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NEWS RELEASE

COMMERCIAL NATIONAL REPORTS JUNE 30, 2016 EARNINGS

LATROBE, PA, July 28, 2016 - 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, 2016. The Company earned \$1,211,000 (or \$0.42 per average share outstanding) in the second quarter 2016 compared to \$2,390,000 (or \$0.83 per average share outstanding) in the second quarter 2015. The Company earned \$2,457,000 (or \$0.86 per average share outstanding) for the six-month period ended June 30, 2016 and \$3,987,000 (or \$1.39 per average share outstanding) for the six-month period ended June 30, 2015. A protracted continuation of historically depressed mid-year market interest rates and yield levels could potentially influence the Company's ongoing earnings and dividends.

The Company's annualized return on average assets and average equity for the quarter ended June 30, 2016 were 1.30% and 8.40%, respectively, compared to 2.51% and 16.83%, respectively, for the quarter ended June 30, 2015. The Company's annualized return on average assets and average equity for the six-month period ended June 30, 2016 were 1.28% and 8.62%, respectively, compared to 2.10% and 13.82%, respectively, for the six-month period ended June 30, 2015. Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios for June 30, 2016 were 23.60%, 24.31%, 14.60% and 23.60%, respectively. Second quarter tax equivalent net interest margin was 4.32%. No loan loss provisioning has been needed over the past thirty-four consecutive fiscal quarters.

As disclosed each year in the Annual Report to Shareholders, on June 30, 2016, the Company employed 111 people in full-time and part-time positions. Fifty-seven (57) employees are represented by the United Auto Workers, Local 1799. The Company has had unionized employees since 1972. In 2013, the Company and the bargaining unit entered into a labor agreement that will expire in February 2019. 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.

In addition to Latrobe, Pennsylvania where it is headquartered, the Company operates ten community banking facilities in Greensburg, Hempfield Township, Ligonier, North Huntingdon, 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) 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.

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COMMERCIAL NATIONAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

(Dollars in thousands, except per share data)

	June 30, 2016	December 31, 2015	June 30, 2015
ASSETS			
Cash and due from banks on demand	\$ 5,767	\$ 6,092	\$ 5,941
Interest bearing deposits with banks	11,464	3,032	927
Total cash and cash equivalents	<u>17,231</u>	<u>9,124</u>	<u>6,868</u>
Securities available for sale	135,601	184,442	174,462
Restricted investments in bank stock	<u>111</u>	<u>992</u>	<u>682</u>
Loans	191,305	182,751	178,815
Allowance for loan losses	(1,610)	(1,603)	(1,616)
Net loans	<u>189,695</u>	<u>181,148</u>	<u>177,199</u>
Premises and equipment	3,310	3,298	3,263
Investment in Life Insurance	18,405	18,181	17,884
Other assets	<u>2,050</u>	<u>2,317</u>	<u>3,314</u>
Total assets	<u>\$ 366,403</u>	<u>\$ 399,502</u>	<u>\$ 383,672</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 113,245	\$ 115,197	\$ 111,150
Interest bearing	190,282	204,716	201,710
Total deposits	<u>303,527</u>	<u>319,913</u>	<u>312,860</u>
Short-term borrowings	-	22,158	17,200
Other liabilities	3,982	2,311	1,465
Total liabilities	<u>307,509</u>	<u>344,382</u>	<u>331,525</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 2016 and 2015	7,200	7,200	7,200
Retained earnings	59,081	58,106	57,892
Accumulated other comprehensive (loss) income	5,157	2,358	(401)
Less treasury stock, at cost, 739,047 shares in 2016 and 2015	(12,544)	(12,544)	(12,544)
Total shareholders' equity	<u>58,894</u>	<u>55,120</u>	<u>52,147</u>
Total liabilities and shareholders' equity	<u>\$ 366,403</u>	<u>\$ 399,502</u>	<u>\$ 383,672</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	
	2016 <u>(unaudited)</u>	2015 <u>(unaudited)</u>	2016 <u>(unaudited)</u>	2015 <u>(unaudited)</u>
INTEREST INCOME:				
Interest and fees on loans	\$ 2,012	\$ 1,978	\$ 3,975	\$ 3,911
Interest and dividends on securities:				
Taxable	581	543	1,268	775
Exempt from federal income taxes	724	1,047	1,750	2,309
Other	36	6	50	61
Total Interest income	<u>3,353</u>	<u>3,574</u>	<u>7,043</u>	<u>7,056</u>
INTEREST EXPENSE:				
Interest on deposits	78	100	159	211
Interest on short-term borrowings	7	3	50	3
Total Interest expense	<u>85</u>	<u>103</u>	<u>209</u>	<u>214</u>
NET INTEREST INCOME	3,268	3,471	6,834	6,842
PROVISION FOR LOAN LOSSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>3,268</u>	<u>3,471</u>	<u>6,834</u>	<u>6,842</u>
OTHER OPERATING INCOME:				
Asset management and trust income	326	426	625	760
Service charges on deposit accounts	204	233	400	449
Net Security gains	719	2,949	1,188	3,590
Income from investment in life insurance	105	117	224	234
Other income	47	45	151	142
Total other operating income	<u>1,401</u>	<u>3,770</u>	<u>2,588</u>	<u>5,175</u>
OTHER OPERATING EXPENSES:				
Salaries and employee benefits	1,859	1,684	3,769	3,515
Net occupancy expense	209	211	460	442
Furniture and equipment	139	157	256	259
Pennsylvania shares tax	119	133	247	247
Legal and professional	100	121	196	206
FDIC insurance expense	50	47	97	96
Other expenses	785	715	1,512	1,404
Total other operating expenses	<u>3,261</u>	<u>3,068</u>	<u>6,537</u>	<u>6,169</u>
INCOME BEFORE INCOME TAXES	1,408	4,173	2,885	5,848
Income tax expense	<u>197</u>	<u>1,783</u>	<u>428</u>	<u>1,861</u>
Net income	<u>\$ 1,211</u>	<u>\$ 2,390</u>	<u>\$ 2,457</u>	<u>\$ 3,987</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	\$ 0.42	\$ 0.83	\$ 0.86	\$ 1.39