

COMMERCIAL NATIONAL FINANCIAL CORP /PA  
Form 10-Q  
August 10, 2009

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 June 30, 2009

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[ X ] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes[ X ] No [ ]

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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 August 1, 2009
Common Stock, \$2 Par Value	2,860,953 Shares

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2009 (unaudited)	December 31, 2008
<b>ASSETS</b>		
Cash and due from banks	\$ 9,906	\$ 7,111
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	62	21
Total cash and cash equivalents	9,968	7,132
Investment securities available for sale	129,946	114,771
Restricted investments in bank stock	4,567	3,967
Loans receivable	206,386	215,933
Allowance for loan losses	(1,798)	(1,821)
Net loans	204,588	214,112
Premises and equipment, net	3,515	3,549
Investment in life insurance	14,798	14,555
Other assets	2,608	2,413
Total assets	\$ 369,990	\$ 360,499
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits (all domestic):		
Non-interest bearing	\$ 71,920	\$ 67,067
Interest bearing	192,274	190,020
Total deposits	264,194	257,087
Short-term borrowings	31,625	31,175
Long- term borrowings	30,000	30,000
Other liabilities	3,482	3,169
Total liabilities	329,301	321,431
Shareholders' equity:		
Common stock, par value \$2 per share; 10,000,000 shares authorized; 3,600,000 issued; 2,861,953 and 2,880,953 shares outstanding in 2009 and 2008	7,200	7,200
Retained earnings	42,684	41,616
Accumulated other comprehensive income	3,334	2,490
Treasury stock, at cost, 738,047 and 719,047 shares in 2009 and 2008	(12,529)	(12,238)

Total shareholders' equity	40,689	39,068
Total liabilities and shareholders' equity	\$ 369,990	\$ 360,499

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 June 30 (unaudited)		Six Months Ended June 30 (unaudited)	
	2009	2008	2009	2008
<b>INTEREST INCOME:</b>				
Interest and fees on loans	\$ 3,021	\$ 3,275	\$ 6,110	\$ 6,651
Interest and dividends on investments:				
Taxable	1,798	1,512	3,721	3,133
Exempt from federal income taxes	33	34	46	67
Other	1	5	2	17
Total interest income	4,853	4,826	9,879	9,868