FC s assets and liabilities will be recorded by CNB at their respective fair values as of the closing date of the merger and added to those of CNB. Any excess of purchase price over the net fair values of FC s assets and liabilities will be recorded as goodwill. The excess of the fair value of FC s net assets over the purchase price, if any, will be recognized in earnings by CNB on the closing date of the merger. Financial statements of CNB issued after the merger will reflect these values, but will not be restated retroactively to reflect the historical financial position or results of operations of FC prior to the merger. The results of operations of FC will be included in the results of operations of CNB beginning on the effective date of the merger.

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Dissenters Appraisal Rights

Dissenters rights are statutory rights that enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the company pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the merger.

If the merger agreement is adopted, a holder of shares of FC common stock who does not vote in favor of adopting the merger agreement may be entitled to seek relief as a dissenting shareholder under Section 1701.85 of the ORC.

The following is intended as a brief summary of the material provisions of the Ohio statutory procedures that an FC shareholder must follow in order to dissent from the merger and obtain payment of the fair value of their shares of FC common stock instead of the merger consideration. This summary is qualified by reference to Section 1701.85 and other provisions of the ORC. Any shareholder contemplating exercise of dissenting shareholders rights is urged to review carefully the provisions of Section 1701.85 and to consult an attorney, since failure to follow fully and precisely the procedural requirements of the ORC may result in termination or waiver of those rights. A copy of Section 1701.85 of the ORC is attached to this proxy statement/prospectus as Annex B and is incorporated herein by reference.

To perfect dissenting shareholders rights, a dissenting FC shareholder must satisfy each of the following conditions and must otherwise comply with Section 1701.85 of the ORC:

Must be a shareholder of record. A dissenting shareholder must be a record holder of shares of FC common stock on , 2013, the record date established for determining those shareholders entitled to vote on the proposal to adopt the merger agreement. Because only shareholders of record on the record date may exercise dissenting shareholders rights, any person who beneficially owns shares that are held of record by a broker, bank or other nominee and who desires to exercise dissenting shareholders rights must, in all cases, instruct the broker, bank or other nominee holding the shares to satisfy all of the requirements outlined under Section 1701.85 of the ORC.

Must not vote in favor of adopting the merger agreement. A dissenting shareholder must not vote his, her or its shares in favor of the proposal to adopt the merger agreement at the special meeting. Failing to vote or abstaining from voting does not waive a dissenting shareholder s rights. However, a proxy returned to FC signed but not marked to specify voting instructions will be voted in favor of the proposal to adopt the merger agreement and will constitute a waiver of dissenting shareholders rights, even if a shareholder has previously filed a written notice of intent to demand payment.

Must file a written demand. Prior to the shareholder vote upon the adoption of the merger agreement, any shareholder seeking to perfect dissenting shareholders rights must make a written demand upon FC for the fair cash value of the shares of FC common stock so held by him, her or it. Any written demand must specify the shareholder s name and address, the number and class of shares held by the shareholder on the record date, and the amount claimed by the shareholder as the fair cash value of the shares. Voting against the proposal to adopt the merger agreement is not a written demand as required by Section 1701.85 of the ORC.

Deliver certificates for placement of a legend. If FC sends a request to the dissenting shareholder at the address specified in the dissenting shareholder s demand, the dissenting shareholder must deliver the share certificates to FC within 15 days of such request for endorsement thereon by FC that a demand for the fair cash value of the shares has been made. Such a request is not an admission by FC that a dissenting shareholder is entitled to relief. FC will promptly return the share certificates to the dissenting shareholder. At the option of FC, a dissenting shareholder who fails to deliver his, her or its certificates upon request may have his, her or its dissenting shareholder s rights terminated, unless a court for good cause shown otherwise directs.

FC and a dissenting shareholder may come to an agreement as to the fair cash value of the dissenting shareholder s shares of FC common stock. If FC and any dissenting shareholder cannot agree upon the fair cash value of the shares, then either FC or the dissenting shareholder may, within three months after service of the dissenting shareholder s demand for fair cash value, file a petition in the Court of Common Pleas in Crawford County, Ohio for a determination that the shareholder is entitled to exercise dissenting shareholders rights and to determine the fair cash value of the shares of FC common stock. The cost of the proceeding, including reasonable compensation to the appraisers to be fixed by the court, will be assessed as the court considers equitable.

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Fair cash value is the amount that a willing seller, under no compulsion to sell, would be willing to accept, and that a willing buyer, under no compulsion to purchase, would be willing to pay. But, in no event shall the fair cash value exceed the amount specified in the dissenting shareholder s demand. Fair cash value is determined as of the day before the shareholder meeting to adopt the merger agreement. The amount of the fair cash value excludes (a) any appreciation or depreciation in market value of the shares resulting from the merger proposal being submitted to the shareholders, and (b) any premium associated with control of the corporation, or any discount for lack of marketability or minority status. If you are considering demanding payment of the fair cash value of your shares, you should note that the fair value of your shares determined under Section 1701.85 of the ORC could be more than, the same as, or less than the consideration you would receive under the terms of the merger agreement if you did not demand payment of the fair value of your shares of FC common stock.

Restrictions on Sales of Shares by Certain Affiliates

The shares of CNB common stock to be issued in the merger will be freely transferable under the Securities Act, except for shares issued to any shareholder who is an affiliate of CNB as defined by Rule 144 under the Securities Act. Affiliates consist of individuals or entities that control, are controlled by, or are under common control with CNB and include the executive officers and directors of CNB and may include significant shareholders of CNB.

Stock Exchange Listing

Following the merger, the shares of CNB common stock will continue to trade on the NASDAQ Global Select Market under the symbol CCNE.

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THE MERGER AGREEMENT

This section of the document describes the material terms of the merger agreement. The following summary is qualified in its entirety by reference to the complete text of the merger agreement, which is incorporated in this proxy statement/prospectus by reference and attached as Annex A to this proxy statement/prospectus. This summary may not contain all of the information about the merger agreement that may be important to you. You are urged to read the full text of the merger agreement. The merger agreement contains customary representations and warranties of CNB and FC made to each other as of specific dates. The assertions embodied in those representations and warranties were made solely for purposes of the contract between CNB and FC and are not intended to provide factual, business, or financial information about CNB or FC. Moreover, some of those representations and warranties may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to shareholders or different from what a shareholder might view as material, may have been used for purposes of allocating risk between CNB and FC rather than establishing matters as facts, may have been qualified by certain disclosures not reflected in the merger agreement that were made to the other party in connection with the negotiation of the merger agreement and generally were solely for the benefit of the parties to that agreement.

Structure of the Merger

Subject to the terms and conditions of the merger agreement, and in accordance with the Pennsylvania Business Corporation Law of 1998 and the Ohio Revised Code, at the completion of the merger, FC will merge with and into CNB. CNB will be the surviving corporation in the merger and will continue its corporate existence under the laws of the Commonwealth of Pennsylvania. Upon completion of the merger, the separate corporate existence of FC will terminate.

Each share of CNB common stock that is issued and outstanding at the effective time of the merger will remain issued and outstanding as one share of common stock of CNB, and each share of FC common stock issued and outstanding at the effective time of the merger (excluding dissenters shares) will be converted into the right to elect to receive either (x) $30.00 in cash, without interest, or (y) 1.754 shares of CNB common stock, subject to proration procedures that may modify the shareholder s election to ensure that no more than 20% of the outstanding shares of FC common stock (including any dissenters shares but excluding shares of FC common stock to be canceled in connection with the merger) are exchanged for cash, as described below. See Consideration to be Received in the Merger.

The amended and restated articles of incorporation of CNB will be the articles of incorporation of the combined company, and the by-laws of CNB will be the bylaws of the combined company. See Comparison of Shareholder Rights beginning on page 97.

The merger agreement provides that CNB may, prior to the approval of the merger agreement by the shareholders of FC, change the method of effecting the business combination between CNB and FC. However, no such change may (A) alter or change the amount of merger consideration to be issued to FC shareholders under the merger agreement, (B) adversely affect the tax treatment of FC s shareholders under the merger agreement, (C) adversely affect the tax treatment of CNB or FC under the merger agreement, or (D) materially impede or delay consummation of the transactions contemplated by the merger agreement.

Effective Time and Timing of Closing

The merger will be completed and become effective when CNB and FC execute and file certificates of merger with the Department of State of the Commonwealth of Pennsylvania and the Secretary of State of the State of Ohio. The closing of the merger will take place (A) on a date specified by both parties, which shall be no later than five business days after the conditions to the closing of the merger (other than conditions to be satisfied at the closing) have been satisfied or waived, or (B) on such other date as CNB and FC may agree. CNB and FC anticipate that the merger will be completed in the fourth quarter of 2013. However, completion of the merger could be delayed if there is a delay in obtaining the required regulatory approvals or in satisfying any other conditions to the merger. There can be no assurances as to whether, or when, CNB and FC will obtain the required approvals or complete the merger.

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CNB s and CNB Bank s Board of Directors After the Merger

Immediately following the effective time of the merger, CNB will expand the size of its board of directors by one seat and designate Robert D. Hord, the current chairman of FC s board of directors, to serve on the board of directors of CNB until CNB s next annual meeting. At CNB s next annual meeting, Mr. Hord will be included as a nominee for election to the CNB board of directors as a member of Class 2 thereof, for a term to expire at CNB s 2016 annual meeting of shareholders. If Mr. Hord reaches the mandatory retirement age for directors of CNB before the completion of his term at the 2016 annual meeting of shareholders, CNB will, following consultation with Mr. Hord, choose a replacement familiar with FC s market to complete the remainder of Mr. Hord s term. Mr. Hord will also be appointed to the board of directors of CNB Bank effective immediately following the effective time of the merger.

Bank Merger

The merger agreement provides that as soon as practicable after the consummation of the merger, FC Bank shall be merged with and into CNB Bank, subject to all required regulatory approvals. As soon as practicable after the execution of the merger agreement, CNB shall cause CNB Bank, and FC shall cause FC Bank, to enter into an agreement and plan of merger providing for the bank merger. CNB Bank shall be the surviving entity in the bank merger and shall continue its corporate existence. CNB will operate the business of the former FC Bank as a distinctly branded division of CNB.

