

**NEWS RELEASE**

**COMMERCIAL NATIONAL REPORTS SEPTEMBER 30, 2014 EARNINGS INCREASES**

LATROBE, PA, October 27, 2014 - Commercial National Financial Corporation (OTC Markets:CNAF) (Company), parent Company of Commercial Bank & Trust of PA, has reported results for the quarter ended September 30, 2014. The Company earned \$1,534,000 (or \$0.54 per average share outstanding) in the third quarter 2014 compared to \$1,361,000 (or \$0.47 per average share outstanding) in the third quarter 2013. The Company earned \$4,802,000 (or \$1.68 per average share outstanding) for the nine-month period ended September 30, 2014 and \$3,811,000 (or \$1.33 per average share outstanding) for the nine-month period ended September 30, 2013. The Company's annualized return on average assets and average equity were 1.54% and 11.63%, respectively, for the quarter ended September 30, 2014 compared to 1.48% and 12.25%, respectively, for the quarter ended September 30, 2013. The Company's annualized return on average assets and average equity for the nine month period ended September 30, 2014 were 1.62% and 12.27%, respectively, compared to 1.36% and 10.20%, respectively, for the nine month period ended September 30, 2013. Tier one risk-based, total risk-based and leverage capital ratios for September 30, 2014 were 22.66%, 23.37% and 13.19%, respectively.

President and Chief Executive Officer, Gregg E. Hunter noted, "Third quarter 2014 earnings increased \$173,000, or 12.71%, while first nine months earnings increased \$991,000, or 26.00%. Tax equivalent net interest margin was 5.09% in 2014's first nine months and the efficiency ratio was 56.39%. The Company's strong core financial performance and very substantial capital base significantly surpass those of the broader banking industry providing ample capacity to maintain the regular \$0.26 per share quarterly common stock cash dividend payments to shareholders."

Mr. Hunter added, "On September 24, 2014, Commercial National Financial Corporation stock shares began trading on the **OTCQX for banks** marketplace. Trading on OTCQX distinguishes Commercial National Financial Corporation as one of the most established, well-managed and strongly capitalized community banks in the nation. OTCQX provides a shareholder-friendly trading experience through enhanced visibility and dedicated capital markets support. Keefe Bruyette and Woods, Inc. (KBW) serves as the Company's Corporate Broker on OTCQX. KBW is a FINRA member broker-dealer, specializing in bank stock trading and advising banks on strategic equity alternatives, that has been appointed by the Company's Board of Directors to provide guidance on the trading of its stock and access to institutional investors, investment bankers and other key market participants."

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](http://www.cbthebank.com)) and an automated TouchTone Teller banking system.

### **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 information 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.*

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COMMERCIAL NATIONAL FINANCIAL CORPORATION  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

(Dollars in thousands, except per share data)

	September 30, 2014	December 31, 2013	September 30, 2013
<b>ASSETS</b>			
Cash and due from banks on demand	\$ 7,584	\$ 8,036	\$ 8,169
Interest bearing deposits with banks	6,804	3,999	114
Total cash and cash equivalents	<u>14,388</u>	<u>12,035</u>	<u>8,283</u>
Securities available for sale	187,053	185,446	176,814
Restricted investments in bank stock	<u>1,081</u>	<u>1,425</u>	<u>893</u>
Loans	171,141	163,916	162,882
Allowance for loan losses	(1,616)	(1,619)	(1,597)
Net loans	<u>169,525</u>	<u>162,297</u>	<u>161,285</u>
Premises and equipment	3,310	3,096	3,163
Investment in Life Insurance	17,460	17,111	16,924
Other assets	<u>4,487</u>	<u>12,924</u>	<u>13,491</u>
Total assets	<u><u>\$ 397,304</u></u>	<u><u>\$ 394,334</u></u>	<u><u>\$ 380,853</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 107,141	\$ 104,792	\$ 102,711
Interest bearing	213,033	211,769	207,971
Total deposits	<u>320,174</u>	<u>316,561</u>	<u>310,682</u>
Short-term borrowings	17,581	23,311	16,300
Other liabilities	3,003	8,325	8,588
Total liabilities	<u>340,758</u>	<u>348,197</u>	<u>335,570</u>
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 2014 and 2013	7,200	7,200	7,200
Retained earnings	57,591	55,020	54,183
Accumulated other comprehensive income	4,299	(3,539)	(3,556)
Less treasury stock, at cost, 739,047 shares in 2014 and 2013	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>56,546</u>	<u>46,137</u>	<u>45,283</u>
Total liabilities and shareholders' equity	<u><u>\$ 397,304</u></u>	<u><u>\$ 394,334</u></u>	<u><u>\$ 380,853</u></u>

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
INTEREST INCOME:				
Interest and fees on loans	\$ 1,938	\$ 1,858	\$ 5,752	\$ 5,941
Interest and dividends on securities:				
Taxable	198	298	651	1,105
Exempt from federal income taxes	1,698	1,535	5,239	3,849
Other	15	4	41	30
Total Interest income	<u>3,849</u>	<u>3,695</u>	<u>11,683</u>	<u>10,925</u>
INTEREST EXPENSE:				
Interest on deposits	135	179	440	620
Interest on short-term borrowings	18	3	58	3
Interest on long-term borrowings	-	-	-	-
Total Interest expense	<u>153</u>	<u>182</u>	<u>498</u>	<u>623</u>
NET INTEREST INCOME	3,696	3,513	11,185	10,302
PROVISION FOR LOAN LOSSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>3,696</u>	<u>3,513</u>	<u>11,185</u>	<u>10,302</u>
OTHER OPERATING INCOME:				
Asset management and trust income	283	241	844	724
Service charges on deposit accounts	249	268	733	784
Net Security gains	-	(5)	14	52
Income from investment in life insurance	120	127	348	362
Other income	45	74	201	225
Total other operating income	<u>697</u>	<u>705</u>	<u>2,140</u>	<u>2,147</u>
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	1,730	1,702	5,276	5,079
Net occupancy expense	219	210	660	641
Furniture and equipment	99	58	302	286
Pennsylvania shares tax	102	141	303	417
Legal and professional	66	72	226	198
FDIC insurance expense	48	45	144	133
Other expenses	767	762	2,121	2,059
Total other operating expenses	<u>3,031</u>	<u>2,990</u>	<u>9,032</u>	<u>8,813</u>
INCOME BEFORE INCOME TAXES	1,362	1,228	4,293	3,636
Income tax expense (benefit)	<u>(172)</u>	<u>(133)</u>	<u>(509)</u>	<u>(175)</u>
Net income	<u>\$ 1,534</u>	<u>\$ 1,361</u>	<u>\$ 4,802</u>	<u>\$ 3,811</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	\$ 0.54	\$ 0.47	\$ 1.68	\$ 1.33