Commercial National Financial Corporation Reports
3rd Quarter 2026 Results

Ithaca, Michigan, October 26, 2026 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (OTCID: CEFC) reported net income of $1,721,000 or $0.44 per share for the third quarter of 2026 compared to $1,791,000 or $0.45 per share for the third quarter of 2025. Return on Equity was 12.00% for the third quarter of 2026 compared to 13.35% for the third quarter of 2025.

Net interest income for the third quarter of 2026 increased by $124,000 or 2.4% compared to the respective 2025 period. Interest income increased by $36,000, mainly due to an increase in securities. Interest expense decreased by $88,000, mainly due to a decrease in funding costs. Non-interest income slightly decreased by $16,000, while operating expenses increased by $192,000, which was mainly due to higher wages and benefits expense.

Total assets were $565 million as of September 30, 2026 compared to $548 million as of September 30, 2025. Total securities grew by $40 million, which was financed through a strategic combination of excess cash, new wholesale borrowings, and liquidity from loan payoffs. While total deposits increased by $7 million, there was a shift towards wholesale funding, as brokered deposits increased by $20 million, which helped offset a $13 million decrease in core deposits. To further support balance sheet growth, Federal Home Loan Bank borrowings were increased by $10 million. While total loans decreased by $10 million or 2.7% due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.25%. 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 September 30, 2026, CEFC has repurchased 91,333 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 Brean Capital, LLC, at 614-638-4584.

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	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Return on equity	12.00%	13.35%	11.82%	12.36%
Return on assets	1.22%	1.30%	1.21%	1.16%
Net interest margin	4.01%	3.97%	3.99%	3.82%

	Sep 30, 2026	Sep 30, 2025
Non-performing assets ratio	0.25%	0.26%
Tier 1 leverage capital ratio[(1)]	10.79%	10.86%
Total risk-based capital ratio[(1)]	18.34%	17.75%
Book value per share	$14.09	$13.90
Market value per share	$16.00	$12.10
Common shares outstanding	3,873,970	3,936,200

[(1)] Ratios are for Commercial Bank

Consolidated Statements of Income (unaudited):

	Quarter Ended		Year to Date	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Interest income	$ 6,604,025	$ 6,567,747	$ 19,454,745	$ 19,584,846
Interest expense	1,343,035	1,430,850	3,880,544	4,630,286
Net interest income	5,260,990	5,136,897	15,574,201	14,954,560
Provision for credit losses	695	(22,241)	(45,647)	(56,454)
Non-interest income	550,842	566,870	1,683,713	1,579,482
Operating expenses	3,728,675	3,536,970	11,179,445	10,709,151
Income before taxes	2,082,462	2,189,038	6,124,116	5,881,345
Income tax expense	361,700	398,025	1,085,400	1,053,975
Net income	$ 1,720,762	$ 1,791,013	$ 5,038,716	$ 4,827,370
Basic earnings per share	$ 0.44	$ 0.45	$ 1.29	$ 1.22
Diluted earnings per share	$ 0.44	$ 0.45	$ 1.29	$ 1.22
Dividends declared	$ 0.15	$ 0.14	$ 0.45	$ 0.42
Weighted-average common shares outstanding	3,877,705	3,944,782	3,900,592	3,958,387
Number of shares repurchased	3,819	29,103	62,230	29,103

Consolidated Balance Sheets (unaudited):

	Sep 30, 2026	Sep 30, 2025
Assets		
Cash and cash equivalents	$ 37,645,032	$ 50,432,608
Time deposits with other banks	-	1,494,000
Securities	127,362,290	87,151,048
Loans	367,330,815	377,670,851
Allowance for credit losses	(3,328,428)	(3,413,163)
Loans, net	364,002,387	374,257,688
Premises and equipment, net	9,708,869	9,732,492
Other assets	26,003,285	24,647,796
Total assets	$ 564,721,863	$ 547,715,632
Liabilities		
Deposits	$ 488,263,811	$ 481,103,001
FHLB borrowings	11,000,000	1,000,000
Trust preferred	7,310,000	7,310,000
Other liabilities	3,550,725	3,605,711
Total liabilities	510,124,536	493,018,712
Equity		
Total equity	54,597,327	54,696,920
Total liabilities and equity	$ 564,721,863	$ 547,715,632

Contact:
Benjamin Ogle
CFO
989-875-5562