

**Source:** Oak Ridge Financial Services

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# Oak Ridge Financial Services, Inc. Announces Fourth Quarter and Full Year of 2025 Results, Quarterly Cash Dividend of \$0.14 Per Share

OAK RIDGE, N.C., Feb. 05, 2026 (GLOBE NEWSWIRE) -- Oak Ridge Financial Services, Inc. ("Oak Ridge"; or the "Company") (OTCPink: BKOR), the parent company of Bank of Oak Ridge (the "Bank"), announced unaudited financial results for the fourth quarter and full year of 2025, and a quarterly cash dividend of \$0.14 per share.

## Full Year 2025 Highlights

- **Earnings per share** of \$2.92 for 2025, compared to \$2.06 for 2024.
- **Return on equity** of 12.21% for 2025, compared to 9.27% for 2024.
- **Dividends declared per common share** of \$0.54 for 2025, compared to \$0.46 for 2024.
- **Tangible book value per common share** of \$26.01 as of year-end 2025, compared to \$23.02 as of year-end 2024.
- **Net interest margin** of 4.11% for 2025, compared to 3.83% for 2024.
- **Efficiency ratio** of 64.7% for 2025, compared to 67.7% for 2024.
- **Loans receivable** of \$517.4 million as of December 31, 2025, up 0.6% from \$514.3 million as of December 31, 2024.
- **Nonperforming assets to total assets** of 1.07% as of December 31, 2025, compared to 0.53% as of December 31, 2024.
- **Nonperforming assets** were \$7.1 million at December 31, 2025, of which \$6.9 million consisted of the guaranteed and unguaranteed portions of SBA loans; these balances are carried at net realizable value, reflecting prior write-downs to fair value less estimated costs to sell recognized through the provision for credit losses, and inclusive of expected recoveries from the SBA guarantee.
- **Securities available-for-sale and held-to maturity** of \$96.4 million as of December 31, 2025, down 7.6% from \$104.4 million as of year-end 2024.
- **Total deposits** of \$538.6 million as of December 31, 2025, up 0.7% from \$531.3 million as of year-end 2024.
- **Total short-and long-term borrowings, junior subordinated notes, and subordinated debentures** of \$45.2 million as of December 31, 2025, down 22.3% from \$58.2 million as of year-end 2024.

- **Total stockholders' equity** of \$71.3 million as of December 31, 2025, up 13.2% from \$63.0 million as of year-end 2024. At December 31, 2025, the Bank's Community Bank Leverage Ratio (CBLR) was 11.86%, up from 11.04% as of December 31, 2024.

Tom Wayne, Chief Executive Officer, announced, "2025 was a record-breaking year for Oak Ridge Financial Services, as we achieved a milestone \$8.0 million in net income and grew earnings per share by 42% to \$2.92. These exceptional results reflect the strength of our community banking model and our disciplined focus on margin, evidenced by our 4.11% net interest margin in 2025. Furthermore, we maintained a stable and resilient balance sheet, finishing the year with modest organic growth in both loans and deposits. Our commitment to creating stockholder value remains paramount; in 2025, we increased our quarterly dividend and grew tangible book value per share by 13% to \$26.01. While we saw an increase in nonaccrual assets, the vast majority of this balance is comprised of SBA-guaranteed loans. We are working diligently through the liquidation and guarantee process, and our current carrying values already reflect adjustments to their net realizable value. We owe these accomplishments to our dedicated employees and the invaluable support of our Board of Directors. I am thankful for their continued commitment to serving our clients and ensuring the Bank's enduring strength and success."

A quarterly cash dividend of \$0.14 per share of common stock will be paid on March 3, 2026, to stockholders of record as of the close of business on February 18, 2026. "We are pleased to pay another quarterly cash dividend to our stockholders," said Mr. Wayne. "Paying stockholders a portion of our earnings reflects our continuing commitment to enhance stockholder value."

