



2025

Annual Report

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Local. Growing. Staying.

Our Vision

To be recognized as the leading independent community bank.

Mission Statement

To be the preeminent financial services provider benefiting our customers, shareholders, and employees.

Core Values

- Demonstrate unwavering integrity
- Community bank focused
- Continued stability and independence
- Exceptional customer service delivered in a personal manner

Cover photo credit: Nasdaq. On Monday, May 12, 2025, Nasdaq welcomed Isabella Bank Corporation on the Nasdaq Tower in Times Square, NYC.

EQUAL EMPLOYMENT OPPORTUNITY

Isabella Bank Corporation and its subsidiaries adhere to and support the equal employment opportunity clauses in Section 202 of the Executive Order 11246, as amended; 38 USC 4212, Vietnam Era Veterans Readjustment Act of 1974; Section 503 of the Rehabilitation Act of 1973, as amended; relative to equal employment opportunity and implementing rules and regulations of the Secretary of Labor.



Corporate profile

As of December 31, 2025

Ticker	ISBA
Exchange	Nasdaq Capital Market
Stock price	\$50.00 per share
Market capitalization	\$366 million
Price to earnings ratio (Full year 2025)	19.5 X
Price to book value	158.2%
52 week price range (Closing price)	\$21.50 to \$56.58
Dividends per share (Full year 2025)	\$1.12 per share
Shares outstanding	7.3 million

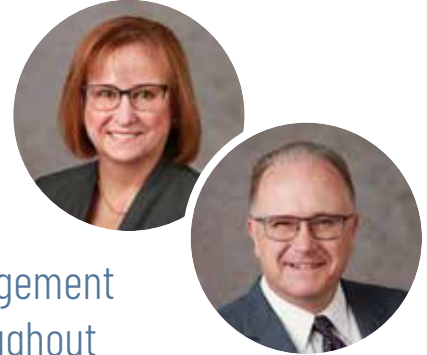
About us

- Founded in 1903.
- A full-service bank providing commercial, retail, treasury, and wealth management services.
- Largest bank headquartered in mid-Michigan, which includes 31 locations located in 8 counties: Bay, Clare, Gratiot, Isabella, Mecosta, Midland, Montcalm, and Saginaw.
- \$2.2 billion in total assets.
- Wealth Management assets under management totaling \$707 million.



Strong results in 2025; disciplined momentum for the future

Isabella Bank Corporation had an outstanding year in 2025, driven by growth across our geographic markets and strong results in our loan, deposit, and wealth management business lines. Our financial metrics also improved throughout the year, and that momentum is expected to continue in 2026.



Isabella Bank Corporation's move to the Nasdaq Capital Market in May 2025 also drove significant volume and price growth for shareholders. At year end, ISBA stock traded at more than double its 2025 opening price and our daily trading volume increased nearly 550%. This generates additional momentum to fuel future growth for the company.

Looking ahead with disciplined confidence

In a swiftly changing world, long-term success means continually adapting to meet current and future customer needs. Online banking, cybersecurity, and artificial intelligence, for example, create both headwinds and tailwinds. We're focused on both risk management and growth opportunities that align strategically to drive our financial results and assure our long-term sustainability.

To advance this strategic focus, we are launching several initiatives in 2026 that will enhance customer relationships and improve operational efficiency, including a new customer relationship management platform to strengthen engagement and service consistency across our markets, a redesigned website to elevate brand recognition and access to information, and an expanded online account opening system designed to increase digital origination and support customer growth.

As we look ahead, our focus is built on the values and beliefs that have guided us for more than 120 years. We act with integrity, keep customers and communities at the forefront, and prioritize exceptional service. Those values remain unchanged.

Your Board of Directors also strengthened during the year, as we added David B. Behen and Brian B. Tessin to our Board. David is an expert in cybersecurity and technology, while Brian is a seasoned financial professional with deep knowledge in tax strategy, financial reporting, mergers and acquisitions, and regulatory compliance.

In January 2026, we also welcomed Gerald J. Ritzert, CPA, as our Chief Financial Officer. Jerry brings extensive banking experience and proven ability to drive financial performance.

Together, our Board, management, and all 380 employees embrace our values, while our customers, communities, and shareholders drive our passion and commitment to continue to deliver outstanding service and results. We are thankful for, and dedicated to, maintaining and building these strong relationships.

Local. Growing. Staying.

Handwritten signature of Sarah R. Opperman in black ink.

SARAH R. OPPERMAN

Board Chair

Handwritten signature of Jerome E. Schwind in black ink.

JEROME E. SCHWIND

President & Chief Executive Officer,
Isabella Bank Corporation
Chief Executive Officer, Isabella Bank



Total Assets
Grew

\$123
million*

Daily Trading
Volume

550%

higher since
moving to Nasdaq
in May 2025

The listing of our common stock on Nasdaq increases ISBA share value and trading volume

Isabella Bank Corporation made the significant move to the Nasdaq Capital Market stock exchange from the OTCQX market on May 12, 2025. The decision to do so was made by its Board of Directors to generate greater returns.

On the day of the stock's debut, Isabella Bank's logo was displayed on the Nasdaq MarketSite Tower's seven-story LED video screen at 43rd and Broadway in New York City – the epicenter of Times Square.

ISBA shares had traded in the \$20s for several years before the move. On May 12, the stock ended the day at \$27.20. After consistent increases in subsequent months, it hit an intraday high of \$58.83 on December 22.

"We were prepared for a lift; that's the market at work," Jerome Schwind, Chief Executive Officer, Isabella Bank said. "But the steady climb, including a definitive response to our third-quarter results, was gratifying. It's strong recognition of our ability to deliver on strategic goals."

"The listing on Nasdaq puts Isabella Bank Corporation in front of more investors and larger investor groups," Neil McDonnell, President, Isabella Bank said. "Equally important, investors can now trade our stock on the Nasdaq more easily and more quickly."

"Our volume is a defining headline," Schwind said. "Now we average 25,000 shares traded a day. We've had days where tens of thousands of shares were traded, including nearly 100,000 shares on December 19."