Consideration to be Received in the Merger

The merger agreement provides that FC shareholders will have the right, with respect to each of their shares of FC common stock, to elect to receive, subject to certain proration and other provisions as described below, either (i) $30.00 in cash, without interest, or (ii) 1.754 shares of CNB common stock. At least 80% of the number of shares of FC common stock outstanding as of the effective time of the merger (including any dissenters shares but excluding shares of FC common stock to be canceled in accordance with the terms of the merger agreement) will be converted into shares of CNB common stock.

No guarantee can be made that you will receive solely cash, if you so elect. As a result of the proration provisions and other limitations described in this document and in the merger agreement, you may receive CNB common stock or cash in amounts that vary from the amounts you elect to receive. The proportion of stock and cash to be issued in the merger is also subject to potential adjustment for tax purposes.

Non-Electing FC Shareholders. FC shareholders who make no election to receive cash or CNB common stock in the merger, and FC shareholders who do not make a valid election, will be deemed not to have made an election. Shareholders not making an election will be paid in CNB common stock.

Proration. The maximum number of shares of FC common stock to be converted into cash consideration in the merger will be 20% of the outstanding shares of FC common stock (including any shares for which dissenters rights are appropriately exercised but excluding shares of FC common stock to be canceled in accordance with terms of the merger agreement). The remaining shares of FC common stock will be converted into shares of CNB common stock. Therefore, elections are subject to certain proration and other provisions to preserve this requirement regarding the maximum number of shares of FC common stock to be converted into cash in the merger.

If the FC shareholders election and the number of shares of FC common stock for which dissenters rights are appropriately exercised would result in more than 20% of the outstanding shares of FC common stock (including any shares for which dissenters rights are appropriately exercised but excluding shares of FC common stock to be canceled in accordance with terms of the merger agreement) being exchanged for cash, then all FC shareholders who elected to receive stock consideration or who did not make an election will receive stock consideration, and all shareholders who have elected to receive cash consideration will receive the following:

- a number of shares of CNB common stock (rounded to the nearest whole share) equal to the product obtained by multiplying (i) the number of shares for which such shareholder made elections to receive the cash consideration and (ii) a fraction, the numerator of which is the amount by which (a) the sum of the number of shares for which all FC shareholders made elections to receive cash consideration and the number of shares of FC common stock for which dissenters rights are appropriately exercised exceeds (b) the maximum number of shares of FC common stock to be converted into cash consideration, and the denominator of which is the number of shares for which elections were made to receive the cash consideration, and

the right to receive cash consideration for the remaining number of such shareholder s shares.

If the FC shareholders elections and the number of shares of FC common stock for which dissenters rights are appropriately exercised would result in 20% or fewer of the outstanding shares of FC common stock (including any shares for which dissenters rights are appropriately exercised but excluding shares of FC common stock to be canceled in accordance with the terms of the merger agreement) being exchanged for cash, then all FC shareholders who elected to receive cash consideration will receive cash consideration and all FC shareholders who elected to receive stock consideration or made no election will receive stock consideration.

Treatment of FC Stock Options and Restricted Stock Awards. At least thirty (30) days prior to the effective time of the merger, and pursuant to the terms of FC s stock option and incentive plans under which FC stock options are granted, FC will take all actions necessary so that each holder of an FC stock option (whether vested or unvested) that is unexercised and outstanding as of the effective time will, by reason of the merger, be canceled and converted into the right to receive in cash an amount (subject to required tax withholdings) equal to the product of (i) the excess, if any, of the cash consideration per share over the exercise price per share of such option and (ii) the number of shares of FC common stock subject to such option, with no FC stock option being exercisable following the effective time. FC will make the payments immediately prior to the effective time. Any FC stock options that vest in the ordinary course and are properly exercised prior to the effective time will have the right to receive merger consideration on the same terms as all other outstanding shares of FC common stock. Similarly, each outstanding restricted stock award which is unvested immediately prior to the effective time, shall vest as of the effective time in accordance with the terms of the applicable FC equity plan and will have the right to receive merger consideration on the same terms as all other outstanding shares of FC common stock.

FC convertible preferred stock. The merger agreement provides that, unless each holder of FC convertible preferred stock has converted all of its FC convertible preferred stock into FC common stock or entered into a valid and binding agreement with FC pursuant to which such holder agrees to convert all of its FC convertible preferred stock into FC common stock prior to the effective time of the merger, FC shall take all necessary action to redeem FC convertible preferred stock prior to the effective time (taking into account all notice, waiting and other periods under the terms of the FC convertible preferred stock).

Fractions of Shares. No fractional shares of CNB common stock will be issued to any holder of FC common stock upon completion of the merger. For each fractional share that would otherwise be issued, CNB will pay each shareholder cash (without interest) in an amount equal to the product obtained by multiplying (A) the fractional share interest to which the holder would otherwise be entitled by (B) the average of the daily closing sales prices of CNB common stock reported on the NASDAQ Global Select Market for the five consecutive trading days immediately preceding but not including the trading day prior to the closing date for the merger.

Conversion. The conversion of FC s common stock into the merger consideration will occur automatically upon completion of the merger. Under the merger agreement, after the effective time, CNB will cause its exchange agent to pay the purchase price to each FC shareholder who surrenders the appropriate documents to the exchange agent. The term purchase price refers to the (i) shares of CNB s common stock, (ii) cash (if any) and (iii) any cash to be paid instead of a fraction of a share of CNB common stock, payable to each holder of FC s common stock.

Election Procedures for Shareholders; Surrender of Stock Certificates

If you own FC common stock or are the recipient of an award of shares of restricted stock, you will soon receive under separate cover an election form. The election form entitles the record holder of FC common stock to specify (a) the number of shares of FC common stock owned by such holder for which the holder elects to receive stock consideration, or (b) the number of shares of FC common stock owned by such holder for which the holder elects to receive cash consideration. If no election is made, then such holder shall receive stock consideration in the merger as outlined above.

To make an effective election, a shareholder of record must submit a properly completed election form to Registrar and Transfer Company, which will be acting as the exchange agent, on or before 5:00 p.m., New York City time, on , 2013, or the election deadline, which is the day prior to the FC special meeting of shareholders. You may change or revoke your election at any time prior to the election deadline by written notice received by the exchange agent prior to the election deadline accompanied by a properly completed and signed, revised election form. You may revoke your election by written notice received by the exchange agent prior to the election deadline. All elections will be revoked automatically if the merger agreement is terminated.

You may not revoke or change your elections following the election deadline.

If you do not submit a properly completed election form or revoke your election form prior to the election deadline, your shares of FC common stock will be designated as non-election shares and you will receive stock consideration as outlined above. Prior to the effective time of the merger, CNB will deposit with the exchange agent certificates representing CNB s common stock

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sufficient to pay the aggregate stock consideration and sufficient cash to permit payment of the aggregate cash consideration and cash in lieu of fractional shares of CNB common stock. No later than five business days following the effective time of the merger, the exchange agent will mail to each holder of record of FC share certificates which immediately prior to the effective time of the merger represented outstanding shares of FC common stock which were converted into the right to receive merger consideration and any cash in lieu of fractional shares of CNB common stock a letter of transmittal, together with instructions for use in surrendering the shareholder s FC stock certificates in exchange for the merger consideration and any cash in lieu of fractional shares. Upon surrendering his or her certificate(s) representing shares of FC s common stock, together with the signed letter of transmittal, the FC shareholder shall be entitled to receive, as applicable (i) certificate(s) representing a number of whole shares of CNB s common stock determined in accordance with the exchange ratio, (ii) a check representing the amount of cash to which such holder shall have become entitled to, and (iii) a check representing the amount of cash in lieu of fractional shares. You will not be paid dividends or other distributions declared after the merger with respect to any CNB common stock into which your shares of FC common stock have been converted until you surrender your FC stock certificates for exchange. No interest will be paid or accrue to FC shareholders on the cash consideration, cash instead of fractional shares or unpaid dividends and distributions, if any. After the effective time, there will be no further transfers of the FC common stock. FC stock certificates presented for transfer after the completion of the merger will be cancelled and exchanged for the merger consideration.

If your stock certificates have been lost, stolen or destroyed, you will have to prove your ownership of these certificates and certify that they were lost, stolen or destroyed before you receive any consideration for your shares.

If any portion of the merger consideration is to be paid to persons other than the person in whose name the certificate for shares of FC common stock is registered, it is a condition of payment that the FC common stock certificate be properly endorsed or otherwise be in proper form for transfer and that the person requesting the payment either:

- inform the exchange agent whether any transfer or other taxes are required by reason of the payment to a person other than the registered holder of the certificate surrendered, or

- establish to the reasonable satisfaction of the exchange agent that the tax has been paid or is not payable.

Any portion of the merger consideration made available to the exchange agent that remains unclaimed by FC shareholders six months after the effective time of the merger may be returned to CNB. FC shareholders who have not exchanged their shares of FC common stock for the merger consideration in accordance with the merger agreement before that time may look only to CNB for payment of the merger consideration for these shares, cash in lieu of fractional shares and any unpaid dividends or distributions with respect to CNB common stock payable upon due surrender of the FC common stock certificates. In any event, CNB and the exchange agent will not be liable to any FC shareholder for any amount properly delivered to a public official under applicable abandoned property, escheat or similar laws.

Representations and Warranties

The merger agreement contains representations and warranties made by and to CNB and FC. The representations and warranties were made for purposes of the merger agreement between CNB and FC and are subject to important qualifications and limitations agreed to by CNB and FC in connection with negotiating its terms. In addition, certain representations and warranties were made as of a specified date, may be subject to contractual standards of materiality different from what may be viewed as material to shareholders, or may have been used for the purpose of allocating risk between CNB and FC rather than establishing matters as facts. For the foregoing reasons, you should not rely on the representations and warranties as statements of factual information. Third parties are not entitled to the benefits of the representations and warranties in the merger agreement.

