

COMMERCIAL NATIONAL FINANCIAL CORP /PA
Form 10-Q
November 13, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-18676

COMMERCIAL NATIONAL FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of incorporation or
organization)

25-1623213
(I.R.S. Employer Identification No.)

900 LIGONIER STREET LATROBE, PA
(Address of principal executive offices)

15650
(Zip Code)

Registrant's telephone number, including area code:
539-3501

(724)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company(as defined in Rule 12b-2 of the Exchange Act).

yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock.

CLASS	OUTSTANDING AT NOVEMBER 1, 2008
Common Stock, \$2 Par Value	2,888,253 Shares

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PART I - FINANCIAL INFORMATION

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COMMERCIAL NATIONAL FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands, except share amounts)

	September 30, 2008 (unaudited)	December 31, 2007
ASSETS		
Cash and due from banks	\$ 10,344	\$ 9,836
I n t e r e s t b e a r i n g d e p o s i t s w i t h banks	83	93
Total cash and cash equivalents	10,427	9,929
Fed Funds Sold	700	-
Investment securities available for sale	119,373	109,960
Restricted investments in bank stock	3,873	2,375
Loans receivable	216,957	227,005
Allowance for loan losses	(1,817)	(1,869)
Net loans	215,140	225,136
Premises and equipment, net	3,545	3,728
Investment in life insurance	14,365	14,001
Other assets	2,689	2,513
Total assets	\$ 370,112	\$ 367,642
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits (all domestic):		
Non-interest bearing	\$ 73,648	\$ 64,914
Interest bearing	195,917	228,605
Total deposits	269,565	293,519
Short-term borrowings	60,000	13,175
Long- term borrowings	-	20,000
Other liabilities	2,623	2,487
Total liabilities	332,188	329,181
Shareholders' equity:		
Common stock, par value \$2 per share; 10,000,000 shares authorized; 3,600,000 issued; 2,890,253 and 3,028,813 shares outstanding, respectively	7,200	7,200
Retained earnings	41,028	40,505
Accumulated other comprehensive income	1,788	1,437

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Treasury stock, at cost, 709,747 and 571,187 shares, respectively	(12,092)	(10,681)
Total shareholders' equity	37,924	38,461
Total liabilities and shareholders' equity	\$ 370,112	\$ 367,642

The accompanying notes are an integral part of these consolidated financial statements.

COMMERCIAL NATIONAL FINANCIAL CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME
 (Dollar amounts in thousands, except per share data)

	Three Months Ended September 30 (unaudited)		Nine Months Ended September 30 (unaudited)	
	2008	2007	2008	2007
INTEREST INCOME:				
Interest and fees on loans	\$ 3,216	\$ 3,468	\$ 9,867	\$ 10,262
Interest and dividends on investments:				
Taxable	1,459	1,212	4,592	3,416
Exempt from federal income taxes	33	34	100	102
Other	9	9	26	126
Total interest income	4,717	4,723	14,585	13,906