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NEWS RELEASE

COMMERCIAL NATIONAL REPORTS JUNE 30, 2024 RESULTS

LATROBE, PA, July 31, 2024 - Commercial National Financial Corporation (OTC Markets:CNAF) (Company), parent Company of Commercial Bank & Trust of PA, has reported results for the quarter ended June 30, 2024. The Company earned \$353,000 (or \$0.12 per average share outstanding) in the second quarter 2024 compared to \$842,000 (or \$0.29 per average share outstanding) in the second quarter of 2023. The Company earned \$880,000 (or \$0.30 per average share outstanding) for the six-month period ended June 30, 2024 and \$1,687,000 (or \$0.59 per average share outstanding) for the six-month period ended June 30, 2023.

Year-end 2023 market expectation for timely and extensive Federal Reserve Bank monetary policy easing, which would materially benefit the Company's overall financial condition and performance, diminished through mid-year 2024. Undistributed earnings at second quarter-end 2024 were \$395,000 which, subject to regional Federal Reserve Bank non-objection, provides limited carryover capacity to augment 2024 dividend declarations. Upon depletion of these undistributed earnings, future dividend declarations would be limited by ongoing earnings levels. Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios at June 30, 2024 were 24.13%, 24.61%, 13.74% and 24.13% respectively. Tier one capital was \$56,975,000 and total risk-based capital was \$58,094,000 while book capital reflected a temporary after-tax accumulated other comprehensive loss stemming from net unrealized securities available-for-sale market value depreciation. As with many other insured depository institutions nation-wide, the Company's securities portfolio has been adversely impacted by generationally elevated interest rates. The Company's second quarter-end 2024 asset quality remained exceptionally strong. Fully insured well diversified core deposits comprised 12.49% of total deposits at second quarter-end 2024 which favorably compares to national banking industry metrics. Overhead costs in 2024 reflect optimum staffing to sustain operational continuity in the community branch banking office network along with area specific sales team focus.

Direct and beneficial ownership by executive officers and directors of the Company's outstanding shares totaled 467,957 shares, or 16.36% on June 30, 2024.

As disclosed each year in the Annual Report to Shareholders, on June 30, 2024, the Company employed 81 people in full-time and part-time positions. Thirty four (34) employees are represented by the United Auto Workers, Local 1799. Of that bargaining unit total, thirty one (31) employees are full-time and there are three (3) part-time employees. The Company has had unionized employees since 1972. In November 2023, the agreement between the Company and the bargaining unit was negotiated and subsequently ratified by the bargaining unit with an effective date of February 15, 2024. The labor agreement will expire in February 2029. 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 limits 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.

The Company operates seven community banking facilities in Hempfield Township, Latrobe, Ligonier, 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.cnbthebankonline.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.

COMMERCIAL NATIONAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

(Dollars in thousands, except per share data)

	June 30, 2024	December 31, 2023	June 30, 2023
ASSETS			
Cash and due from banks on demand	\$ 4,578	\$ 4,274	\$ 5,380
Interest bearing deposits with banks	804	1,172	1,223
Total cash and cash equivalents	<u>5,382</u>	<u>5,446</u>	<u>6,603</u>
Securities available for sale	157,869	161,832	169,024
Restricted investments in bank stock	1,889	1,244	1,317
Loans	190,046	192,812	196,031
Allowance for credit losses	<u>(1,120)</u>	<u>(1,162)</u>	<u>(1,412)</u>
Net loans	188,926	191,650	194,619
Premises and equipment	2,896	2,866	2,820
Accrued interest receivable	2,230	2,199	2,220
Investment in Life Insurance	18,809	18,534	18,255
Other assets	<u>7,321</u>	<u>6,848</u>	<u>7,515</u>
Total assets	<u>\$ 385,322</u>	<u>\$ 390,619</u>	<u>\$ 402,373</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 152,876	156,767	\$ 162,680
Interest bearing	<u>156,297</u>	<u>170,508</u>	<u>178,621</u>
Total deposits	309,173	327,275	341,301
Short-term borrowings	40,254	25,317	24,753
Other liabilities	<u>1,748</u>	<u>1,891</u>	<u>1,755</u>
Total liabilities	<u>351,175</u>	<u>354,483</u>	<u>367,809</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 2024 and 2023	7,200	7,200	7,200
Retained earnings	62,537	63,145	63,271
Accumulated other comprehensive (loss) income	(23,046)	(21,665)	(23,364)
Less treasury stock, at cost, 739,047 shares in 2024 and 2023	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>34,147</u>	<u>36,136</u>	<u>34,563</u>
Total liabilities and shareholders' equity	<u>\$ 385,322</u>	<u>\$ 390,619</u>	<u>\$ 402,372</u>

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

	Three Months Ended June 30		Six Months Ended June 30	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
INTEREST INCOME:				
Interest and fees on loans	\$ 2,055	\$ 2,055	\$ 4,113	\$ 4,109
Interest and dividends on securities:				
Taxable	1,074	1,153	2,211	2,328
Exempt from federal income taxes	475	521	892	1,039
Other	58	36	100	66
Total Interest income	<u>3,662</u>	<u>3,765</u>	<u>7,316</u>	<u>7,542</u>
INTEREST EXPENSE:				
Interest on deposits	54	34	114	72
Interest on short-term borrowings	461	281	830	496
Total Interest expense	<u>515</u>	<u>315</u>	<u>944</u>	<u>568</u>
NET INTEREST INCOME	3,147	3,450	6,372	6,974
CREDIT FOR CREDIT LOSSES	<u>-</u>	<u>(122)</u>	<u>(39)</u>	<u>(122)</u>
NET INTEREST INCOME AFTER CREDIT FOR CREDIT LOSSES	<u>3,147</u>	<u>3,572</u>	<u>6,411</u>	<u>7,096</u>
OTHER OPERATING INCOME:				
Asset management and trust income	362	338	714	675
Service charges on deposit accounts	160	162	312	318
Net Security Gains	-	-	3	-
Income from investment in life insurance	129	125	259	251
Other income	18	21	72	71
Total other operating income	<u>669</u>	<u>646</u>	<u>1,360</u>	<u>1,315</u>
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	2,068	1,925	4,059	3,821
Net occupancy expense	194	173	425	387
Furniture and equipment	137	140	278	266
Pennsylvania shares tax	83	73	160	146
Legal and professional	153	151	284	277
FDIC insurance	46	59	92	90
Other expenses	822	800	1,631	1,622
Total other operating expenses	<u>3,503</u>	<u>3,321</u>	<u>6,929</u>	<u>6,609</u>
INCOME BEFORE INCOME TAXES	313	897	842	1,802
Income tax expense	<u>(40)</u>	<u>55</u>	<u>(38)</u>	<u>115</u>
Net income	<u>\$ 353</u>	<u>\$ 842</u>	<u>\$ 880</u>	<u>\$ 1,687</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	\$ 0.12	\$ 0.29	\$ 0.30	\$ 0.59