Each of CNB and FC has made representations and warranties to the other regarding, among other things:

- due organization, good standing and authority;

- capitalization;

corporate power;

corporate authority;

no violation or breach of certain organizational documents, agreements and governmental orders;

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- absence of consent or approval of any third party or governmental authority;
- corporate records;
- compliance with laws;
- litigation and regulatory action;
- financial reports and regulatory reports;
- absence of certain changes or events;
- taxes and tax returns;
- employee benefit plans;
- brokers;
- deposit insurance;
- Community Reinvestment Act, anti-money laundering and customer information security compliance; and
- financial controls and procedures;

In addition, FC has made other representations and warranties about itself to CNB as to:

- subsidiaries;
- labor matters;
- insurance;
- environmental matters;
- intellectual property;

material agreements and defaults;

property and leases;

inapplicability of takeover laws;

regulatory capitalization;

loans and nonperforming and classified assets;

investment securities;

investment management and related activities;

derivative transactions;

repurchase agreements;

- transactions with affiliates;
- the receipt of a fairness opinion from its financial advisor; and
- information contained in the proxy statement/prospectus.

In addition, CNB has made other representations and warranties about itself to FC as to:

- SEC documents;
- its financial ability to consummate the merger; and
- CNB common stock.

The representations and warranties of each of CNB and FC will expire at the effective time of the merger. The representations and warranties in the merger agreement are complicated and not easily summarized. You are urged to carefully read Articles III and IV of the merger agreement attached to this proxy statement/prospectus as Annex A.

Conduct of Business Pending the Merger

Conduct of Business of FC Pending the Merger. Under the merger agreement, FC has agreed that, until the effective time of the merger or the termination of the merger agreement, FC and its subsidiaries will not, except as expressly permitted by the merger agreement or with the prior written consent of CNB (which consent CNB will not unreasonably withhold or delay):

- conduct its business other than in the ordinary and usual course consistent with past practice;
- fail to use reasonable best efforts to preserve intact its business organizations and assets, and maintain its rights, franchises, and existing relations with customers, suppliers, employees and business associates;
- take any action that would reasonably be expected to adversely affect the ability of either FC or CNB to obtain any necessary approval of FC s shareholders of any necessary regulatory approval required to complete the transactions contemplated by the merger agreement or adversely affect FC s ability to perform any of its material obligations under the merger agreement;
- issue, sell or otherwise permit to become outstanding, or authorize the creation of, any securities or equity equivalents or enter into any agreement with respect to the foregoing, except with respect to stock based awards outstanding on the date of the merger agreement;
- accelerate the vesting of any existing stock-based awards;
- effect a split, dividend, recapitalization or reclassification of its capital stock;

declare or pay any dividend or other distribution on its capital stock (including FC convertible preferred stock) other than: (A) dividends paid by wholly owned subsidiaries to FC or any other wholly owned subsidiary of FC; or (B) regular quarterly cash dividends not to exceed the rate paid during the fiscal quarter immediately preceding the date of the merger agreement;

directly or indirectly combine, redeem, reclassify, purchase or otherwise acquire, any shares of its stock;

enter into or amend any employment, severance or similar agreement or arrangement with any director, officer, employee or consultant, grant any salary or wage increase, increase any employee benefit, or make any incentive or bonus payments, except for (A) normal merit increases in base salary in the ordinary course of business consistent with past practice not to exceed an aggregate increase of more than three percent from the aggregate base salary paid in 2012, (B) as may be required by law, or (C) to satisfy existing contractual obligations;

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enter into, establish, adopt, or amend any benefit plans or any agreement, arrangement, plan or policy between FC and any of its directors, officers or employees, except as required by law or to satisfy existing contractual obligations;

hire or terminate the employment of any officer, member of senior management or other employee exempt from overtime requirements, elect to any office any person who is not a member of FC s management team as of the date of the merger agreement or elect to the FC or FC Bank board of directors any person who is not a member of the FC or FC Bank board of directors as of the date of the merger agreement, except to satisfy contractual obligations existing as of the date of the merger agreement and persons hired to fill any vacancies arising after the date of the merger agreement as a result of the termination or resignation of an existing employee at an annual salary of less than $30,000 and whose employment is terminable at the will of FC, as applicable;

sell, transfer, mortgage, encumber or otherwise dispose of or discontinue any of FC s assets, deposits, business or properties except in the ordinary course of business consistent with past practice and in a transaction, that, together with all other such transactions, is not material to FC and its subsidiaries taken as a whole;

amend its articles of incorporation or code of regulations;

acquire all or any portion of the assets, business, securities, deposits or properties of any other entity, other than by way of foreclosures or acquisitions of control in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business consistent with past practice;

make any capital expenditures other than capital expenditures in the ordinary course of business consistent with past practice in amounts not to exceed $10,000 individually or $50,000 in the aggregate;

enter into or terminate any material agreement, amend or modify in any material respect any existing material agreement, or waive any rights under any material agreement;

enter into any settlement or similar agreement with respect to any action, suit, proceeding, order or investigation to which FC or any of its subsidiaries is a party, or waive or release any material rights or claims, or agree or consent to the issuance of any injunction, decree, order or judgment restricting or otherwise affecting its business or operations in any material respect;

enter into any new material line of business;

change its material lending, investment, underwriting, risk and asset liability management or other material banking and operating policies, except as required by applicable law, regulation or policies imposed by any regulatory authority;

introduce any material new products or services, any material marketing campaigns or any material new sales compensation or incentive programs or arrangements;

file any application or make any contract with respect to branching or site location or branching or site relocation;

enter into any derivative transactions;

incur, modify, extend or renegotiate any indebtedness for borrowed money (other than deposits, federal funds purchased, Federal Home Loan Bank advances, and securities sold under agreements to repurchase, in each case in the ordinary course of business consistent with past practice);

prepay any indebtedness or other similar arrangements so as to cause FC or any of its subsidiaries to incur any prepayment penalty;

assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, other than in the ordinary course of business consistent with past practice;

acquire (other than by way of foreclosures or acquisitions in a bona fide fiduciary capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business consistent with past practice) any debt security or equity investment of a type or in an amount that is not permissible for FC Bank under applicable law or any other debt security other than in the ordinary course of business consistent with past practice, or restructure or materially change its investment securities portfolio or its interest rate risk position, through purchases, sales or otherwise, or in the manner in which the portfolio is classified; provided that FC may take actions necessary to redeem all outstanding FC convertible preferred stock prior to the effective time;

make or acquire or issue new commitments for (A) any commercial and industrial loans in a principal amount in excess of $1,000,000, (B) any unsecured loans in a principal amount in excess of $250,000, or (C) any other new loan in a principal amount in excess of $2,000,000; renegotiate, renew, increase or modify any existing loan in a principal amount in excess of $3,000,000, or purchase any participation in any loan; provided, however, that no such action shall be taken with respect to any classified loans with a principal amount balance in excess of $500,000 and that the loan thresholds shall refer to the amount of all loans to any one borrower or related borrowers in the aggregate, as defined in FC s credit policies;

make any investment or commitment to invest in real estate or in any real estate development project, other than by way of foreclosure or acquisitions in a bona fide fiduciary capacity or in satisfaction of a debt previously contracted in good faith, in each case, in the ordinary course of business consistent with past practice;

foreclose on or take a deed or title to any real estate other than one-to-four family residential properties or properties valued at more than $200,000 without first conducting a Phase I environmental assessment of the property, or foreclose or take a deed or title to any real estate if such environmental assessment indicates the presence of hazardous material;

change its accounting principles, practices or methods other than as may be required by changes in laws or regulations or by generally accepted accounting principles;

make or change any tax election, change an annual accounting period, adopt or change any accounting method, file any amended tax return, fail to timely file any tax return, enter into any closing agreement, settle or compromise any liability with respect to taxes, agree to any adjustment of any tax attribute, surrender any right to claim a refund of taxes, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment, or take any other similar action relating to the filing of any tax return or the payment of any tax;

change its loan policies or procedures except as required by a governmental authority;

knowingly take any action that would, or would be reasonably likely to, prevent or impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

take any action that is intended or is reasonably likely to result in: (A) any of its representations and warranties set forth in the merger agreement being or becoming untrue in any material respect at any time prior to the effective time of the merger; (B) any of the conditions to the merger set forth in the merger agreement not being satisfied; or (C) a material violation of any provision of the merger agreement; or

agree or commit to do any of these prohibited activities.

Conduct of Business of CNB Pending the Merger. CNB has agreed that, except as permitted by the merger agreement or otherwise consented to by FC in writing, it will not:

amend its articles of incorporation or bylaws in a manner that would materially and adversely affect the economic benefits of the merger to FC s shareholders;

knowingly take any action that would, or would be reasonably likely to, prevent or impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; or

take any action that is reasonably likely to result in any of the conditions to the merger not being satisfied.

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FC Shareholders Meeting

FC has agreed to call, hold and convene a special meeting of its shareholders to consider and vote upon the adoption of the merger agreement. FC has also agreed to ensure that its shareholders meeting is called, noticed, convened, held and conducted in compliance with state law, its articles of incorporation and code of regulations and all other applicable legal requirements.

Additionally, the board of directors of FC has agreed to recommend that FC shareholders vote to adopt the merger agreement and any other matters required to be approved by FC shareholders for consummation of the merger.

No Solicitation of Alternative Transactions

FC has agreed that neither it nor its subsidiaries nor any of its respective officers, directors, employees, investment bankers, financial advisors, attorneys, accountants, consultants, affiliates and other of its agents (which we refer to as FC s representatives) will, directly or indirectly:

- initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an acquisition proposal;
- subject to certain exceptions, participate in any discussions or negotiations regarding any acquisition proposal or furnish, or otherwise afford access, to any person (other than CNB) any information or data with respect to FC or any of its subsidiaries or otherwise relating to an acquisition proposal;
- release any person from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which FC is a party; or
- subject to certain exceptions, enter into any agreement, agreement in principle or letter of intent with respect to any acquisition proposal or approve or resolve to approve any acquisition proposal or any agreement, agreement in principle or letter of intent relating to an acquisition proposal.

