

**NEWS RELEASE**

**COMMERCIAL NATIONAL REPORTS SEPTEMBER 30, 2015 EARNINGS**

LATROBE, PA, November 4, 2015 - 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, 2015. The Company earned \$628,000 (or \$0.22 per average share outstanding) in the third quarter 2015 compared to \$1,534,000 (or \$0.54 per average share outstanding) in the third quarter 2014. The Company earned \$4,615,000 (or \$1.61 per average share outstanding) for the nine-month period ended September 30, 2015 and \$4,802,000 (or \$1.68 per average share outstanding) for the nine-month period ended September 30, 2014. The Company's annualized return on average assets and average equity were 0.65% and 4.71%, respectively, for the quarter ended September 30, 2015 compared to 1.54% and 11.63%, respectively, for the quarter ended September 30, 2014. The Company's annualized return on average assets and average equity for the nine month period ended September 30, 2015 were 1.61% and 10.94%, respectively, compared to 1.62% and 12.27%, respectively, for the nine month period ended September 30, 2014. Third quarter book earnings reflect a non-cash \$368,000 income tax valuation adjustment which was accompanied by a \$341,000 income tax cash refund resulting from the carry-back of a 2014 book tax position asset against the 2012 fiscal year filed tax return. Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios for September 30, 2015 were 21.78%, 22.45%, 13.53% and 21.78%, respectively.

President and Chief Executive Officer, Gregg E. Hunter noted, "The community banking franchise has recorded steady expansion since year-end 2014 as demonstrated by non-interest bearing checking deposit footings growth of 7.18% and loan portfolio growth of 7.46%. The Company's atypical funding base, with non-interest bearing checking deposits of \$113.3 million relative to \$393.5 million in total assets, compliments the aggregate optionality of total earning assets. Loan portfolio credit quality remains outstanding with 2015's third quarter representing the thirty-first consecutive fiscal quarter without the need for any loan loss provisioning - a time span of nearly eight years. Core earnings, as evidenced by FDIC tabulated net interest margins of 4.57% for 2015's third quarter and 4.66% for 2015's first nine months, remain favorable. In addition, on a linked sequential quarter basis actual net interest income generation has improved from \$3,371,000 in 2015's first quarter to \$3,471,000 in 2015's second quarter and \$3,573,000 in 2015's third quarter. The Company's substantial capital position, outstanding asset quality and favorable core earnings diagnostics continue to be supportive of the regular \$0.26 per share quarterly common stock cash dividend payments to our shareholders. Maintaining an attractive and reliable cash dividend income stream to our shareholders is a top priority for the Company."

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, 2015	December 31, 2014	September 30, 2014
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and due from banks on demand	\$ 7,195	\$ 5,286	\$ 7,584
Interest bearing deposits with banks	47	90	6,804
Total cash and cash equivalents	<u>7,242</u>	<u>5,376</u>	<u>14,388</u>
Securities available for sale	178,932	187,070	187,053
Restricted investments in bank stock	<u>714</u>	<u>722</u>	<u>1,081</u>
Loans	184,003	171,224	171,141
Allowance for loan losses	<u>(1,617)</u>	<u>(1,616)</u>	<u>(1,616)</u>
Net loans	182,386	169,608	169,525
Premises and equipment	3,191	3,207	3,310
Investment in Life Insurance	18,002	17,650	17,460
Other assets	<u>3,028</u>	<u>3,886</u>	<u>4,487</u>
Total assets	<u><u>\$ 393,495</u></u>	<u><u>\$ 387,519</u></u>	<u><u>\$ 397,304</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 113,309	\$ 105,717	\$ 107,141
Interest bearing	206,012	207,669	213,033
Total deposits	<u>319,321</u>	<u>313,386</u>	<u>320,174</u>
Short-term borrowings	18,776	12,225	17,581
Other liabilities	1,757	3,603	3,003
Total liabilities	<u>339,854</u>	<u>329,214</u>	<u>340,758</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 2015 and 2014	7,200	7,200	7,200
Retained earnings	57,776	58,254	57,591
Accumulated other comprehensive income	1,209	5,395	4,299
Less treasury stock, at cost, 739,047 shares in 2015 and 2014	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>53,641</u>	<u>58,305</u>	<u>56,546</u>
Total liabilities and shareholders' equity	<u><u>\$ 393,495</u></u>	<u><u>\$ 387,519</u></u>	<u><u>\$ 397,304</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	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
INTEREST INCOME:				
Interest and fees on loans	\$ 1,975	\$ 1,938	\$ 5,886	\$ 5,752
Interest and dividends on securities:				
Taxable	623	198	1,398	651
Exempt from federal income taxes	1,081	1,698	3,390	5,239
Other	2	15	63	41
Total Interest income	3,681	3,849	10,737	11,683
INTEREST EXPENSE:				
Interest on deposits	96	135	307	440
Interest on short-term borrowings	12	18	15	58
Total Interest expense	108	153	322	498
NET INTEREST INCOME	3,573	3,696	10,415	11,185
PROVISION FOR LOAN LOSSES	-	-	-	-
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	3,573	3,696	10,415	11,185
OTHER OPERATING INCOME:				
Asset management and trust income	301	283	1,061	844
Service charges on deposit accounts	227	249	676	733
Net Security gains	15	-	3,605	14
Income from investment in life insurance	118	120	352	348
Other income	41	45	183	201
Total other operating income	702	697	5,877	2,140
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	1,758	1,730	5,273	5,276
Net occupancy expense	190	219	632	660
Furniture and equipment	128	99	387	302
Pennsylvania shares tax	133	102	380	303
Legal and professional	95	66	301	226
FDIC insurance expense	48	48	144	144
Other expenses	754	767	2,158	2,121
Total other operating expenses	3,106	3,031	9,275	9,032
INCOME BEFORE INCOME TAXES	1,169	1,362	7,017	4,293
Income tax expense (benefit)	541	(172)	2,402	(509)
Net income	\$ 628	\$ 1,534	\$ 4,615	\$ 4,802
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	\$ 0.22	\$ 0.54	\$ 1.61	\$ 1.68