

Commercial National Financial Corporation Reports 2nd Quarter 2025 Results

Ithaca, Michigan, July 28, 2025 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (OTCID: CEFC) reported net income for the second quarter of 2025 of \$1,607,000 or \$0.41 per share compared to second quarter 2024 net income of \$1,412,000 or \$0.36 per share. Return on Equity was 12.36% for the second quarter of 2025 compared to 11.96% for the second quarter of 2024.

Net interest income for the second quarter of 2025 increased by \$400,000 or 8.7% compared to the respective 2024 period. Interest income decreased by \$168,000, mainly due to a decrease in loan balances. Interest expense decreased by \$568,000, as deposit rates were reduced following the federal funds rate cuts during the end of 2024. Non-interest income decreased by \$71,000 or 11.6%, primarily due to lower other miscellaneous income. Operating expenses increased by \$40,000 or 1.1%.

Total assets were \$552 million as of June 30, 2025 compared to \$573 million as of June 30, 2024. The decrease in assets was mainly due to the repayment of wholesale funding and trust preferred debt. While total loans decreased by \$28 million or 6.9% due to the high-interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.27%. Additionally, CEFC's wholly owned subsidiary, Commercial Bank, remains significantly above "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.

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

Selected Financial Data (unaudited):

	Quarter Ended		Year to Date	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
Return on Equity	12.36%	11.96%	11.84%	10.96%
Return on Assets	1.16%	0.98%	1.09%	0.89%
Net Interest Margin	3.80%	3.38%	3.74%	3.31%
	Jun 30, 2025	Jun 30, 2024		
Non-Performing Assets Ratio	0.27%	0.22%		
Tier 1 Leverage Capital Ratio ⁽¹⁾	10.63%	9.98%		
Total Risk-Based Capital Ratio ⁽¹⁾	17.46%	16.00%		
Book Value Per Share	\$13.21	\$12.16		
Market Value Per Share	\$10.50	\$8.90		

⁽¹⁾ Ratios are for Commercial Bank

Consolidated Statements of Income (unaudited):

	Quarter Ended		Year to Date	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
Interest Income	\$ 6,541,806	\$ 6,709,614	\$ 13,017,099	\$ 13,325,088
Interest Expense	1,564,206	2,131,773	3,199,436	4,255,200
Net Interest Income	4,977,600	4,577,841	9,817,663	9,069,888
Provision for credit losses	(34,213)	(79,201)	(34,213)	(39,201)
Non-interest income	542,666	613,892	1,012,612	1,150,984
Operating Expenses	3,595,928	3,555,700	7,172,181	7,150,718
Income before taxes	1,958,551	1,715,234	3,692,307	3,109,355
Income tax expense	351,475	303,070	655,950	536,060
Net Income	<u>\$ 1,607,076</u>	<u>\$ 1,412,164</u>	<u>\$ 3,036,357</u>	<u>\$ 2,573,295</u>
Net Income per share – diluted	<u>\$ 0.41</u>	<u>\$ 0.36</u>	<u>\$ 0.77</u>	<u>\$ 0.65</u>
Dividends declared	<u>\$ 0.14</u>	<u>\$ 0.14</u>	<u>\$ 0.28</u>	<u>\$ 0.28</u>

Consolidated Balance Sheets (unaudited):

	Jun 30, 2025	Jun 30, 2024
Assets		
Cash and cash equivalents	\$ 55,001,227	\$ 47,039,228
Time deposits with other banks	1,494,000	1,992,000
Securities	80,346,101	80,159,284
Loans	383,769,712	412,197,881
Allowance for credit losses	<u>(3,432,412)</u>	<u>(3,528,389)</u>
Loans, net	380,337,300	408,669,492
Premises and equipment, net	9,858,626	9,920,094
Other assets	25,056,597	24,949,807
Total Assets	<u>\$ 552,093,851</u>	<u>\$ 572,729,905</u>
Liabilities		
Deposits	\$ 484,981,138	\$ 501,929,583
FHLB borrowings	4,000,000	9,000,000
Trust preferred	7,310,000	10,310,000
Other liabilities	<u>3,415,374</u>	<u>3,269,872</u>
Total Liabilities	499,706,512	524,509,455
Equity		
Total Equity	<u>52,387,339</u>	<u>48,220,450</u>
Total Liabilities and Equity	<u>\$ 552,093,851</u>	<u>\$ 572,729,905</u>

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