COMMERCIAL NATIONAL FINANCIAL CORPORATION

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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www.commercial-bank.com

Member FDIC

EQUAL HOUSING LENDER

THIRD QUARTER REPORT
SEPTEMBER 30, 2026

COMMERCIAL NATIONAL FINANCIAL CORPORATION

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

To Our Shareholders,

Net income was $1,721,000 or $0.44 per share for the third quarter of 2026 compared to $1,791,000 or $0.45 per share for the third quarter of 2025. Return on Equity was 12.00% for the third quarter of 2026 compared to 13.35% for the third quarter of 2025.

Net interest income for the third quarter of 2026 increased by $124,000 or 2.4% compared to the respective 2025 period. Interest income increased by $36,000, mainly due to an increase in securities. Interest expense decreased by $88,000, mainly due to a decrease in funding costs. Non-interest income slightly decreased by $16,000, while operating expenses increased by $192,000, which was mainly due to higher wages and benefits expense.

Total assets were $565 million as of September 30, 2026 compared to $548 million as of September 30, 2025. Total securities grew by $40 million, which was financed through a strategic combination of excess cash, new wholesale borrowings, and liquidity from loan payoffs. While total deposits increased by $7 million, there was a shift towards wholesale funding, as brokered deposits increased by $20 million, which helped offset a $13 million decrease in core deposits. To further support balance sheet growth, Federal Home Loan Bank borrowings were increased by $10 million. While total loans decreased by $10 million or 2.7% due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.25%. Additionally, CEFC's wholly owned subsidiary, Commercial Bank, remained "well capitalized" for regulatory purposes.

CEFC announced a share repurchase program in May of 2025, which remains in effect indefinitely. As of September 30, 2026, CEFC has repurchased 91,333 shares since the inception of the repurchase program and has allocated an additional $1.2 million for future share repurchases. CEFC may repurchase shares under the program at its discretion, taking into account factors such as the share price, market conditions, share availability, and other relevant considerations. There is no guarantee that any specific number of shares will be repurchased, and CEFC may modify, renew, suspend, or terminate the program at any time without prior notice. For further information about the stock repurchase program, please contact our primary market maker, Nick Bicking at Brean Capital, LLC, at 614-638-4584.

As always, please feel free to contact me with questions or concerns.

Kevin D. Collison
President and CEO

COMMERCIAL NATIONAL FINANCIAL CORPORATION

FINANCIAL HIGHLIGHTS

	9/30/2026	9/30/2025
	QUARTER ENDING	
Basic Earnings	$ 0.44	$ 0.45
Diluted Earnings	$ 0.44	$ 0.45
Return on Average Equity	12.00%	13.35%
Return on Average Assets	1.22%	1.30%
Net Interest Margin	4.01%	3.97%
	YEAR TO DATE	
Basic Earnings	$ 1.29	$ 1.22
Diluted Earnings	$ 1.29	$ 1.22
Return on Average Equity	$ 11.82	12.36%
Return on Average Assets	$ 1.21	1.16%
Net Interest Margin	3.99%	3.82%
Dividends Declared	$ 0.45	$ 0.42
Cash Dividends Paid	$ 0.44	$ 0.42
Book Value	$ 14.09	$ 13.90
Market Price	$ 16.00	$ 12.10
Dividend Yield	3.75%	4.63%
Allowance for Credit Losses to Total Loans	0.91%	0.90%
Common Shares Outstanding	3,873,970	3,936,200

INVESTMENT BROKER

Brean Capital, LLC

Nick Bicking	nbicking@breancapital.com	(614) 638-4584
Tom Dooley	tdooley@breancapital.com	(614) 203-2996

Brokerage & Advisory services offered through Brean Capital, LLC are not affiliated with Commercial Bank.
Member SIPC