For 2025 and 2024, net interest income was \$26.5 million and \$23.7 million, respectively, and the net interest margin was 4.10% in 2025 compared to 3.83% in 2024, an increase of 27 basis points. For the three months ending December 31, 2025 and 2024, net interest income was \$6.7 million and \$6.3 million, respectively. For the three months ending December 31, 2025, the net interest margin increased 18 basis points to 4.10%, compared to 3.92% in the prior year period.

For 2025, the Company recorded a provision for credit losses of \$1.3 million, compared to a provision for credit losses of \$1.4 million in 2024. For the three months ending December 31, 2025, the Company recorded a negative provision for credit losses of \$298,000, compared to a provision for credit losses of \$514,000 in the same period in 2024. The allowance for credit losses as a percentage of total loans was 1.17% and 1.05% on December 31, 2025 and 2024, respectively. Nonperforming assets represented 1.07% of total assets on December 31, 2025, compared to 0.53% on December 31, 2024. The recorded balances of nonperforming loans were \$7.1 million on December 31, 2025, of which \$6.9 million consisted of the guaranteed and unguaranteed portions of SBA loans; these balances are carried at net realizable value, reflecting prior write-downs to fair value less estimated costs to sell recognized through the provision for credit losses, and inclusive of expected recoveries from the SBA guarantee. The recorded balances of nonperforming assets were \$3.5 million on December 31, 2024.

Noninterest income totaled \$4.1 million and \$3.2 million for 2025 and 2024, respectively. There were increases and decreases in components of noninterest income from 2024 to 2025, with the following categories significantly contributing to the overall net increase: Service charges on deposit accounts were \$939,000 for 2025 compared to \$836,000 in 2024; the increase is due to a new deposit account fee established in July 2024, which and was in effect all of 2025. Gain on sale of Small Business Administration loans were \$709,000 in 2025 with no loan sales in 2024. Income from Small Business Investment Company investments were \$27,000 for 2025 compared to \$211,000 in 2024; the Company received reduced income distributions from Small Business Investment Company investments in 2025 compared to 2024. Other service charges and fees were \$469,000 for 2025 compared to \$380,000 in 2024; the increase is due to a combination of new and recurring loan and deposit fees.

Noninterest income totaled \$828,000 and \$784,000 for the three months ended December 31, 2025 and 2024, respectively due to small individual increases and decreases in the different noninterest income categories.

Noninterest expense totaled \$19.0 million and \$18.3 million for 2025 and 2024, respectively. There were increases and decreases in components of noninterest expense from 2024 to 2025, with the following categories significantly contributing to the overall net increase of \$727,000: Salaries were \$9.5 million in 2025, compared to \$9.0 million in 2024; the increase is mostly due to higher salaries and incentive payments to employees for 2025. Equipment expense was \$954,000 in 2025

compared to \$595,000 in 2024; the increase is mostly due to higher equipment depreciation and maintenance expenses in 2025 compared to 2024. Professional and advertising expenses were \$906,000 for 2025 compared to \$1.2 million for 2024; the decrease is mostly due to decreases in information technology contracted services and consultant fees in 2025 compared to 2024. Other expense was \$2.1 million in 2025 compared to \$1.7 million in 2024; the increase is due to higher licensing fees in 2025 compared to 2024.

Noninterest expense totaled \$4.8 million and \$4.7 million for the three months ended December 31, 2025 and 2024, respectively, due to small individual increases and decreases in the different noninterest expense categories.

**About Oak Ridge Financial Services, Inc. and Bank of Oak Ridge**

We pride ourselves on knowing your name when you walk through our door. Whether in-person or through our digital offerings, managing your financial well-being is easy, safe, and convenient. We are the longest-running employee-owned community bank in the Triad and have served community members, local businesses, and non-profit organizations since 2000. Learn more about what makes Bank of Oak Ridge the Triad's community bank by visiting one of our convenient locations in Greensboro, High Point, Summerfield, and Oak Ridge.

