



Board of Directors

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

FOURTH QUARTER REPORT DECEMBER 31, 2025



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www.commercial-bank.com

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 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
Assets	(Unaudited)	(Unaudited)
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)
Net loans	367,942,189	392,168,852
Bank premises & equipment	9,617,442	10,037,771
Other assets	24,933,064	25,029,745
Total Assets	\$ 554,213,195	\$ 566,642,927
Liabilities		
Deposits		
Non-interest bearing	\$ 110,758,374	\$ 105,514,274
Interest bearing	360,744,980	392,993,175
Total deposits	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
Total Liabilities	497,928,877	516,112,842
Shareholders' Equity		
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
Total Shareholders' Equity	56,284,318	50,530,085
Total Liabilities & Shareholders' Equity	\$ 554,213,195	\$ 566,642,927

CONSOLIDATED STATEMENTS OF INCOME

	QUARTER ENDING		YEAR TO DATE	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Interest Income				
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
Interest Expense				
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
Net Interest Income				
Provision for credit losses	5,247,870	4,928,057	20,202,430	18,675,143
Net Interest Income after Provision	5,267,173	4,983,065	20,278,187	18,769,123
Non-interest Income				
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
Operating Expenses				
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
Income Before Income Taxes				
Income Tax Expense	2,173,173	2,256,636	8,054,518	7,074,345
	389,294	374,998	1,443,269	1,211,078
Net Income	\$ 1,783,879	\$ 1,881,638	\$ 6,611,249	\$ 5,863,267

OFFICERS OF COMMERCIAL BANK

President & CEO

Kevin D. Collison

Executive Vice President & Chief Lending Officer

Andrew P. Shafley

Chief Financial Officer

Benjamin Z. Ogle

Senior Vice Presidents

Kimberly S. Campbell Gregory R. Hansen

Sarah J. Doherty

First Vice Presidents

Corey S. Bailey Matthew O. Fletcher

Vice Presidents

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

Assistant Vice Presidents

Cody R. Dishaw Tammy L. McCollum

Tricia C. Frost Roger K. Merritt

Kristy K. Jones Elizabeth H. Sinko

Nate R. Kirk, Jr.

Officers

Darlene K. Misenhelder Heather H. Warren

Elizabeth A. Nedry

OFFICES

Alma- Wright Ave.	Grand Rapids	Greenville
989-463-3901	616-367-3000	616-754-7166

Hastings	Ithaca	Mason- Cedar St.
269-945-9561	989-875-4144	517-676-0515

Mason- Jefferson St.	Middleton	Okemos
517-676-0500	989-236-7236	517-337-5000

*Alma- N. State St.	St. Louis	
989-463-2185	989-681-5738	

*Loan operations center only