*For the 12-month period ended December 31, 2025.



Financial report

Customer relationships are the backbone of growth in 2025



We saw significant loan growth in 2025, led largely by commercial and residential real estate loans. Overall, loans increased by \$112.8 million*, 8% higher than 2024.

Importantly, we continue to minimize risk by maintaining a low level of nonperforming loans. Our nonperforming loan to total loan ratio was 0.30% at year end. Deposit growth also maintained its momentum in 2025, with an increase of \$72.6 million, 4% higher than 2024. This is notable because, just as with loans, we are growing despite rate pressure from our competitors. We regularly monitor competition across our footprint.

Consumer demand for certificates of deposit accounts continued to be strong based on the elevated market interest rate environment as time deposits increased \$22.5 million in 2025.

Net interest income is a primary driver of profitability. While many banks saw margin improvement in 2025, our margin has strengthened steadily over several years due to our disciplined strategies for managing loans, deposits, and our investment portfolio. As a result, our net interest margin expanded to 3.16% for 2025, up from 2.90% for 2024.

Our average daily trading volume climbed from 1,700 shares a day prior to the listing of our common stock on the Nasdaq Capital Market to approximately 25,000. This improved

liquidity allows institutional investors to trade larger share volumes more efficiently.

Isabella Wealth, our financial, trust, estate planning, and insurance arm, finished 2025 with strength. Assets under management at year-end 2025 were \$707 million, a 7% increase over the previous year.

Other highlights from 2025:

- Total assets were \$2.2 billion, up \$123.2 million from 2024.
- Net income for the year was \$18.9 million, or \$2.56 per diluted share, compared with \$13.9 million, or \$1.86 per diluted share, in 2024.
- Net interest income was \$62.5 million in 2025, a 12% increase from 2024.
- Total Wealth management income was \$4.2 million in 2025, a 5% increase from 2024.

We anticipate the progress we experienced last year will continue in 2026.

GERALD J. RITZERT, CPA

Chief Financial Officer,
Isabella Bank Corporation

3.16%

Net Interest
Margin*

\$2.2
billion
Total Assets*

*As of and for the year ended December 31, 2025.

By the numbers**

Experienced financial leader joins Isabella Bank as CFO

Isabella Bank welcomed Gerald J. Ritzert, CPA, as Chief Financial Officer on January 5, 2026. Ritzert brings more than 30 years of experience in accounting and finance, including extensive leadership roles in the banking industry. His background spans asset liability management, capital planning, investment portfolio optimization, and strategic financial reporting. Throughout his career, he has led initiatives that enhanced profitability, strengthened risk management, and improved operational efficiency.

Ritzert earned a Bachelor of Science in Business Administration–Accounting from Robert Morris College and is a Certified Public Accountant.

Increase in Loans

\$112.8 million

8%

Loan Increase

Increase in Time Deposits

\$22.5 million

4%

Deposit Growth in 2025

Net Income for 2025

\$18.9 million

**As of and for the year ended December 31, 2025.



Board of Directors



Sarah R. Opperman - Chair
Vice President (retired),
The Dow Chemical Company



Melinda M. Coffin
Chief Executive Officer (former),
Soaring Eagle Gaming Enterprises



Jerome E. Schwind
President & Chief Executive Officer,
Isabella Bank Corporation,
Chief Executive Officer, Isabella Bank



Jae A. Evans
President & Chief Executive Officer (retired),
Isabella Bank Corporation,
Chief Executive Officer (retired),
Isabella Bank



Neil M. McDonnell
President,
Isabella Bank



Vicki L. Rupp
Corporate Director (retired),
The Dow Chemical Company



Dr. Jeffrey J. Barnes
Physician (retired),
L.O. Eye Care



Brian R. Sackett
Senior Partner,
Sackett Potatoes



David B. Behen
Co-Founder & Chief Strategy Officer,
SensCy



Brian B. Tessin
Chief Tax Officer (retired),
Dow Inc.



Jill Bourland, CPA, HCCP
Chief Executive Officer & Partner,
Blystone & Bailey, CPAs, PC

As of March 2026



New board members bring strategic depth in cybersecurity and finance

The Isabella Bank Corporation and Isabella Bank Boards of Directors welcomed two new members in 2025, enhancing capabilities in cybersecurity, regulatory compliance, and finance.

David B. Behen

Behen joined the boards in March 2025 and is co-founder and Chief Strategy Officer at SensCy, a cybersecurity company focused on small- and medium-sized organizations — including many within Isabella Bank’s footprint.

Behen previously served as a cabinet member for former Michigan Gov. Rick Snyder, where he was Director of the Department of Technology, Management and Budget and Michigan’s State Chief Information Officer. Under his leadership, Michigan earned national recognition for its innovative advancements in information technology and cybersecurity.

In addition to his executive work, Behen serves on several boards and professional committees within the technology and business sectors. He is also a member of the Eastern Michigan University College of Engineering and Technology Advisory Board.

Behen provides the Board with critical insight into cybersecurity, technology strategy, and emerging digital risks.

Brian B. Tessin

Tessin, who retired as Chief Tax Officer for Dow Inc. in January 2026, brings extensive experience in tax strategy, financial reporting, mergers and acquisitions, and regulatory compliance.

Tessin joined the boards in October 2025 and brings more than 30 years of leadership across global organizations. At Dow, he oversaw tax strategy, planning, compliance, and financial reporting. His background includes serving as Vice President, Tax and Chief Tax Counsel for Albemarle Corporation, and nearly two decades at Dow Corning Corporation, where he became Corporate Vice President of Tax.

Tessin is a member of the State Bar of Michigan and the Tax Executives Institute, and has served on tax policy committees for the Financial Executives Institute and the National Association of Manufacturers. He has also served on the boards of Midland Tomorrow and Wellspring Lutheran Services of Michigan.

Tessin’s experience guiding complex tax, reporting, and merger activities adds depth to the Board’s financial and strategic decision-making.



