Commercial National Financial Corporation Reports
2nd Quarter 2026 Results

Ithaca, Michigan, July 27, 2026 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (OTCID: CEFC) reported net income of $1,641,000 or $0.42 per share for the second quarter of 2026 compared to $1,607,000 or $0.41 per share for the second quarter of 2025. Return on Equity was 11.60% for the second quarter of 2026 compared to 12.36% for the second quarter of 2025.

Net interest income for the second quarter of 2026 increased by $194,000 or 3.9% compared to the respective 2025 period. Interest income decreased by $100,000, mainly due to a decrease in loans. Interest expense decreased by $294,000, mainly due to a decrease in funding costs. Non-interest income increased by $77,000, while operating expenses increased by $206,000, which was mainly due to higher wages and benefits expense.

Total assets remained consistent at $553 million as of June 30, 2026 compared to the respective 2025 period. Total securities grew by $37 million, as excess cash was invested into the securities portfolio, which included $17 million from reduced loan balances. While loans decreased during the period, loan quality remained strong with a non-performing assets ratio of 0.26%. Total deposits decreased by $17 million and were mostly replaced with borrowings from the Federal Home Loan Bank. Additionally, CEFC'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. As of June 30, 2026, CEFC has repurchased 87,514 shares since the inception of the repurchase program and has allocated an additional $1.2 million for future share repurchases. 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, 2026	Jun 30, 2025	Jun 30, 2026	Jun 30, 2025
Return on equity	11.60%	12.36%	11.74%	11.84%
Return on assets	1.19%	1.16%	1.21%	1.09%
Net interest margin	4.00%	3.80%	3.99%	3.74%

	Jun 30, 2026	Jun 30, 2025
Non-performing assets ratio	0.26%	0.27%
Tier 1 leverage capital ratio[(1)]	10.89%	10.63%
Total risk-based capital ratio[(1)]	18.36%	17.46%
Book value per share	$14.66	$13.21
Market value per share	$15.00	$10.50
Common shares outstanding	3,877,789	3,965,303

[(1)] Ratios are for Commercial Bank

Consolidated Statements of Income (unaudited):

	Quarter Ended		Year to Date	
	Jun 30, 2026	Jun 30, 2025	Jun 30, 2026	Jun 30, 2025
Interest income	$ 6,442,002	$ 6,541,806	$ 12,850,720	$ 13,017,099
Interest expense	1,270,421	1,564,206	2,537,509	3,199,436
Net interest income	5,171,581	4,977,600	10,313,211	9,817,663
Provision for credit losses	(6,342)	(34,213)	(46,342)	(34,213)
Non-interest income	619,568	542,666	1,132,871	1,012,612
Operating expenses	3,801,740	3,595,928	7,450,770	7,172,181
Income before taxes	1,995,751	1,958,551	4,041,654	3,692,307
Income tax expense	354,700	351,475	723,700	655,950
Net income	$ 1,641,051	$ 1,607,076	$ 3,317,954	$ 3,036,357
Basic earnings per share	$ 0.42	$ 0.41	$ 0.85	$ 0.77
Diluted earnings per share	$ 0.42	$ 0.41	$ 0.85	$ 0.77
Dividends declared	$ 0.15	$ 0.14	$ 0.30	$ 0.28
Weighted-average common shares outstanding	3,893,038	3,965,303	3,912,224	3,965,303
Number of shares repurchased	28,414	-	58,411	-

Consolidated Balance Sheets (unaudited):

	Jun 30, 2026	Jun 30, 2025
Assets		
Cash and cash equivalents	$ 37,586,165	$ 55,001,227
Time deposits with other banks	-	1,494,000
Securities	117,326,887	80,346,101
Loans	367,025,176	383,769,712
Allowance for credit losses	(3,327,794)	(3,432,412)
Loans, net	363,697,382	380,337,300
Premises and equipment, net	9,848,688	9,858,626
Other assets	24,786,092	25,056,597
Total assets	$ 553,245,214	$ 552,093,851
Liabilities		
Deposits	$ 467,630,470	$ 484,981,138
FHLB borrowings	18,000,000	4,000,000
Trust preferred	7,310,000	7,310,000
Other liabilities	3,468,980	3,415,374
Total liabilities	496,409,450	499,706,512
Equity		
Total equity	56,835,764	52,387,339
Total liabilities and equity	$ 553,245,214	$ 552,093,851

Contact:
Benjamin Ogle
CFO
989-875-5562