

NEWS RELEASE

COMMERCIAL NATIONAL REPORTS 28% SECOND QUARTER EARNINGS RISE

LATROBE, PA, July 15, 2025 - 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, 2025. The Company earned \$451,000 (or \$0.16 per average share outstanding) in the second quarter 2025 compared to \$353,000 (or \$0.12 per average share outstanding) in the second quarter of 2024. The Company earned \$882,000 (or \$0.31 per average share outstanding) for the six-month period ended June 30, 2025 and \$880,000 (or \$0.30 per average share outstanding) for the six-month period ended June 30, 2024.

The Company's second quarter-end 2025 tax equivalent net interest margin was 3.65%. Effective overhead cost containment was primarily attributable to more efficient staffing for operational continuity. Fully insured well diversified core deposits comprised 87.32% of total deposits which very favorably compares to national banking industry metrics. Asset quality remained exceptionally strong across-the-board. Capital adequacy and strength greatly exceeded major banking industry benchmarks. Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios at June 30, 2025 were 25.41%, 25.79%, 14.37% and 25.41% respectively. Tier one capital was \$57,100,000 and total risk-based capital was \$58,000,000 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 nationwide, the Company's securities portfolio has been adversely impacted by generationally elevated market interest rates and yields.

Direct and beneficial ownership by executive officers and directors of the Company's outstanding shares totaled 463,757 shares, or 16.21% on June 30, 2025.

As disclosed each year in the Annual Report to Shareholders, on June 30, 2025, the Company employed 77 people in full-time and part-time positions. Thirty-three (33) employees are represented by the United Auto Workers, Local 1799. Of that bargaining unit total, thirty (30) 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, 2025	December 31, 2024	June 30, 2024
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and due from banks on demand	\$ 6,719	\$ 3,743	\$ 4,578
Interest bearing deposits with banks	855	1,322	804
Total cash and cash equivalents	<u>7,574</u>	<u>5,065</u>	<u>5,382</u>
Securities available for sale	150,018	156,076	157,869
Restricted investments in bank stock	1,489	1,671	1,889
Loans	176,902	181,452	190,046
Allowance for credit losses	<u>(865)</u>	<u>(865)</u>	<u>(1,120)</u>
Net loans	<u>176,037</u>	<u>180,587</u>	<u>188,926</u>
Premises and equipment	2,854	2,790	2,896
Accrued interest receivable	2,236	2,202	2,230
Investment in Life Insurance	19,348	19,083	18,809
Other assets	<u>7,625</u>	<u>7,381</u>	<u>7,321</u>
Total assets	<u>\$ 367,181</u>	<u>\$ 374,855</u>	<u>\$ 385,322</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 152,786	145,735	\$ 152,876
Interest bearing	147,657	155,826	156,297
Total deposits	<u>300,443</u>	<u>301,561</u>	<u>309,173</u>
Short-term borrowings	32,885	38,665	40,254
Other liabilities	1,715	1,854	1,748
Total liabilities	<u>335,043</u>	<u>342,080</u>	<u>351,175</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 2025 and 2024	7,200	7,200	7,200
Retained earnings	62,692	62,440	62,537
Accumulated other comprehensive (loss) income	(25,210)	(24,321)	(23,046)
Less treasury stock, at cost, 739,047 shares in 2025 and 2024	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>32,138</u>	<u>32,775</u>	<u>34,147</u>
Total liabilities and shareholders' equity	<u>\$ 367,181</u>	<u>\$ 374,855</u>	<u>\$ 385,322</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	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
INTEREST INCOME:				
Interest and fees on loans	\$ 2,039	\$ 2,055	\$ 4,066	\$ 4,113
Interest and dividends on securities:				
Taxable	1,039	1,074	2,125	2,211
Exempt from federal income taxes	458	475	900	892
Other	48	58	101	100
Total Interest income	<u>3,584</u>	<u>3,662</u>	<u>7,192</u>	<u>7,316</u>
INTEREST EXPENSE:				
Interest on deposits	41	54	90	114
Interest on short-term borrowings	344	461	752	830
Total Interest expense	<u>385</u>	<u>515</u>	<u>842</u>	<u>944</u>
NET INTEREST INCOME	3,199	3,147	6,350	6,372
CREDIT FOR CREDIT LOSSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39)</u>
NET INTEREST INCOME AFTER CREDIT FOR CREDIT LOSSES	<u>3,199</u>	<u>3,147</u>	<u>6,350</u>	<u>6,411</u>
OTHER OPERATING INCOME:				
Asset management and trust income	382	362	761	714
Service charges on deposit accounts	159	160	306	312
Net Security Gains	-	-	(14)	3
Income from investment in life insurance	133	129	266	259
Other income	20	18	63	72
Total other operating income	<u>694</u>	<u>669</u>	<u>1,382</u>	<u>1,360</u>
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	1,987	2,068	3,940	4,059
Net occupancy expense	201	194	435	425
Furniture and equipment	174	137	308	278
Pennsylvania shares tax	72	83	152	160
Legal and professional	166	153	299	284
FDIC insurance	44	46	88	92
Other expenses	815	822	1,665	1,631
Total other operating expenses	<u>3,459</u>	<u>3,503</u>	<u>6,887</u>	<u>6,929</u>
INCOME BEFORE INCOME TAXES	434	313	845	842
Income tax expense	<u>(17)</u>	<u>(40)</u>	<u>(37)</u>	<u>(38)</u>
Net income	<u>\$ 451</u>	<u>\$ 353</u>	<u>\$ 882</u>	<u>\$ 880</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	\$ 0.16	\$ 0.12	\$ 0.31	\$ 0.30