Dedicated support fuels commercial deposit growth

Specialized expertise and strong customer relationships drive deposit and lending momentum

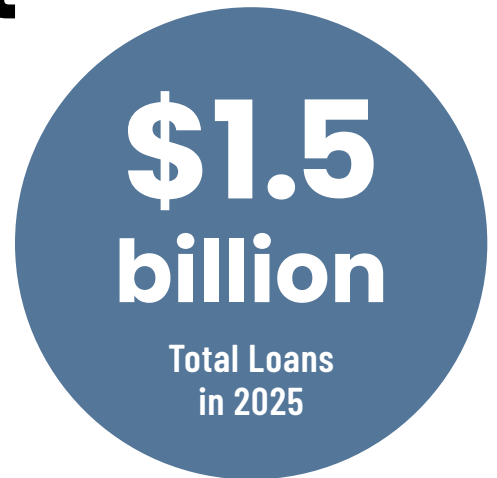
The increase in deposits from business and municipal customers at Isabella Bank is the result of commercial customers having their own team of dedicated banking experts. Our treasury management team members consult with customers on matters such as cash management options, automated banking services, and security.

They help install banking software and provide training. They coach municipalities in securing expanded FDIC coverage and exploring options such as installing scanners to process hundreds or thousands of water bill checks.

Isabella Bank helps ensure automatic withdrawals are legitimate, direct deposits are accurate, checks are cashed by the right people in the right amount, and suspect transactions are flagged.

Word is spreading about Isabella Bank's quality of service, spurring a 4% growth in total deposits and nearly 20% growth in new municipal accounts. Additionally, new public fund accounts – financial resources held by governmental entities and generated through taxes, fees, or bond issuances – opened with more than \$25 million.

"It's our business to save customers time and money and to provide the services they need to operate efficiently," said Greg Mapes, Vice President, Deposit Administration.



Total loans surpass \$1.5 billion

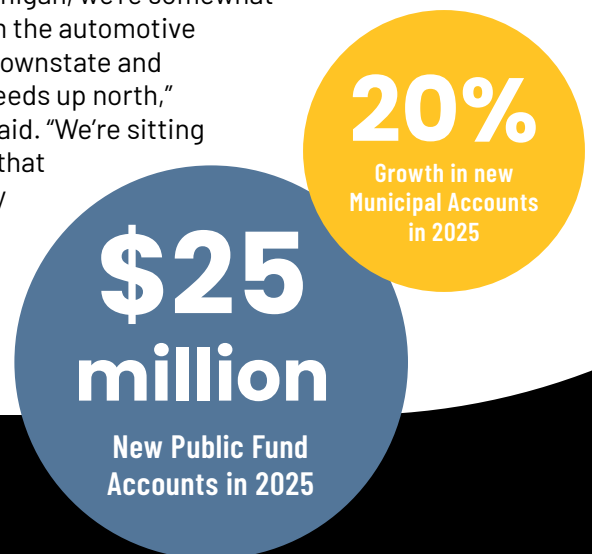
Commercial loans and residential mortgages helped push Isabella Bank's total loans beyond \$1.5 billion – a 7.92% increase from a year ago.

Michael Huenemann, in his 21st year with Isabella Bank and his first as Chief Lending Officer, said new loan marketing initiatives and the Bank's longtime vision for lending are appealing to customers.

"We don't just offer you a loan," Huenemann said. "We help you with loan needs, deposit needs, cash management, services for employees, and personal services. Our team is focused on building long-term relationships."

Isabella Bank's growth in the Midland, Saginaw, and Bay City region also has contributed to the loan portfolio's impressive expansion.

"In central Michigan, we're somewhat insulated from the automotive fluctuations downstate and the tourism needs up north," Huenemann said. "We're sitting in a nice area that is consistently growing and doing well."



Financial metrics are as of and for the year ended December 31, 2025.

Trusted customer perspectives

“Always professional, always accurate.”

We have a great, close working relationship with Isabella Bank. They're professional, accurate, and helpful, whether we're working together via the phone, email, or in person.

They monitor our accounts closely and send alerts when anything looks out of place. They work with us when money needs to be transferred between accounts. They also help when our employees have questions about their Health Savings Accounts [which are held at Isabella Bank].”

CHARLOTTE PERKINS

Utility Billing/Collections Supervisor for Buena Vista Charter Township in Saginaw County and primary liaison with Isabella Bank. The township switched to Isabella Bank in 2024.

“Isabella Bank has a vested stake in how I'm doing.”

We've done business with nearly every bank that's set foot in Midland County, and we switched when they got too corporate. Now that Isabella Bank is here, I can go in and talk with someone who has the power to make local decisions.

Isabella Bank doesn't have rigid internal rules set by people far away. This team knows me, my history, and my accounts. They care. I know Isabella Bank has my best interests at heart.”

BJ MCCANN

Third-generation Midland business leader, manager, and co-owner of McCann Property Management.



“At Isabella Wealth, clients value the team’s accessibility and rely on advisors to serve as long-term financial partners.”

RANDY DICKINSON, CPA, CTFA
SENIOR VICE PRESIDENT
ISABELLA WEALTH

\$707
million

Isabella Wealth
Assets Under Management
in 2025

75%

Increase in
10 years

Meeting our communities where they are

Community banking is, and always has been, at the heart of the Isabella Bank brand

We believe our regional structure ensures Isabella Bank reflects and caters to the unique needs of every community we serve. That’s why each of our south, east, west, and north regions has its own advisory board of directors — local leaders who ask questions, share insights, and provide candid feedback so customers receive banking services and support they need from people they trust.

Steven Stark, a real estate developer with Northern Commercial Real Estate in Clare, serves on the North Region Advisory Board. For him, the regional structure is central to what sets Isabella Bank apart.

“Other banks have been bought out and are part of a big entity. Our bank is still a community bank, and it is a great group of people,” he said. “Customers like that our team members know their name.”

As a businessperson and lifelong member of the Clare community, Stark sees how meaningful local involvement is.

