COMMERCIAL NATIONAL FINANCIAL CORPORATION

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THIRD QUARTER REPORT
SEPTEMBER 30, 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 third quarter of 2025 was $1,791,000 or $0.45 per share compared to third quarter 2024 net income of $1,408,000 or $0.36 per share. Return on Equity was 13.35% for the third quarter of 2025 compared to 11.32% for the third quarter of 2024.

Net interest income for the third quarter of 2025 increased by $460,000 or 9.8% compared to the respective 2024 period. Interest income decreased by $177,000, mainly due to a decrease in loans. Interest expense decreased by $636,000, mainly due to a decrease in wholesale funding and funding costs. Non-interest income increased by $17,000 or 3.1%. Operating expenses increased by $19,000 or 0.5%.

Total assets were $548 million as of September 30, 2025 compared to $574 million as of September 30, 2024. The decrease in assets was mainly due to the repayment of wholesale funding and trust preferred debt totaling $24 million. While total loans decreased by $30 million or 7.3% due to the high-interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.26%. Additionally, CEFC's wholly owned subsidiary, Commercial Bank, remains significantly above "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

	9/30/2025	9/30/2024
QUARTER ENDING		
Basic Earnings	$ 0.45	$ 0.36
Diluted Earnings	$ 0.45	$ 0.36
Return on Average Equity	13.35%	11.32%
Return on Average Assets	1.30%	0.98%
Net Interest Margin	3.97%	3.47%
YEAR TO DATE		
Basic Earnings	$ 1.22	$ 1.00
Diluted Earnings	$ 1.22	$ 1.00
Return on Average Equity	12.36%	11.09%
Return on Average Assets	1.16%	0.92%
Cash Dividends Paid	$ 0.42	$ 0.42
Book Value	$ 13.90	$ 12.80
Market Price	$ 12.10	$ 9.03
Dividend Yield	4.63%	6.20%
Allowance for Credit Losses to Total Loans	0.90%	0.87%
Net Interest Margin	3.82%	3.37%

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.

Stock Symbol: CEFC

CONSOLIDATED BALANCE SHEETS

	9/30/2025 (Unaudited)	9/30/2024 (Unaudited)
Assets		
Cash and due from banks	$ 50,432,608	$ 55,606,415
Time deposits in banks	1,494,000	1,992,000
Securities	87,151,048	77,226,328
Loans	377,670,851	407,594,529
Less: Allowance for credit losses	(3,413,163)	(3,528,332)
Net loans	374,257,688	404,066,197
Bank premises & equipment	9,732,492	10,092,279
Other assets	24,647,796	25,285,806
Total Assets	$ 547,715,632	$ 574,269,025
Liabilities		
Deposits		
Non-interest bearing	$ 109,436,809	$ 112,346,014
Interest bearing	371,666,192	393,267,252
Total deposits	481,103,001	505,613,266
Federal Home Loan Bank borrowings	1,000,000	4,000,000
Trust Preferred	7,310,000	10,310,000
Accrued expenses and other liabilities	3,605,711	3,598,596
Total Liabilities	493,018,712	523,521,862
Shareholders' Equity		
Common stock & paid-in-capital	20,196,761	20,517,672
Accumulated other comprehensive income (loss), net of tax	(6,572,892)	(6,351,046)
Retained earnings	41,073,051	36,580,537
Total Shareholders' Equity	54,696,920	50,747,163
Total Liabilities & Shareholders' Equity	$ 547,715,632	$ 574,269,025

CONSOLIDATED STATEMENTS OF INCOME

	QUARTER ENDING		YEAR TO DATE	
	9/30/2025 (Unaudited)	9/30/2024 (Unaudited)	9/30/2025 (Unaudited)	9/30/2024 (Unaudited)
Interest Income				
Interest & fees on loans	$ 5,254,096	$ 5,569,862	$ 15,681,999	$ 16,548,174
Interest & dividends on securities	803,305	584,588	2,329,283	1,778,341
Interest on deposits in banks	510,346	590,033	1,573,564	1,743,056
Total Interest Income	6,567,747	6,744,483	19,584,846	20,069,571
Interest Expense				
Interest on deposits	1,305,988	1,844,569	4,209,109	5,553,780
Interest on FHLB borrowings	10,016	29,254	36,965	143,756
Trust Preferred (net)	114,729	193,421	384,034	621,638
Interest on other borrowings	117	41	178	3,311
Total Interest Expense	1,430,850	2,067,285	4,630,286	6,322,485
Net Interest Income	5,136,897	4,677,198	14,954,560	13,747,086
Provision for credit losses	(22,241)	229	(56,454)	(38,972)
Net Interest Income after Provision	5,159,138	4,676,969	15,011,014	13,786,058
Non-interest Income				
Service charges and fees	293,895	290,151	877,468	870,680
Other income	272,975	259,461	702,014	829,916
Total Other Income	566,870	549,612	1,579,482	1,700,596
Operating Expenses				
Salaries & employee benefits	2,141,271	2,177,597	6,514,123	6,616,555
Occupancy & equipment expense	696,008	676,419	2,119,129	1,994,296
Other expenses	699,691	664,211	2,075,899	2,058,094
Total Operating Expenses	3,536,970	3,518,227	10,709,151	10,668,945
Income Before Income Taxes	2,189,038	1,708,354	5,881,345	4,817,709
Income Tax Expense	398,025	300,020	1,053,975	836,080
Net Income	$ 1,791,013	$ 1,408,334	$ 4,827,370	$ 3,981,629

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 — Roger K. Merritt

Kristy K. Jones — Elizabeth H. Sinko

Nate R. Kirk, Jr. — Billie G. Smith

Tammy L. McCollum

Officers

Tricia C. Frost — 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