Commercial National Financial Corporation

900 Ligonier Street
P.O. Box 429
Latrobe, PA 15650
724-539-3501

NEWS RELEASE

COMMERCIAL NATIONAL REPORTS 13.49% FIRST HALF EARNINGS INCREASE

LATROBE, PA, July 22, 2026 - 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, 2026. The Company earned $498,000 (or $0.18 per average share outstanding) in the second quarter 2026 compared to $451,000 (or $0.16 per average share outstanding) in the second quarter of 2025. The Company earned $1,001,000 (or $0.36 per average share outstanding) for the six-month period ended June 30, 2026 and $882,000 (or $0.31 per average share outstanding) for the six-month period ended June 30, 2025.

The Company's second quarter-end 2026 tax equivalent net interest margin improved to 3.93%. Fully insured well diversified core deposits comprised 86.87% of total deposits which favorably compares to national banking industry metrics. Non-core marginal funding reliance continued to materially recede. Asset quality remained attractive. 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, 2026 were 26.28%, 26.62%, 14.74% and 26.28% respectively. Tier one capital was $56,763,000 and total risk-based capital was $57,501,000 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.

On August 19, 2025 the Company announced that it had authorized a stock repurchase program for up to 143,048 shares of its common stock, representing five percent of shares currently outstanding. The Company has repurchased 23,098 shares of its common stock as of June 30, 2026, at an average price of $8.00 per share. The Company intends to conduct the repurchases on the open market, including by means of a trading plan adopted under SEC Rule 10b5-1, subject to market conditions and other factors. There is no guarantee as to the number of shares that the Company may ultimately repurchase. The Company may suspend or discontinue the program at any time.

Direct and beneficial ownership by executive officers and directors of the Company's outstanding shares totaled 504,607 shares, or 17.78% on June 30, 2026.

As disclosed each year in the Annual Report to Shareholders, on June 30, 2026, the Company employed 76 people in full-time and part-time positions. Thirty-one (31) employees are represented by the United Auto Workers, Local 1799. Of that bargaining unit total, twenty-eight (28) 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.

Contract Information:
Wendy Piper
Commercial National Financial Corporation
724.539.3501
wpiper@cbthebank.com

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

	June 30, 2026	December 31, 2025	June 30, 2025
ASSETS			
Cash and due from banks on demand	$ 4,177	$ 3,859	$ 6,719
Interest bearing deposits with banks	605	1,861	855
Cash and Cash Equivalents	4,782	5,720	7,574
Securities available for sale	154,938	155,781	150,018
Restricted investments in bank stock	736	903	1,489
Loans	166,295	169,951	176,902
Allowance for credit losses	(738)	(804)	(865)
Net loans	165,557	169,147	176,037
Premises and equipment	2,677	2,775	2,854
Accrued interest receivable	2,287	2,226	2,236
Investment in life insurance	19,887	19,619	19,348
Other assets	7,431	6,216	7,625
Total assets	$ 358,295	$ 362,387	$ 367,181
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits			
Non-interest bearing	$ 156,399	$ 150,531	$ 152,786
Interest bearing	151,256	154,975	147,657
Total deposits	307,655	305,506	300,443
Short-term borrowings	10,709	17,536	32,885
Other liabilities	2,263	1,594	1,715
Total liabilities	320,627	324,636	335,043
Shareholders' equity			
Common stock, par value $2 per share; 10,000,000 shares authorized; 3,600,000 shared issued; 2,837,855, 2,848,446, and 2,860,953 shares outstanding in June 2026, December 2025, and June 2025, respectively.	7,200	7,200	7,200
Retained earnings	63,321	63,060	62,692
Accumulated other comprehensive income	(20,124)	(19,867)	(25,210)
Treasury stock, at cost, totaled 762,145, 751,554, and 739,047 shares at June 2026, December 2025 and June 2025, respectively.	(12,729)	(12,642)	(12,544)
Total shareholders' equity	37,668	37,751	32,138
Total liabilities and shareholders' equity	$ 358,295	$ 362,387	$ 367,181

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
INTEREST INCOME				
Interest and fees on loans	$ 1,976	$ 2,039	$ 3,962	$ 4,066
Interest and dividends on securities:				
Taxable	1,019	1,039	2,070	2,125
Exempt from federal income taxes	474	458	915	900
Other	35	48	73	101
Total Interest income	3,504	3,584	7,020	7,192
INTEREST EXPENSE				
Interest on deposits	37	41	75	90
Interest on short-term borrowings	143	344	363	752
Total Interest expense	180	385	438	842
NET INTEREST INCOME	3,324	3,199	6,582	6,350
Provision for credit losses	8	-	(20)	-
Net Interest Income after Provision for Credit Losses	3,316	3,199	6,602	6,350
OTHER OPERATING INCOME				
Asset management and trust income	387	382	769	761
Service charges on deposit accounts	150	159	295	306
Net Security losses	-	-	-	(14)
Income from investment in life insurance	134	133	268	266
Other income	17	20	61	63
Total other operating income	688	694	1,393	1,382
OTHER OPERATING EXPENSES				
Salaries and employee benefits	2,043	1,987	4,031	3,940
Net occupancy expense	208	201	460	435
Furniture and equipment	157	174	321	308
Pennsylvania shares tax	85	72	165	152
Legal and professional	206	166	360	299
FDIC Insurance	42	44	84	88
Other expenses	808	815	1,616	1,665
Total other operating expenses	3,549	3,459	7,037	6,887
INCOME BEFORE INCOME TAXES	455	434	958	845
Income tax benefit	(43)	(17)	(43)	(37)
Net income	$ 498	$ 451	$ 1,001	$ 882
Average Shares Outstanding	2,840,367	2,860,953	2,842,923	2,860,953
Earnings Per Share	$ 0.18	$ 0.16	$ 0.36	$ 0.31