“Members of the community who work at Isabella Bank grow and become management,” he said. “Isabella Bank is part of the community because it is the community.”

Our advisory boards are made up of local residents, business owners, and community leaders who bring firsthand insight into their regions. In our south region, members with deep agricultural ties help shape products and outreach that support local growers and agribusinesses. In our north and east regions, leaders representing businesses, community organizations, and major employers offer critical feedback on market needs, outreach, and opportunities. In our west region, board members guide our community involvement and provide input on refining products and services to better meet local needs. Together, their insight keeps our decisions rooted in the communities we serve.

Across all of our regions, these advisory boards form a vital connection between Isabella Bank and the communities that rely on us. Their perspectives help us stay responsive, guide key decisions, and strengthen the trust that defines community banking. Isabella Bank’s regional model isn’t just a structure — it’s a reflection of who we are: a community bank committed to meeting our communities exactly where they are. A listing of our Regional Board members is on page 17.

Financial metrics are as of and for the year ended December 31, 2025.



Isabella Wealth: guiding clients through every stage of life

Isabella Wealth provides clients with personalized financial guidance as they build and manage wealth, plan for major milestones, and prepare for retirement. As relationship-led advisors, the team partners closely with clients to understand long-term goals and develop strategies tailored to each individual's financial journey – whether they're just beginning to save, navigating mid-career decisions, or transitioning into retirement.

What makes Isabella Wealth's approach distinctive is its deep community presence. Clients benefit from working with advisors who know their families, their businesses, and their communities. When clients want someone who understands the local landscape, and who will be there as life evolves, Isabella Wealth's relationship focused model gives the team a natural competitive advantage.

Digital banking, local support team

Nationally, about 55% of customers primarily use mobile apps for their banking needs, while another 22% rely mainly on computers. Isabella Bank's customer usage closely reflects that trend, underscoring the importance of strong, accessible, and secure digital tools.

Over the past year, digital engagement at Isabella Bank continued to rise. Person to Person (P2P) transactions increased by 20.2% in dollar volume, demonstrating customers' growing preference for quick, secure money movement. Mobile deposit transactions also rose by 3.5%, reflecting steady adoption of convenient remote deposit tools.

To support this growing demand, Isabella Bank has dedicated teams who answer customer questions, enhance account security, and ensure digital platforms remain reliable and easy to use.

Isabella Wealth has grown steadily, with assets under management rising from \$405 million in 2015 to \$707 million in 2025 – a 75% increase over 10 years. While market performance certainly has contributed to this increase, the success primarily reflects the team's strong service model, meaningful client relationships, and the long-term results delivered on behalf of clients.

For individuals nearing or entering retirement, the team provides support with 401(k) rollovers, risk assessments, tax considerations, and comprehensive planning. "At Isabella Wealth, clients value the team's accessibility and rely on advisors to serve as long-term financial partners," said Randy Dickinson, CPA, CTFA, Senior Vice President, Isabella Wealth.

20.2%

Increase in Dollar Volume of Person to Person (P2P) Transactions*

3.5%

Increase in Mobile Deposit Transactions*

A new digital platform launching in 2026 will expand options for opening multiple types of accounts online. In addition, an upgraded website will offer more intuitive navigation and enhanced communication tools – further strengthening Isabella Bank's digital service model.

"We have local employees in our call center who track down answers and chat online with customers about their accounts, loans, or other banking needs," said Jenn Brick, Vice President, Director of Customer Service Operations. "Banking with Isabella Bank is still personal, even when it's online and we're essentially texting with customers."

*Amounts as of and for the year ended December 31, 2025.



Community involvement happens all year long

Isabella Bank has been investing in the people it serves since its founding more than 120 years ago, leaning into a strong sense of responsibility and commitment to local communities.

Funding for arena at Mid Michigan College

In 2025, Isabella Bank was honored to support the development of the Isabella Bank Arena, a standout feature of the new 37,000-square-foot Morey Event Center at Mid Michigan College's Mt. Pleasant campus. This community hub will allow Mid Michigan College to host its commencement on campus for the first time and will provide a permanent home for Laker Athletics.

The center, slated to be completed this fall, will also host community events, conferences, and regional celebrations.

"The naming of the Isabella Bank Arena is more than a milestone — it's a symbol of our deep and enduring commitment to the people and places we serve," Jerome Schwind, Chief Executive Officer, Isabella Bank said during October's groundbreaking ceremony.

"Isabella Bank is a trusted friend and partner of Mid Michigan College and was one of the first organizations we engaged with as we envisioned this project," said Tim Hood, President, Mid Michigan College. "Their generous gift to name the Isabella Bank Arena at the Morey Event Center exemplifies our shared commitment to students, the community, and opportunities that bring people together. We are profoundly grateful for their support."

Year-Round Commitment

2025 impact in numbers

348

Employees Contributed

9,550

Volunteer Hours

\$713,093

Funds Were Distributed to

342

Local Organizations



Mid Michigan College staff and supporters gather to celebrate the groundbreaking of the Morey Event Center at Mid Michigan College.

Employees join in day of giving back

As it does each fall, Isabella Bank closed its branches for Columbus Day, and employees put their **Compassion Into Action**. Across communities large and small, 299 team members gathered to make a difference.

They volunteered with 16 local organizations, contributing through activities such as removing invasive plants, painting a Habitat for Humanity home, packing hygiene and food kits, serving meals, and cleaning up yards for local seniors – all in support of our community and its residents.



Isabella Bank team at Saginaw-Shiawassee Habitat for Humanity for Compassion Into Action 2025.

299

Participating Employees

1,638

Volunteer Hours

16

Organizations Served

Holiday outreach from the heart

In December 2025, Isabella Bank also launched **Holiday with Heart**, a new giving initiative for the end of the year. After thousands of community votes, the Bank awarded \$24,000 to eight nonprofits across our footprint.

