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NEWS RELEASE

COMMERCIAL NATIONAL REPORTS DECEMBER 31, 2024 RESULTS

LATROBE, PA, January 30, 2025 - Commercial National Financial Corporation (OTC Markets:CNAF) (Company), parent Company of Commercial Bank & Trust of PA, has reported results for the quarter ended December 31, 2024. The Company earned \$636,000 (or \$0.22 per average share outstanding) in the fourth quarter 2024 compared to \$479,000 (or \$0.17 per average share outstanding) in the fourth quarter of 2023. The Company earned \$1,841,000 (or \$0.64 per average share outstanding) for the twelve-month period ended December 31, 2024 and \$3,047,000 (or \$1.07 per average share outstanding) for the twelve-month period ended December 31, 2023.

The Company's full-year 2024 return on average assets was 0.48% while return on average equity was 5.40%. Tax equivalent net interest margin for 2024 was 3.44%. Overhead costs in 2024 were reflective of optimum staffing to sustain operational continuity in the community branch office network, commercial business development and asset management/trust division along with area specific joint sales team focus. Fully insured well diversified core deposits comprised 87.36% of total deposits at year-end 2024 which very favorably compares to national banking industry metrics. Asset quality remained exceptionally strong across-the-board. Year-end 2024 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 December 31, 2024 were 24.90%, 25.28%, 14.01% and 24.90% respectively. Tier one capital was \$56,870,000 and total risk-based capital was \$57,735,000 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.

At year-end 2023 there was strong market expectation for timely and extensive Federal Reserve Bank monetary policy easing beginning by first quarter 2024 following the Federal Reserve's unprecedentedly rapid and extensive 525 basis points of interest rate hikes between March 2022 and July 2023. However, such easing, which would materially benefit the Company's overall financial condition and performance by reducing marginal funding cost along with the deposit footing impeding attractiveness of non-deposit money market alternatives, only belatedly initiated in mid-September 2024. Undistributed earnings from 2022 and 2023 were at last fully utilized during 2024's third quarter to provide limited carryover capacity in augmenting 2024 dividend declarations. As a result, beginning in 2024's fourth quarter, ongoing dividend declarations were solely reliant on prevailing earnings expectations which continue to be influenced by a recently receding multiple decade high in Federal Reserve Bank driven marginal funding cost. Commercial National Financial Corporation's traditional practice of optimizing dividends within the limitations imposed by banking regulation and earnings circumstance has not changed. That practice continues to be supported by exceptional asset quality and exceedingly strong capital which, together, provide a firm basis for future earnings and dividends improvement as conditions warrant.

Direct and beneficial ownership by executive officers and directors of the Company's outstanding shares totaled 460,757 shares, or 16.11% on December 31, 2024.

As disclosed each year in the Annual Report to Shareholders, on December 31, 2024, the Company employed 78 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)

	December 31 2024	December 31 2023
ASSETS		
Cash and due from banks on demand	\$ 3,743	\$ 4,274
Interest bearing deposits with banks	1,322	1,172
Total cash and cash equivalents	5,065	5,446
Securities available for sale	156,076	161,832
Restricted investments in bank stock	1,671	1,244
Loans	181,452	192,812
Allowance for loan losses	(865)	(1,162)
Net loans	180,587	191,650
Premises and equipment	2,790	2,866
Accrued Interest receivable	2,202	2,199
Investment in Life Insurance	19,083	18,534
Other assets	7,381	6,848
Total assets	\$ 374,855	\$ 390,619
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 145,735	\$ 156,767
Interest bearing	155,826	170,508
Total deposits	301,561	327,275
Short -Term borrowings	38,665	25,317
Other liabilities	1,854	1,891
Total liabilities	342,080	354,483
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
Retained earnings	62,439	63,145
Accumulated other comprehensive income	(24,320)	(21,665)
Less treasury stock, at cost, 739,047 shares in 2024 and 2023	(12,544)	(12,544)
Total shareholders' equity	32,775	36,136
Total liabilities and shareholders' equity	\$ 374,855	\$ 390,619

COMMERCIAL NATIONAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2024	2023	2024	2023
INTEREST INCOME:				
Interest and fees on loans	2,055	2,062	\$ 8,214	\$ 8,215
Interest and dividends on securities:				
Taxable	1,000	1,136	4,404	4,601
Exempt from federal income taxes	547	482	1,794	2,023
Other	57	50	215	162
Total Interest income	<u>3,659</u>	<u>3,730</u>	<u>14,627</u>	<u>15,001</u>
INTEREST EXPENSE:				
Interest on deposits	48	79	208	188
Interest on short-term borrowings	477	414	1,836	1,273
Total Interest expense	<u>525</u>	<u>493</u>	<u>2,044</u>	<u>1,461</u>
NET INTEREST INCOME	3,134	3,237	12,583	13,540
PROVISION(CREDIT) FOR LOAN LOSSES	<u>(219)</u>	<u>-</u>	<u>(293)</u>	<u>(372)</u>
NET INTEREST INCOME AFTER PROVISION(CREDIT) FOR LOAN LOSSES	<u>3,353</u>	<u>3,237</u>	<u>12,876</u>	<u>13,912</u>
OTHER OPERATING INCOME:				
Asset management and trust income	375	332	1,451	1,346
Service charges on deposit accounts	166	167	644	652
Net Security gains(losses)	-	(6)	3	(6)
Income from investment in life insurance	135	136	524	514
Other income	25	20	120	110
Total other operating income	<u>701</u>	<u>649</u>	<u>2,742</u>	<u>2,616</u>
OTHER OPERATING EXPENSES				
Salaries and employee benefits	2,001	1,993	8,111	7,747
Net occupancy expense	200	185	839	766
Furniture and equipment	134	139	552	534
Pennsylvania shares tax	84	73	328	293
Legal and professional	112	156	550	583
FDIC Insurance expense	46	46	185	186
Other expenses	835	837	3,261	3,202
Total other operating expenses	<u>3,412</u>	<u>3,429</u>	<u>13,826</u>	<u>13,311</u>
INCOME BEFORE INCOME TAXES	642	457	1,792	3,217
Income tax expense	<u>6</u>	<u>(22)</u>	<u>(49)</u>	<u>170</u>
Net income	<u>\$ 636</u>	<u>\$ 479</u>	<u>\$ 1,841</u>	<u>\$ 3,047</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	0.22	0.17	0.64	1.07