Under the merger agreement, an acquisition proposal means any inquiry, offer or proposal (other than an inquiry, offer or proposal from CNB), whether or not in writing, contemplating, relating to, or that could reasonably be expected to lead to, an acquisition transaction. An acquisition transaction means:

- any transaction or series of transactions involving any merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving FC or any of its subsidiaries;
- any transaction pursuant to which any third party or group acquires or would acquire (whether through sale, lease or other disposition), directly or indirectly, any assets of FC or any of its subsidiaries representing, in the aggregate, 15% or more of the assets of FC and its subsidiaries on a consolidated basis;
- any issuance, sale or other disposition of (including by way of merger, consolidation, share exchange or any similar transaction) securities (or options, rights or warrants to purchase or securities convertible into, such securities) representing 15% or more of the votes attached to the outstanding securities of FC or any of its subsidiaries;

any tender offer or exchange offer that, if consummated, would result in any third party or group beneficially owning 15% or more of any class of equity securities of FC or any of its subsidiaries; or

any transaction which is similar in form, substance or purpose to any of the transactions listed above, or any combination of these types of transactions.

If FC receives a bona fide unsolicited written acquisition proposal that did not result from a breach by FC of any of the non-solicitation provisions in the merger agreement as discussed above, the FC board of directors may (i) participate in discussions or negotiations regarding the unsolicited acquisition proposal or furnish the third party with, or otherwise afford the third party access to any information or data with respect to FC or any of its subsidiaries or otherwise relating to the acquisition proposal, and (ii) subject to certain exceptions, enter into any agreement, agreement in principle or letter of intent with respect to any acquisition proposal or approve or resolve to approve any acquisition proposal or any agreement, agreement in principle or letter of intent relating to an acquisition proposal, if:

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- the FC board of directors first determines in good faith, (1) after consultation with its outside legal counsel and a nationally recognized, independent financial advisor, that such acquisition proposal constitutes or is reasonably likely to lead to a superior proposal, and (2) after consultation with its outside legal counsel, that it is required to take such actions to comply with its fiduciary duties to its shareholders under applicable law;
- FC has provided CNB with at least two business days prior notice that the FC board of directors is reasonably likely to make such a determination; and
- prior to furnishing or affording access to any information or data with respect to FC or any of its subsidiaries or otherwise relating to an acquisition proposal, the third party enters into a confidentiality agreement with FC containing terms no less favorable to FC than those contained in its confidentiality agreement with CNB.

A superior proposal means any bona fide written proposal (on its most recently amended or modified terms, if amended or modified) made by a third party to enter into an acquisition transaction on terms that the FC board of directors determines in its good faith judgment, after consultation with outside legal counsel and an independent financial advisor of nationally recognized reputation:

- would, if consummated, result in the acquisition of all, but not less than all, of the issued and outstanding shares of FC s common stock or all, or substantially all, of the assets of FC and its subsidiaries on a consolidated basis;
- would result in a transaction that:
  - involves consideration to the FC shareholders that is more favorable, from a financial point of view, than the consideration to be paid to FC shareholders pursuant to the merger agreement, considering, among other things, the nature of the consideration being offered and any material regulatory approvals or other risks, financing conditions or other contingencies associated with the consummation or timing of the proposed transaction beyond or in addition to those specifically contemplated by the merger agreement; and
  - is, in light of the other terms of such proposal, more favorable to FC shareholders than the merger and the transactions contemplated by the merger agreement; and
  - is reasonably likely to be completed on the terms proposed, in each case taking into account all legal, financial, regulatory and other aspects of the proposal.

FC has agreed to promptly, and in any event within 24 hours, notify CNB in writing if any proposals or offers are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with, FC or any of its representatives, in each case in connection with any acquisition proposal. Any such notice will indicate the name of the person initiating such discussions or negotiations or making such proposal, offer or information request, the material terms and conditions of any proposals or offers and, in the case of written materials relating to such proposal, offer, information request, negotiations or discussion, copies of these materials, except to the extent that such materials constitute confidential information of the party making such offer or proposal under an effective confidentiality agreement. FC is also required to keep CNB informed, on a reasonably current basis, of the status and terms of any such proposal, offer, information request, negotiations or discussions (including any amendments or modifications to such proposal, offer or request).

FC has also agreed to provide CNB with any non-public information about FC or any of its subsidiaries provided to any other person that was not previously provided to CNB, no later than the date provided to such other person.

In addition, under the merger agreement, FC agreed that its board of directors, or any committee of the board, will not:

withdraw, qualify, amend or modify, or propose to withdraw, qualify, amend or modify, in a manner adverse to CNB in connection with the transactions contemplated by the merger agreement (including the merger), its recommendation that FC shareholders vote to approve the merger agreement;

fail to reaffirm its recommendation that FC shareholders vote to approve the merger agreement within five business days following a request by CNB;

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make any statement, filing or release, in connection with the special meeting or otherwise, inconsistent with its recommendation that FC shareholders vote to approve the merger agreement (including taking a neutral position or no position with respect to an acquisition proposal);

approve or recommend, or propose to approve or recommend, any acquisition proposal; or

enter into any letter of intent, agreement in principle, acquisition agreement or other agreement related to any acquisition transaction (other than a confidentiality agreement entered into in accordance with the non-solicitation provisions of the merger agreement); or requiring FC to abandon, terminate or fail to consummate the merger or any other transaction contemplated by the merger agreement.

However, prior to the date of the special meeting of FC shareholders, the FC board of directors may withdraw, qualify, amend or modify its recommendation that FC shareholders vote to approve the merger agreement if the FC board reasonably determines in good faith, after consultation with outside legal counsel and a nationally recognized financial advisor, that (A) an unsolicited acquisition proposal that FC received (that did not result from a breach of the non-solicitation provisions of the merger agreement) constitutes a superior proposal and (B) it is required to do so in order to comply with its fiduciary duties to the FC shareholders under applicable law. In the event that the FC board makes this determination, FC must provide three business days prior written notice to CNB that its board has decided that the bona fide unsolicited written acquisition proposal constitutes a superior proposal. During the three business days after CNB s receipt of the notice of a superior proposal, FC and its board must cooperate and negotiate in good faith with CNB to make any adjustments, modifications or amendments to the terms and conditions of the merger agreement as would enable FC to proceed with its board s original recommendation with respect to the merger agreement without requiring FC to withdraw, qualify, amend or modify its board s recommendation with respect to the merger agreement. At the end of the three business day period, and after taking into account any such adjusted, modified or amended terms as may have been proposed by CNB during that period, the FC board must again determine in good faith, after consultation with outside legal counsel, that:

it is required to withdraw, qualify, amend or modify its recommendation with respect to the merger agreement to comply with its fiduciary duties to its shareholders under applicable law; and

the acquisition proposal is a superior proposal.

In the event of any material revisions to the superior proposal, FC must provide a new notice of such superior proposal to CNB. During the one business day period following receipt of such new written notice, FC and its board must cooperate and negotiate in good faith with CNB to make any adjustments, modifications or amendments to the terms and conditions of the merger agreement as would enable FC to proceed with its board s original recommendation with respect to the merger agreement without requiring FC to withdraw, qualify, amend or modify its board s recommendation with respect to the merger agreement.

Employee Benefits

Under the terms of the merger agreement, as soon as practicable after the effective time of the merger, CNB will provide the employees of FC and any of its subsidiaries who remain employed after the effective time of the merger with at least the types and levels of comparable employee benefits in the aggregate as those provided to similarly-situated employees of CNB. CNB has the right in its sole discretion to terminate, merge or continue any of FC s employee benefit plans, except that CNB will maintain FC s plans (other than stock-based plans, incentive plans or defined benefit plans) until the employees of FC and any of its subsidiaries are permitted to participate in comparable CNB plans. To the extent that FC s employees become eligible to participate in CNB s employee benefit plans after the merger, CNB will:

provide each employee with eligibility and vesting credit, but not benefit accrual credit with respect to CNB s plans and not for participation in or accrual under any retiree health plan or executive supplemental retirement plan, equal to the amount of service credited by FC prior to the merger;

subject to the terms of CNB s employee plans, not treat any employee of FC or any of its subsidiaries as a new employee for purposes of any exclusions under any health or similar plan of CNB for any pre-existing medical condition, except to the extent such employee was treated as a new employee under the FC health plan; and

subject to the terms of CNB s employee plans, provide for any deductibles, co-payments or out-of-pocket expenses paid under FC s health plans to be credited toward deductibles, co-payments or out-of-pocket expenses under CNB s health plans upon delivery to CNB of appropriate documentation.

In addition, CNB has agreed to cause FC and its subsidiaries to honor and continue to be obligated to perform all contractual rights of current and former employees and directors of FC or any of its subsidiaries existing as of the date of the merger agreement under the terms of certain employment, severance, change in control agreement, deferred compensation plans, supplemental retirement plans and split-dollar agreements of FC and its subsidiaries. CNB has also agreed to pay to each employee of FC or any of its subsidiaries who is not covered by a written employment or severance agreement and either (i) not offered continued employment by CNB or CNB Bank after the effective time, or (ii) is terminated by CNB or any of its subsidiaries, without cause, within six months following the effective time, a severance payment equal to one week of his or her then current base salary multiplied by the number of total completed years of service with FC or any FC subsidiary. The minimum severance payment will equal four weeks of the employee s base salary and the maximum severance payment shall not exceed 26 weeks of his or her base salary. Immediately prior to the effective time, FC will accrue all unused sick time with respect to its employees and pay such amounts to its employees, subject to applicable withholding, as of the effective time. Immediately prior to the effective time of the merger, FC will accrue all liabilities under director retirement agreements to which the FC is a party which have not already been accrued.

Indemnification and Insurance

Indemnification. Under the merger agreement, CNB has agreed that all rights to indemnification and all limitations of liability existing in favor of any director or officer of FC or any of its subsidiaries, as provided in the articles of incorporation and code of regulations of FC, similar governing documents of an FC subsidiary or in applicable law as in effect on the date of the merger agreement with respect to matters occurring on or prior to the effective time of the merger will survive the merger.

