



**COMMERCIAL NATIONAL
FINANCIAL CORPORATION**

Board of Directors

- Kevin D. Collison
- Heather M. Cook Fisette
- Timothy J. Coscarelly
- Aaron L. Davis
- Christopher E. Goggin
- Brent J. Hardman
- Richard S. Prestage
- Loren R. Roslund
- Jeffrey A. Stahl

**FIRST QUARTER REPORT
MARCH 31, 2022**



Visit www.commercial-bank.com to view the latest consolidated Annual Report, news releases and other information about CEFC and Commercial Bank.

**COMMERCIAL NATIONAL
FINANCIAL CORPORATION**

**101 N. PINE RIVER ST.
P.O. BOX 280
ITHACA, MICHIGAN 48847
989-875-4144**

www.commercial-bank.com



To Our Shareholders,

Net income for the first quarter of 2022 was \$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.

Non-interest 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.

As always, please feel free to contact me with any questions or concerns.

Kevin D. Collison
President and CEO

**COMMERCIAL NATIONAL FINANCIAL
CORPORATION**

FINANCIAL HIGHLIGHTS

	3/31/2022	3/31/2021
	QUARTER ENDING	
Basic Earnings	\$ 0.77	\$ 0.43
Diluted Earnings	\$ 0.77	\$ 0.43
Return on Equity	26.26%	16.42%
Return on Assets	1.99%	1.25%
Net Interest Margin	4.37%	3.35%
Cash Dividends Paid	\$ 0.14	\$ 0.14
Book Value	\$ 11.51	\$ 10.68
Market Price	\$ 13.30	\$ 10.50
Dividend Yield	4.21%	5.33%
Allowance for Loan Loss to Total Loans	0.93%	0.96%

INVESTMENT BROKERS

Stifel, Nicolaus & Company, Incorporated

Kyle Travis- Financial Advisor
1-616-224-1559

Products & services are offered through Stifel. Stifel is not affiliated with Commercial Bank. Member SIPC/NYSE

D.A. Davidson & Co.

Nick Bicking nbicking@dadco.com (614) 710-7060
Tom Dooley tdooley@dadco.com (614) 710-7061

Brokerage & Advisory services offered through D.A. Davidson & Co. are not affiliated with Commercial Bank.
Member SIPC

Stock Symbol: CEFC

CONSOLIDATED BALANCE SHEETS

	3/31/2022	3/31/2021
Assets	(Unaudited)	(Unaudited)
Cash and due from banks	\$ 67,435,910	\$ 28,978,961
Federal funds sold	108,000	82,000
Total cash & cash equivalents	67,543,910	29,060,961
Time deposits in banks	14,380,000	22,097,000
Securities	108,533,063	46,981,725
Loans	410,228,551	444,836,860
Less: Allowance for loan losses	(3,831,809)	(4,256,978)
Net loans	406,396,742	440,579,882
Bank premises & equipment	8,377,785	8,087,637
Other assets	22,165,771	22,967,038
Total Assets	\$ 627,397,271	\$ 569,774,243
Liabilities		
Deposits		
Non-interest bearing	\$ 125,546,447	\$ 121,885,957
Interest bearing	405,503,542	353,204,278
Total deposits	531,049,989	475,090,235
Federal Home Loan Bank borrowings	34,400,000	35,400,000
Trust Preferred	13,403,000	13,403,000
Accrued expenses and other liabilities	2,886,462	3,533,757
Total Liabilities	581,739,451	527,426,992
Shareholders' Equity		
Common stock & paid-in-capital	20,517,672	20,517,679
Accumulated other comprehensive income (loss), net of tax	(1,505,386)	668,316
Retained earnings	26,645,534	21,161,256
Total Shareholders' Equity	45,657,820	42,347,251
Total Liabilities & Shareholders' Equity	\$ 627,397,271	\$ 569,774,243

CONSOLIDATED STATEMENTS OF INCOME

	QUARTER ENDING	
	3/31/2022	3/31/2021
	(Unaudited)	(Unaudited)
Interest Income		
Interest & fees on loans	\$ 6,394,714	\$ 4,693,395
Interest on federal funds sold	35	5
Interest on deposits in banks	116,019	123,972
Interest & dividends on securities	365,787	165,193
Total Interest Income	6,876,555	4,982,565
Interest Expense		
Interest on deposits	325,025	427,302
Interest on FHLB advances	135,245	144,377
Trust Preferred	71,592	68,195
Interest on other borrowings	-	-
Total Interest Expense	531,862	639,874
Net Interest Income	6,344,693	4,342,691
Provision for loan losses	-	-
Net Interest Income after Provision	6,344,693	4,342,691
Non-interest Income		
Service charges and fees	252,925	232,066
Other income	325,950	350,617
Total Other Income	578,875	582,683
Operating Expenses		
Salaries & employee benefits	1,943,954	1,578,464
Occupancy & equipment expense	586,660	604,373
Other expenses	616,691	641,015
Total Operating Expenses	3,147,305	2,823,852
Income Before Income Taxes	3,776,263	2,101,522
Income Tax Expense	726,000	390,000
Net Income	\$ 3,050,263	\$ 1,711,522

OFFICERS OF COMMERCIAL BANK

President & CEO	
Kevin D. Collison	
Executive Vice President & Chief Lending Officer	
Andrew P. Shafley	
Chief Financial Officer & Chief Operating Officer	
Kevin A. Twardy	
First Vice President	
Matthew O. Fletcher	
Vice Presidents	
Garth W. Anderson	Paul D. Harger
Corey S. Bailey	Jayme L. Kosal
Kathleen R. Baker	Michael D. Miller
Jason D. Beebe	Benjamin Z. Ogle
Chelsey A. Foster	Sandra Panella
Trisha A. Gough	Heather A. Schaeffer
Jacky Halliwill	Linda M. Vaughn
Gregory R. Hansen	Jessica L. Wright
Assistant Vice Presidents	
Sara F. Bajema	Heidi L. Miller
Melanie S. Baxter	Jamie L. Ogle
Nate R. Kirk, Jr.	Denise L. Reese
Tammy L. McCollum	Courtney A. Samson
Roger K. Merritt	
Officers	
Tricia C. Frost	Kayla M. Grzeskowiak

OFFICES

Ithaca	Okemos	Middleton
989-875-4144	517-337-5000	989-236-7236
Alma- Wright Ave.	Greenville	St. Louis
989-463-3901	616-754-7166	989-681-5738
Mason- Jefferson St.	Mason- Cedar St.	Hastings
517-676-0500	517-676-0515	269-945-9561
**Alma- N. State St.		
989-463-2185		
**Mt. Pleasant		**Grand Rapids
989-775-0355		616-405-4626

**Loan production office only