

Commercial National Financial Corporation Reports 1st Quarter 2022 Earnings

Ithaca, Michigan, April 29, 2022 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (Pink Sheets: CEFC) today announced first quarter 2022 net income of \$3,050,000, or \$.77 per share compared to first quarter 2021 net income of \$1,712,000, or \$.43 per share. Return on Equity (ROE) was 26.26% for the first quarter of 2022 compared to 16.42% for the first quarter of 2021.

For the first quarter of 2022, net interest income increased \$2,002,000, or 46.1% compared to the first quarter of 2021 primarily due to significantly higher accretion on Paycheck Protection Program (PPP) loans. During the quarter, \$46.2 million of PPP loans were forgiven by the Small Business Administration. At March 31, 2022, PPP loans outstanding were approximately \$3.8 million compared to \$60.4 million at March 31, 2021. Total loans, excluding PPP loans, increased \$22 million, or 5.7% when comparing March 31, 2022 to March 31, 2021.

Noninterest income decreased by \$4,000, or .7% primarily due to lower miscellaneous income, partially offset by higher debit card interchange revenue. Operating expenses increased by \$323,000 or 11.5% primarily due to higher compensation and benefits expense associated with hiring additional lending and treasury team members.

Total assets were \$627.4 million at March 31, 2022 compared to \$569.8 million at March 31, 2021. The increase was primarily due to core deposit growth, partially offset by lower wholesale borrowings.

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,	
	2022	2021
Return on Equity (ROE)	26.26%	16.42%
Return on Assets (ROA)	1.99%	1.25%
Net Interest Margin	4.37%	3.35%

	March 31,	
	2022	2021
Non-performing Assets Ratio	0.70%	1.09%
Tier 1 Leverage Capital ⁽¹⁾	8.59%	9.06%
Total Risk-based Capital ⁽¹⁾	14.94%	15.59%
Book Value Per Share	\$11.51	\$10.68
Market Value Per Share	\$13.30	\$10.50

⁽¹⁾Ratios are for Commercial Bank.

Consolidated Statements of Income (unaudited):

	Quarter Ended March 31,	
	2022	2021
Interest Income	\$ 6,876,555	\$ 4,982,565
Interest Expense	531,862	639,874
Net Interest Income	6,344,693	4,342,691
Provision for loan losses	-	-
Non-interest income	578,875	582,683
Operating Expenses	3,147,305	2,823,852
Income before taxes	3,776,263	2,101,522
Income tax expense	726,000	390,000
Net Income	\$ 3,050,263	\$ 1,711,522
Net Income per share – diluted	\$ 0.77	\$ 0.43
Dividends declared	\$ 0.14	\$ 0.14

Consolidated Balance Sheets (unaudited):

	March 31,	
	2022	2021
Assets		
Cash and cash equivalents	\$ 67,543,910	\$ 29,060,961
Time deposits with other banks	14,380,000	22,097,000
Securities	108,533,063	46,981,725
Loans	410,228,551	444,836,860
Allowance for loan losses	(3,831,809)	(4,256,978)
Loans, net	406,396,742	440,579,882
Premises and equipment, net	8,377,785	8,087,637
Other assets	22,165,771	22,967,038
Total Assets	\$ 627,397,271	\$ 569,774,243
Liabilities		
Deposits	\$ 531,049,989	\$ 475,090,235
Other borrowings	34,400,000	35,400,000
Trust preferred	13,403,000	13,403,000
Other liabilities	2,886,462	3,533,757
Total Liabilities	581,739,451	527,426,992
Equity		
Total Equity	45,657,820	42,347,251
Total Liabilities and Equity	\$ 627,397,271	\$ 569,774,243

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