Directors and Officers Insurance. The merger agreement provides for FC to purchase an extended reporting period endorsement under its existing directors and officers liability insurance coverage prior to the effective time of the merger in a form acceptable to FC. This extended reporting period endorsement will provide FC s directors and officers with coverage for six years following the effective time of the merger of not less than the existing coverage under, and have other terms at least as favorable to the insured persons as, the directors and officers liability insurance coverage presently maintained by FC so long as the aggregate cost is less than 150% of the annual premium currently paid by FC for such insurance. In the event that this premium limit is insufficient for such coverage, FC will enter into an agreement to spend up to that amount to purchase such lesser coverage as may be obtained with such amount.

The Voting Agreements

FC s chairman, Robert D. Hord, and directors Patrick Hord and Richard H. Thut have each entered into a voting agreement with CNB. In the voting agreements, Messrs. Hord, Hord and Thut have each agreed to vote, and granted CNB an irrevocable proxy and power of attorney to vote, all of his shares of FC common stock:

- in favor of adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger;
- against any action or agreement that would result in a breach of any covenant, representation or warranty, or any other obligation or agreement of FC contained in the merger agreement or of the shareholder contained in the voting agreement, or that would preclude fulfillment of a condition under the merger agreement to FC s and CNB s respective obligations to consummate the merger; and
- against another acquisition proposal, or any agreement or transaction that is intended, or could reasonably be expected, to materially impede, interfere or be inconsistent with, delay, postpone, discourage or materially and adversely affect the consummation of the transactions contemplated by the merger agreement or of the voting agreement or the performance by the shareholder of his obligations under the voting agreement.

Under each such voting agreement, Messrs. Hord, Hord and Thut each agreed not to, and not to permit any of his affiliates, to:

- initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, another acquisition proposal;

- participate in any discussions or negotiations regarding another acquisition proposal, or furnish, or otherwise afford access, to any person (other than CNB) any information or data with respect to FC or any of its subsidiaries or otherwise relating to another acquisition proposal;

- enter into any agreement, agreement in principle or letter of intent with respect to another acquisition proposal;

- solicit proxies or become a participant in a solicitation with respect to another acquisition proposal (other than the merger agreement) or otherwise encourage or assist any party in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the timely consummation of the merger in accordance with the terms of the merger agreement;

- initiate a shareholders vote or action by consent of FC s shareholders with respect to another acquisition proposal; or

- except by reason of the voting agreement, become a member of a group with respect to any voting securities of FC that takes any action in support of another acquisition proposal.

In addition, except under limited circumstances, Messrs. Hord, Hord and Thut also agreed not to sell, assign, transfer or otherwise dispose of or encumber their shares of FC common stock while their voting agreement is in effect. The voting agreements terminate immediately upon the earlier of the effective time of the merger, the termination of the merger agreement in accordance with its terms, or mutual written agreement of the parties to each voting agreement.

As of the record date, Patrick D. Hord held shares of FC common stock which represented approximately % of the outstanding FC common stock; Robert D. Hord held shares of FC common stock which represented approximately % of the outstanding FC common stock; and Richard H. Thut held shares of FC common stock which represented approximately % of the outstanding FC common stock. Messrs. Hord, Hord and Thut were not paid any additional consideration in connection with the execution of the voting agreements.

Additional Agreements

CNB and FC have also agreed to use their reasonable best efforts to:

- take all actions necessary, proper or advisable under the merger agreement and applicable law to consummate the merger as soon as practicable; and

- promptly prepare and file all necessary documentation to obtain the consent, approval and authorization of all third parties and governmental entities which are necessary or advisable to consummate the merger.

The merger agreement also contains covenants relating to cooperation in the preparation of this proxy statement/prospectus and additional agreements relating to, among other things, access to information, notice of certain matters, the listing of CNB common stock on the NASDAQ Global Select Market, tax representation letters, and the appointment of FC directors (other than Robert D. Hord) to a regional advisory board of CNB Bank.

Conditions to Completion of the Merger

The obligations of CNB and FC to consummate the merger are subject to the fulfillment of the following conditions:

the merger agreement being approved by the requisite affirmative vote of the shareholders of FC;

CNB and FC having obtained all regulatory approvals required to consummate the transactions contemplated by the merger agreement, all related statutory waiting periods having expired, and none of the regulatory approvals having imposed any term, condition or restriction that CNB reasonably determines would prohibit or materially limit the ownership or operation by CNB or FC of all or any material portion of the business or assets of CNB or FC, or compel CNB to dispose of or hold separate all or any material portion of the business or assets of FC or CNB (a burdensome condition);

- the absence of any order, decree or injunction in effect, or any law, statute or regulation enacted or adopted, that enjoins, prohibits, materially restricts or makes illegal the consummation of the transactions contemplated by the merger agreement; and

- the registration statement, of which this proxy statement/prospectus is a part, being declared effective and the absence of any proceeding or threatened proceeding to suspend, or stop order suspending, that effectiveness.

In addition, the obligation of CNB to complete the merger is subject to the fulfillment or written waiver, where permissible, of the following conditions:

- each of the representations and warranties of FC contained in the merger agreement having been true and correct as of the date of the merger agreement and as of the closing date of the merger, unless the failure of those representations and warranties to be true and correct, individually or in the aggregate, has not had, or would not reasonably be likely to have, a material adverse effect on FC;

- each and all of the agreements and covenants of FC to be performed and complied with pursuant to the merger agreement on or prior to the closing date of the merger having been duly performed and complied with in all material respects;

- CNB having received a certificate from the chief executive officer and chief financial officer of FC with respect to compliance with the foregoing conditions;

- CNB having received an opinion from its tax counsel that the merger will be treated for federal income tax purposes as a reorganization under Section 368(a) of the Code;

- CNB having obtained all regulatory approvals required to consummate the merger of CNB Bank and FC Bank, all related statutory waiting periods having expired, and none of the regulatory approvals having imposed any term, condition or restriction that CNB reasonably determines would be a burdensome condition;

- the absence of any order, decree or injunction in effect, or any law, statute or regulation enacted or adopted, that enjoins, prohibits, materially restricts or makes illegal the consummation of the merger of CNB Bank and FC Bank; and

- all outstanding shares of FC convertible preferred stock having been redeemed or converted into FC common stock prior to the effective time and no shares of FC convertible preferred stock remaining outstanding.

The obligations of FC to complete the merger are subject to the fulfillment or written waiver, where permissible, of the following additional conditions:

- each of the representations and warranties of CNB contained in the merger agreement having been true and correct as of the date of the merger agreement and as of the closing date of the merger, unless the failure of those representations and warranties to be true and correct, individually or in the aggregate, has not had, or would not reasonably be likely to have, a material adverse effect on CNB;

- each and all of the agreements and covenants of CNB to be performed and complied with pursuant to the merger agreement on or prior to the closing date of the merger having been duly performed and complied with in all material respects;

FC having received a certificate from the chief executive officer and chief financial officer of CNB with respect to compliance with the foregoing conditions; and

FC having received an opinion from its tax counsel that the merger will be treated for federal income tax purposes as a reorganization under Section 368(a) of the Code.

Material adverse effect when used in reference to CNB or FC, means any fact, change, event, development, effect or circumstance that, individually or in the aggregate, (A) are, or would reasonably be expected to be, materially adverse to the current or prospective business, prospects, operations, assets, liabilities, condition (financial or otherwise), results of operations, cash flows or

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properties of CNB or FC, taken as a whole, or (B) would reasonably be expected to prevent CNB or FC from materially performing its obligations under the merger agreement or consummating the transactions contemplated by the merger agreement; however, material adverse effect does not include the impact of:

- any fact, change, event, development, effect or circumstance arising after the date of the merger agreement affecting banks or their holding companies generally or arising from changes in general business or economic conditions (and not specifically relating to or having the effect of specifically relating to or having a materially disproportionate effect on CNB or FC, taken as a whole);
- any fact, change, event, development, effect or circumstance resulting from any change in law, generally accepted accounting principles or regulatory accounting after the date of the merger agreement, which affects generally entities such as CNB or FC, taken as a whole (and not specifically relating to or having the effect of specifically relating to or having a materially disproportionate effect on CNB or FC, taken as a whole);
- actions and omissions of CNB or FC taken with the prior written consent of the other party in furtherance of the transactions contemplated by the merger agreement or otherwise permitted to be taken by CNB or FC under the merger agreement;
- any fact, change, event, development, effect or circumstance resulting from the announcement or pendency of the transactions contemplated by the merger agreement;
- any failure by CNB or FC to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period; and
- changes in the trading price or trading volume of CNB s common stock.