Stock Symbol: CEFC

CONSOLIDATED BALANCE SHEETS

	9/30/2026	9/30/2025
Assets	(Unaudited)	(Unaudited)
Cash and due from banks	$ 37,645,032	$ 50,432,608
Time deposits in banks	-	1,494,000
Securities	127,362,290	87,151,048
Loans	367,330,815	377,670,851
Less: Allowance for credit losses	(3,328,428)	(3,413,163)
Net loans	364,002,387	374,257,688
Bank premises & equipment	9,708,869	9,732,492
Other assets	26,003,285	24,647,796
Total Assets	$ 564,721,863	$ 547,715,632
Liabilities		
Deposits		
Non-interest bearing	$ 117,062,076	$ 109,436,809
Interest bearing	371,201,735	371,666,192
Total deposits	488,263,811	481,103,001
Federal Home Loan Bank borrowings	11,000,000	1,000,000
Trust Preferred	7,310,000	7,310,000
Accrued expenses and other liabilities	3,550,725	3,605,711
Total Liabilities	510,124,536	493,018,712
Shareholders' Equity		
Common stock & paid-in-capital	19,296,928	20,196,761
Accumulated other comprehensive income (loss), net of tax	(10,291,057)	(6,572,892)
Retained earnings	45,591,456	41,073,051
Total Shareholders' Equity	54,597,327	54,696,920
Total Liabilities & Shareholders' Equity	$ 564,721,863	$ 547,715,632

CONSOLIDATED STATEMENTS OF INCOME

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	QUARTER ENDING		YEAR TO DATE	
	9/30/2026	9/30/2025	9/30/2026	9/30/2025
Interest Income	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest & fees on loans	$ 5,054,059	$ 5,254,096	$ 14,978,946	$ 15,681,999
Interest & dividends on securities	1,228,701	803,305	3,389,451	2,329,283
Interest on deposits in banks	321,265	510,346	1,086,348	1,573,564
Total Interest Income	6,604,025	6,567,747	19,454,745	19,584,846
Interest Expense				
Interest on deposits	1,155,723	1,305,988	3,184,062	4,209,109
Interest on FHLB borrowings	78,335	10,016	374,026	36,965
Trust Preferred (net)	105,787	114,729	312,463	384,034
Interest on other borrowings	3,190	117	9,993	178
Total Interest Expense	1,343,035	1,430,850	3,880,544	4,630,286
Net Interest Income	5,260,990	5,136,897	15,574,201	14,954,560
Provision for credit losses	695	(22,241)	(45,647)	(56,454)
Net Interest Income after Provision	5,260,295	5,159,138	15,619,848	15,011,014
Non-interest Income				
Service charges and fees	306,236	293,895	895,460	877,468
Other income	244,606	272,975	788,253	702,014
Total Other Income	550,842	566,870	1,683,713	1,579,482
Operating Expenses				
Salaries & employee benefits	2,316,216	2,141,271	6,873,740	6,514,123
Occupancy & equipment expense	724,117	696,008	2,238,628	2,119,129
Other expenses	688,342	699,691	2,067,077	2,075,899
Total Operating Expenses	3,728,675	3,536,970	11,179,445	10,709,151
Income Before Income Taxes	2,082,462	2,189,038	6,124,116	5,881,345
Income Tax Expense	361,700	398,025	1,085,400	1,053,975
Net Income	$ 1,720,762	$ 1,791,013	$ 5,038,716	$ 4,827,370

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 — Amy S. Homich

Melanie S. Baxter — Heidi L. Miller

Mark C. Dingee — Janine K. Palmer

Joshua J. Geoghan — Elizabeth H. Sinko

Paul D. Harger — Sheena M. Williams

Assistant Vice Presidents

Raquel Q. Brown — Nate R. Kirk, Jr.

Cody R. Dishaw — Tammy L. McCollum

Tricia C. Frost — Roger K. Merritt

Kristy K. Jones

Officers

Ron Johnson — Darlene K. Misenhelder

Emilee K. Haines — Heather H. Warren

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