



**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

Visit www.commercial-bank.com to view the latest consolidated Annual Report, news releases and other information about CEFC and Commercial Bank.

www.commercial-bank.com



**FIRST QUARTER REPORT
MARCH 31, 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 \$1,677,000 or \$0.43 per share for the first quarter of 2026 compared to \$1,429,000 or \$0.36 per share for the first quarter of 2025. Return on Equity was 11.87% for the first quarter of 2026 compared to 11.31% for the first quarter of 2025.

Net interest income for the first quarter of 2026 increased by \$302,000 or 6.2% compared to the respective 2025 period. Interest income decreased by \$66,000, mainly due to a decrease in loans. Interest expense decreased by \$368,000, mainly due to a decrease in funding costs. Non-interest income increased by \$43,000, while operating expenses increased by \$73,000, which was mainly due to higher wages and benefits expense.

Total assets were \$565 million as of March 31, 2026 compared to \$571 million as of March 31, 2025. Total securities increased by \$26 million, replacing the \$26 million decrease in total loans. While loans decreased due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.14%. Total deposits decreased by \$17 million and were partially replaced with borrowings from the Federal Home Loan Bank. Additionally, CEFS'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. 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 D.A. Davidson & Co., at 614-710-7060.

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

	3/31/2026	3/31/2025
QUARTER ENDING		
Basic Earnings	\$ 0.43	\$ 0.36
Diluted Earnings	\$ 0.43	\$ 0.36
Return on Average Equity	11.87%	11.31%
Return on Average Assets	1.22%	1.03%
Net Interest Margin	3.97%	3.68%
Dividends Declared	\$ 0.15	\$ 0.14
Cash Dividends Paid	\$ 0.14	\$ 0.14
Book Value	\$ 14.33	\$ 13.14
Market Price	\$ 14.05	\$ 10.50
Dividend Yield	4.27%	5.33%
Common Shares Outstanding	3,906,203	3,965,303
Weighted-Average Common Shares Outstanding	3,931,624	3,965,303
Allowance for Credit Losses to Total Loans	0.92%	0.89%

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

	3/31/2026	3/31/2025
Assets	(Unaudited)	(Unaudited)
Cash and due from banks	\$ 60,282,184	\$ 63,760,176
Time deposits in banks	-	1,743,000
Securities	109,087,871	83,490,143
Loans	364,324,269	390,575,608
Less: Allowance for credit losses	<u>(3,338,799)</u>	<u>(3,482,427)</u>
Net loans	360,985,470	387,093,181
Bank premises & equipment	9,737,884	9,901,597
Other assets	<u>24,880,188</u>	<u>24,663,342</u>
Total Assets	<u>\$ 564,973,597</u>	<u>\$ 570,651,439</u>
Liabilities		
Deposits		
Non-interest bearing	\$ 110,972,215	\$ 105,496,720
Interest bearing	<u>376,020,496</u>	<u>398,366,136</u>
Total deposits	486,992,711	503,862,856
Federal Home Loan Bank borrowings	11,000,000	4,000,000
Trust Preferred	7,310,000	7,310,000
Accrued expenses and other liabilities	<u>3,684,251</u>	<u>3,363,007</u>
Total Liabilities	508,986,962	518,535,863
Shareholders' Equity		
Common stock & paid-in-capital	19,771,216	20,517,672
Accumulated other comprehensive income (loss), net of tax	(7,177,560)	(7,183,267)
Retained earnings	<u>43,392,979</u>	<u>38,781,171</u>
Total Shareholders' Equity	<u>55,986,635</u>	<u>52,115,576</u>
Total Liabilities & Shareholders' Equity	<u>\$ 564,973,597</u>	<u>\$ 570,651,439</u>

CONSOLIDATED STATEMENTS OF INCOME

	QUARTER ENDING	
	3/31/2026	3/31/2025
	(Unaudited)	(Unaudited)
Interest Income		
Interest & fees on loans	\$ 4,951,658	\$ 5,199,761
Interest & dividends on securities	1,021,200	744,205
Interest on deposits in banks	<u>435,860</u>	<u>531,327</u>
Total Interest Income	6,408,718	6,475,293
Interest Expense		
Interest on deposits	1,019,074	1,468,233
Interest on FHLB borrowings	142,312	12,953
Trust Preferred (net)	102,562	154,044
Interest on other borrowings	<u>3,140</u>	<u>-</u>
Total Interest Expense	1,267,088	1,635,230
Net Interest Income	5,141,630	4,840,063
Provision for credit losses	<u>(40,000)</u>	<u>-</u>
Net Interest Income after Provision	5,181,630	4,840,063
Non-interest Income		
Service charges and fees	269,868	269,244
Other income	<u>243,435</u>	<u>200,702</u>
Total Other Income	513,303	469,946
Operating Expenses		
Salaries & employee benefits	2,238,964	2,185,311
Occupancy & equipment expense	779,432	726,704
Other expenses	<u>630,634</u>	<u>664,238</u>
Total Operating Expenses	3,649,030	3,576,253
Income Before Income Taxes	2,045,903	1,733,756
Income Tax Expense	<u>369,000</u>	<u>304,475</u>
Net Income	<u>\$ 1,676,903</u>	<u>\$ 1,429,281</u>

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	Jamie L. Ogle
Joshua J. Geoghan	Janine K. Palmer
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	Elizabeth H. Sinko
Officers	
Ron Johnson	Elizabeth A. Nedry
Darlene K. Misenhelder	Heather H. Warren

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