Termination of the Merger Agreement

The merger agreement may be terminated and the merger and the transactions contemplated by the merger agreement abandoned as follows:

- by mutual written consent of the parties;
- by CNB or FC if the merger is not consummated by December 31, 2013, unless the terminating party s failure to comply with the merger agreement was the cause of the failure of the merger to occur on or before this date;
- by CNB or FC if the other party materially breaches any of its representations, warranties, covenants or other agreements contained in the merger agreement (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement), and the breach cannot be or has not been cured within 30 days of written notice of the breach and such breach would entitle the non-breaching party not to consummate the transactions contemplated by the merger agreement;
- by CNB or FC if any regulatory approval required for consummation of the merger and the other transactions contemplated by the merger agreement has been denied by final nonappealable action of any regulatory authority, or any governmental entity has issued a final nonappealable order, injunction or decree enjoining or otherwise prohibiting the transactions contemplated by the merger

agreement, provided that the terminating party has used its reasonable best efforts to have the order, injunction or decree lifted;

by CNB or FC if the required approval of the merger agreement by the FC shareholders is not obtained at a duly held meeting of the FC shareholders or at any adjournment or postponement thereof;

by CNB, if the FC board of directors:

withdraws, qualifies, amends, modifies or withholds its recommendation to the FC shareholders to vote in favor of the merger agreement or makes any statement, filing or release that is inconsistent with the recommendation;

materially breaches its obligation to call, give notice of and commence the special meeting;

approves or recommends another acquisition proposal;

fails to publicly recommend against a publicly announced acquisition proposal within five business days of being requested to do so by CNB;

fails to publicly reconfirm its recommendation to its shareholders to vote in favor of the merger agreement within five business days of being requested to do so by CNB, except during a period in which the board of directors of FC is evaluating an acquisition proposal to comply with its fiduciary duties to FC s shareholders under applicable law; or

resolves or otherwise determines to take, or announces an intention to take, any of the actions listed above;

by CNB if FC breaches in any material respect the provisions in the merger agreement prohibiting the solicitation of other offers; or

by FC, if its board of directors so determines by a majority vote of the members of its entire board, at any time during the five business day period commencing on the latest of the date, which is referred to as the determination date, on which (1) all regulatory approvals have been received, and (2) the approval of the merger agreement by the FC shareholders is obtained, if both of the following conditions are satisfied:

the average of the daily closing sales prices of a share of CNB common stock as reported on the NASDAQ Global Select Market for the 10 consecutive trading days immediately preceding the determination date is less than $14.54 (which represents 85% of the average of the daily closing sales prices of a share of CNB common stock, as reported on the NASDAQ Global Select Market, for the 10 consecutive trading days immediately preceding the date of the merger agreement); and

the number obtained by dividing the average of the daily closing sales prices of a share of CNB common stock as reported on the NASDAQ Global Select Market for the 10 consecutive trading days immediately preceding the determination date by the average of the daily closing sales prices of a share of CNB common stock, as reported on the NASDAQ Global Select Market, for the 10 consecutive trading days immediately preceding the date of the merger agreement is less than the quotient obtained by dividing the average of the closing prices of the NASDAQ Bank Index on each of the 10 consecutive trading days immediately preceding the determination date by the average of the closing prices of the NASDAQ Bank Index for the 10 consecutive trading days immediately preceding the date of the merger agreement, minus 0.15.

If the FC board of directors exercises the termination right described immediately above, CNB will have the option to increase the amount of CNB common stock to be provided to FC shareholders such that the implied value of the exchange ratio would be equivalent to the minimum implied value that would have avoided triggering the termination right described above. If CNB elects to increase the exchange ratio pursuant to the preceding sentence, no termination will occur;

by CNB, if its board of directors so determines by a majority vote of the members of its entire board, at any time during the five business day period commencing on the determination date, if both of the following conditions are satisfied:

the average of the daily closing sales prices of a share of CNB common stock as reported on the NASDAQ Global Select Market for the 10 consecutive trading days immediately preceding the determination date is greater than $19.67 (which represents 115% of the average of the daily closing sales prices of a share of CNB common stock, as reported on the NASDAQ Global Select Market, for the 10 consecutive trading days immediately preceding the date of the merger agreement); and

the number obtained by dividing the average of the daily closing sales prices of a share of CNB common stock as reported on the NASDAQ Global Select Market for the 10 consecutive trading days immediately preceding the determination date by the average of the daily closing sales prices of a share of CNB common stock, as reported on the NASDAQ Global Select Market, for the 10 consecutive trading days immediately preceding the date of the merger agreement is greater than the quotient obtained by dividing the average of the closing prices of the

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NASDAQ Bank Index on each of the 10 consecutive trading days immediately preceding the determination date by the average of the closing prices of the NASDAQ Bank Index for the 10 consecutive trading days immediately preceding the date of the merger agreement, plus 0.15.

If the CNB board of directors exercises the termination right described immediately above, FC will have the option to decrease the amount of CNB common stock to be provided to FC shareholders such that the implied value of the exchange ratio would be equivalent to the maximum implied value that would have avoided triggering the termination right described above. If FC elects to decrease the exchange ratio pursuant to the preceding sentence, no termination will occur.

Termination Fee

Under the terms of the merger agreement, FC must pay CNB a termination fee of $1.6 million if:

- CNB terminates the merger agreement as a result of the FC board of directors:
  - withdrawing, qualifying, amending, modifying or withholding its recommendation to the FC shareholders to vote in favor of the merger agreement or making any statement, filing or release that is inconsistent with the recommendation;
  - materially breaching its obligation to call, give notice of and commence the special meeting;
  - approving or recommending another acquisition proposal;
  - failing to publicly recommend against a publicly announced acquisition proposal within five business days of being requested to do so by CNB;
  - failing to publicly reconfirm its recommendation to its shareholders to vote in favor of the merger agreement within five business days of being requested to do so by CNB, except during a period in which the board of directors of FC is evaluating an acquisition proposal to comply with its fiduciary duties to FC s shareholders under applicable law; or
  - resolving or otherwise determining to take, or announcing an intention to take, any of the actions listed above; or
  - as a result of a material breach by FC of the provisions in the merger agreement prohibiting the solicitation of other offers; and within twelve months of such termination FC shall have (A) recommended to its shareholders or consummated a transaction qualifying as an acquisition transaction or (B) entered into a definitive agreement with respect to an acquisition transaction. FC shall pay to CNB an amount equal to $800,000 to satisfy the termination fee. FC has agreed to pay CNB an amount equal to $800,000 in lieu of $1.6 million if CNB terminates the merger agreement as a result of the occurrence of the actions described above but FC does not within twelve months of termination of the merger agreement recommend to its shareholders or consummate an acquisition transaction or enter into a definitive agreement with respect to an acquisition transaction.

FC has also agreed to pay to CNB a termination fee of $1.6 million if CNB or FC terminates the merger agreement as a result of:

- the failure of the FC shareholders to approve the merger agreement, or the merger not having been consummated by December 31, 2013, due to the failure of FC shareholders to approve the merger agreement, and both an acquisition proposal with respect to FC has been publicly announced, disclosed or otherwise communicated to the FC board of directors or senior

management of FC prior to December 31, 2013, or prior to the special meeting, as applicable; and

within 12 months of termination of the merger agreement, FC recommends to its shareholders another acquisition proposal or enters into a definitive agreement with respect to, or consummates, another acquisition transaction; provided, however, that all references to 15% in the definition of acquisition transaction set forth under the caption No Solicitation of Alternative Transactions on page 87 shall instead refer to 50%; or

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CNB terminates the merger agreement as a result of a material breach by FC of any of its representations, warranties, covenants or agreements contained in the merger agreement, if both:

an acquisition proposal with respect to FC has been publicly announced, disclosed or otherwise communicated to the FC board of directors or senior management of FC prior to such breach or during the related cure period; and

within 12 months of termination of the merger agreement, FC recommends to its shareholders an acquisition proposal or enters into a definitive agreement with respect to, or consummates, another acquisition transaction; provided, however, that the termination fee will not be payable to CNB if the acquisition transaction referred to in the immediately preceding clause is for aggregate consideration (whether payable to FC shareholders, FC or FC Bank) equal to or less than $20 million (whether payable in cash, stock or other consideration).

Waiver and Amendment

At any time prior to the completion of the merger, the merger agreement may be waived by the party intended to benefit by the provision, or amended or modified by a written action taken or authorized by their respective boards of directors. However, after the approval of the merger agreement by the FC shareholders, no amendment will be made which by law requires further approval by FC shareholders without such further approval.

Expenses

Each party will pay all fees and expenses it incurs in connection with the merger agreement and the related transactions, except that any printing costs and SEC filing and registration fees shall be borne by CNB.

Specific Performance

CNB and FC have agreed that they are each entitled to an injunction or other equitable relief to prevent breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement, this being in addition to any other remedy to which the parties are entitled at law or in equity.

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COMPARISON OF SHAREHOLDER RIGHTS

FC is incorporated under the laws of the State of Ohio and CNB is incorporated under the laws of the Commonwealth of Pennsylvania. Upon completion of the merger, the amended and restated articles of incorporation and by-laws of CNB in effect immediately prior to the effective time of the merger will be the articles of incorporation and by-laws of the combined company and the rights of FC shareholders who receive shares of CNB common stock as a result of the merger will be governed by Pennsylvania law, CNB s amended and restated articles of incorporation, which is referred to in this proxy statement/prospectus as CNB s articles of incorporation, and CNB s by-laws. The following discussion summarizes certain material differences between the rights of holders of FC common stock and CNB common stock resulting from the differences in the companies respective governing documents and Ohio and Pennsylvania law.

This discussion does not purport to be a complete statement of the rights of holders of CNB common stock under applicable Pennsylvania law and CNB s articles of incorporation and by-laws or the rights of holders of FC common stock under applicable Ohio law and FC s articles of incorporation and FC s code of regulations, which are referred to in this proxy statement/prospectus as FC s bylaws, and is qualified in its entirety by reference to the governing corporate documents of CNB and FC and applicable law. See Where You Can Find More Information beginning on page 115.

	FC	**CNB**
Capital Stock	FC s articles of incorporation authorize 4,000,000 shares of common stock, no par value per share, and 100,000 shares of Series A Non-Voting Non-Cumulative Convertible Preferred Stock, par value $100.00 per share.	CNB s articles of incorporation authorize 50,000,000 shares of capital stock, no par value per share.
	As of March 26, 2013, there were (i) 1,326,312 shares of FC common stock issued and outstanding, (ii) 73,080 shares of FC common stock reserved for issuance upon exercise of outstanding stock options or otherwise, (iii) 16,423 shares of FC common stock held, directly or indirectly, by FC as treasury stock, and (iv) 500 shares of FC Series A Non-Voting Non-Cumulative Convertible Preferred Stock issued and outstanding.	As of March 26, 2013, there were (i) 12,599,603 shares of CNB common stock issued and outstanding, (ii) 90,314 shares of CNB common stock held, directly or indirectly, by CNB as treasury stock, and (iii) 424,941 shares reserved for issuance upon exercise of outstanding stock options or otherwise.
Board of Directors; Classification	The Ohio Revised Code, or ORC, provides that the board of directors of an Ohio corporation must consist of one or more directors. The articles or regulations of a corporation may fix the number of directors.	The Pennsylvania Business Corporation Law of 1988, or BCL, provides that the board of directors of a Pennsylvania corporation must consist of one or more directors. The articles or bylaws of a corporation may fix the number of directors.
	FC s code of regulations provides that the number of directors shall not be less than five (5) nor more than twelve (12) and that the exact number will be fixed and determined by the affirmative vote of a majority of the shares represented at a meeting of FC s shareholders, provided that two-thirds (2/3) of the board of directors shall have approved such change.	CNB s bylaws provide that the number of directors shall not be less than nine (9) nor more than twenty-four (24), as may be determined from time to time by resolution of a majority of the board of directors.
	FC s board of directors is divided into three classes, with directors in each class being elected for staggered three-year terms.	If the merger is completed, the size of CNB s board of directors will be expanded by one additional member. CNB s board of directors is divided into three classes, with the numbers in each class being no less than three (3), nor more than eight (8) directors, and with

directors in each class being elected for staggered three-year terms.

