

Commercial National Financial Corporation Reports 1st Quarter 2021 Earnings

Ithaca, Michigan, April 28, 2021 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (Pink Sheets: CEFC) today announced first quarter 2021 net income of \$1,712,000, or \$.43 per share compared to first quarter 2020 net income of \$803,000, or \$.20 per share. Return on Equity (ROE) was 16.42% for the first quarter of 2021 compared to 8.23% for the first quarter of 2020.

For the first quarter of 2021, net interest income increased \$583,000, or 15.5% compared to the first quarter of 2020 primarily due to accelerated accretion of deferred fees from Paycheck Protection Program (PPP) loan payoffs. These loans were authorized by the CARES Act approved by Congress in response to the Covid-19 pandemic. Non-interest income increased by \$74,000, or 14.6% primarily due to higher debit card fees. Operating expenses increased by \$2,000, or .08%.

The provision for loan losses expense was zero for the first quarter of 2021, compared to \$500,000 for the first quarter of 2020. The provision expense in the first quarter of 2020 was primarily due to additional environmental factor allocations related to worsening economic conditions from the Covid-19 pandemic.

Total assets were \$569.8 million at March 31, 2021 compared to \$511.3 million at March 31, 2020. The increase was primarily due to \$60.4 million of Paycheck Protection Program loans outstanding at March 31, 2021 compared to zero at March 31, 2020. Total loans of \$444.8 million increased \$56.9 million, or 14.7% year over year.

Commercial National Financial Corporation operates through a single subsidiary bank, Commercial Bank. Visit 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,	
	2021	2020
Return on Equity (ROE)	16.42%	8.23%
Return on Assets (ROA)	1.25%	0.64%
Net Interest Margin	3.35%	3.19%

	March 31,	
	2021	2020
Non-performing Assets Ratio	1.09%	0.70%
Tier 1 Leverage Capital ⁽¹⁾	9.06%	9.37%
Total Risk-based Capital ⁽¹⁾	15.59%	14.23%
Book Value Per Share	\$10.68	\$9.94
Market Value Per Share	\$10.50	\$8.40

⁽¹⁾Ratios are for Commercial Bank.

Consolidated Statements of Income (unaudited):

	Quarter Ended March 31,	
	2021	2020
Interest Income	\$ 4,982,565	\$ 4,826,267
Interest Expense	639,874	1,066,451
Net Interest Income	4,342,691	3,759,816
Provision for loan losses	-	500,000
Non-interest income	582,683	508,676
Operating Expenses	2,823,852	2,821,570
Income before taxes	2,101,522	946,922
Income tax expense	390,000	143,500
Net Income	\$ 1,711,522	\$ 803,422
Net Income per share – diluted	\$ 0.43	\$ 0.20
Dividends declared	\$ 0.14	\$ 0.14

Consolidated Balance Sheets (unaudited):

	March 31,	
	2021	2020
Assets		
Cash and cash equivalents	\$ 29,060,961	\$ 23,764,952
Time deposits with other banks	22,097,000	34,442,000
Securities	46,981,725	38,334,501
Loans	444,836,860	387,974,640
Allowance for loan losses	(4,256,978)	(3,255,076)
Loans, net	440,579,882	384,719,564
Premises and equipment, net	8,087,637	8,349,490
Other assets	22,967,038	21,713,027
Total Assets	\$ 569,774,243	\$ 511,323,534
Liabilities		
Deposits	\$ 475,090,235	\$ 396,667,495
Other borrowings	35,400,000	58,749,303
Trust preferred	13,403,000	13,403,000
Other liabilities	3,533,757	3,084,575
Total Liabilities	527,426,992	471,904,373
Equity		
Total Equity	42,347,251	39,419,161
Total Liabilities and Equity	\$ 569,774,243	\$ 511,323,534

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