



NEWS RELEASE

Commercial Bancgroup, Inc. Announces Results for the Fourth Quarter 2025

2026-01-26

HARROGATE, TENNESSEE / [ACCESS Newswire](#) / January 26, 2026 / Commercial Bancgroup, Inc. ("Commercial" or the "Company") (Nasdaq:CBK), the parent company of Commercial Bank (the "Bank"), today announced net income less non-controlling interest of \$9.9 million, or \$0.72 per diluted common share, for the fourth quarter of 2025, compared to net income less non-controlling interest of \$5.6 million, or \$0.46 per diluted common share, for the fourth quarter of 2024.

On October 1, 2025, the Company priced its initial public offering (the "IPO") of 7,173,092 shares of its common stock 1,458,343 of which were sold by Commercial and 5,714,758 of which were sold by certain selling shareholders, at a public offering price of \$24.00 per share.

Prior to September 18, 2025, Commercial had three classes of common stock outstanding: common stock, Class B common stock, and Class C common stock. On September 18, 2025, Commercial's charter was amended and restated. The Company's amended and restated charter provided for, among other things:

- effective upon the filing of the amended and restated charter, the reclassification and conversion of (i) each outstanding share of Class B common stock into 1.15 shares of common stock and (ii) each outstanding share of Class C common stock into 1.05 shares of common stock (collectively, the "Stock Reclassification"); and
- effective immediately following the Stock Reclassification, a 250-for-1 forward stock split in respect of the outstanding shares of our common stock (the "Stock Split").

Our financial statements, including earnings per share and book value per share, reflect the stock Reclassification and Stock Split retroactively. Because the IPO occurred after September 30, 2025, the financial impacts of the IPO are reflected for the fourth quarter of 2025 in the financial statements presented in this press release.

Fourth Quarter 2025 Performance Highlights:

- Net income of \$9.9 million or \$0.72 per diluted share

- Return on average assets ("ROAA") of 1.76%
- Return on average equity ("ROAE") of 15.26%; Return on average tangible common equity ("ROATCE") of 15.99%
- Net interest margin of 4.01%, a decrease of 1 basis points from the third quarter of 2025
- Efficiency ratio of 45.24%
- Gross loans increased \$106.3 million during the quarter, or 24% annualized, from the third quarter
- Book value per share increased \$0.78, or 16% annualized, to \$20.81 and tangible book value per share increased \$0.91, or 19% annualized, to \$19.96 at December 31, 2025 from the third quarter of 2025
- Net charge-offs to average loans of 0.014% and Nonperforming assets to total assets of 0.28%
- Redeemed \$20.3 million of holding company debt

2025 highlights:

- Net income less non-controlling interest of \$36.9 million or \$2.93 per share and \$2.92 per diluted share for the twelve months ended December 31, 2025, compared to \$31.4 million or \$2.58 per share and \$2.54 per diluted share for the twelve months ended December 31, 2024.
- Return on average assets of 1.61% for the twelve months ended December 31, 2025, compared to 1.40% for the twelve months ended December 31, 2024.
- Return on average shareholders' equity of 15.60% for the twelve months ended December 31, 2025, compared to 15.30% for the twelve months ended December 31, 2024.
- Total operating revenue of \$90.4 million for the twelve months ended December 31, 2025, compared to \$88.5 million for the twelve months ended December 31, 2024.
- Non-interest expense of \$42.5 million for the twelve months ended December 31, 2025, compared to \$46.1 million for the twelve months ended December 31, 2024.
- Tangible book value per share of \$19.96 per share as of December 31, 2025, compared to \$17.11 per share as of December 31, 2024 (see non-GAAP reconciliation).
- Efficiency ratio of 47.0% for the twelve months ended December 31, 2025, compared to 48.9% for the twelve months ended December 31, 2024.

Balance Sheet Trends

Total assets were \$2.3 billion as of December 31, 2025, compared to \$2.3 billion as of December 31, 2024. This was primarily due to a decrease in the loan portfolio during the first three quarters of the year offset by loan growth during the fourth quarter.

Total net loans were \$1.9 billion as of December 31, 2025, an increase of \$66.9 million, or 3.7%, from December 31, 2024. While the Bank experienced some large loan payoffs from long-term borrowers selling businesses during the year, the Bank had strong loan growth during the fourth quarter. Total net loans increased by \$106.5 million or 6.1% from \$1.7 billion as of September 30, 2025.

As of December 31, 2025, the Bank exceeded the minimum requirements to be well-capitalized for bank regulatory purposes, with a total risk-based capital ratio of 14.1%, a Tier 1 risk-based capital ratio of 13.1%, a common equity Tier 1 capital ratio of 13.1%, and a Tier 1 leverage ratio of 10.8%.

Total deposits were \$1.8 billion as of December 31, 2025, a decrease of \$122.9 million, or 6.3%, from December 31, 2024. This decrease was primarily driven by a \$126.9 million reduction in brokered deposits to \$48.0 million at December 31, 2025, from \$174.9 million at December 31, 2024.

Noninterest bearing demand deposits increased \$1.2 million, or 0.3%, to \$397.8 million as of December 31, 2025, from \$396.6 million as of December 31, 2024.

Non-brokered deposits were \$1.8 billion as of December 31, 2025, an increase of \$4.1 million, or 0.2%, from December 31, 2024. This increase was primarily driven by normal customer business cycles.

Asset quality decreased slightly with nonperforming assets to total assets of .28% as of December 31, 2025 and compared to .26% as of December 31, 2024. The allowance for credit losses to total loans

decreased slightly to 0.95% as of December 31, 2025 from 1.00% as of December 31, 2014.

Net Income Before Income Taxes

Net income before income taxes was \$47.7 million for the twelve months ended December 31, 2025, an increase of \$7.2 million, or 17.6%, from the twelve months ended December 31, 2024. The increase was primarily the result of an increase in net interest income after provision for credit losses of \$4.5 million or 6.0% and a decrease of noninterest expense of \$3.6 million or 7.8%.

