Commercial National Financial Corporation

900 Ligonier Street
P.O. Box 429
Latrobe, PA 15650
724-539-3501
www.cbthebank.com

NEWS RELEASE

COMMERCIAL NATIONAL REPORTS DECEMBER 31, 2015 EARNINGS

LATROBE, PA, January 29, 2016 - Commercial National Financial Corporation (OTC Markets:CNAF)(Company), parent Company of Commercial Bank & Trust of PA, has reported results for the quarter ended December 31, 2015. The Company earned $1,073,000 (or $0.38 per average share outstanding) in the fourth quarter 2015 compared to $1,410,000 (or $0.49 per average share outstanding) in the fourth quarter 2014. The Company earned $5,688,000 (or $1.99 per average share outstanding) for the twelve-month period ended December 31, 2015 and $6,210,000 (or $2.17 per average share outstanding) for the twelve-month period ended December 31, 2014. The Company's annualized return on average assets and average equity were 1.09% and 7.70%, respectively, for the quarter ended December 31, 2015 compared to 1.45% and 9.81%, respectively, for the quarter ended December 31, 2014. The Company's annualized return on average assets and average equity for the twelve-month period ended December 31, 2015 were 1.48% and 10.23%, respectively, compared to 1.58% and 11.61%, respectively, for the twelve-month period ended December 31, 2014. Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios for December 31, 2015 were 21.96%, 22.63%, 13.42% and 21.96%, respectively.

President and Chief Executive Officer, Gregg E. Hunter noted, "Core earnings, as evidenced by FDIC tabulated net interest margins of 4.59% for 2015's fourth quarter and 4.64% for full year 2015, remain strong. On a linked sequential quarter basis actual net interest income generation substantially improved throughout 2015 from $3,371,000 in the first quarter to $3,611,000 in the fourth quarter. Asset quality continues to be outstanding with 2015 representing the eighth consecutive year without any need for loan loss provisioning - a time span that encompassed the worst depths of the financial crisis driven Great Recession. The Company's underlying core earnings in conjunction with its solid capital base provide ample capacity to maintain the regular $0.26 per share quarterly common stock cash dividend to shareholders. The special extra dividend of $1.00 per share which was paid in May 2015 was based on atypically favorable multi-year results being supplemented by sizeable current year realized net securities sale related gains in much the same manner as the previous $1.00 per share special cash dividend of December 2012. Providing an attractive and reliable cash dividend income stream to all our shareholders through the safe and sound operation of this bank is a long-standing top priority for the Company. In this regard, Commercial National Financial Corporation's actions over an extended number of years stand as concrete testament to its delivering on that priority."

In addition to Latrobe, Pennsylvania where it is headquartered, the Company operates ten community banking facilities in Greensburg, Hempfield Township, Ligonier, North Huntingdon, Unity Township and West Newton, Pennsylvania and also maintains a commercial business development sales force throughout its entire market area. The Company operates an asset management and trust division of Commercial Bank & Trust of PA headquartered in Greensburg, Pennsylvania. Commercial Bank & Trust of PA also serves its customer base from an Internet banking site (www.cbthebank.com) and an automated TouchTone Teller banking system.

As disclosed each year in the Annual Report to Shareholders, on December 31, 2015, the Company employed 110 people in full-time and part-time positions. Fifty-six (56) employees are represented by the United Auto Workers, Local 1799. The Company has had unionized employees since 1972. In 2013, the Company and the bargaining unit entered into a labor agreement that will expire in February 2019. The Commonwealth of Pennsylvania and the National Labor Relations Board both afford protection to the organized status of pre-existing collective bargaining units. The Company has been advised that bargaining unit status may limit the Company's strategic options relative to those of non-unionized insured depository institutions. The Company continues to consider this as a factor in its strategic and capital management decisions.

Safe Harbor Statement

Forward-looking statements (statements which are not historical facts) in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "to," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements are based on informati

on currently available to the Company, and the Company assumes no obligation to update these statements as circumstances change. Investors are cautioned that all forward-looking statements involve risk and uncertainties, including changes in general economic and financial market conditions, unforeseen credit problems, and the Company's ability to execute its business plans. The actual results of future events could differ materially from those stated in any forward-looking statements herein.

Contact Information:

Wendy S. Piper
Senior Vice President
Secretary/Treasurer
wpiper@cbthebank.com
724-537-9923

COMMERCIAL NATIONAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Unaudited)
(Dollars in thousands)

	December 31 2015	December 31 2014
ASSETS		
Cash and due from banks on demand	$ 6,092	$ 5,286
Interest bearing deposits with banks	3,032	90
Total cash and cash equivalents	9,124	5,376
Securities available for sale	184,442	187,070
Restricted investments in bank stock	992	722
Loans	182,751	171,223
Allowance for loan losses	(1,603)	(1,616)
Net loans	181,148	169,607
Premises and equipment	3,298	3,207
Investment in Life Insurance	18,181	17,650
Other assets	2,317	3,887
Total assets	$ 399,502	$ 387,519
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Non-interest bearing	$ 115,197	$ 105,717
Interest bearing	204,716	207,669
Total deposits	319,913	313,386
Short-term borrowings	22,158	12,225
Other liabilities	2,311	3,603
Total liabilities	344,382	329,214
Shareholders' equity:		
Common stock, par value $2 per share; 10,000,000 shares authorized; 3,600,000 shares issued; 2,860,953 shares outstanding in 2015 and 2014.	7,200	7,200
Retained earnings	58,106	58,254
Accumulated other comprehensive income	2,358	5,395
Less treasury stock, at cost, 739,047 shares in 2015 and 2014	(12,544)	(12,544)
Total shareholders' equity	55,120	58,305
Total liabilities and shareholders' equity	$ 399,502	$ 387,519

COMMERCIAL NATIONAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in thousands, except per share data)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2015	2014	2015	2014
INTEREST INCOME:				
Interest and fees on loans	$ 1,962	$ 1,915	$ 7,848	$ 7,667
Interest and dividends on securities:				
Taxable	687	182	2,085	833
Exempt from federal income taxes	1,064	1,472	4,454	6,711
Other	8	13	71	54
Total Interest income	3,721	3,582	14,458	15,265
INTEREST EXPENSE:				
Interest on deposits	91	129	398	569
Interest on short-term borrowings	19	16	34	74
Total Interest expense	110	145	432	643
NET INTEREST INCOME	3,611	3,437	14,026	14,622
PROVISION FOR LOAN LOSSES	-	-	-	-
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	3,611	3,437	14,026	14,622
OTHER OPERATING INCOME:				
Asset management and trust income	295	298	1,356	1,142
Service charges on deposit accounts	218	243	894	976
Net Security gains (loss)	-	7	3,605	21
Income from investment in life insurance	137	149	489	497
Other income	43	39	226	240
Total other operating income	693	736	6,570	2,876
OTHER OPERATING EXPENSES				
Salaries and employee benefits	1,745	1,741	7,018	7,017
Net occupancy expense	204	193	836	853
Furniture and equipment	142	201	529	503
Pennsylvania shares tax	132	101	512	404
Legal and professional	112	114	413	340
FDIC Insurance expense	36	48	180	192
Other expenses	662	589	2,820	2,710
Total other operating expenses	3,033	2,987	12,308	12,019
INCOME BEFORE INCOME TAXES	1,271	1,186	8,288	5,479
Income tax expense (benefit)	198	(224)	2,600	(731)
Net income	$ 1,073	$ 1,410	$ 5,688	$ 6,210
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	0.38	0.49	1.99	2.17