A “Grand Gift” of \$10,000 went to **Isabella Community Soup Kitchen** to provide free daily meals for those in need. Other gifts were awarded to:

- Child Advocacy of Gratiot County – Baby Pantry
- Emmaus House of Saginaw
- Angels of Action of Mecosta County
- Mid-Michigan Community Action
- Boys & Girls Clubs of the Great Lakes Bay Region
- Midland County Food Assistance Network
- Montcalm County Habitat for Humanity

“We believe in empowering local organizations that make a real difference for our neighbors,” said Neil McDonnell, President, Isabella Bank. “Holiday with Heart is about coming together to create meaningful impact.”



Isabella Bank presenting the prize checks to Isabella Community Soup Kitchen and Emmaus House of Saginaw.

\$24,000

Total Donated through Holiday with Heart



Employee recognition

In 2025, we recognized and celebrated the following individuals on their recent retirements and promotions. Congratulations to all on your accomplishments and we thank you for your dedication!

Isabella Bank Officer Promotions

Kohl Bechtel

Senior Treasury Analyst, AVP

Michelle Bleise

Loss Prevention Manager, Officer

Rachelle Coffland

Trust Officer, AVP

Beth Cook

Commercial Loan Officer, AVP

Sara Coston

Accounting Manager, AVP

Michael Huenemann

Chief Lending Officer

Sue Kennedy

Loan Operations Officer, AVP

Jillyan Rose

Branch Manager I, Officer

Andrew Rosenburg

Financial Reporting Manager, Officer

Erika Ross

Chief Risk Officer, SVP

Sara Scholer

Consumer Loan Sales Manager, VP

Timothy Slother

Facilities Manager, Officer

Sean Squires

Branch Manager II, Officer

Deb Wentworth

Trust Officer

Retirements

Rechelle Richardson

47 years

Dave Reetz

38 years

Coy Campbell

27 years

Karen Gulick

23 years

Sheri Treacy

40 years

Amy Vogel

37 years

Suzi Fussman

26 years

A legacy of service



Dave Reetz

retired after 38 years of exceptional service to Isabella Bank. As **Chief Lending Officer**, he brought leadership, professionalism, and deep knowledge to a critical

component of our business. His career also included experience as a Branch Manager and Commercial Lender, where he helped advance our lending strategies and support the communities we serve. We extend our gratitude to Dave for his longstanding impact and congratulate him on a well-earned retirement.



Rechelle Richardson

concluded her career with Isabella Bank after 47 years of dedicated service. During her tenure as **Senior Executive Assistant to**

the CEO, she supported the organization with dedication, expertise, and care for colleagues and shareholders. During her career, she also served in Collections, Marketing, and Human Resources, bringing integrity and strong work ethic to each role. We appreciate Rechelle's many contributions and wish her all the best in retirement.



Senior officers & regional boards

Isabella Bank Corporation Officers

Jerome E. Schwind
President & Chief Executive Officer

Gerald J. Ritzert, CPA (as of Jan. 2026)
Chief Financial Officer

Debra A. Campbell
Vice President, Secretary

Jennifer L. Gill
Vice President, Controller

Michael P. Prisby
Vice President, Treasurer

Isabella Bank Officers

Jerome E. Schwind
Chief Executive Officer

Neil M. McDonnell
President

Gerald J. Ritzert, CPA (as of Jan. 2026)
Chief Financial Officer

Michael K. Huenemann
Chief Lending Officer

Peggy L. Wheeler
Chief Operations Officer

Jon D. Catlin
Chief Credit Officer

Michael R. Colby
President, East Region

Brian K. Goward
President, South Region

David W. Seppala
President, West Region

Patrick J. Mease, SPHR, SHRM-SCP
Chief Human Resources Officer,
Human Resources

Randy J. Dickinson, CPA, CTFA
Senior Vice President, Isabella Wealth

Erika M. Ross
Senior Vice President, Chief Risk Officer

Julie A. Smith, CGEIT, CRISC
Senior Vice President,
Chief Technology Officer

Thomas J. Wallace
Senior Vice President, Retail Credit

Michael D. Williams
Market President, Midland

Kimberly K. Betts
Vice President, Collections

James L. Binder
Vice President, Commercial Loans

Jenn A. Brick
Vice President,
Customer Service Operations

David E. Brown
Vice President, Commercial Loans

Debra A. Campbell
Vice President, Shareholder Relations

Jennifer L. Gill
Vice President, Controller

Thomas N. Gross
Vice President, Commercial Loans

Cyndia S. Heap, CRCM, CAMS
Vice President, Compliance

JoAnna L. Keenan
Vice President, Isabella Wealth

Kathy J. Korson
Vice President, Mortgage Loans

Kimberly A. Lambright
Vice President, Internal Audit

Gregory S. Mapes
Vice President, Treasury Management

Daniel P. McKune
Vice President, Isabella Wealth

Michelle L. Mease
Vice President, Isabella Wealth

Lori A. Peterson
Vice President, Director of Marketing

Michael P. Prisby
Vice President, Treasurer

Sara D. Scholer
Vice President, Consumer Loans

Paul A. Scoby
Vice President, Commercial Loans

Jeffrey W. Smith
Vice President, Commercial Loans

Leslie J. Thielen
Vice President, Mortgage Loans

Timothy M. Wilson
Vice President, Regional Branch Manager

Tracy A. Zayler
Vice President, Regional Branch Manager

Regional Advisory Boards of Directors

EAST

Michael R. Colby
Mary F. Draves
Reneé S. Johnston
Neil M. McDonnell
Clarence M. Rivette
Vicki L. Rupp
Mark K. Wahl

NORTH

Shari R. Buccilli
Michael L. Jenkins
Neil M. McDonnell
Steven L. Stark

SOUTH

Adam Geers
Brian K. Goward
William W. Henderson
Neil M. McDonnell
Chad R. Payton (retired 2025)
Kelli Schmitz
Jeffrey E. Sherwood

WEST

Dr. Emily A. Coles
Matthew L. Currie
Kevin J. Defever
Blake R. Hollenbeck
Alexander R. Kemp
Neil M. McDonnell
Brian R. Sackett
David W. Seppala

As of March 2026



Stock information

Effective Monday, May 12, 2025, our common stock transitioned to the Nasdaq Capital Market and continues to trade under the symbol "ISBA." Isabella Bank Corporation's common stock had previously been quoted on the OTCQX tier of the OTC Markets Group, Inc.'s electronic quotation system under the symbol "ISBA" since August 2014. Other trades in the common stock occur in privately negotiated transactions from time to time of which Isabella Bank Corporation may have limited or no information. Current stock price and availability can be obtained by contacting Shareholder Services, Isabella Wealth, or a licensed broker.