Non-Interest Income

Non-interest income was \$9.9 million for the twelve months ended December 31, 2025, a decrease of \$0.9 million, or 8.7%, from the twelve months ended December 31, 2024. This decrease was primarily due to one-time gains on the sale of bank property during 2024 of \$0.4 million.

About Commercial Bancgroup, Inc.

Commercial Bancgroup, Inc. is a bank holding company headquartered in Harrogate, Tennessee. Through a wholly owned subsidiary, Commercial Bank, a Tennessee state-chartered bank, the Bank offers a suite of traditional consumer and commercial banking products and services to businesses and individuals in select markets in Kentucky, North Carolina, and Tennessee. More information about Commercial can be found on its website at www.cbtn.com.

Commercial Bancgroup, Inc.
Financial Tables

**Financial
Highlights
(unaudited)**

Table 1A

	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(dollars in thousands except per share amounts)							
Selected Operating Data:							
Interest and Dividend Income	\$ 29,958	\$ 30,021	\$ 30,859	\$ 30,766	\$ 31,334	\$ 121,604	\$ 123,213
	9,148	9,799	10,800	11,426	11,566	41,173	45,629
Interest Expense	20,810	20,222	20,059	19,340	19,768	80,431	77,584
Net Interest Income	150	-	-	-	6	150	1,829
Provision for Credit Losses							
Net Interest Income After Provision for Credit Losses	20,660	20,222	20,059	19,340	19,762	80,281	75,755
	2,666	2,626	2,194	2,443	3,000	9,930	10,878
Noninterest Income	10,621	10,552	10,725	10,581	13,916	42,480	46,061
Noninterest Expense	12,705	12,296	11,528	11,202	8,846	47,731	40,572
Income Before Income Taxes	2,792	2,829	2,658	2,510	3,235	10,789	8,886
Provision for Income Taxes	9,913	9,467	8,870	8,692	5,611	36,942	31,686
Net Income							
Less: Net Income Attributable to Noncontrolling Interest	-	-	-	-	-	-	276
Net Income attributable to Commercial Bancgroup, Inc.	9,913	9,467	8,870	8,692	5,611	36,942	31,410

(1) Considered non-GAAP financial measure - See "Non-GAAP Financial Measures" and reconciliation of
GAAP to non-GAAP financial measures tables 10A - 10I

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Financial Highlights
(unaudited)

	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Share and Per Share Data:							
Basic earnings per share	\$ 0.72	\$ 0.77	\$ 0.72	\$ 0.71	\$ 0.46	\$ 2.93	2.58
Diluted earnings per share	\$ 0.72	\$ 0.77	\$ 0.73	\$ 0.72	\$ 0.46	\$ 2.92	2.54
Book value per share	\$ 20.81	\$ 20.03	\$ 19.22	\$ 18.48	\$ 18.18	\$ 20.81	18.18
Tangible book value per share (1)	\$ 19.96	\$ 19.05	\$ 18.22	\$ 17.45	\$ 17.11	\$ 19.96	17.11
Shares of common stock outstanding	13,697,987	12,239,644	12,239,644	12,239,644	12,113,114	13,697,987	12,113,114
Weighted average diluted shares outstanding	13,835,816	12,188,624	12,137,013	12,137,013	12,301,998	13,835,816	12,367,248

(1) Considered non-GAAP financial measure - See "Non-GAAP Financial Measures" and reconciliation of GAAP to non-GAAP financial measures tables 10A - 10I

Financial Highlights
(unaudited)

	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(dollars in thousands)							
Selected Balance Sheet							

Data:	\$ 2,291,112	\$ 2,214,408	\$ 2,262,511	\$ 2,266,878	\$ 2,301,211	\$ 2,291,112	\$ 2,301,211
Total assets							
Securities available-for-sale at fair value	43,137	29,556	30,113	48,830	47,938	43,137	47,938
Securities held-to-maturity, at carrying value, net of allowance for credit losses	97,728	131,915	157,452	140,019	128,217	97,728	128,217
Gross loans less deferred fees and discounts	1,873,533	1,767,193	1,791,516	1,795,178	1,806,997	1,873,533	1,806,997
Allowance for credit losses	17,830	17,942	17,989	18,109	18,205	17,830	18,205
Goodwill and other intangible assets	12,767	13,149	13,546	13,938	14,339	12,767	14,339
Total deposits	1,815,734	1,780,634	1,851,248	1,902,207	1,938,597	1,815,734	1,938,597
Core deposits (1)	1,665,470	1,631,921	1,628,816	1,659,301	1,669,380	1,665,470	1,669,380
Other borrowings	166,838	162,760	148,509	109,090	109,165	166,838	109,165
Total Shareholders' equity	285,090	245,153	235,268	226,180	220,256	285,090	220,256

(1) Considered non-GAAP financial measure - See "Non-GAAP Financial Measures" and reconciliation of GAAP to non-GAAP financial measures tables 10

Financial Highlights (unaudited)

Table 1B

(dollars in thousands)	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Performance Ratios							
Pre-tax Pre-provision net revenue (PPNR) (1)	\$ 12,855	\$ 12,296	\$ 11,528	\$ 11,202	\$ 8,851	\$ 47,881	\$ 42,401
Return on average assets (ROAA)	1.76	1.69	1.57	1.52	0.99	1.61	1.40
Return on average equity (ROAE)	15.26	15.81	15.57	15.81	10.38	15.60	15.30
Return on

average tangible common equity (ROATCE) (1)	15.99	16.65	16.43	16.75	11.03	16.44	16.49
Net interest rate spread	3.34	3.32	3.11	2.98	3.10	3.20	3.05
Net interest margin	4.01	4.02	3.84	3.63	3.77	3.87	3.75
Cost of Funds	1.88	2.07	2.18	2.25	2.31	2.10	2.31
Efficiency ratio	45.24	46.19	48.20	48.57	61.12	47.01	48.92
Noninterest income to average assets	0.47	0.48	0.39	0.43	0.53	0.44	0.49
Noninterest expense to average assets	1.89	1.94	1.91	1.85	2.47	1.90	2.08
Average interest-earning assets to average interest-bearing liabilities	1.38	1.36	1.31	1.30	1.31	1.34	1.32
Average equity to average total assets	0.12	0.11	0.10	0.10	0.09	0.11	0.09

