

## **Commercial National Financial Corporation Reports 4<sup>th</sup> Quarter 2025 Results**

Ithaca, Michigan, January 22, 2026 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (OTCID: CEFC) reported net income for the fourth quarter of 2025 of \$1,784,000 or \$0.45 per share compared to fourth quarter 2024 net income of \$1,882,000 or \$0.47 per share. Return on Equity was 12.64% for the fourth quarter of 2025 compared to 14.73% for the fourth quarter of 2024.

Net interest income for the fourth quarter of 2025 increased by \$320,000 or 6.5% compared to the respective 2024 period. Interest income decreased by \$196,000, mainly due to a decrease in loans. Interest expense decreased by \$516,000, mainly due to a decrease in funding costs. Non-interest income decreased by \$218,000, while operating expenses increased by \$150,000, which was mainly due to higher wages and benefits expense.

Total assets were \$554 million as of December 31, 2025 compared to \$567 million as of December 31, 2024. Total deposits decreased by \$27 million, which consisted of a decrease of \$15 million in core deposits and \$12 million in brokered deposits, which were replaced with borrowings from the Federal Home Loan Bank. While total loans decreased by \$24 million or 6.1% due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.17%. Additionally, CEFC's wholly owned subsidiary, Commercial Bank, remains "well capitalized" for regulatory purposes.

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### **Selected Financial Data (unaudited):**

	Quarter Ended		Year to Date	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Return on Equity	12.64%	14.73%	12.44%	12.04%
Return on Assets	1.28%	1.31%	1.19%	1.02%
Net Interest Margin	4.04%	3.66%	3.87%	3.44%
	Dec 31, 2025	Dec 31, 2024		
Non-Performing Assets Ratio	0.17%	0.28%		
Tier 1 Leverage Capital Ratio <sup>(1)</sup>	10.88%	10.32%		
Total Risk-Based Capital Ratio <sup>(1)</sup>	18.30%	16.99%		
Book Value Per Share	\$14.30	\$12.74		
Market Value Per Share	\$13.65	\$9.85		

<sup>(1)</sup> Ratios are for Commercial Bank

**Consolidated Statements of Income (unaudited):**

	Quarter Ended		Year to Date	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Interest Income	\$ 6,496,798	\$ 6,692,617	\$ 26,081,644	\$ 26,762,188
Interest Expense	1,248,928	1,764,560	5,879,214	8,087,045
Net Interest Income	5,247,870	4,928,057	20,202,430	18,675,143
Provision for credit losses	(19,303)	(55,008)	(75,757)	(93,980)
Non-interest income	489,029	706,790	2,068,511	2,407,386
Operating Expenses	3,583,029	3,433,219	14,292,180	14,102,164
Income before taxes	2,173,173	2,256,636	8,054,518	7,074,345
Income tax expense	389,294	374,998	1,443,269	1,211,078
Net Income	<u>\$ 1,783,879</u>	<u>\$ 1,881,638</u>	<u>\$ 6,611,249</u>	<u>\$ 5,863,267</u>
Net Income per share – diluted	<u>\$ 0.45</u>	<u>\$ 0.47</u>	<u>\$ 1.67</u>	<u>\$ 1.48</u>
Dividends declared	<u>\$ 0.14</u>	<u>\$ 0.14</u>	<u>\$ 0.56</u>	<u>\$ 0.56</u>

**Consolidated Balance Sheets (unaudited):**

	Dec 31, 2025	Dec 31, 2024
<b>Assets</b>		
Cash and cash equivalents	\$ 57,373,635	\$ 55,588,156
Time deposits with other banks	-	1,743,000
Securities	94,346,865	82,075,403
Loans	371,327,999	395,651,055
Allowance for credit losses	(3,385,810)	(3,482,203)
Loans, net	367,942,189	392,168,852
Premises and equipment, net	9,617,442	10,037,771
Other assets	24,933,064	25,029,745
Total Assets	<u>\$ 554,213,195</u>	<u>\$ 566,642,927</u>
<b>Liabilities</b>		
Deposits	\$ 471,503,354	\$ 498,507,449
FHLB borrowings	16,000,000	4,000,000
Trust preferred	7,310,000	10,310,000
Other liabilities	3,115,523	3,295,393
Total Liabilities	497,928,877	516,112,842
<b>Equity</b>		
Total Equity	56,284,318	50,530,085
Total Liabilities and Equity	<u>\$ 554,213,195</u>	<u>\$ 566,642,927</u>

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