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	FC	CNB
	The board of directors of each of FC and CNB is classified.	
Removal of Directors	Any director of FC may be removed at any time, but only for cause, by the affirmative vote of a majority of the shares entitled to vote at an election of directors, and at a special meeting of the shareholders called for that purpose.	The BLC provides that the entire board of directors, a class of the board, or any individual director may be removed from office by vote of the shareholders entitled to elect directors. If a board of directors is classified, such removal may be effected only for cause unless otherwise provided in the articles of incorporation by a specific and unambiguous statement to that effect.
		CNB s articles of incorporation do not provide for removal by shareholder vote without cause.
		Under CNB s by-laws, the board of directors may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of an offense punishable by imprisonment for a term of more than one year or if, within 60 days after notice of his or her selection, the director does not accept the office either in writing or by attending a meeting of the board of directors. Additionally, CNB s by-laws permit the board of directors to remove a fellow director upon a two-thirds (2/3) majority vote for conduct or circumstances detrimental to the best interests of CNB.
	Both FC and CNB directors may be removed for cause by majority vote of the shareholders. CNB s board of directors may remove a fellow director under certain circumstances.	
Vacancies on the Board of Directors and Additional Directors	FC s code of regulations provides that any vacancies in the board of directors may be filled by the directors then in office, although if less than a quorum, by the majority vote of the directors then in office. Any director elected to fill a vacancy shall be elected for the term remaining for the directors of the class to which he is elected.	CNB s by-laws provide that vacancies in the board of directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority vote of the remaining members of the board of directors though less than a quorum, or by a sole remaining director, and each person so selected shall be a director to serve until the next annual meeting of shareholders, at which time he or she shall stand separately for election to serve out the term to which he or she has been appointed.
	FC s code of regulations further provides that any vacancy on the board of directors caused by removal of a director by the shareholders may be filled by the shareholders at the meeting at which the removal occurred.	
	The board of directors of each of FC and CNB may fill vacancies and the shareholders of FC may fill a vacancy under certain circumstances.	
Cumulative Voting for Election of Directors	FC s articles of incorporation provide that no holder of shares of any class shall have the right to vote cumulatively in the election of directors.	CNB s articles of incorporation provide that shareholders shall not have the right to cumulate their votes in the election of directors.

Neither FC nor CNB permit cumulative voting for the election of directors.

Right to Call a Special Meeting of Shareholders	FC s code of regulations provides that a special meeting of the shareholders may be called by (i) the chairman of the board of directors; (ii) FC s president; (iii) an authorized officer; (iv) a majority of the members of the board of directors acting with or without a meeting; or (v) by any persons holding fifty percent (50%) or more of the shares then outstanding and entitled to vote at a meeting of shareholders.	CNB s by-laws provide that special meetings of the shareholders may be called at any time by (i) CNB s president; (ii) by order of the board of directors; or (iii) upon the written request of shareholders entitled to cast at least fifty percent (50%) of the votes that all shareholders are entitled to cast at the particular meeting.
	Both FC and CNB shareholders may call a special meeting of shareholders, subject to certain minimum vote requirements.	
Notice of Shareholder Meetings	FC s code of regulations provides that except as otherwise required by law, notice of a meeting of shareholders shall be given, either by personal delivery or by mail, overnight delivery service, or any other means of communication authorized by the shareholder to whom the notice is given, not more than sixty (60) nor fewer than (7) days before the date of the meeting.	CNB s by-laws provide that all shareholder meetings shall only be upon at least twenty-one (21) days prior written notice. Whenever written notice is required to be given to any person, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by facsimile transmission, or by electronic mail or other electronic communication, to the address (or to the telex, TWX or fax number or the electronic mail address) of the person appearing on the books of CNB or, in the case of directors, supplied by the director to CNB for the purpose of notice.
		In the case of a meeting of CNB s shareholders that has as one of its purposes action on the by-laws, written notice is to be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the by-laws. There is to be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be effected thereby.
	FC must provide prior written notice of a shareholder meeting within at least seven days of the meeting. CNB must provide prior written notice of a shareholder meeting at least twenty-one days prior to the meeting.	

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Shareholder Nominations and Proposals	With respect to director nominations, FC s code of regulations provides that nominations for directors to be elected at an annual meeting of shareholders, except those made by a majority of FC s board of directors, must be submitted to FC in writing not less than ninety (90) days prior to the one year anniversary date of the last annual meeting; or, in the case of a special meeting, not less than ninety (90) days prior to the date of the special meeting.	The BCL provides that if a corporation s bylaws provide a fair and reasonable procedure for the nomination of candidates for election as directors, only candidates who have been duly nominated in accordance therewith shall be eligible for election. If a corporation s bylaws impose a fair and reasonable requirement of advance notice of proposals to be made by a shareholder at the annual meeting of the shareholders, only proposals for which advance notice has been properly given may be acted upon at the meeting.
	With respect to other proposals to be considered at an annual or special meeting, FC s code of regulations provides that, unless proposed by a majority of FC s board of directors, a shareholder s proposal must be delivered to and received by FC at least ninety (90) days prior to the date of the one year anniversary date of the last annual meeting; or, in the case of a special meeting, not less than ninety (90) days prior to the date of the special meeting.	CNB s by-laws do not impose a fair and reasonable requirement or any other procedural requirement for the nomination of candidates for election as directors or for proposals to be acted upon at a meeting of the shareholders.
	Shareholder proposals with respect to director nominations must contain certain information required by FC s code of regulations.	
	FC shareholders have the ability to nominate directors and bring proposals before a meeting of shareholders, subject to certain procedural requirements. CNB shareholders have the ability to bring nominations and proposals before a meeting of shareholders without restriction.	
Shareholder Quorum	FC s code of regulations provides that those shareholders present in person, by proxy or by the use of communications equipment entitling them to exercise a majority of the voting power shall constitute a quorum for any meeting of shareholders. In the event of an absence of a quorum at any meeting or at any adjournment thereof, a majority of those present in person or by proxy and entitled to vote may adjourn such meeting from time to time.	CNB s by-laws provide that the presence of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at a meeting of shareholders shall constitute a quorum for the purposes of consideration and action on the matter. Shares of CNB owned, directly or indirectly, by it or controlled, directly or indirectly, by CNB s board of directors, as such, shall not be counted in determining the total number of outstanding shares for quorum purposes at any given time. If a meeting cannot be organized because a quorum has not attended, those present may, except as provided in the BCL, adjourn the meeting to such time and place as they may determine.
	For both FC and CNB a majority of the votes entitled to be cast on a particular matter constitutes quorum. In determining the presence of a quorum, CNB does not count voting shares controlled, directly or indirectly, by CNB or its board of directors.	

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Inspection of Corporate Records/Shareholder Lists	Under the ORC, upon request of any shareholder at any meeting of shareholders, there shall be produced at such meeting an alphabetically arranged list, or classified lists, of the shareholders of record as of the applicable record date, who are entitled to vote, showing their respective addresses and the number and class of shares held by each. Such list or lists when certified by the officer or agent in charge of the transfers of shares shall be prima-facie evidence of the facts shown therein. If the meeting is to be held solely or in part by means of communications equipment, then the corporation shall make the list or lists open to the examination of any shareholder or proxy holder during the whole time of the meeting on a reasonably accessible electronic network. The directors may adopt guidelines and procedures to permit the corporation to verify that any person accessing the list or lists is a shareholder or proxy holder. Any shareholder of the corporation, upon written demand stating the specific purpose thereof, shall have the right to examine in person or by agent or attorney at any reasonable time and for any reasonable and proper purpose, the articles of the corporation, its regulations, its books and records of account, minutes, and records of shareholders aforesaid, and voting trust agreements, if any, on file with the corporation, and to make copies or extracts thereof. Any written demand by an acquiring person to examine the records of shareholders for the purpose of communicating with shareholders of the issuing public corporation in connection with a meeting of shareholders called pursuant to the ORC shall be deemed to have been made by a shareholder of the issuing public corporation for a reasonable and proper purpose.	CNB s by-laws provide that every shareholder shall, upon ten (10) days written verified demand stating specifically the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business and for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a shareholder. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the shareholder. The demand shall be directed to CNB at its registered office in Pennsylvania or at its principal place of business wherever situated.
	The shareholders of FC and CNB have similar inspection rights.	
Amendment of Articles of Incorporation	The shareholders of FC may amend or repeal FC s articles of incorporation only by the affirmative vote of the holders of at least eighty percent (80%) of the outstanding common shares of FC entitled to vote thereon; provided, however, that if two-thirds (2/3) of FC s board of directors shall have approved such amendment or repeal, the articles of incorporation may, under the ORC, be amended or repealed by the affirmative vote of the holders of record of shares entitling them to exercise a majority of the voting power of FC.	Under the BCL, a vote of the shareholders entitled to vote on a proposed amendment of the articles of a business corporation shall be taken at the next annual or special meeting of which notice for that purpose has been duly given. Unless the articles of incorporation or a specific provision of the BCL requires a greater vote, a proposed amendment of the articles of a business corporation will be adopted upon receiving the affirmative vote of a majority of the votes cast by all shareholders entitled to vote. Every amendment of the articles of a business corporation shall be proposed: (1) by the adoption by the board of directors of a resolution setting forth the proposed amendment; or (2) unless otherwise provided in the articles, by petition of shareholders entitled to cast at least 10% of the votes that all shareholders are entitled to cast thereon, setting forth the proposed amendment, which petition shall be