Oak Ridge Financial Services, Inc. (OTC Pink: BKOR) is the holding company for Bank of Oak Ridge. Bank of Oak Ridge is a member of the FDIC and an Equal Housing Lender.

**Awards & Recognitions** | Best Bank in the Triad | Triad's Top Workplace Finalist | 2016 Better Business Bureau Torch Award for Business Ethics | Triad's Healthiest Employer Winner

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**Forward-looking Information** *This earnings release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of the Company and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of the words "expect," "anticipate," "estimate" and "believe," variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, (1) competition in the Company's markets, (2) changes in the interest rate environment, (3) general national, regional or local economic conditions may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and the possible impairment of collectability of loans, (4) legislative or regulatory changes, including changes in accounting standards, (5) significant changes in the federal and state legal and regulatory environment and tax laws, and (6) the impact of changes in monetary and fiscal policies, laws, rules and regulations. The Company undertakes no obligation to update any forward-looking statements.*

**OAK RIDGE FINANCIAL SERVICES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Dollars in thousands, except share data)*

	December 31, 2025	December 31, 2024
	(unaudited)	(audited)
<b>ASSETS</b>		
Cash and due from banks	\$ 8,840	\$ 8,075
Interest-bearing deposits with banks	14,556	13,102
Total cash and cash equivalents	23,397	21,177

Securities available-for-sale	81,412	85,714
Securities held-to-maturity, net of allowance for credit losses	15,030	18,662
Restricted stock, at cost	3,059	3,439
Loans receivable	517,374	514,291
Allowance for credit losses	(6,030)	(5,388)
Net loans receivable	511,344	508,903
Property and equipment, net	8,900	8,664
Accrued interest receivable	3,217	3,135
Bank owned life insurance	6,356	6,268
Right-of-use assets – operating leases	2,328	2,166
Other assets	5,199	5,553
<b>Total assets</b>	<b>\$ 660,242</b>	<b>\$ 663,681</b>
<b>LIABILITIES</b>		
Noninterest-bearing deposits	\$ 128,408	\$ 119,851
Interest-bearing deposits	406,521	411,464
<b>Total deposits</b>	<b>534,929</b>	<b>531,315</b>
Federal Funds purchased	-	1,725
Short-term borrowings	24,000	40,000
Long-term borrowings	7,000	-
Junior subordinated notes – trust preferred securities	8,248	8,248
Subordinated debentures, net of discount	6,000	9,983
Lease liabilities – operating leases	2,328	2,166
Accrued interest payable	521	709
Other liabilities	5,924	6,545
<b>Total liabilities</b>	<b>588,950</b>	<b>600,691</b>
<b>STOCKHOLDERS' EQUIT</b>		
Common stock	27,274	26,733
Retained earnings	43,851	37,771
Net unrealized loss on debt securities, net of tax	304	(1,771)
Net unrealized loss on hedging derivative instruments, net of tax	(137)	257
Total accumulated other comprehensive loss	167	(1,514)
<b>Total stockholders' equity</b>	<b>71,292</b>	<b>62,990</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 660,242</b>	<b>\$ 663,681</b>
<b>Common shares outstanding</b>	<b>2,741,350</b>	<b>2,736,770</b>
<b>Common shares authorized</b>	<b>50,000,000</b>	<b>50,000,000</b>

**OAK RIDGE FINANCIAL SERVICES,  
INC.**

**CONSOLIDATED STATEMENTS OF INCOME**

*(Dollars in thousands, except share data)*

	Three Months Ended		For the year ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<b>Interest and dividend income:</b>				
Loans and fees on loans	\$ 8,462	\$ 8,212	\$ 34,205	\$ 31,076
Interest on deposits in banks	184	217	712	887
Restricted stock dividends	53	64	221	241

