



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  
Daniel C. Walcutt

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FOURTH QUARTER REPORT  
DECEMBER 31, 2025



COMMERCIAL NATIONAL  
FINANCIAL CORPORATION

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

To Our Shareholders,

Net income for the fourth quarter of 2025 was \$1,784,000 or \$0.45 per share compared to fourth quarter 2024 net income of \$1,882,000 or \$0.47 per share. Return on Equity was 12.64% for the fourth quarter of 2025 compared to 14.73% for the fourth quarter of 2024.

Net interest income for the fourth quarter of 2025 increased by \$320,000 or 6.5% compared to the respective 2024 period. Interest income decreased by \$196,000, mainly due to a decrease in loans. Interest expense decreased by \$516,000, mainly due to a decrease in funding costs. Non-interest income decreased by \$218,000, while operating expenses increased by \$150,000, which was mainly due to higher wages and benefits expense.

Total assets were \$554 million as of December 31, 2025 compared to \$567 million as of December 31, 2024. Total deposits decreased by \$27 million, which consisted of a decrease of \$15 million in core deposits and \$12 million in brokered deposits, which were replaced with borrowings from the Federal Home Loan Bank. While total loans decreased by \$24 million or 6.1% due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.17%. Additionally, CEFC's wholly owned subsidiary, Commercial Bank, remains "well capitalized" for regulatory purposes.

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

	12/31/2025	12/31/2024
QUARTER ENDING		
Basic Earnings	\$ 0.45	\$ 0.47
Diluted Earnings	\$ 0.45	\$ 0.47
Return on Average Equity	12.64%	14.73%
Return on Average Assets	1.28%	1.31%
Net Interest Margin	4.04%	3.66%
YEAR TO DATE		
Basic Earnings	\$ 1.67	\$ 1.48
Diluted Earnings	\$ 1.67	\$ 1.48
Dividends Declared	\$ 0.56	\$ 0.56
Cash Dividends Paid	\$ 0.56	\$ 0.56
Book Value	\$ 14.30	\$ 12.74
Market Price	\$ 13.65	\$ 9.85
Dividend Yield	4.10%	5.69%
Allowance for Credit Losses to Total Loans	0.91%	0.88%
Return on Average Equity	12.44%	12.04%
Return on Average Assets	1.19%	1.02%
Net Interest Margin	3.87%	3.44%

INVESTMENT BROKER

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

	12/31/2025	12/31/2024
	(Unaudited)	(Unaudited)
<b>Assets</b>		
Cash and due from banks	\$ 57,373,635	\$ 55,588,156
Time deposits in banks	-	1,743,000
Securities	94,346,865	82,075,403
Loans	371,327,999	395,651,055
Less: Allowance for credit losses	(3,385,810)	(3,482,203)
<b>Net loans</b>	367,942,189	392,168,852
Bank premises & equipment	9,617,442	10,037,771
Other assets	24,933,064	25,029,745
<b>Total Assets</b>	<u>\$ 554,213,195</u>	<u>\$ 566,642,927</u>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 110,758,374	\$ 105,514,274
Interest bearing	360,744,980	392,993,175
<b>Total deposits</b>	471,503,354	498,507,449
Federal Home Loan Bank borrowings	16,000,000	4,000,000
Trust Preferred	7,310,000	10,310,000
Accrued expenses and other liabilities	3,115,523	3,295,393
<b>Total Liabilities</b>	497,928,877	516,112,842
<b>Shareholders' Equity</b>		
Common stock & paid-in-capital	20,196,761	20,517,672
Accumulated other comprehensive income (loss), net of tax	(6,218,305)	(7,894,620)
Retained earnings	42,305,862	37,907,033
<b>Total Shareholders' Equity</b>	56,284,318	50,530,085
<b>Total Liabilities &amp; Shareholders' Equity</b>	<u>\$ 554,213,195</u>	<u>\$ 566,642,927</u>

CONSOLIDATED STATEMENTS OF INCOME

	QUARTER ENDING		YEAR TO DATE	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Interest Income</b>				
Interest & fees on loans	\$ 5,133,835	\$ 5,445,832	\$ 20,815,834	\$ 21,994,006
Interest & dividends on securities	880,843	626,991	3,210,126	2,405,332
Interest on deposits in banks	482,120	619,794	2,055,684	2,362,850
Total Interest Income	6,496,798	6,692,617	26,081,644	26,762,188
<b>Interest Expense</b>				
Interest on deposits	1,111,861	1,568,544	5,320,970	7,122,324
Interest on FHLB borrowings	25,003	13,698	61,968	157,454
Trust Preferred (net)	111,970	182,145	496,004	803,783
Interest on other borrowings	94	173	272	3,484
Total Interest Expense	1,248,928	1,764,560	5,879,214	8,087,045
<b>Net Interest Income</b>	5,247,870	4,928,057	20,202,430	18,675,143
Provision for credit losses	(19,303)	(55,008)	(75,757)	(93,980)
Net Interest Income after Provision	5,267,173	4,983,065	20,278,187	18,769,123
<b>Non-interest Income</b>				
Service charges and fees	288,159	276,729	1,165,627	1,147,409
Other income	200,870	430,061	902,884	1,259,977
Total Other Income	489,029	706,790	2,068,511	2,407,386
<b>Operating Expenses</b>				
Salaries & employee benefits	2,154,743	2,061,162	8,668,866	8,677,717
Occupancy & equipment expense	702,564	690,248	2,821,693	2,684,544
Other expenses	725,722	681,809	2,801,621	2,739,903
Total Operating Expenses	3,583,029	3,433,219	14,292,180	14,102,164
<b>Income Before Income Taxes</b>	2,173,173	2,256,636	8,054,518	7,074,345
Income Tax Expense	389,294	374,998	1,443,269	1,211,078
<b>Net Income</b>	<u>\$ 1,783,879</u>	<u>\$ 1,881,638</u>	<u>\$ 6,611,249</u>	<u>\$ 5,863,267</u>

OFFICERS OF COMMERCIAL BANK

<b>President &amp; CEO</b>	
Kevin D. Collison	
<b>Executive Vice President &amp; Chief Lending Officer</b>	
Andrew P. Shafley	
<b>Chief Financial Officer</b>	
Benjamin Z. Ogle	
<b>Senior Vice Presidents</b>	
Kimberly S. Campbell	Gregory R. Hansen
Sarah J. Doherty	
<b>First Vice Presidents</b>	
Corey S. Bailey	Matthew O. Fletcher
<b>Vice Presidents</b>	
Garth W. Anderson	Jamie L. Ogle
Melanie S. Baxter	Janine K. Palmer
Paul D. Harger	Chad E. Springer
Amy S. Homich	Sheena M. Williams
Heidi L. Miller	
<b>Assistant Vice Presidents</b>	
Cody R. Dishaw	Tammy L. McCollum
Tricia C. Frost	Roger K. Merritt
Kristy K. Jones	Elizabeth H. Sinko
Nate R. Kirk, Jr.	
<b>Officers</b>	
Darlene K. Misenhelder	Heather H. Warren
Elizabeth A. Nedry	

OFFICES		
Alma- Wright Ave. 989-463-3901	Grand Rapids 616-367-3000	Greenville 616-754-7166
Hastings 269-945-9561	Ithaca 989-875-4144	Mason- Cedar St. 517-676-0515
Mason- Jefferson St. 517-676-0500	Middleton 989-236-7236	Okemos 517-337-5000
*Alma- N. State St. 989-463-2185	St. Louis 989-681-5738	

\*Loan operations center only