(1) Considered non-GAAP financial measure - See "Non-GAAP Financial Measures" and reconciliation of GAAP to non-GAAP financial measures tables 10

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Financial Highlights
(unaudited)

	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Asset Quality Data:							
Net charge-offs to average loans	0.01%	0.00%	0.01%	0.01%	0.00%	0.03%	0.01%
Total allowance for credit losses to total loans	0.95	1.02	1.00	1.01	1.01	0.95	1.01
Total allowance							

for credit losses to nonperforming loans	286%	333%	307%	375%	360%	286%	360%
Nonperforming loans to gross loans	0.33%	0.31%	0.33%	0.27%	0.28%	0.33%	0.28%
Nonperforming assets to total assets	0.28%	0.27%	0.30%	0.24%	0.26%	0.28%	0.26%

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Financial Highlights
(unaudited)

	As of and for the Three Months Ended				As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025
Balance Sheet and Capital Ratios (Commercial Bancgroup, Inc.)						
Loan-to-deposit ratio	103.18%	99.25%	96.77%	94.37%	93.21%	103.18%
Noninterest bearing deposits to total deposits	21.91%	22.39%	22.53%	22.05%	20.46%	21.91%
Total shareholders' equity to total assets	12.44%	11.07%	10.40%	9.98%	9.57%	12.44%
Tangible common equity to tangible assets (1)	12.00%	10.59%	9.92%	9.48%	9.07%	12.00%
Tier 1 leverage ratio	12.19%	11.03%	10.22%	9.63%	9.51%	12.19%
Common equity tier 1 ratio	14.99%	12.83%	12.26%	11.62%	11.11%	14.99%
Total risk-based capital	15.96%	14.12%	13.55%	12.90%	12.37%	15.96%

ratio

Other

Number of branches	34	34	34	34	34	34	34
Number of full-time equivalent employees	287	287	289	284	279	287	279

(1) Considered non-GAAP financial measure - See "Non-GAAP Financial Measures" and reconciliation of GAAP to non-GAAP financial measures tables 10

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Quarter End Balance Sheets (unaudited)

Table 2

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
(dollars in thousands)					
Assets					
Cash and due from banks	\$ 118,989	\$ 122,945	\$ 108,501	\$ 113,190	\$ 134,455
Federal funds sold	25,329	31,841	42,782	37,303	43,743
Investment securities	140,865	161,471	187,565	188,849	176,155
Gross loans less deferred fees and discounts	1,873,533	1,767,193	1,791,516	1,795,178	1,806,997
Allowance for credit losses	(17,830)	(17,942)	(17,989)	(18,109)	(18,205)
Loans, net of allowance for credit losses	1,855,703	1,749,251	1,773,527	1,777,069	1,788,792
Premises and equipment, net	49,765	50,268	50,337	50,038	50,288
Foreclosed assets held for sale, net	253	533	861	565	832
Bank owned life insurance	46,648	46,482	46,480	46,191	45,883
Goodwill and other intangible assets	12,767	13,149	13,546	13,938	14,339
Deferred tax asset	1,427	1,427	1,029	1,029	1,079
Other	39,366	37,041	37,883	38,706	45,645
Total Assets	\$ 2,291,112	\$ 2,214,408	\$ 2,262,511	\$ 2,266,878	\$ 2,301,211

Liabilities and Shareholders' Equity

Liabilities

Deposits	913,986	928,958	926,886	960,915	976,481
Demand	414,716	382,002	382,788	390,491	385,615
Savings, NOW and money market	487,032	469,674	541,574	550,800	576,501

Time	1,815,734	1,780,634	1,851,248	1,902,206	1,938,597
Total deposits	88,251	62,663	46,300	5,900	3,392
Short-term borrowings	78,587	100,097	102,209	103,190	105,773
Long-term debt	2,962	3,410	4,545	5,157	4,225
Interest Payable	20,488	22,451	22,941	24,246	28,968
Other Liabilities					
Total Liabilities	\$ 2,006,022	\$ 1,969,255	\$ 2,027,243	\$ 2,040,699	\$ 2,080,955
Shareholders' Equity					
Common stock	137	122	122	122	121
Additional paid-in capital	38,377	8,406	8,406	8,406	9,388
Retained earnings	247,251	237,366	227,900	219,000	212,312
Accumulated other comprehensive loss	(675)	(741)	(1,160)	(1,349)	(1,565)
Total Shareholders' equity	285,090	245,153	235,268	226,179	220,256
Total liabilities and shareholders' equity	\$ 2,291,112	\$ 2,214,408	\$ 2,262,511	\$ 2,266,878	\$ 2,301,211

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Statement of Operations (unaudited)

Table 3

(dollars in thousands)	As of and for the Three Months Ended				As of and for the Twelve Months Ended		
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Interest and Dividend Income							
Loans, including fees	\$ 27,866	\$ 28,074	\$ 28,432	\$ 27,930	\$ 28,422	\$ 112,301	\$ 113,391
Debt securities-taxable	739	929	1,070	975	764	3,714	2,679
Debt securities-tax-exempt	114	102	116	110	91	442	368
Dividends on restricted stock	157	156	148	160	184	621	700
Interest-bearing deposits	1,082	760	1,093	1,591	1,872	4,526	6,075
Total interest and dividend income	29,958	30,021	30,859	30,766	31,333	121,604	123,213
Interest expense							
Deposits	8,441	8,654	9,717	10,294	10,377	37,107	40,352
Short-term borrowings	18	55	44	31	40	148	205
Long-term debt	689	1,090	1,039	1,101	1,149	3,919	5,072
Total interest expense	9,148	9,799	10,800	11,426	11,566	41,174	45,629
Net interest income	20,810	20,222	20,059	19,340	19,767	80,430	77,584
Provision for credit losses	150	-	-	-	5	150	1,829
Net	20,660	20,222	20,059	19,340	19,767	80,430	77,584

