

## Commercial National Financial Corporation Reports 1st Quarter 2019 Earnings

Ithaca, Michigan, April 26, 2019 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (Pink Sheets: CEFC) today announced first quarter 2019 net income of \$1,101,000, or \$.28 per share compared to first quarter 2018 net income of \$1,064,000, or \$.27 per share. Return on Equity (ROE) was 12.60% for the first quarter of 2019 compared to 13.01% for the first quarter of 2018.

Total assets were \$527.6 million at March 31, 2019 compared to \$530 million at March 31, 2018. Total loans of \$378 million decreased \$9.7 million, or 2.5% year over year. The lending environment remains very competitive in our markets and we experienced several large commercial loan payoffs during the past twelve months. However, we resumed loan growth during the current quarter with loans increasing \$3.1 million, or .8%.

For the first quarter ended March 31, 2019, net interest income decreased \$51,000, or 1.4% primarily due to a higher cost of funds. During the next several quarters, we intend to use excess cash to reduce higher interest rate wholesale borrowings. Non-interest income rose by \$181,000, or 44.3% due to increases in several other income categories. Operating expenses increased by \$126,000, or 4.6% primarily due to higher wages and benefits expense.

Commercial National Financial Corporation operates through a single subsidiary bank, Commercial Bank. Visit [www.commercial-bank.com](http://www.commercial-bank.com) to view the latest consolidated Annual Report, news releases and other information about CEFC and Commercial Bank.

### Selected Financial Data (unaudited):

	Quarter Ended March 31,	
	2019	2018
Return on Equity (ROE)	12.60%	13.01%
Return on Assets (ROA)	0.85%	0.83%
Net Interest Margin	2.93%	2.99%
	March 31,	
	2019	2018
Non-performing Assets Ratio	0.49%	0.50%
Tier 1 Leverage Capital <sup>(1)</sup>	8.57%	8.16%
Total Risk-based Capital <sup>(1)</sup>	14.27%	13.52%
Book Value Per Share	\$9.07	\$8.37
Market Value Per Share	\$11.35	\$12.50

<sup>(1)</sup>Ratios are for Commercial Bank.

**Consolidated Statements of Income (unaudited):**

	Quarter Ended March 31,	
	2019	2018
Interest Income	\$ 4,973,686	\$ 4,736,212
Interest Expense	1,408,621	1,119,690
Net Interest Income	3,565,065	3,616,522
Provision for loan losses	-	-
Non-interest income	588,653	408,066
Operating Expenses	2,851,320	2,724,977
Income before taxes	1,302,398	1,299,611
Income tax expense	201,500	236,000
Net Income	\$ 1,100,898	\$ 1,063,611
Net Income per share – diluted	\$ 0.28	\$ 0.27
Dividends declared	\$ 0.13	\$ 0.13

**Consolidated Balance Sheets (unaudited):**

	March 31,	
	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 35,029,958	\$ 27,692,664
Time deposits with other banks	46,875,000	50,559,000
Securities	39,792,107	36,591,591
Loans	378,025,529	387,682,296
Allowance for loan losses	(2,672,096)	(2,672,577)
Loans, net	375,353,433	385,009,719
Premises and equipment, net	8,577,836	7,650,007
Other assets	22,016,752	22,516,191
Total Assets	\$ 527,645,086	\$ 530,019,172
<b>Liabilities</b>		
Deposits	\$ 423,767,554	\$ 422,355,163
Other borrowings	51,874,954	57,758,842
Trust preferred	13,403,000	13,403,000
Other liabilities	2,634,945	3,311,055
Total Liabilities	491,680,453	496,828,060
<b>Equity</b>		
Total Equity	35,964,633	33,191,112
Total Liabilities and Equity	\$ 527,645,086	\$ 530,019,172

Contact:

Kevin A. Twardy  
CFO and COO  
989-875-5528