

**NEWS RELEASE**

**COMMERCIAL NATIONAL REPORTS SEPTEMBER 30, 2021 EARNINGS**

LATROBE, PA, October 29, 2021 - 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, 2021. The Company earned \$909,000 (or \$0.32 per average share outstanding) in the third quarter 2021 compared to \$67,000 (or \$0.02 per average share outstanding) loss in the third quarter of 2020. The Company earned \$2,978,000 (or \$1.04 per average share outstanding) for the nine-month period ended September 30, 2021 and \$3,201,000 (or \$1.12 per average share outstanding) for the nine-month period ended September 30, 2020. Third quarter 2020 results included a \$1,700,000 loan loss reserve build.

The Company's strong capital position in conjunction with recent core earnings results currently remain supportive of the regular \$0.26 quarterly common stock cash dividend payments to shareholders. Providing an attractive and reliable cash dividend income stream to all our shareholders through the safe and sound operation of the subsidiary bank is a long-standing top priority for the Company.

Direct and beneficial ownership by executive officers and directors of the Company's outstanding shares totaled 488,512 shares, or 17.08% on September 30, 2021.

As disclosed each year in the Annual Report to Shareholders, on September 30, 2021, the Company employed 77 people in full-time and part-time positions. Thirty (30) employees are represented by the United Auto Workers, Local 1799. Of that bargaining unit total, twenty nine (29) employees are full-time and there is one (1) part-time employee. The Company has had unionized employees since 1972. In October 2018, the agreement between the Company and the bargaining unit was negotiated and subsequently ratified by the bargaining unit with an effective date of February 16, 2019. The labor agreement will expire in February 2024. 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.

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.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.*

COMMERCIAL NATIONAL FINANCIAL CORPORATION  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

(Dollars in thousands, except per share data)

	September 30, 2021	December 31, 2020	September 30, 2020
<b>ASSETS</b>			
Cash and due from banks on demand	\$ 6,465	\$ 3,744	\$ 7,214
Interest bearing deposits with banks	69,587	24,596	50
Total cash and cash equivalents	<u>76,052</u>	<u>28,340</u>	<u>7,264</u>
Securities available for sale	126,946	133,317	140,865
Restricted investments in bank stock	<u>145</u>	<u>148</u>	<u>422</u>
Loans	223,015	241,080	254,034
Allowance for loan losses	<u>(1,991)</u>	<u>(1,991)</u>	<u>(3,769)</u>
Net loans	221,024	239,089	250,265
Premises and equipment	2,624	2,805	2,887
Investment in Life Insurance	19,463	19,070	18,944
Other assets	<u>3,030</u>	<u>2,662</u>	<u>3,618</u>
Total assets	<u><u>\$ 449,284</u></u>	<u><u>\$ 425,431</u></u>	<u><u>\$ 424,265</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 168,461	\$ 148,398	\$ 156,343
Interest bearing	<u>211,562</u>	<u>203,001</u>	<u>191,231</u>
Total deposits	380,023	351,399	347,574
Short-term borrowings	-	-	5,166
Other liabilities	<u>3,569</u>	<u>4,605</u>	<u>3,869</u>
Total liabilities	<u>383,592</u>	<u>356,004</u>	<u>356,609</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 2021 and 2020	7,200	7,200	7,200
Retained earnings	61,178	63,292	61,524
Accumulated other comprehensive income	9,858	11,479	11,476
Less treasury stock, at cost, 739,047 shares in 2021 and 2020	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>65,692</u>	<u>69,427</u>	<u>67,656</u>
Total liabilities and shareholders' equity	<u><u>\$ 449,284</u></u>	<u><u>\$ 425,431</u></u>	<u><u>\$ 424,265</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	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
INTEREST INCOME:				
Interest and fees on loans	\$ 2,390	\$ 2,719	\$ 7,339	\$ 8,079
Interest and dividends on securities:				
Taxable	975	986	2,941	3,051
Exempt from federal income taxes	200	309	645	1,049
Other	26	5	46	39
Total interest income	<u>3,591</u>	<u>4,019</u>	<u>10,971</u>	<u>12,218</u>
INTEREST EXPENSE:				
Interest on deposits	57	67	172	340
Interest on short-term borrowings	-	6	-	145
Total interest expense	<u>57</u>	<u>73</u>	<u>172</u>	<u>485</u>
NET INTEREST INCOME	3,534	3,946	10,799	11,733
PROVISION FOR LOAN LOSSES	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>2,100</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>3,534</u>	<u>2,246</u>	<u>10,799</u>	<u>9,633</u>
OTHER OPERATING INCOME:				
Asset management and trust	388	338	1,126	1,016
Service charges on deposit accounts	178	166	516	469
Net Security gains/(losses)	(11)	(2)	35	503
Gain on sale of OREO	-	-	-	-
Income from investment in life insurance	123	117	368	345
Life insurance proceeds	-	-	-	730
Other income	22	33	113	133
Total other operating income	<u>700</u>	<u>652</u>	<u>2,158</u>	<u>3,196</u>
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	1,848	1,798	5,501	5,626
Net occupancy	161	193	583	594
Furniture and equipment	114	110	359	318
Pennsylvania shares tax	165	142	479	426
Legal and professional	97	123	307	333
FDIC insurance	27	23	88	35
Other expenses	757	708	2,142	2,008
Total other operating expenses	<u>3,169</u>	<u>3,097</u>	<u>9,459</u>	<u>9,340</u>
INCOME (LOSS) BEFORE INCOME TAXES	1,065	(199)	3,498	3,489
Income tax (benefit) expense	<u>156</u>	<u>(132)</u>	<u>520</u>	<u>288</u>
Net income (loss)	<u>\$ 909</u>	<u>\$ (67)</u>	<u>\$ 2,978</u>	<u>\$ 3,201</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings (Loss) Per Share	\$ 0.32	\$ (0.02)	\$ 1.04	\$ 1.12