Interest on investment securities	1,233	1,279	5,047	5,578
<b>Total interest and dividend income</b>	<b>9,932</b>	<b>9,772</b>	<b>40,185</b>	<b>37,782</b>
<b>Interest expense</b>				
Deposits	2,630	2,700	10,694	10,268
Short-term and long-term debt	648	786	2,944	3,778
<b>Total interest expense</b>	<b>3,278</b>	<b>3,486</b>	<b>13,638</b>	<b>14,046</b>
<b>Net interest income</b>	<b>6,654</b>	<b>6,286</b>	<b>26,547</b>	<b>23,736</b>
<b>Provision for credit losses</b>	<b>(298)</b>	<b>514</b>	<b>1,286</b>	<b>1,359</b>
<b>Net interest income after provision for credit losses</b>	<b>6,952</b>	<b>5,772</b>	<b>25,261</b>	<b>22,377</b>
<b>Noninterest income:</b>				
Service charges on deposit accounts	233	234	939	836
Gain (loss) on sale of securities	-	19	42	19
Gain on sale of foreclosed property	21	-	17	-
Insurance commissions	146	125	654	553
Gain on sale of Small Business Administration loans	-	-	709	-
Debit and credit card interchange income	289	285	1,151	1,174
Income from Small Business Investment Company	-	-	27	211
Income earned on bank owned life insurance	22	23	89	90
Other service charges and fees	117	98	469	380
<b>Total noninterest income</b>	<b>828</b>	<b>784</b>	<b>4,097</b>	<b>3,263</b>
<b>Noninterest expenses:</b>				
Salaries	2,309	2,198	9,471	8,962
Employee Benefits	353	370	1,420	1,294
Occupancy	324	321	1,153	1,325
Equipment	241	134	954	595
Data and Item Processing	593	602	2,139	2,255
Professional & Advertising	267	298	906	1,249
Stationary and Supplies	28	21	118	131
Telecommunications	81	65	343	278
FDIC Assessment	30	118	352	460
Other expense	545	443	2,132	1,712
<b>Total noninterest expenses</b>	<b>4,771</b>	<b>4,570</b>	<b>18,988</b>	<b>18,261</b>
<b>Income before income taxes</b>	<b>3,009</b>	<b>1,986</b>	<b>10,370</b>	<b>7,379</b>
<b>Income tax expense</b>	<b>685</b>	<b>461</b>	<b>2,356</b>	<b>1,706</b>
Net income and income available to common shareholders	\$ 2,324	\$ 1,525	\$ 8,014	\$ 5,673
<b>Basic income per common share</b>	<b>\$ 0.85</b>	<b>\$ 0.56</b>	<b>\$ 2.92</b>	<b>\$ 2.06</b>
<b>Diluted income per common share</b>	<b>\$ 0.85</b>	<b>\$ 0.56</b>	<b>\$ 2.92</b>	<b>\$ 2.06</b>
<b>Basic weighted average shares outstanding</b>	<b>2,742,752</b>	<b>2,744,609</b>	<b>2,741,686</b>	<b>2,752,991</b>
<b>Diluted weighted average shares outstanding</b>	<b>2,742,752</b>	<b>2,744,609</b>	<b>2,741,686</b>	<b>2,752,991</b>

OAK RIDGE FINANCIAL  
SERVICES, INC.  
Selected Financial  
Data

	As Of Or For The Three Months Ended,				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Return on average common stockholders' equity <sup>1</sup>	13.39%	11.25%	14.13%	10.04%	9.63%
Tangible book value per share	\$ 26.01	\$ 24.98	\$ 24.04	\$ 23.41	\$ 23.02
Return on average assets <sup>1</sup>	1.38%	1.10%	1.32%	0.95%	0.91%
Net interest margin <sup>1</sup>	4.10%	4.18%	4.16%	3.97%	3.92%
Efficiency ratio	63.8%	59.0%	59.1%	66.8%	64.6%
Nonperforming assets to total assets	1.07%	0.84%	0.73%	0.67%	0.53%
Allowance for credit losses to total loans	1.17%	1.19%	1.10%	1.05%	1.05%
<sup>1</sup> Annualized					

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