Shareholder Services

For more information, contact Debra Campbell
(989) 779-6237
401 North Main Street
Mt. Pleasant, MI 48858
ir.isabellabank.com

Transfer Agent

Isabella Bank Corporation
(989) 779-6237
401 North Main Street
Mt. Pleasant, MI 48858

Public Relations Firm

Paladin Communications
(734) 277-5843
1123 Hillcrest Drive
Boon, MI 49618
paladincomm.net

General Counsel

Foster Swift Collins & Smith, PC
313 South Washington Square
Lansing, MI 48933
fosterswift.com

Securities Counsel

Hunton Andrews Kurth LLP
One South at The Plaza, Suite 3500
101 S. Tryon Street
Charlotte, NC 28280
hunton.com

Independent Certified Public

Accounting Firm
Plante & Moran, PLLC
634 Front Ave. NW, Suite 300
Grand Rapids, MI 49504
plantemoran.com

FORWARD-LOOKING STATEMENTS

Information in this annual report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended and Rule 3b-6 promulgated thereunder. We intend such forward looking statements to be covered by the safe harbor provisions for forward looking statements contained in the Private Securities Litigation Reform Act of 1995, and are included in this statement for purposes of these safe harbor provisions. Forward-looking statements generally relate to losses, impact of events, financial condition, plans, objectives, outlook for earnings, revenues, expenses, capital and liquidity levels and ratios, asset levels, asset quality, financial position, and other matters regarding or affecting the Company and its future business and operations. Forward-looking statements are typically identified by words or phrases such as "will likely result", "expect", "could", "may", "plan", "believe", "estimate", "anticipate", "strategy", "trend", "forecast", "outlook", "project", "intend", "assume", "outcome", "continue", "remain", "potential", "opportunity", "current", "position", "maintain", "sustain", "seek", "achieve" and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could or may. Factors that could cause such differences include, but are not limited to: (i) the impact on us or our customers of a decline in general economic conditions, and any regulatory responses thereto; (ii) slower economic growth rates or potential recession in the United States and our market areas; (iii) uncertainty or perceived instability in the banking industry as a whole; (iv) increased competition for deposits among traditional and nontraditional financial services companies, and related changes in deposit customer behavior; (v) the impact of changes in market interest rates, whether due to a continuation of the elevated

interest rate environment or further reductions in interest rates and a resulting decline in net interest income; (vi) the lingering inflationary pressures, and the risk of the resurgence of elevated levels of inflation, in the United States and our market areas; (vii) the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System; (viii) changes in unemployment rates in the United States and our market areas; (ix) adverse changes in customer spending, borrowing and savings habits; (x) declines in commercial real estate values and prices; (xi) a deterioration of the credit rating for the United States long-term sovereign debt or the impact of uncertain or changing political conditions, including federal government shutdowns and uncertainty regarding United States fiscal debt, deficit and budget matters; (xii) cyber incidents or other failures, disruptions or breaches of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber-attacks; (xiii) severe weather, natural disasters, acts of war or terrorism, geopolitical instability, domestic civil unrest or other external events, including as a result of in the policies of the current U.S. presidential administration or Congress; (xiv) in the impact of tariffs, sanctions and other trade policies of the United States and its global trading counterparts and the resulting impact on the Company and its customers; (xv) competition and market expansion opportunities; (xvi) changes in non-interest expenditures or in the anticipated benefits of such expenditures; (xvii) changes in accounting principles and standards, including those related to loan loss recognition under the current expected credit loss, or CECL, methodology; (xviii) the receipt of required regulatory approvals; (xix) changes in tax laws; (xx) the risks related to the development, implementation, use and management of



Virtual Annual Shareholder Meeting

Tuesday, May 5, 2026 • 10:00am-11:00am EDT

Shareholders are invited to join us online for our Virtual Annual Shareholder Meeting

The meeting will include a review of Isabella Bank Corporation's performance, updates on strategic initiatives, and the election of directors.

During the live webcast, participants will have the opportunity to vote on matters presented in real time.

Your participation and vote are important, and we encourage all shareholders to attend.

Attending the Meeting

To attend, please scan the QR code or go to the link below. Enter the 16-digit control code located on your proxy card. The meeting platform is accessible on both desktop and mobile devices.



virtualshareholdermeeting.com/ISBA2026

emerging technologies, including artificial intelligence and machine learnings; (xxi) potential costs related to the impacts of climate change; (xxii) current or future litigation, regulatory examinations or other legal and/or regulatory actions; and (xxiii) changes in applicable laws and regulations. These forward-looking statements are based on current information and/or management's good faith belief as to future events. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. Additional information regarding risks and uncertainties to which the Company's business and future financial performance are subject is contained in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q on file with the SEC, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of such documents, and other documents the Company files or furnishes with the SEC from time to time, which are available on the SEC's website, www.sec.gov. Due to these and other possible uncertainties and risks, the Company cautions you not to unduly rely on forward-looking statements. The inclusion of this forward-looking information should not be construed as a representation by the Company or any person that the future events, plans or expectations contemplated by the Company will be achieved. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Any forward-looking statement speaks only as to the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect developments occurring after the statement is made, except as required by law. All forward-looking statements, express or implied, included in the annual report are qualified in their entirety by this cautionary statement.

AVAILABLE INFORMATION

The Company maintains a web site at ir.isabellabank.com/overview. The Company makes available, free of charge, on its web site the Company's annual reports, quarterly earnings reports, and other press releases.