interest income after provision for credit losses	20,660	20,222	20,059	19,340	19,762	80,280	75,755
Noninterest Income							
Customer service fees	779	735	674	655	882	2,844	3,041
Net gains on sales of premises and equipment	13	20	2	(28)	347	38	759
Net gains on sales of foreclosed assets	48	110	1	3	2	161	153
	877	846	891	799	849	3,413	3,281
ATM fees	342	306	336	308	323	1,292	1,199
Increase in BOLI	607	609	290	706	597	2,182	2,445
Other	_____	_____	_____	_____	_____	_____	_____
Total noninterest income	2,666	2,626	2,194	2,443	3,000	9,930	10,878
Noninterest Expense							
Salaries and employee benefits	5,753	5,729	5,657	5,626	8,021	22,764	24,873
	734	738	774	875	1,135	3,264	3,786
Occupancy	1,068	1,103	1,151	1,207	842	4,530	4,235
Data processing	234	267	245	226	254	972	1,129
Deposit insurance premiums	229	136	286	195	37	846	1,017
Professional fees	1,001	955	803	948	992	3,706	4,109
Depreciation and amortization	1,602	1,624	1,809	1,504	2,635	6,397	6,912
Other	_____	_____	_____	_____	_____	_____	_____
Total noninterest expense	10,621	10,552	10,725	10,581	13,916	42,479	46,061

Income before income taxes	12,705	12,296	11,528	11,202	8,846	47,731	40,572
Provision for income taxes	2,792	2,829	2,658	2,510	3,235	10,789	8,886
	9,913	9,467	8,870	8,692	5,611	36,942	31,686
Net Income							
Less: Net Income Attributable to Noncontrolling Interest		-	-	-	-	-	276
Net Income attributable to Commercial Bancgroup, Inc.	\$ 9,913	\$ 9,467	\$ 8,870	\$ 8,692	\$ 5,611	\$ 36,942	\$ 31,410
	_____	_____	_____	_____	_____	_____	_____

**QTD Average Balances and Yields/Rates
(unaudited)**

Table 4

Three Months Ended

(dollars in thousands)	December 31, 2025			September 30, 2025		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Interest Earning Assets						
Gross loans, net of unearned income	\$ 1,807,127	\$ 27,866	6.2%	\$ 1,767,379	\$ 28,074	6.4%
Investment securities	152,782	1,011	2.6%	169,679	1,187	2.8%
Other interest-earning assets	116,517	1,081	3.7%	76,746	760	4.0%
Total interest-earning assets	2,076,426	29,958	5.8%	2,013,804	30,021	6.0%
Noninterest-earning assets:						
Allowance for credit losses	(17,954)			(17,971)		
Noninterest-earning assets	190,810			175,036		
	2,249,282			2,170,869		
Total Assets						
Interest-bearing liabilities:						

Interest-bearing DDAs	518,495	2,647	2.0%	509,726	2,806	2.2%
NOW, savings and MMDA deposits	427,419	1,585	1.5%	380,421	1,396	1.5%
	475,972	4,209	3.5%	486,555	4,452	3.7%
Time Deposits						
Federal Home Loan bank advances	60,781	444	2.9%	61,827	455	2.9%
	24,953	263	4.2%	45,934	690	6.0%
Other borrowings						
Total interest- bearing liabilities	<u>1,507,620</u>	<u>9,148</u>	<u>2.4%</u>	<u>1,484,463</u>	<u>9,799</u>	<u>2.6%</u>

**Noninterest
bearing liabilities:**

Noninterest bearing deposits	434,578		413,376
	47,299		33,557
Other liabilities			
Total noninterest bearing liabilities	481,877		446,933
	259,785		239,473
Shareholders' equity			
Total liabilities and shareholders' equity	<u>2,249,282</u>		<u>2,170,869</u>
Net interest income		20,810	20,222
		3.3%	3.3%
Net interest spread		4.0%	4.0%
Net interest margin			
Cost interest bearing deposits		2.37%	2.51%
		2.43%	2.64%
Cost of funds			

**YTD Average Balances and Yields/Rates
(unaudited)**

Table 5

Twelve Months Ended

	December 31, 2025			December 31, 2024		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
(dollars in thousands)						
Interest Earning Assets						
Gross loans, net of unearned income	1,791,550	112,301	6.27%	1,738,433	113,391	6.52%
Investment securities	173,927	4,777	2.75%	204,554	3,747	1.83%
Other interest-earning assets	112,578	4,526	4.02%	123,380	6,075	4.92%
Total interest-earning assets	2,078,055	121,604	5.85%	2,066,367	123,213	5.96%
Noninterest-earning assets:						
Allowance for credit losses	(18,102)				(17,568)	
Noninterest-earning assets	179,515				168,624	
	2,239,468				2,217,423	
Total Assets						
Interest-bearing liabilities:						
Interest-bearing DDAs	533,325	11,730	2.20%	497,662	11,757	2.36%
NOW, savings and MMDA deposits	396,126	5,902	1.49%	403,563	6,665	1.65%
Time Deposits	519,390	19,475	3.75%	546,599	21,931	4.01%
Short-term borrowings						
Federal Home Loan bank advances	62,419	1,778	2.85%	72,540	1,983	2.73%
Other borrowings	40,109	2,288	5.71%	47,746	3,293	6.90%
Total interest-bearing liabilities	1,551,369	41,173	2.65%	1,568,110	45,629	2.91%
Noninterest bearing liabilities:	---	---		---	---	

Noninterest bearing deposits	412,956	409,405
	38,373	33,286
Other liabilities		
Total noninterest bearing liabilities	451,329	442,691
	236,770	206,622
Shareholders' equity		
Total liabilities and shareholders' equity	<u>2,239,468</u>	<u>2,217,423</u>
Net interest income	80,431	77,584
Net interest spread	3.20%	3.05%
Net interest margin	3.87%	3.75%

