

Commercial National Financial Corporation Reports 1st Quarter 2026 Results

Ithaca, Michigan, April 24, 2026 (GLOBE NEWSWIRE) -- Commercial National Financial Corporation (OTCID: CEFC) reported net income of \$1,677,000 or \$0.43 per share for the first quarter of 2026 compared to \$1,429,000 or \$0.36 per share for the first quarter of 2025. Return on Equity was 11.87% for the first quarter of 2026 compared to 11.31% for the first quarter of 2025.

Net interest income for the first quarter of 2026 increased by \$302,000 or 6.2% compared to the respective 2025 period. Interest income decreased by \$66,000, mainly due to a decrease in loans. Interest expense decreased by \$368,000, mainly due to a decrease in funding costs. Non-interest income increased by \$43,000, while operating expenses increased by \$73,000, which was mainly due to higher wages and benefits expense.

Total assets were \$565 million as of March 31, 2026 compared to \$571 million as of March 31, 2025. Total securities increased by \$26 million, replacing the \$26 million decrease in total loans. While loans decreased due to the high interest rate environment and early loan payoffs, loan quality remained strong with a non-performing assets ratio of 0.14%. Total deposits decreased by \$17 million and were partially 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. 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	
	Mar 31, 2026	Mar 31, 2025
Return on equity	11.87%	11.31%
Return on assets	1.22%	1.03%
Net interest margin	3.97%	3.68%
	Mar 31, 2026	Mar 31, 2025
Non-performing assets ratio	0.14%	0.32%
Tier 1 leverage capital ratio ⁽¹⁾	10.80%	10.45%
Total risk-based capital ratio ⁽¹⁾	18.60%	17.18%
Book value per share	\$14.33	\$13.14
Market value per share	\$14.05	\$10.50
Common shares outstanding	3,906,203	3,965,303
Weighted-average common shares outstanding	3,931,624	3,965,303

⁽¹⁾Ratios are for Commercial Bank

Consolidated Statements of Income (unaudited):

	Quarter Ended	
	Mar 31, 2026	Mar 31, 2025
Interest income	\$ 6,408,718	\$ 6,475,293
Interest expense	1,267,088	1,635,230
Net interest income	5,141,630	4,840,063
Provision for credit losses	(40,000)	-
Non-interest income	513,303	469,946
Operating expenses	3,649,030	3,576,253
Income before taxes	2,045,903	1,733,756
Income tax expense	369,000	304,475
Net income	<u>\$ 1,676,903</u>	<u>\$ 1,429,281</u>
Basic earnings per share	\$ 0.43	\$ 0.36
Diluted earnings per share	\$ 0.43	\$ 0.36
Dividends declared	\$ 0.15	\$ 0.14

Consolidated Balance Sheets (unaudited):

	<u>Mar 31, 2026</u>	<u>Mar 31, 2025</u>
Assets		
Cash and cash equivalents	\$ 60,282,184	\$ 63,760,176
Time deposits with other banks	-	1,743,000
Securities	109,087,871	83,490,143
Loans	364,324,269	390,575,608
Allowance for credit losses	<u>(3,338,799)</u>	<u>(3,482,427)</u>
Loans, net	360,985,470	387,093,181
Premises and equipment, net	9,737,884	9,901,597
Other assets	<u>24,880,188</u>	<u>24,663,342</u>
Total assets	<u><u>\$ 564,973,597</u></u>	<u><u>\$ 570,651,439</u></u>
Liabilities		
Deposits	\$ 486,992,711	\$ 503,862,856
FHLB borrowings	11,000,000	4,000,000
Trust preferred	7,310,000	7,310,000
Other liabilities	<u>3,684,251</u>	<u>3,363,007</u>
Total liabilities	508,986,962	518,535,863
Equity		
Total equity	<u>55,986,635</u>	<u>52,115,576</u>
Total liabilities and equity	<u><u>\$ 564,973,597</u></u>	<u><u>\$ 570,651,439</u></u>

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