

Commercial National Financial Corporation Reports 2nd Quarter 2022 Earnings

Ithaca, Michigan, July 26, 2022 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (Pink Sheets: CEFC) today announced second quarter 2022 net income of \$1,518,113, or \$.38 per share compared to second quarter 2021 net income of \$1,411,813, or \$.36 per share. Return on Equity (ROE) was 14.23% for the second quarter of 2022 compared to 13.15% for the second quarter of 2021.

For the second quarter of 2022, net interest income increased \$386,000, or 9.5% compared to the second quarter of 2021 primarily due to higher interest-earning assets as well as from the recovery of interest on non-accrual loan payoffs. Total loans, excluding Paycheck Protection Program (“PPP”) loans, increased \$25.9 million, or 6.7% when comparing June 30, 2022 to June 30, 2021. Non-interest income decreased by \$106,000, or 17.6% primarily due to lower miscellaneous income, partially offset by higher debit card fees. Operating expenses increased by \$172,000, or 5.8% primarily due to higher wages and benefits expense.

Total assets were \$625 million at June 30, 2022 compared to \$587.6 million at June 30, 2021. The increase was primarily due to core deposit growth, partially offset by lower wholesale borrowings. At June 30, 2022, PPP loans outstanding were approximately \$1.8 million compared to \$60 million at June 30, 2021.

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Return on Equity (ROE)	14.23%	13.15%	20.51%	14.76%
Return on Assets (ROA)	0.97%	0.97%	1.47%	1.11%
Net Interest Margin	3.02%	2.99%	3.68%	3.17%

	June 30,	
	2022	2021
Non-performing Assets Ratio	0.11%	0.84%
Tier 1 Leverage Capital ⁽¹⁾	8.49%	8.79%
Total Risk-based Capital ⁽¹⁾	14.84%	15.89%
Book Value Per Share	\$9.81	\$10.87
Market Value Per Share	\$11.44	\$10.75

⁽¹⁾Ratios are for Commercial Bank.

Consolidated Statements of Income (unaudited):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest Income	\$ 5,043,640	\$ 4,680,835	\$ 11,920,195	\$ 9,663,400
Interest Expense	585,202	608,648	1,117,064	1,248,522
Net Interest Income	4,458,438	4,072,187	10,803,131	8,414,878
Provision for loan losses	-	-	-	-
Non-interest income	496,982	603,232	1,075,857	1,185,915
Operating Expenses	3,127,307	2,955,606	6,274,612	5,779,458
Income before taxes	1,828,113	1,719,813	5,604,376	3,821,335
Income tax expense	310,000	308,000	1,036,000	698,000
Net Income	\$ 1,518,113	\$ 1,411,813	\$ 4,568,376	\$ 3,123,335
Net Income per share – diluted	\$ 0.38	\$ 0.36	\$ 1.15	\$ 0.79
Dividends declared	\$ 0.14	\$ 0.14	\$ 0.28	\$ 0.28

Consolidated Balance Sheets (unaudited):

	June 30,	
	2022	2021
Assets		
Cash and cash equivalents	\$ 68,922,849	\$ 51,343,114
Time deposits with other banks	11,450,000	20,854,000
Securities	103,209,588	44,822,995
Loans	412,037,495	444,406,884
Allowance for loan losses	(3,831,495)	(4,238,164)
Loans, net	408,206,000	440,168,720
Premises and equipment, net	8,595,466	8,134,522
Other assets	24,602,640	22,308,977
Total Assets	\$ 624,986,543	\$ 587,632,328
Liabilities		
Deposits	\$ 545,892,457	\$ 492,885,149
FHLB borrowings	24,000,000	35,400,000
Trust preferred	13,403,000	13,403,000
Other liabilities	2,792,569	2,842,747
Total Liabilities	586,088,026	544,530,896
Equity		
Total Equity	38,898,517	43,101,432
Total Liabilities and Equity	\$ 624,986,543	\$ 587,632,328

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