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## **NEWS RELEASE**

### **COMMERCIAL NATIONAL REPORTS MARCH 31, 2016 EARNINGS**

LATROBE, PA, May 2, 2016 - Commercial National Financial Corporation (OTC Markets:CNAF) (Company), parent Company of Commercial Bank & Trust of PA, has reported results for the quarter ended March 31, 2016. The Company earned \$1,246,000 (or \$0.44 per average share outstanding) in the first quarter 2016 compared to \$1,597,000 (or \$0.56 per average share outstanding) in the first quarter 2015.

The Company's annualized return on average assets and average equity for the quarter ended March 31, 2016 were 1.26% and 8.84%, respectively, compared to 1.69% and 10.91%, respectively, for the quarter ended March 31, 2015. Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios for March 31, 2016 were 22.35%, 23.03%, 13.57% and 22.35%, respectively. First quarter tax equivalent net interest margin was 4.53%. No loan loss provisioning has been needed over the past thirty-three consecutive fiscal quarters.

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.

As disclosed each year in the Annual Report to Shareholders, on March 31, 2016, 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 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)

	March 31, 2016	December 31, 2015	March 31, 2015
<b>ASSETS</b>			
Cash and due from banks on demand	\$ 4,240	\$ 6,092	\$ 5,339
Interest bearing deposits with banks	883	3,032	6,371
Cash and Cash Equivalents	<u>5,123</u>	<u>9,124</u>	<u>11,710</u>
Securities available for sale	173,018	184,442	174,242
Restricted investments in bank stock	1,311	992	108
Loans	182,896	182,751	176,138
Allowance for loan losses	<u>(1,604)</u>	<u>(1,603)</u>	<u>(1,617)</u>
Net loans	181,292	181,148	174,521
Premises and equipment	3,254	3,298	3,190
Investment in life insurance	18,300	18,181	17,767
Other assets	<u>3,306</u>	<u>2,317</u>	<u>18,037</u>
Total assets	<u><u>\$ 385,604</u></u>	<u><u>\$ 399,502</u></u>	<u><u>\$ 399,575</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Deposits			
Non-interest bearing	\$ 113,801	\$ 115,197	\$ 114,125
Interest bearing	193,842	204,716	209,270
Total deposits	<u>307,643</u>	<u>319,913</u>	<u>323,395</u>
Short-term borrowings	18,000	22,158	-
Other liabilities	3,035	2,311	17,124
Total liabilities	<u>328,678</u>	<u>344,382</u>	<u>340,519</u>
<b>Shareholders' equity</b>			
Common stock, par value \$2 per share; 10,000,000 shares authorized; 3,600,000 shares issued; 2,860,953 shares outstanding in 2016 and 2015	7,200	7,200	7,200
Retained earnings	58,608	58,106	59,107
Accumulated other comprehensive income (loss)	3,662	2,358	5,293
Treasury stock, at cost, 739,047 shares in 2016 and 2015	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>56,926</u>	<u>55,120</u>	<u>59,056</u>
Total liabilities and shareholders' equity	<u><u>\$ 385,604</u></u>	<u><u>\$ 399,502</u></u>	<u><u>\$ 399,575</u></u>

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

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
INTEREST INCOME		
Interest and fees on loans	\$ 1,963	\$ 1,933
Interest and dividends on securities:		
Taxable	687	232
Exempt from federal income taxes	1,026	1,262
Other	14	55
Total Interest income	<u>3,690</u>	<u>3,482</u>
INTEREST EXPENSE		
Interest on deposits	81	111
Interest on short term borrowings	43	-
Total Interest expense	<u>124</u>	<u>111</u>
NET INTEREST INCOME	3,566	3,371
PROVISION FOR LOAN LOSSES	<u>-</u>	<u>-</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>3,566</u>	<u>3,371</u>
OTHER OPERATING INCOME		
Asset management and trust income	299	334
Service charges on deposit accounts	196	216
Net Security gains (losses)	469	641
Income from investment in life insurance	119	117
Other income	104	97
Total other operating income	<u>1,187</u>	<u>1,405</u>
OTHER OPERATING EXPENSES		
Salaries and employee benefits	1,910	1,831
Net occupancy expense	251	231
Furniture and equipment	117	102
Pennsylvania shares tax	128	114
Legal and professional	96	85
FDIC Insurance	47	49
Other expenses	727	689
Total other operating expenses	<u>3,276</u>	<u>3,101</u>
INCOME BEFORE INCOME TAXES	1,477	1,675
Income tax expense	<u>231</u>	<u>78</u>
Net income	<u>\$ 1,246</u>	<u>\$ 1,597</u>
Average Shares Outstanding	2,860,953	2,860,953
Earnings Per Share	\$ 0.44	\$ 0.56