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Loan Data (unaudited)

Table 6

(dollars in thousands)	As of Quarter Ended						December 31, 2024			
	December 31, 2025		September 30, 2025		June 30, 2025					
	% of Amount Total									
Real Estate Loans										
Commercial Construction and land development	1,113,440	57%	1,002,192	57%	1,016,229	57%	1,029,444	57%		
Residential	176,688	11%	201,399	11%	189,187	11%	180,066	10%		
Other	377,943	21%	376,769	21%	376,442	21%	372,338	21%		
Commercial	14,824	1%	14,831	1%	15,290	1%	16,406	1%		
Consumer	174,248	9%	154,732	9%	178,832	10%	182,186	10%		
Other	15,417	1%	16,009	1%	14,636	1%	14,908	1%		
Total loans	7,450	0%	7,642	0%	7,772	0%	7,505	0%		
Deferred loan fees and discounts	1,880,010	100%	1,773,574	100%	1,798,388	100%	1,802,853	100%		
Allowance for credit losses	17,830		17,942		17,989		18,109			
Loans, net	1,855,703		1,749,251		1,773,527		1,777,069			

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Nonperforming Assets (unaudited)

Table 7

	As of the Quarter Ended				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
(dollars in thousands)	_____	_____	_____	_____	_____
Nonaccrual loans	\$ 6,245	\$ 5,390	\$ 5,846	\$ 4,808	\$ 5,059
Past due loans 90 days and still accruing	-	-	6	20	2
Total nonperforming loans	<u>6,245</u>	<u>5,390</u>	<u>5,852</u>	<u>4,828</u>	<u>5,061</u>
Other real estate owned	253	533	861	565	832
Total nonperforming assets	<u>\$ 6,498</u>	<u>\$ 5,923</u>	<u>\$ 6,713</u>	<u>\$ 5,393</u>	<u>\$ 5,893</u>
Allowance for credit losses	\$ 17,830	\$ 17,942	\$ 17,989	\$ 18,109	\$ 18,205
Total loans outstanding at end of period	\$ 1,873,533	\$ 1,767,193	\$ 1,791,516	\$ 1,795,178	\$ 1,806,997
Nonperforming loans to total loans	0.33%	0.31%	0.33%	0.27%	0.28%
Nonperforming assets to total loans and OREO	0.35%	0.34%	0.37%	0.30%	0.33%
Allowance for credit losses to nonperforming loans	286%	333%	307%	375%	360%
Allowance for credit losses to total loans	0.95%	1.02%	1.00%	1.01%	1.01%
Nonaccrual loans to total assets	0.27%	0.24%	0.26%	0.21%	0.22%
Nonperforming assets to total assets	0.28%	0.27%	0.30%	0.24%	0.26%

Allowance for credit losses

(unaudited)

Table 8

(dollars in thousands)	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Average loans outstanding	\$ 1,807,127	\$ 1,767,379	\$ 1,795,846	\$ 1,794,477	\$ 1,769,580	\$ 1,791,550	\$ 1,738,433
Total loans outstanding at end of period	1,873,533	1,767,193	1,791,516	1,795,178	1,806,997	1,873,533	1,806,997
Balance, beginning of period	17,942	17,989	18,109	18,205	18,291	18,205	16,635
Charge-offs:							
Commercial real estate	(284)	-	(18)	-	-	(301)	(49)
Construction and land development	-	-	-	-	-	-	-
Residential real estate	-	-	(121)	-	(105)	(121)	(52)
Commercial	(48)	-	-	(314)	(5)	(362)	(177)
Consumer and other	(13)	(186)	(34)	(17)	-	(251)	(151)
Total charge-offs	(345)	(186)	(173)	(331)	(110)	(1,035)	(429)
Recoveries:							
Commercial real estate	-	108	33	10	19	151	75
Construction and land development	-	-	-	202	-	202	-
Residential real estate	20	26	2	16	-	64	9
Commercial	7	1	3	-	-	11	54
Consumer and other	56	4	15	7	5	83	32
Total recoveries	83	139	53	235	24	511	170
Net (charge-offs) recoveries	(262)	(47)	(120)	(96)	(86)	(524)	(259)
Provision for	150	-	-	-	-	150	1,829

credit losses	_____	_____	_____	_____	_____	_____	_____	_____
Balance at end of period	\$ 17,830	\$ 17,942	\$ 17,989	\$ 18,109	\$ 18,205	\$ 17,831	\$ 18,205	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
Ratio of allowance to end of period loans	0.95%	1.02%	1.00%	1.01%	1.01%	0.95%	1.01%	1.01%
Ratio of net (charge-offs) recoveries to average loans	-0.01%	0.00%	-0.01%	-0.01%	0.00%	-0.03%	-0.01%	1.01%

Commercial Bancgroup, Inc.
Financial Tables
(Unaudited)

Loan Risk Ratings (unaudited)

Table 9

As of the Quarter Ended

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
(dollars in thousands)					
Real Estate Loans					
Commercial					
Pass	\$ 1,104,532	\$ 999,788	\$ 1,012,190	\$ 1,023,884	\$ 1,002,113
Special mention	8,814	1,776	2,515	4,182	3,605
Substandard	94	628	1,524	1,378	489
Total Commercial	<u>\$ 1,113,440</u>	<u>\$ 1,002,192</u>	<u>\$ 1,016,229</u>	<u>\$ 1,029,444</u>	<u>\$ 1,006,207</u>
Construction and land development					
Pass	\$ 176,014	\$ 201,363	\$ 189,149	\$ 180,066	\$ 199,098
Special mention	78	-	-	-	702
Substandard	596	36	38	-	-
Total Construction and land development	<u>\$ 176,688</u>	<u>\$ 201,399</u>	<u>\$ 189,187</u>	<u>\$ 180,066</u>	<u>\$ 199,800</u>
Residential					
Pass	\$ 371,583	\$ 371,226	\$ 371,353	\$ 367,216	\$ 363,952
Special mention	833	838	849	854	865
Substandard	5,527	4,705	4,240	4,268	4,491
Total Residential	<u>\$ 377,943</u>	<u>\$ 376,769</u>	<u>\$ 376,442</u>	<u>\$ 372,338</u>	<u>\$ 369,308</u>
Other					
Pass	\$ 14,824	\$ 14,831	\$ 15,290	\$ 16,406	\$ 16,816
Special mention	-	-	-	-	-
Substandard	-	-	-	-	-
	<u>\$ 14,824</u>	<u>\$ 14,831</u>	<u>\$ 15,290</u>	<u>\$ 16,406</u>	<u>\$ 16,816</u>

