Commercial National Financial Corporation

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

NEWS RELEASE

COMMERCIAL NATIONAL REPORTS 37% THIRD QUARTER EARNINGS INCREASE

LATROBE, PA, October 22, 2025 - 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, 2025. The Company earned $446,000 (or $0.16 per average share outstanding) in the third quarter 2025 compared to $325,000 (or $0.11 per average share outstanding) in the third quarter of 2024. The Company earned $1,328,000 (or $0.46 per average share outstanding) for the nine-month period ended September 30, 2025 and $1,205,000 (or $0.42 per average share outstanding) for the nine-month period ended September 30, 2024.

The Company's third 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 84.96% 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 September 30, 2025 were 25.29%, 25.68%, 14.26% and 25.29% respectively. Tier one capital was $56,277,000 and total risk-based capital was $57,142,000 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 5% of shares currently outstanding. The Company has repurchased 4,157 shares of its common stock as of October 21, 2025, at an average price of $8.02 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 17.66% on October 21, 2025.

As disclosed each year in the Annual Report to Shareholders, on September 30, 2025, the Company employed 78 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 (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)

	September 30, 2025	December 31, 2024	September 30, 2024
ASSETS			
Cash and due from banks on demand	$ 6,345	$ 3,743	$ 7,087
Interest bearing deposits with banks	3,507	1,322	2,917
Total cash and cash equivalents	9,852	5,065	10,004
Securities available for sale	155,422	156,076	163,738
Restricted investments in bank stock	1,367	1,671	1,712
Loans	174,166	181,452	185,519
Allowance for credit losses	(865)	(865)	(1,085)
Net loans	173,301	180,587	184,434
Premises and equipment	2,824	2,790	2,834
Accrued interest receivable	2,543	2,202	2,546
Investment in Life Insurance	19,482	19,083	18,948
Other assets	7,491	7,381	6,067
Total assets	$ 372,282	$ 374,855	$ 390,283
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Non-interest bearing	$ 156,054	145,735	$ 157,196
Interest bearing	149,257	155,826	153,323
Total deposits	305,311	301,561	310,519
Short-term borrowings	28,746	38,665	39,697
Other liabilities	1,627	1,854	1,631
Total liabilities	335,684	342,080	351,847
Shareholders' equity:			
Common stock, par value $2 per share; 10,000,000 shares authorized; 3,600,000 shares issued; 2,858,988 shares outstanding in 2025 and 2,860,953 shares outstanding in 2024	7,200	7,200	7,200
Retained earnings	62,823	62,440	62,119
Accumulated other comprehensive loss	(20,865)	(24,321)	(18,339)
Less treasury stock, at cost, 741,012 shares in 2025 and 739,047 in 2024	(12,560)	(12,544)	(12,544)
Total shareholders' equity	36,598	32,775	38,436
Total liabilities and shareholders' equity	$ 372,282	$ 374,855	$ 390,283

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

	Three Months Ended September 30 2025 (unaudited)	Three Months Ended September 30 2024 (unaudited)	Nine Months Ended September 30 2025 (unaudited)	Nine Months Ended September 30 2024 (unaudited)
INTEREST INCOME:				
Interest and fees on loans	$ 2,007	$ 2,046	$ 6,073	$ 6,159
Interest and dividends on securities:				
Taxable	1,074	1,193	3,199	3,404
Exempt from federal income taxes	424	355	1,324	1,247
Other	46	58	147	158
Total interest income	3,551	3,652	10,743	10,968
INTEREST EXPENSE:				
Interest on deposits	40	46	130	160
Interest on short-term borrowings	334	529	1,086	1,359
Total interest expense	374	575	1,216	1,519
NET INTEREST INCOME	3,177	3,077	9,527	9,449
CREDIT FOR CREDIT LOSSES	-	(35)	-	(74)
NET INTEREST INCOME AFTER CREDIT FOR CREDIT LOSSES	3,177	3,112	9,527	9,523
OTHER OPERATING INCOME:				
Asset management and trust	385	362	1,146	1,076
Service charges on deposit accounts	165	166	471	478
Net Security gains	(1)	-	(15)	3
Income from investment in life insurance	133	130	399	389
Other income	20	23	83	95
Total other operating income	702	681	2,084	2,041
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	2,053	2,051	5,993	6,110
Net occupancy	195	214	630	639
Furniture and equipment	146	140	454	418
Pennsylvania shares tax	71	84	223	244
Legal and professional	144	154	443	438
FDIC insurance	40	47	128	139
Other expenses	804	795	2,469	2,426
Total other operating expenses	3,453	3,485	10,340	10,414
INCOME BEFORE INCOME TAXES	426	308	1,271	1,150
Income tax benefit	(20)	(17)	(57)	(55)
Net income	$ 446	$ 325	$ 1,328	$ 1,205
Average Shares Outstanding	2,860,544	2,860,953	2,860,815	2,860,953
Earnings Per Share	$ 0.16	$ 0.11	$ 0.46	$ 0.42