The Company routinely posts important information for investors on its website (www.isabellabank.com) and, more specifically, under the News tab at ir.isabellabank.com/news). The Company intends to use its web site as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD (Fair Disclosure) promulgated by the U.S. Securities and Exchange Commission (the "SEC"). Accordingly, investors should monitor the Company's web site, in addition to following the Company's press releases, SEC filings, public conference calls, presentations and webcasts.

The information contained on, or that may be accessed through, the Company's website is not incorporated by reference into, and is not a part of, this document.

NON-GAAP FINANCIAL MEASURES

Some of the financial measures included in this annual report are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures.

We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in our statements of income, balance sheets or statements of cash flows. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.



ISABELLA BANK CORPORATION
SELECTED FINANCIAL DATA
(Dollars in thousands except per share amounts)

For the years ended	2025	2024	2023
PER SHARE			
Basic earnings	\$ 2.56	\$ 1.86	\$ 2.42
Diluted earnings	2.56	1.86	2.40
Dividends	1.12	1.12	1.12
Book value ⁽¹⁾	31.60	28.32	27.04
Tangible book value ⁽¹⁾⁽²⁾	25.01	21.82	20.59
Market price ⁽¹⁾	50.00	25.99	21.05
PERFORMANCE RATIOS			
Return on average total assets	0.88%	0.67%	0.89%
Return on average shareholders' equity	8.51%	6.73%	9.52%
Return on average tangible shareholders' equity ⁽²⁾	10.87%	8.78%	12.75%
Net interest margin yield (fully taxable equivalent)	3.16%	2.90%	3.05%
Efficiency ratio ⁽²⁾	69.11%	73.01%	67.76%
Loan to deposit ratio ⁽¹⁾	84.43%	81.48%	78.29%
Shareholders' equity to total assets ⁽¹⁾	10.47%	10.08%	9.83%
Tangible shareholders' equity to tangible assets ⁽¹⁾⁽²⁾	8.47%	7.95%	7.66%
FINANCIAL DATA			
Total assets ⁽¹⁾	2,209,448	2,086,241	2,058,968
Available-for-sale securities, at fair value ⁽¹⁾	497,791	489,029	528,148
Loans ⁽¹⁾	1,536,364	1,423,571	1,349,463
Allowance for credit losses ⁽¹⁾	13,727	12,895	13,108
Deposits ⁽¹⁾	1,819,654	1,747,060	1,723,695
Borrowed funds ⁽¹⁾	142,514	112,991	116,136
Shareholders' equity ⁽¹⁾	231,396	210,276	202,402
Wealth assets under management ⁽¹⁾	707,118	658,042	641,027
Net income	18,910	13,889	18,167
Interest income	96,035	89,978	79,631
Interest expense	33,491	34,143	21,687
Net interest income	62,544	55,835	57,944
Provision (reversal) for credit losses	(563)	1,884	629
Noninterest income	15,966	14,576	13,827
Noninterest expenses	54,950	52,129	49,310

⁽¹⁾ At end of period.

⁽²⁾ Non-GAAP financial measure; refer to our Annual Report on Form 10-K for the year ended December 31, 2025.

ISABELLA BANK CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

	December 31	
	2025	2024
ASSETS		
Cash and demand deposits due from banks	\$ 22,935	\$ 22,830
Fed Funds sold and interest bearing balances due from banks	3,106	1,712
Total cash and cash equivalents	26,041	24,542
Available-for-sale securities, at fair value	497,791	489,029
Federal Home Loan Bank stock	5,600	12,762
Mortgage loans held-for-sale	423	242
Loans	1,536,364	1,423,571
Less allowance for credit losses	13,727	12,895
Net loans	1,522,637	1,410,676
Premises and equipment	29,000	27,659
Cash surrender value of bank-owned life insurance policies	46,133	34,882
Goodwill and other intangible assets	48,282	48,283
Other assets	33,541	38,166
Total assets	<u>\$ 2,209,448</u>	<u>\$ 2,086,241</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Noninterest bearing deposits	\$ 426,342	\$ 416,373
Interest bearing deposits	1,393,312	1,330,687
Total deposits	1,819,654	1,747,060
Short-term borrowings	68,000	53,567
Federal Home Loan Bank advances	45,000	30,000
Subordinated debt, net of unamortized issuance costs	29,514	29,424
Total borrowed funds	142,514	112,991
Other liabilities	15,884	15,914
Total liabilities	1,978,052	1,875,965
Shareholders' equity		
Common stock — no par value 15,000,000 shares authorized; issued and outstanding 7,322,207 shares at December 31, 2025 and 7,424,893 shares at December 31, 2024	123,204	126,224
Shares to be issued for deferred compensation obligations	2,366	2,383
Retained earnings	113,849	103,024
Accumulated other comprehensive loss	(8,023)	(21,355)
Total shareholders' equity	231,396	210,276
Total liabilities and shareholders' equity	<u>\$ 2,209,448</u>	<u>\$ 2,086,241</u>



ISABELLA BANK CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands except per share amounts)

