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## NEWS RELEASE

### COMMERCIAL NATIONAL REPORTS SEPTEMBER 30, 2024 RESULTS

LATROBE, PA, October 28, 2024 - 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, 2024. The Company earned \$325,000 (or \$0.11 per average share outstanding) in the third quarter 2024 compared to \$881,000 (or \$0.31 per average share outstanding) in the third quarter of 2023. The Company earned \$1,205,000 (or \$0.42 per average share outstanding) for the nine-month period ended September 30, 2024 and \$2,568,000 (or \$0.90 per average share outstanding) for the nine-month period ended September 30, 2023.

At year-end 2023 there was strong market expectation for timely and extensive Federal Reserve Bank monetary policy easing beginning by first quarter-end 2024. 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 per regional Federal Reserve Bank non-objection. Future dividend declarations will be determined by prevailing earnings level expectations which continue to be influenced by a now receding multiple decade high in Federal Reserve Bank driven funding cost.

Tier one risk-based, total risk-based, leverage and common equity tier one capital ratios at September 30, 2024 were 24.55%, 25.02%, 13.82% and 24.55% respectively. Tier one capital was \$56,582,000 and total risk-based capital was \$57,666,000 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 nation-wide, the Company's securities portfolio has been adversely impacted by generationally elevated interest rates. The Company's third quarter-end 2024 asset quality remained exceptionally strong. Fully insured well diversified core deposits comprised 85.4% of total deposits at third quarter-end 2024 which favorably compares to national banking industry metrics. Overhead costs in 2024 reflect optimum staffing to sustain operational continuity in the community branch banking office network along with area specific sales team focus.

Direct and beneficial ownership by executive officers and directors of the Company's outstanding shares totaled 460,757 shares, or 16.11% on September 30, 2024.

As disclosed each year in the Annual Report to Shareholders, on September 30, 2024, the Company employed 80 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 one (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](http://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, 2024	December 31, 2023	September 30, 2023
<b>ASSETS</b>			
Cash and due from banks on demand	\$ 7,087	\$ 4,274	\$ 5,601
Interest bearing deposits with banks	2,917	1,172	558
Total cash and cash equivalents	<u>10,004</u>	<u>5,446</u>	<u>6,159</u>
Securities available for sale	163,738	161,832	157,764
Restricted investments in bank stock	<u>1,712</u>	<u>1,244</u>	<u>1,121</u>
Loans	185,519	192,812	193,852
Allowance for credit losses	<u>(1,085)</u>	<u>(1,162)</u>	<u>(1,162)</u>
Net loans	184,434	191,650	192,690
Premises and equipment	2,834	2,866	2,882
Accrued interest receivable	2,546	2,199	2,644
Investment in Life Insurance	18,948	18,534	18,390
Other assets	<u>6,067</u>	<u>6,848</u>	<u>9,355</u>
Total assets	<u>\$ 390,283</u>	<u>\$ 390,619</u>	<u>\$ 391,005</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Liabilities:			
Deposits:			
Non-interest bearing	\$ 157,196	156,767	\$ 162,418
Interest bearing	<u>153,323</u>	<u>170,508</u>	<u>175,494</u>
Total deposits	310,519	327,275	337,912
Short-term borrowings	39,697	25,317	24,100
Other liabilities	<u>1,631</u>	<u>1,891</u>	<u>1,670</u>
Total liabilities	<u>351,847</u>	<u>354,483</u>	<u>363,682</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 2024 and 2023	7,200	7,200	7,200
Retained earnings	62,119	63,145	63,409
Accumulated other comprehensive loss	(18,339)	(21,665)	(30,742)
Less treasury stock, at cost, 739,047 shares in 2024 and 2023	<u>(12,544)</u>	<u>(12,544)</u>	<u>(12,544)</u>
Total shareholders' equity	<u>38,436</u>	<u>36,136</u>	<u>27,323</u>
Total liabilities and shareholders' equity	<u>\$ 390,283</u>	<u>\$ 390,619</u>	<u>\$ 391,005</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	
	2024 (unaudited)	2023 (unaudited)	2024 (unaudited)	2023 (unaudited)
<b>INTEREST INCOME:</b>				
Interest and fees on loans	\$ 2,046	\$ 2,044	\$ 6,159	\$ 6,153
Interest and dividends on securities:				
Taxable	1,276	1,137	3,551	3,465
Exempt from federal income taxes	272	502	1,100	1,541
Other	58	46	158	112
Total interest income	<u>3,652</u>	<u>3,729</u>	<u>10,968</u>	<u>11,271</u>
<b>INTEREST EXPENSE:</b>				
Interest on deposits	46	37	160	109
Interest on short-term borrowings	529	363	1,359	859
Total interest expense	<u>575</u>	<u>400</u>	<u>1,519</u>	<u>968</u>
NET INTEREST INCOME	3,077	3,329	9,449	10,303
CREDIT FOR CREDIT LOSSES	<u>(35)</u>	<u>(250)</u>	<u>(74)</u>	<u>(372)</u>
NET INTEREST INCOME AFTER CREDIT FOR CREDIT LOSSES	<u>3,112</u>	<u>3,579</u>	<u>9,523</u>	<u>10,675</u>
<b>OTHER OPERATING INCOME:</b>				
Asset management and trust	362	339	1,076	1,014
Service charges on deposit accounts	166	167	478	485
Net Security gains	-	-	3	-
Income from investment in life insurance	130	127	389	378
Other income	23	19	95	90
Total other operating income	<u>681</u>	<u>652</u>	<u>2,041</u>	<u>1,967</u>
<b>OTHER OPERATING EXPENSES:</b>				
Salaries and employee benefits	2,051	1,933	6,110	5,754
Net occupancy	214	194	639	581
Furniture and equipment	140	129	418	395
Pennsylvania shares tax	84	74	244	220
Legal and professional	154	150	438	427
FDIC insurance	47	50	139	140
Other expenses	795	743	2,426	2,365
Total other operating expenses	<u>3,485</u>	<u>3,273</u>	<u>10,414</u>	<u>9,882</u>
INCOME BEFORE INCOME TAXES	308	958	1,150	2,760
Income tax (benefit)/expense	<u>(17)</u>	<u>77</u>	<u>(55)</u>	<u>192</u>
Net income	<u>\$ 325</u>	<u>\$ 881</u>	<u>\$ 1,205</u>	<u>\$ 2,568</u>
Average Shares Outstanding	2,860,953	2,860,953	2,860,953	2,860,953
Earnings Per Share	\$ 0.11	\$ 0.31	\$ 0.42	\$ 0.90