		directed to the board of directors and filed with the secretary of the corporation. Except as provided in (2) above (relating to proposal of amendments), a proposed amendment of the articles shall not be deemed to have been adopted by the corporation unless it has also been approved by the board of directors, regardless of the fact that the board has directed or suffered the submission of the amendment to the shareholders for action.
	The articles of incorporation of both FC and CNB may be amended only by vote of their shareholders, subject to certain minimum vote requirements and, except in certain circumstances, any amendment to CNB s articles of incorporation must also be approved by the board of directors.	
Amendment of Bylaws / Code of Regulations	The shareholders of FC may adopt, amend or repeal the code of regulations only by the affirmative vote of the holders of at least eighty percent (80%) of the outstanding common shares of FC entitled to vote thereon; provided, however, that if two-thirds (2/3) of FC s board of directors shall have approved such adoption, amendment or repeal, the code of regulations may be adopted, amended or repealed by the affirmative vote of the holders of record of shares entitling them to exercise a majority of the voting power of FC.	CNB s by-laws may be amended or repealed, or new by-laws may be adopted, by affirmative vote of a majority of the shareholders entitled to vote at any duly organized annual or special meeting of shareholders. Any change in the by-laws shall take effect when adopted unless otherwise provided in the resolution effecting the change.
		In the case of a meeting of shareholders that has as one of its purposes action on the by-laws, written notice is to be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the by-laws. There is to be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be effected thereby.
	FC s code of regulations and CNB s by-laws may be amended from time to time by vote of their shareholders.	
Shareholder Rights Plan	None.	None.
	Neither FC nor CNB has a shareholder rights plan currently in place.	
Action without a Meeting	Any action which may be authorized or taken at a meeting of FC shareholders may be taken without a meeting if authorized by a writing signed by all shareholders who would be entitled to notice of a meeting called for such purpose.	CNB s by-laws provide that CNB s shareholders may take action by written consent in lieu of a meeting with (i) the consent of all of the shareholders who would be entitled to vote thereon at a meeting of the shareholders or (ii) the consent of shareholders who would have been entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. The action shall not become effective until after at least ten (10) days written notice of the action has been given to each shareholder entitled to vote thereon who has not consented thereto.

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	FC shareholders may take action by written consent in lieu of a meeting only with the consent of all shareholders entitled to vote at the meeting. CNB shareholders may take action by written consent in lieu of a meeting with the consent of (i) all shareholders who would have been entitled to vote at the meeting or (ii) shareholders who would have been entitled to cast the minimum number of votes that would be necessary to authorize the action at the meeting, provided certain notice requirements have been met.	
Rights of Dissenting Shareholders	Under the ORC, dissenting shareholders are entitled to dissenters rights in connection with certain amendments to a corporation s articles of incorporation and the lease, sale, exchange, transfer or other disposition of all or substantially all of the assets of a corporation unless the shares of the selling corporation are listed on a national securities exchange and the consideration consists of shares listed on a national securities exchange. Shareholders of an Ohio corporation being merged into or consolidated with another corporation are also entitled to dissenters rights.	Under the BCL, shareholders may, in the case of a merger or consolidation, obtain a judicial appraisal of the fair value of their shares if they have neither voted in favor of nor consented in writing to the merger or consolidation. Shareholders do not have appraisal rights with respect to shares of any class or series of stock if such shares of stock, at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders, are either (1) listed on a national securities exchange or (2) held of record by more than 2,000 holders, with certain exceptions.
	The ORC provides that a shareholder s written demand must be delivered to the corporation before the vote on the matter giving rise to dissenters rights.	
	FC shareholders have appraisal rights in connection with the proposed merger, subject to certain exceptions and limitations. CNB shareholders do not have appraisal rights.	
Preemptive Rights	Preemptive rights generally allow shareholders to maintain their proportionate share of ownership of a corporation by permitting the shareholders to purchase a proportionate share of any new stock issuances. Preemptive rights protect the shareholders from dilution of value and control upon new stock issuances.	
	Under FC s articles of incorporation, no shareholder shall have any preemptive rights.	Under CNB s articles of incorporation, the shares of stock of CNB shall not have preemptive rights.
	Neither FC shareholders nor CNB shareholders have preemptive rights.	
Dividends	The ORC provides that dividends may be paid in cash, property or shares of a corporation s capital stock. The ORC further provides that a corporation may pay dividends out of surplus and if a dividend is paid out of capital surplus, the corporation must notify its shareholders as to the kind of surplus out of which it is paid.	Under the BCL, the board of directors may declare and pay dividends, unless after paying such distribution the corporation would be unable to pay its debts as they come due, the total assets of the corporation would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time as of which the distribution is measured, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distributions.

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	FC	CNB
	FC and CNB may each declare and pay dividends.	
Business Combinations	FC s articles of incorporation provide that the affirmative vote of the holders of not less than eighty percent (80%) of the outstanding shares of FC entitled to vote shall be required to consolidate or merge FC with or into another corporation, except that if two-thirds of the board of directors of FC have approved the transaction, the affirmative vote of the holders of a majority of the outstanding shares of FC entitled to vote shall be required. The affirmative vote of the holders of not less than eighty percent (80%) of the outstanding shares of voting stock (as defined in FC s articles of incorporation) of FC and the affirmative vote of the holders of not less than sixty-seven percent (67%) of the outstanding shares of voting stock held by shareholders other than a related party (as defined in FC s articles of incorporation) shall be required for the approval of any merger or consolidation of FC with or into a related party, subject to certain exceptions.	Subject to certain exceptions, the BCL provides that the affirmative action of a majority of the outstanding shares entitled to vote shall be required in order to effect the merger or consolidation of a corporation. CNB s by-laws provide that whenever any corporate action is to be taken by vote of its shareholders, such action shall be authorized upon receiving the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon and, if any shareholders are entitled to vote thereon as a class, upon receiving the affirmative vote of a majority of the votes cast by the shareholders entitled to vote as a class. CNB s articles of incorporation provide that in order to effect the merger or consolidation of CNB into another corporation which is not a wholly owned subsidiary of CNB, the affirmative vote of sixty-six percent (66%) of the outstanding shares entitled to vote is required.
	FC s articles of incorporation contain business combination provisions requiring a higher vote requirement in the event of transactions with interested stockholders.	

Ohio Anti-Takeover Provisions

Certain provisions of the ORC make a change in control of an Ohio corporation more difficult, even if desired by holders of a majority of the corporation s shares. Provided below is a summary of the Ohio anti-takeover statues.

Ohio Control Share Acquisition Statute. Section 1701.831 of the ORC, known as the Ohio Control Share Acquisition Statute, provides that specified notice and informational filings and special shareholder meeting and voting procedures must occur before consummation of a proposed control share acquisition. A control share acquisition is defined as any acquisition of shares of an issuing public corporation that would entitle the acquirer, directly or indirectly, alone or with others, to exercise or direct the voting power of the issuing public corporation in the election of directors within any of the following ranges:

- one-fifth or more, but less than one-third, of the voting power;
- one-third or more, but less than a majority, of the voting power; or
- a majority or more of the voting power.

An issuing public corporation is an Ohio corporation with 50 or more shareholders that has its principal place of business, principal executive offices, or substantial assets within the State of Ohio, and as to which no close corporation agreement exists. Assuming compliance with the notice and informational filing requirements prescribed by the Ohio Control Share Acquisition Statute, the proposed control share acquisition may take place only if, at a duly convened special meeting of shareholders, the acquisition is approved by both:

a majority of the voting power of the corporation in the election of directors represented in person or by proxy at the meeting; and

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a majority of the voting power at the meeting exercised by shareholders, excluding:

the acquiring shareholder;

officers of the corporation elected or appointed by the directors of the corporation;

employees of the corporation who are also directors of the corporation; and

persons who acquire specified amounts of shares after the first public disclosure of the proposed control share acquisition.

An Ohio corporation may opt out of the provisions of the Ohio Control Share Acquisition Statute by adopting an appropriate amendment to its articles of incorporation or regulations. FC has not amended its articles of incorporation or code of regulations to opt out of the provisions of the Ohio Control Share Acquisition Statute. However, the provisions of the Ohio Control Share Acquisition Statute are expressly not applicable to the proposed merger of FC with and into CNB.

Ohio Merger Moratorium Statute. Chapter 1704 of the ORC, known as the Ohio Merger Moratorium Statute, prohibits specified business combinations and transactions between an issuing public corporation and a beneficial owner of shares representing 10% or more of the voting power of the corporation in the election of directors (an interested shareholder) for at least three years after the interested shareholder became such, unless the board of directors of the issuing public corporation approves either (1) the transaction or (2) such share acquisition resulted in the person becoming an interested shareholder prior to the acquisition of the corporation s shares.

For three years after a person becomes an interested shareholder, the following transactions between the corporation and the interested shareholder (or persons related to the interested shareholder) are prohibited:

the disposition or acquisition of an interest in assets meeting thresholds specified in the statute;

mergers and similar transactions;

a voluntary dissolution;

the issuance or transfer of shares or any rights to acquire shares having a fair market value at least equal to 5% of the aggregate fair market value of the corporation s outstanding shares;

a transaction that increases the interested shareholder s proportionate ownership of shares of the corporation; and

the receipt by the interested shareholder of certain other benefits provided by or through the issuing public corporation that are not shared proportionately by all shareholders.

After the three-year period, transactions between the corporation and the interested shareholder are permitted if, among other things:

the transaction is approved by the holders of shares entitling them to exercise at least two-thirds of the voting power of the corporation in the election of directors (or a different proportion specified in the corporation s articles of incorporation), including at

least a majority of the outstanding disinterested shares; or

the business combination results in shareholders, other than the interested shareholder, receiving a fair market value for their shares determined by the method described in the statute.

An Ohio corporation may opt out of the provisions of the Ohio Merger Moratorium Statute by adopting an appropriate amendment to its articles of incorporation. FC has not amended