



NEWS RELEASE

Commercial Bancgroup, Inc. Announces Results for the Third Quarter 2026

2026-10-26

HARROGATE, TN / [ACCESS Newswire](#) / October 26, 2026 / Commercial Bancgroup, Inc. ("Commercial" or the "Company") (NASDAQ:CBK), the parent company of Commercial Bank (the "Bank"), today announced net income of \$10.9 million, or \$0.79 per diluted common share, for the third quarter of 2026, compared to net income of \$9.5 million, or \$0.77 per diluted common share, for the third quarter of 2025. Core (net of any one-time adjustments) net income was \$10.9 million, or \$0.79 per diluted common share, for the third quarter of 2026, compared to core net income of \$9.5 million, or \$0.77 per diluted common share, for the third quarter of 2025.

Prior to Commercial's initial public offering ("IPO") of its common stock in October 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 the Company's common stock (the "Stock Split").

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

Third Quarter 2026 Performance Highlights:

- Net income of \$10.9 million or \$0.79 per diluted common share; Core net income of \$10.9 million or \$0.79 per common share diluted (see non-GAAP reconciliation)
- Return on average assets ("ROAA") of 1.84%; Core ROAA of 1.84% (see non-GAAP reconciliation)
- Return on average equity ("ROAE") of 14.16%; Core ROAE of 14.16% (see non-GAAP reconciliation)
- Return on average tangible common equity ("ROATCE") of 14.68%; Core ROATCE of 14.68% (see non-GAAP reconciliation)

- Net interest margin of 4.14%, an increase of 8 basis points from the second quarter of 2026
- Core efficiency ratio of 43.68% (see non-GAAP reconciliation)
- Loans outstanding net of deferred fees and discounts increased \$42.8 million during the quarter, or 2.2% from the second quarter of 2026
- Book value per share increased \$0.62, or 2.8%, to \$22.71 and tangible book value per share increased \$0.64, or 3.0%, to \$21.92 at September 30, 2026 from \$22.09 and \$21.28, respectively, at June 30, 2026 (see non-GAAP reconciliation)
- Net charge-offs to average loans of 0.00% and nonperforming assets to total assets of 0.31%

Year-To-Date Highlights:

- Net income of \$30.6 million or \$2.23 per diluted common share for the nine months ended September 30, 2026, compared to \$27.1 million or \$2.22 per diluted common share for the nine months ended September 30, 2025
- ROAA of 1.76% for the nine months ended September 30, 2026, compared to 1.61% for the nine months ended September 30, 2025
- ROAE of 13.71% for the nine months ended September 30, 2026, compared to 15.75% for the nine months ended September 30, 2025
- Total operating revenue of \$72.4 million for the nine months ended September 30, 2026, compared to \$66.9 million for the nine months ended September 30, 2025
- Noninterest expense of \$33.0 million for the nine months ended September 30, 2026, compared to \$31.9 million for the nine months ended September 30, 2025
- Book value per share of \$22.71 as of September 30, 2026, compared to \$20.03 as of September 30, 2025
- Tangible book value per share of \$21.92 as of September 30, 2026, compared to \$19.05 as of September 30, 2025 (see non-GAAP reconciliation)
- Core efficiency ratio of 44.7% for the nine months ended September 30, 2026, compared to 47.1% for the nine months ended September 30, 2025 (see non-GAAP reconciliation)

Balance Sheet Trends

Total assets were \$2.4 billion as of September 30, 2026, compared to \$2.2 billion as of September 30, 2025.

Loans outstanding net of deferred fees and discounts were \$2.0 billion as of September 30, 2026, an increase of \$216.1 million, or 12.2%, from September 30, 2025.

As of September 30, 2026, the Bank exceeded the minimum requirements to be well-capitalized for bank regulatory purposes, with a total risk-based capital ratio of 14.2%, a Tier 1 risk-based capital ratio of 13.3%, a common equity Tier 1 capital ratio of 13.3%, and a Tier 1 leverage ratio of 11.8%.

Total deposits were \$1.9 billion as of September 30, 2026, an increase of \$106.8 million, or 6.0%, from September 30, 2025.

Noninterest-bearing demand deposits increased \$9.6 million, or 2.4%, to \$408.2 million as of September 30, 2026, from \$398.6 million as of September 30, 2025.

Non-brokered deposits were \$1.8 billion as of September 30, 2026, an increase of \$107.5 million, or 6.2%, from September 30, 2025. This increase was primarily driven by normal customer business cycles and deposit growth.

Nonperforming assets to total assets were 0.31% as of September 30, 2026, compared with 0.27% as of

September 30, 2025. The allowance for credit losses to total loans was 0.96% and 1.02%, as of September 30, 2026 and September 30, 2025, respectively.

Net Income Before Income Taxes

Net income before income taxes was \$13.8 million for the three months ended September 30, 2026, an increase of \$1.5 million, or 12.5%, from the three months ended September 30, 2025. The increase was primarily the result of a \$1.9 million, or 9.5%, increase in net interest income after provision for credit losses and a \$0.1 million, or 2.8%, increase in noninterest income, partially offset by a \$0.4 million, or 4.3%, increase in noninterest expense.

Noninterest Income

Noninterest income was \$2.7 million for the three months ended September 30, 2026, an increase of \$0.1 million, or 2.8%, compared to the three months ended September 30, 2025. The increase was primarily due to increases in ATM fees and bank-owned life insurance income.

About Commercial Bancgroup, Inc.

Commercial Bancgroup, Inc. is a bank holding company headquartered in Harrogate, Tennessee. Through our wholly owned subsidiary, Commercial Bank, a Tennessee state-chartered bank, we offer 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.cbtcn.com.

Non-GAAP Financial Measures

This press release contains certain financial measures that are not financial measures recognized under generally accepted accounting principles in the U.S. ("GAAP") and, therefore, are considered non-GAAP financial measures and should be read along with the accompanying reconciliation of non-GAAP financial measures to GAAP financial measures. 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. Our management believes that the "core" metrics described below and used in this press release assist users of the Company's financial statements with their financial analysis period-over-period as they exclude certain non-recurring items. 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 measures 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 measures 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 \$250,000) and brokered deposits from total deposits.

- **Core net income.** We define core net income as net income plus non-recurring expenses, net of the related tax effect of non-recurring expenses.
- **Core net income per share diluted.** We define core net income per share diluted as core net income divided by weighted average diluted common 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 period.
- **Core ROAE.** We define core ROAE as core net income divided by average shareholders' equity, with average shareholders' equity based upon the average daily balance of total shareholders' equity in each period.
- **Core ROATCE.** We define core ROATCE as core net income divided by total average shareholders' equity less average intangible assets (goodwill and core deposit intangibles) net of tax impact.
- **Pre-tax pre-provision net income (PPNI).** We define pre-tax pre-provision net income as pre-tax net income plus provision for credit losses.
- **Core efficiency ratio.** We define core efficiency ratio as noninterest expenses (less non-recurring expenses), divided by operating revenue (net interest income plus total noninterest income). 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.
- **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 period.
- **Tangible assets.** We define tangible assets as total assets less goodwill and other intangible assets.
- **ROATCE.** We define ROATCE as net income divided total average shareholders' equity less average intangible assets (goodwill and core deposit intangibles) net of tax impact.
- **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 total shares outstanding.
- **Tangible common equity to tangible assets.** We define tangible common equity to tangible assets as tangible common equity divided by tangible assets calculated as total assets net of intangible assets.

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.

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