	Year Ended December 31		
	2025	2024	2023
Interest income			
Loans, including fees	\$ 81,432	\$ 77,295	\$ 65,670
Available-for-sale securities			
Taxable	9,633	8,748	9,514
Nontaxable	2,084	2,345	2,642
Federal Home Loan Bank stock	418	640	355
Federal funds sold and other	2,468	950	1,450
Total interest income	96,035	89,978	79,631
Interest expense			
Deposits	30,246	29,690	18,352
Short-term borrowings	1,693	1,439	961
Federal Home Loan Bank advances	487	1,949	1,309
Subordinated debt	1,065	1,065	1,065
Total interest expense	33,491	34,143	21,687
Net interest income	62,544	55,835	57,944
Provision (reversal) for credit losses	(563)	1,884	629
Net interest income after provision for credit losses	63,107	53,951	57,315
Noninterest income			
Service charges and fees	8,858	8,275	7,804
Wealth management fees	4,247	4,041	3,557
Earnings on bank-owned life insurance policies	1,625	1,007	920
Net gain on sale of mortgage loans	180	213	317
Net gains on sale of available-for-sale securities	—	—	67
Other	1,056	1,040	1,162
Total noninterest income	15,966	14,576	13,827
Noninterest expenses			
Compensation and benefits	30,041	28,576	25,905
Occupancy and equipment	10,541	10,524	10,297
Other professional services	3,240	2,212	2,340
ATM and debit card fees	2,211	1,975	1,767
Marketing	1,989	1,712	2,074
FDIC insurance premiums	1,180	1,132	922
Memberships and subscriptions	1,067	928	1,042
Other losses	643	1,117	871
Other	4,038	3,953	4,092
Total noninterest expenses	54,950	52,129	49,310
Income before income tax expense	24,123	16,398	21,832
Income tax expense	5,213	2,509	3,665
Net income	\$ 18,910	\$ 13,889	\$ 18,167
Earnings per common share			
Basic	\$ 2.56	\$ 1.86	\$ 2.42
Diluted	\$ 2.56	\$ 1.86	\$ 2.40
Cash dividends per common share	\$ 1.12	\$ 1.12	\$ 1.12

ISABELLA BANK CORPORATION
AVERAGE BALANCES, INTEREST RATES, AND NET INTEREST INCOME

(Dollars in thousands)

The following schedules present the daily average amount outstanding for each major category of interest earning assets, nonearning assets, interest bearing liabilities, and noninterest bearing liabilities for the last three years. These schedules also present an analysis of interest income and interest expense for the periods indicated. All interest income is reported on a fully taxable equivalent ("FTE") basis using a federal income tax rate of 21%. Loans in nonaccrual status, for the purpose of the following computations, are included in the average loan balances. Federal Reserve Bank restricted equity holdings are included in other interest earning assets.

	Year Ended December 31								
	2025			2024			2023		
	Average Balance	Tax Equivalent Interest	Average Yield / Rate	Average Balance	Tax Equivalent Interest	Average Yield / Rate	Average Balance	Tax Equivalent Interest	Average Yield / Rate
INTEREST EARNING ASSETS									
Loans ⁽¹⁾	\$ 1,416,079	\$ 81,432	5.75 %	\$ 1,385,287	\$ 77,295	5.58 %	\$ 1,308,891	\$ 65,670	5.02 %
Available-for-sale securities ⁽²⁾	520,284	12,361	2.38 %	540,433	12,023	2.22 %	582,563	13,179	2.26 %
Federal Home Loan Bank stock	6,934	418	6.03 %	12,762	640	5.01 %	12,762	355	2.78 %
Fed funds sold	52	2	4.37 %	7	—	5.19 %	12	1	5.10 %
Other ⁽³⁾	54,982	2,466	4.49 %	17,430	950	5.45 %	29,203	1,449	4.96 %
Total interest earning assets	<u>1,998,331</u>	<u>96,679</u>	<u>4.84 %</u>	<u>1,955,919</u>	<u>90,908</u>	<u>4.65 %</u>	<u>1,933,431</u>	<u>80,654</u>	<u>4.17 %</u>
NONEARNING ASSETS									
Allowance for credit losses	(13,132)			(13,061)			(12,784)		
Cash and demand deposits due from banks	23,690			24,165			24,592		
Premises and equipment	28,400			27,915			26,589		
Other assets	109,142			86,073			74,319		
Total assets	<u>\$ 2,146,431</u>			<u>\$ 2,081,011</u>			<u>\$ 2,046,147</u>		
INTEREST BEARING LIABILITIES									
Interest bearing demand deposits	\$ 240,220	817	0.34 %	\$ 237,086	754	0.32 %	\$ 256,907	269	0.10 %
Money market deposits	473,394	12,219	2.58 %	443,251	12,407	2.80 %	424,077	8,320	1.96 %
Savings	286,134	2,140	0.75 %	279,544	1,600	0.57 %	291,918	787	0.27 %
Certificates of deposit	398,040	15,070	3.79 %	371,750	14,929	4.02 %	308,699	8,976	2.91 %
Short-term borrowings	51,430	1,693	3.29 %	45,124	1,439	3.19 %	43,061	961	2.23 %
Federal Home Loan Bank advances	11,301	487	4.31 %	35,464	1,949	5.50 %	23,699	1,309	5.52 %
Subordinated debt, net of unamortized issuance costs	29,466	1,065	3.61 %	29,376	1,065	3.62 %	29,287	1,065	3.64 %
Total interest bearing liabilities	<u>1,489,985</u>	<u>33,491</u>	<u>2.25 %</u>	<u>1,441,595</u>	<u>34,143</u>	<u>2.37 %</u>	<u>1,377,648</u>	<u>21,687</u>	<u>1.57 %</u>
NONINTEREST BEARING LIABILITIES									
Demand deposits	418,225			416,927			461,689		
Other liabilities	15,896			16,088			16,043		
Shareholders' equity	222,325			206,401			190,767		
Total liabilities and shareholders' equity	<u>\$ 2,146,431</u>			<u>\$ 2,081,011</u>			<u>\$ 2,046,147</u>		
Net interest income (FTE) ⁽⁴⁾		<u>\$ 63,188</u>			<u>\$ 56,765</u>			<u>\$ 58,967</u>	
Net yield on interest earning assets (FTE) ⁽⁴⁾			<u>3.16 %</u>			<u>2.90 %</u>			<u>3.05 %</u>

⁽¹⁾ Includes loans held-for-sale and nonaccrual loans.

⁽²⁾ Average balances for available-for-sale securities are based on amortized cost.

⁽³⁾ Includes average interest-bearing deposits with other banks, net of Federal Reserve daily cash letter.

⁽⁴⁾ Non-GAAP financial measure; refer to our Annual Report on Form 10-K for the year ended December 31, 2025.





**401 NORTH MAIN STREET
MT. PLEASANT, MI 48858**