

## Commercial National Financial Corporation Reports 1<sup>st</sup> Quarter 2025 Results

Ithaca, Michigan, April 24, 2025 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (Pink Sheets: CEFC) reported net income for the first quarter of 2025 of \$1,429,000 or \$0.36 per share compared to first quarter 2024 net income of \$1,161,000 or \$0.29 per share. Return on Equity (ROE) was 11.31% for the first quarter of 2025 compared to 9.95% for the first quarter of 2024.

Net interest income for the first quarter of 2025 increased by \$348,000 or 7.7% compared to the respective 2024 period. Interest income decreased by \$140,000, mainly due to a decrease in loan balances. Interest expense decreased by \$488,000, as deposit rates were reduced following the federal funds rate cuts during the second half of 2024. Non-interest income decreased by \$67,000 or 12.5%, primarily due to lower interchange income and other miscellaneous income. Operating expenses decreased by \$19,000 or 0.5%.

Total assets were \$571 million as of March 31, 2025 compared to \$592 million as of March 31, 2024. The decrease in assets was due to the repayment of wholesale borrowings and trust preferred debt totaling \$13 million, along with a 2.5% decrease in deposit balances. While total loans decreased by \$24 million or 5.7% due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.32%. Additionally, CEFC's wholly owned subsidiary, Commercial Bank, remains significantly above "well capitalized" for regulatory purposes.

Visit [www.commercial-bank.com](http://www.commercial-bank.com) to view the latest news releases and other information about CEFC and Commercial Bank.

### Selected Financial Data (unaudited):

	Quarter Ended	
	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Return on Equity (ROE)	11.31%	9.95%
Return on Assets (ROA)	1.03%	0.79%
Net Interest Margin	3.68%	3.25%
	<u>Mar 31, 2025</u>	<u>Mar 31, 2024</u>
Non-Performing Assets Ratio	0.32%	0.20%
Tier 1 Leverage Capital Ratio <sup>(1)</sup>	10.45%	9.70%
Total Risk-Based Capital Ratio <sup>(1)</sup>	17.18%	15.81%
Book Value Per Share	\$13.14	\$11.89
Market Value Per Share	\$10.50	\$9.15

<sup>(1)</sup>Ratios are for Commercial Bank

**Consolidated Statements of Income (unaudited):**

	Quarter Ended	
	Mar 31, 2025	Mar 31, 2024
Interest Income	\$ 6,475,293	\$ 6,615,474
Interest Expense	1,635,230	2,123,427
Net Interest Income	4,840,063	4,492,047
Provision for credit losses	-	40,000
Non-interest income	469,946	537,092
Operating Expenses	3,576,253	3,595,018
Income before taxes	1,733,756	1,394,121
Income tax expense	304,475	232,990
Net Income	<u>\$ 1,429,281</u>	<u>\$ 1,161,131</u>
Net Income per share – diluted	<u>\$ 0.36</u>	<u>\$ 0.29</u>
Dividends declared	<u>\$ 0.14</u>	<u>\$ 0.14</u>

**Consolidated Balance Sheets (unaudited):**

	Mar 31, 2025	Mar 31, 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 63,760,176	\$ 59,248,093
Time deposits with other banks	1,743,000	1,992,000
Securities	83,490,143	84,835,301
Loans	390,575,608	414,380,652
Allowance for credit losses	(3,482,427)	(3,609,455)
Loans, net	387,093,181	410,771,197
Premises and equipment, net	9,901,597	9,655,198
Other assets	24,663,342	25,205,622
Total Assets	<u>\$ 570,651,439</u>	<u>\$ 591,707,411</u>
<b>Liabilities</b>		
Deposits	\$ 503,862,856	\$ 516,760,150
FHLB borrowings	4,000,000	14,000,000
Trust preferred	7,310,000	10,310,000
Other liabilities	3,363,007	3,490,066
Total Liabilities	518,535,863	544,560,216
<b>Equity</b>		
Total Equity	52,115,576	47,147,195
Total Liabilities and Equity	<u>\$ 570,651,439</u>	<u>\$ 591,707,411</u>

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