



**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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**FIRST QUARTER REPORT
MARCH 31, 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 first quarter of 2025 was \$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.

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

	3/31/2025	3/31/2024
	QUARTER ENDING	
Basic Earnings	\$ 0.36	\$ 0.29
Diluted Earnings	\$ 0.36	\$ 0.29
Return on Equity	11.31%	9.95%
Return on Assets	1.03%	0.79%
Net Interest Margin	3.68%	3.25%
Cash Dividends Paid	\$ 0.14	\$ 0.14
Book Value	\$ 13.14	\$ 11.89
Market Price	\$ 10.50	\$ 9.15
Dividend Yield	5.33%	6.12%
Allowance for Credit Losses to Total Loans	0.89%	0.87%

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

	3/31/2025	3/31/2024
Assets	(Unaudited)	(Unaudited)
Cash and due from banks	\$ 63,760,176	\$ 59,248,093
Time deposits in banks	1,743,000	1,992,000
Securities	83,490,143	84,835,301
Loans	390,575,608	414,380,652
Less: Allowance for credit losses	<u>(3,482,427)</u>	<u>(3,609,455)</u>
Net loans	387,093,181	410,771,197
Bank premises & equipment	9,901,597	9,655,198
Other assets	<u>24,663,342</u>	<u>25,205,622</u>
Total Assets	<u>\$ 570,651,439</u>	<u>\$ 591,707,411</u>
Liabilities		
Deposits		
Non-interest bearing	\$ 105,496,720	\$ 107,507,933
Interest bearing	<u>398,366,136</u>	<u>409,252,217</u>
Total deposits	503,862,856	516,760,150
Federal Home Loan Bank borrowings	4,000,000	14,000,000
Trust Preferred	7,310,000	10,310,000
Accrued expenses and other liabilities	<u>3,363,007</u>	<u>3,490,066</u>
Total Liabilities	518,535,863	544,560,216
Shareholders' Equity		
Common stock & paid-in-capital	20,517,672	20,517,672
Accumulated other comprehensive income (loss), net of tax	(7,183,267)	(8,240,801)
Retained earnings	<u>38,781,171</u>	<u>34,870,324</u>
Total Shareholders' Equity	<u>52,115,576</u>	<u>47,147,195</u>
Total Liabilities & Shareholders' Equity	<u>\$ 570,651,439</u>	<u>\$ 591,707,411</u>

CONSOLIDATED STATEMENTS OF INCOME

	QUARTER ENDING	
	3/31/2025	3/31/2024
	(Unaudited)	(Unaudited)
Interest Income		
Interest & fees on loans	\$ 5,199,761	\$ 5,456,307
Interest & dividends on securities	744,205	598,521
Interest on deposits in banks	<u>531,327</u>	<u>560,646</u>
Total Interest Income	6,475,293	6,615,474
Interest Expense		
Interest on deposits	1,468,233	1,826,711
Interest on FHLB borrowings	12,953	59,065
Trust Preferred (net)	154,044	237,559
Interest on other borrowings	<u>-</u>	<u>92</u>
Total Interest Expense	1,635,230	2,123,427
Net Interest Income	4,840,063	4,492,047
Provision for credit losses	<u>-</u>	<u>40,000</u>
Net Interest Income after Provision	4,840,063	4,452,047
Non-interest Income		
Service charges and fees	269,244	294,859
Other income	<u>200,702</u>	<u>242,233</u>
Total Other Income	469,946	537,092
Operating Expenses		
Salaries & employee benefits	2,185,311	2,218,942
Occupancy & equipment expense	726,704	671,739
Other expenses	<u>664,238</u>	<u>704,337</u>
Total Operating Expenses	3,576,253	3,595,018
Income Before Income Taxes	1,733,756	1,394,121
Income Tax Expense	<u>304,475</u>	<u>232,990</u>
Net Income	<u>\$ 1,429,281</u>	<u>\$ 1,161,131</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	Jamie L. Ogle
Paul D. Harger	Janine K. Palmer
Amy S. Homich	Denise L. Reese
Heidi L. Miller	
Assistant Vice Presidents	
Melanie S. Baxter	Tammy L. McCollum
Andrea G. Carr	Roger K. Merritt
Cody R. Dishaw	Billie G. Smith
Nate R. Kirk, Jr.	Sheena M. Williams
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