	Total	Other						
Commercial								
Pass	\$ 173,324	\$ 153,819	\$ 177,969	\$ 181,255	\$ 200,976			
Special mention	793	733	747	808	543			
Substandard	131	180	116	123	74			
Total Commercial	<u>\$ 174,248</u>	<u>\$ 154,732</u>	<u>\$ 178,832</u>	<u>\$ 182,186</u>	<u>\$ 201,593</u>			
Consumer								
Pass	\$ 15,317	\$ 15,974	\$ 14,594	\$ 14,866	\$ 15,159			
Special mention	21	5	6	7	8			
Substandard	79	30	36	35	47			
Total Consumer	<u>\$ 15,417</u>	<u>\$ 16,009</u>	<u>\$ 14,636</u>	<u>\$ 14,908</u>	<u>\$ 15,214</u>			
Other								
Pass	\$ 7,451	\$ 7,642	\$ 7,773	\$ 7,506	\$ 6,744			
Special mention	-	-	-	-	-			
Substandard	-	-	-	-	-			
Total Other	<u>\$ 7,451</u>	<u>\$ 7,642</u>	<u>\$ 7,773</u>	<u>\$ 7,506</u>	<u>\$ 6,744</u>			
Total loans								
Pass	\$ 1,863,045	\$ 1,764,643	\$ 1,788,318	\$ 1,791,199	\$ 1,804,858			
Special mention	10,539	3,352	4,117	5,851	5,723			
Substandard	6,427	5,579	5,954	5,804	5,101			
Total Gross loans	<u>\$ 1,880,011</u>	<u>\$ 1,773,574</u>	<u>\$ 1,798,389</u>	<u>\$ 1,802,854</u>	<u>\$ 1,815,682</u>			

Non-GAAP Financial Measures

This press release contains certain financial measure(s) that are not financial measure(s) recognized under generally accepted accounting principles in the U.S. ("GAAP") and, therefore, are considered non-GAAP financial measure(s) and should be read along with the accompanying reconciliation of non-GAAP financial measure(s) to GAAP financial measure(s). We use non-GAAP financial measures, certain of which are included in this press release, both to explain our operating results to shareholders and the investment community and to evaluate, analyze, and manage our business. We believe that these non-GAAP financial measures provide a better understanding of ongoing operations, enhance the comparability of results across periods, and enable investors to better understand our performance. However, non-GAAP financial measures should not be considered in isolation and should be considered supplemental in nature and not as a substitute for or superior to the most directly comparable or other financial measures calculated in accordance with GAAP. Additionally, the manner in which the non-GAAP financial measure(s) contained in this press release are calculated may differ from the manner in which measures with similar names are calculated by other companies. You should understand how other companies calculate their financial measures similar to, or with names similar to, the non-GAAP financial measure(s) contained in this press release when comparing such financial measures.

The non-GAAP financial measures in this press release include the following:

- **Core deposits.** We calculate core deposits by excluding jumbo time deposits (deposits greater than or equal to \$250,000) from total deposits.
- **Core net income.** We define core net income as net income plus acquisition related expenses, net of the related tax effect of acquisition related expenses.
- **Core diluted earnings per share.** We define core diluted earnings per share as core net income divided by diluted weighted average shares outstanding.
- **Core ROAA.** We define core ROAA as core net income divided by average assets, with average assets based upon the average daily balance of total assets in each year.
- **Core return on average tangible common equity.** We define core return on average tangible common equity as core net income divided by total average shareholders' equity less average intangible assets (goodwill and core deposit intangibles).
- **Core efficiency ratio.** We define core efficiency ratio as operating revenue (net interest income, plus total noninterest income, divided by noninterest expenses (less acquisition related expenses). This ratio is an indicator used by our management to assess operating efficiencies and is intended to demonstrate how efficiently our management is controlling expenses relative to generating revenues on our core activities.
- **Efficiency Ratio.** We define efficiency ratio as operating expenses divided by fee income plus tax equivalent net interest income. This metric indicates how effectively the Company manages its expenses relative to its income, providing insights into cost management and profitability.
- **Pre-tax, pre-provision ROAA.** We define pre-tax, pre-provision ROAA as pre-tax, pre-provision net income divided by average assets calculated based upon the average daily balance of total assets in each year.
- **Tangible assets.** We define tangible assets as total assets less goodwill and other intangible assets.

- **Tangible book value per share.** We define tangible book value per share as our tangible common equity, which is shareholders' equity reduced by goodwill and other intangible assets, divided by diluted weighted average shares outstanding.

Our management believes that these non-GAAP financial measures and the information they provide are useful to investors since these measures permit investors to view our performance using the same tools that our management uses to evaluate our performance. In addition to the foregoing, our management believes that the "core" metrics described above assist users of the Company's financial statements with their financial analysis period-over-period as they exclude certain non-recurring items. While we believe that these non-GAAP financial measures are useful in evaluating our performance, these non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner in which we calculate these non-GAAP financial measures may differ from that of other companies reporting measures with similar names.

The following table provides a reconciliation of the above non-GAAP financial measures to their most directly comparable financial measure presented in accordance with GAAP.

