

Commercial National Financial Corporation Reports 1st Quarter 2015 Earnings, Dividend and Blue Sky Manual Exemption Listing

Ithaca, Michigan, May 21, 2015 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (Pink Sheets: CEFC) today announced 2015 first quarter net income of \$636,000, or \$0.20 per share compared to 2014 first quarter net income of \$542,000, or \$0.17 per share. The increase in net income was primarily attributable to higher net interest income and lower operating expenses. Total loans grew \$8.7 million, or 3.3% when comparing March 31, 2015 to March 31, 2014.

Additionally, the Board of Directors declared a regular quarterly cash dividend of 13 cents per share payable July 1, 2015 to shareholders of record on June 12, 2015. Based on the May 20, 2015 closing price of \$8.30 per share, the annualized dividend yield is 6.27%.

Lastly, we have been approved by Mergent Inc.'s Editorial Board for listing in Mergent's Manuals and News Reports™. First published in 1918, and formerly known as Moody's™ Manuals and News Reports, the Mergent manual is a recognized securities manual in 39 states for purposes of Blue Sky Manual Exemption. CEFC's listing in this manual will aid the brokerage community in making a market for the company's stock.

Commercial National Financial Corporation operates through a single subsidiary bank, Commercial Bank, with full-service banking offices in Alma, Greenville, Hastings, Ithaca, Lake Odessa, Middleton and St. Louis and a loan production office in Mt. Pleasant, Michigan.

Selected Financial Data (unaudited):

	Quarter Ended March 31,	
	<u>2015</u>	<u>2014</u>
Return on Equity (ROE)	11.32%	10.27%
Return on Assets (ROA)	.69	.59
Interest Margin	3.19	3.16
Efficiency Ratio	68.52	73.60
Non-performing Assets Ratio	.78	.99
Tier 1 Leverage Capital ⁽¹⁾	8.61	8.33
Total Risk-based Capital ⁽¹⁾	15.59	15.58
Book Value Per Share	\$7.10	\$6.62

⁽¹⁾ Capital ratios are for Commercial Bank.

Consolidated Statements of Income (unaudited):

	Quarter Ended March 31,	
	<u>2015</u>	<u>2014</u>
Interest Income	\$3,568,082	\$3,562,109
Interest Expense	<u>845,226</u>	<u>953,785</u>
Net Interest Income	2,722,856	2,608,324
Provision for loan losses	106,574	45,913
Non-interest income	443,004	401,476
Operating Expenses	<u>2,185,259</u>	<u>2,238,076</u>
Income before taxes	874,027	725,811
Income tax expense	<u>237,763</u>	<u>184,060</u>
Net Income	<u>\$ 636,264</u>	<u>\$ 541,751</u>
Net Income per share – basic	<u>\$0.20</u>	<u>\$0.17</u>
Net Income per share – diluted	<u>\$0.20</u>	<u>\$0.17</u>

Consolidated Balance Sheets (unaudited):

	March 31,	
	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$ 15,943,546	\$ 17,632,887
Time deposits with other banks	18,563,000	18,468,000
Securities	47,232,016	63,984,223
Loans	274,474,544	265,746,171
Allowance for loan losses	<u>(2,604,074)</u>	<u>(2,657,944)</u>
Loans, net	271,870,470	263,088,227
Bank premises and equipment	4,380,464	4,345,400
Other assets	<u>17,723,661</u>	<u>15,253,663</u>
Total Assets	<u>\$375,713,157</u>	<u>\$382,772,400</u>
Liabilities		
Deposits	\$307,340,384	\$332,307,212
Other borrowings	30,990,757	16,995,847
Trust preferred	10,310,000	10,310,000
Other liabilities	<u>3,970,650</u>	<u>1,627,622</u>
Total Liabilities	352,611,791	361,240,681
Equity		
Common stock and paid in capital	13,572,835	13,572,841
Retained earnings	9,396,528	8,565,572
Accumulated OCI	<u>132,003</u>	<u>(606,694)</u>
Total Equity	<u>23,101,366</u>	<u>21,531,719</u>
Total Liabilities and Equity	<u>\$375,713,157</u>	<u>\$382,772,400</u>

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