**Non-GAAP Reconciliations
(unaudited)**

Table 10

(dollars in thousands, except per share data)	As of and for the Three Months Ended					As of and for the Twelve Months Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Pre-Tax Pre-Provision Net Income							
Pre-tax income	\$ 12,705	\$ 12,296	\$ 11,528	\$ 11,202	\$ 8,846	\$ 47,731	\$ 40,572
Add: provision for loan and lease losses	150	-	-	-	5	150	1,829
Pre-tax pre-provision net income	\$ 12,855	\$ 12,296	\$ 11,528	\$ 11,202	\$ 8,851	\$ 47,881	\$ 42,401
Tangible Common Equity:							
Shareholders' equity	\$ 285,090	\$ 245,153	\$ 235,268	\$ 226,179	\$ 220,256	\$ 285,090	\$ 220,256
Less: non controlling interest	8,511	8,511	8,511	8,511	8,514	8,511	8,514
Less: goodwill	3,164	3,448	3,744	4,035	4,331	3,164	4,331
Tangible common equity	\$ 273,415	\$ 233,194	\$ 223,013	\$ 213,633	\$ 207,411	\$ 273,415	\$ 207,411
Pre-Tax Pre-Provision Return on Average Assets:							
Total average assets	\$ 2,249,282	\$ 2,170,869	\$ 2,248,134	\$ 2,289,582	\$ 2,255,565	\$ 2,239,468	\$ 2,217,423
Pre-tax pre-provision net income	12,855	12,296	11,528	11,202	8,851	47,881	42,401
Pre-tax pre-provision return on average assets	2.29%	2.27%	2.05%	1.96%	1.57%	2.14%	1.91%
Return on							

**Average
Tangible
Common
Equity:**

Total average shareholders' equity	\$ 259,784	\$ 239,473	\$ 227,883	\$ 219,940	\$ 216,140	\$ 236,770	\$ 206,622
Less: average intangible assets (net of tax benefit)	11,767	11,980	11,997	12,310	12,676	12,014	13,497
Less: average non controlling interest	-	-	-	-	-	-	2,701
Average tangible equity	<u>248,017</u>	<u>227,493</u>	<u>215,886</u>	<u>207,630</u>	<u>203,464</u>	<u>224,757</u>	<u>190,424</u>

Net income to shareholders	9,913	9,467	8,870	8,692	5,611	36,942	31,410
Return on average tangible equity	15.99%	16.65%	16.43%	16.75%	11.03%	16.44%	16.49%

Tangible Book Value per Common Share, Reported:

Tangible common equity	\$ 273,415	\$ 233,194	\$ 223,013	\$ 213,633	\$ 207,411	\$ 273,415	\$ 207,411
Shares of common stock outstanding	13,697,987	12,239,644	12,239,644	12,239,644	12,113,114	13,697,987	12,113,114
Tangible book value per share, reported	\$ 19.96	\$ 19.05	\$ 18.22	\$ 17.45	\$ 17.12	\$ 19.96	\$ 17.12

Tangible Common Equity to Tangible Assets:

Tangible common equity	\$ 273,415	\$ 233,194	\$ 223,013	\$ 213,633	\$ 207,411	\$ 273,415	\$ 207,411
	2,291,112	2,214,408	2,262,511	2,266,878	2,301,211	2,291,112	2,301,211

Total assets							
Less: intangible assets	12,767	13,149	13,546	13,938	14,339	12,767	14,339
Tangible assets	2,278,345	2,201,258	2,248,965	2,252,940	2,286,872	2,278,345	2,286,872

Tangible common equity to tangible assets	12.00%	10.59%	9.92%	9.48%	9.07%	12.00%	9.07%
---	--------	--------	-------	-------	-------	--------	-------

Core Deposits:								
Total Deposits	\$ 1,815,734	\$ 1,780,634	\$ 1,851,248	\$ 1,902,206	\$ 1,938,597	\$ 1,815,734		1,938,597
Less: Time deposits equal to or greater than \$250,000	102,294	100,743	97,209	97,537	94,567	102,294		94,567
Less: Brokered deposits	47,970	47,970	125,223	145,375	174,918	47,970		174,918
	<u>\$ 1,665,470</u>	<u>\$ 1,631,921</u>	<u>\$ 1,628,816</u>	<u>\$ 1,659,294</u>	<u>\$ 1,669,112</u>	<u>\$ 1,665,470</u>		<u>\$ 1,669,112</u>
Core deposits								
Core Net Income:								
Net income	\$ 9,913	\$ 9,467	\$ 8,870	\$ 8,692	\$ 5,611	\$ 36,942		31,410
Add: merger expenses from AB&T acquisition	-	-	302	7	131	309		2,788
Less: tax effect	-	-	(76)	(2)	(33)	(78)		(697)
Core net income	<u>\$ 9,913</u>	<u>\$ 9,467</u>	<u>\$ 9,096</u>	<u>\$ 8,697</u>	<u>\$ 5,709</u>	<u>\$ 37,173</u>		<u>\$ 33,501</u>
Core Earnings per Share:								
Core net income	\$ 9,913	\$ 9,467	\$ 9,096	\$ 8,697	\$ 5,709	\$ 37,173		33,501
Average shares outstanding	13,835,816	12,188,624	12,137,013	12,137,013	12,301,998	12,574,617		12,187,788
Core earnings per share	\$ 0.72	\$ 0.78	\$ 0.75	\$ 0.72	\$ 0.46	\$ 2.96		2.75
Core Return on Average Assets:								
Core net income	\$ 9,913	\$ 9,467	\$ 9,096	\$ 8,697	\$ 5,709	\$ 37,173		33,501
Average assets	2,249,282	2,170,869	2,248,134	2,289,582	2,255,565	2,239,468		2,217,423
Core return on average assets	1.76%	1.74%	1.62%	1.52%	1.01%	1.66%		1.51%
Core Return on Average Common Tangible Equity:								
Average tangible common equity	\$ 248,017	\$ 227,493	\$ 215,886	\$ 207,630	\$ 203,464	\$ 224,757		190,424
Core net income	9,913	9,467	9,096	8,697	5,709	37,173		33,501

Core return on average tangible common equity	15.99%	16.65%	16.85%	16.75%	11.22%	16.54%	17.59%
Core Efficiency Ratio:							
Add: net interest income	\$ 20,810	\$ 20,222	\$ 20,059	\$ 19,340	\$ 19,767	\$ 80,431	\$ 77,584
Add: non interest income	2,666	2,626	2,194	2,443	3,000	9,929	10,878
Operating revenue	\$ 23,476	\$ 22,848	\$ 22,253	\$ 21,783	\$ 22,767	\$ 90,360	88,462
Total noninterest expenses	10,621	10,552	10,725	10,581	13,916	42,479	46,061
Less: merger expenses from AB&T acquisition	-	-	302	7	131	309	2,788
Core noninterest expenses	10,621	10,552	10,423	10,574	13,785	42,170	43,273
Core efficiency ratio	45.24%	46.18%	46.84%	48.54%	60.55%	46.67%	48.92%

Contacts

Philip J. Metheny
 Sr. Executive Vice President, Chief Financial Officer
 Commercial Bancgroup, Inc.
ir@cbtn.com
 423-869-5151 Ext. 3307

Roger Mobley
 Executive Vice President, Chief Financial Officer
 Commercial Bank
ir@cbtn.com
 704-648-0185 Ext. 4118

Forward-Looking Statements

This press release contains statements that constitute "forward-looking statements" within the meaning of the U.S. federal securities laws. The statements in this press release that are not purely historical facts are forward-looking statements. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other variations or comparable terminology and expressions. You should not place undue reliance on these forward-looking statements as actual future results may differ materially from those expressed or implied by any forward-looking statement. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual

results to differ materially from those expressed in any forward-looking statements, including but not limited to: (1) business and economic conditions nationally, regionally and in our target markets, particularly in Kentucky, North Carolina and Tennessee and the particular geographic areas in which we operate; (2) the level of, or changes in the level of, interest rates and inflation, including the effects thereof on our earnings and financial condition and the market value of our investment securities and loan portfolios; (3) the concentration of our loan portfolio in real estate loans and changes in the prices, values and sales volumes of commercial and residential real estate; (4) the concentration of our business within our geographic areas of operation in Kentucky, North Carolina and Tennessee and neighboring markets; (5) credit and lending risks associated with our commercial real estate, commercial, and construction and land development loan portfolios; (6) risks associated with our focus on lending to small and medium-sized businesses; (7) our ability to maintain important deposit customer relationships, maintain our reputation or otherwise avoid liquidity risks; (8) changes in demand for our products and services; (9) the failure of assumptions and estimates underlying the establishment of allowances for possible credit losses and other asset impairments, losses, valuations of assets and liabilities and other estimates; (10) the sufficiency of our capital, including sources of such capital and the extent to which capital may be used or required; (11) our inability to secure a "satisfactory" rating under the Community Reinvestment Act; (12) the risk that our cost of funding could increase in the event we are unable to continue to attract stable, low-cost deposits and reduce our cost of deposits; (13) our inability to raise necessary capital to fund our growth strategy and operations or to meet increased required minimum regulatory capital levels; (14) our ability to execute and prudently manage our growth and execute our business strategy, including expansionary activities; (15) the composition of and changes in our management team and our ability to attract, incentivize and retain key personnel; (16) the effects of competition from a wide variety of local, regional, national and other providers of financial, investment, trust and other wealth management services and insurance services, including the disruptive effects of financial technology and other competitors who are not subject to the same regulations as the Company and the Bank; (17) the deterioration of our asset quality or the value of collateral securing loans; (18) changes in accounting standards; (19) the effectiveness of our risk management framework, including internal controls; (20) severe weather, natural disasters, pandemics, epidemics, acts of war, terrorism, or other external events, such as the transition risk associated with climate change, and other matters beyond our control; (21) changes in technology or products that may be more difficult, costly, or less effective than anticipated; (22) the risks of acquisitions and other expansionary activities, including without limitation our ability to identify and consummate transactions with potential future acquisition candidates, the time and costs associated with pursuing such transactions, our ability to successfully integrate operations as part of such transactions and our ability, and possible failures, to achieve expected gains, revenue growth, expense savings and/or other synergies from such transactions; (23) our ability to maintain our historical rate of growth; (24) failure to keep pace with technological change or difficulties when implementing new technologies; (25) systems failures or interruptions involving our risk management framework, our information technology and telecommunications systems or fourth-party service providers; (26) our ability to identify and address unauthorized data access, cyber-crime and other threats to data security and customer privacy; (27) our compliance with governmental and regulatory requirements, including the Bank Holding Company Act of 1956, as amended, and other laws relating to banking, consumer protection, securities and tax matters, and our ability to maintain licenses required in connection with mortgage origination, sale and servicing operations; (28) compliance with the Bank Secrecy Act of 1970, Office of Foreign Assets Control rules and anti-money laundering laws and regulations; (29) governmental monetary and fiscal policies; (30) changes in laws, rules, or regulations, or interpretations thereof, or policies relating to financial institutions or accounting, tax, trade, monetary or fiscal matters; (31) our ability to receive dividends from the Bank and satisfy our obligations as they become due; (32) the institution and outcome of litigation and other legal proceedings against us or to which we become subject; (33) the limited experience of our management team in managing and operating a public company; (34) the incremental costs of operating as a public company; (35) our ability to meet our obligations as a public company, including our obligations under Section 404 of the Sarbanes-Oxley Act of 2002; and (36) other risks and factors described under the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Registration Statement on Form S-1/A (Registration No. 333-289862) filed with the U.S. Securities and

Exchange Commission on September 22, 2025. Commercial undertakes no obligation to update these forward-looking statements, as a result of changes in assumptions, new information, or otherwise, after the date of this press release, except as required by law.

SOURCE: Commercial Bancgroup, Inc.

View the original [press release](#) on ACCESS Newswire