



ODNB Financial Corporation Reports Third Quarter 2025 Financial Results

ODNB achieves new performance milestones in assets, core net income, loans, and deposits; Maintains high-quality, well-diversified loan book.

TYSONS CORNER, Va., October 30, 2025 – ODNB Financial Corporation (“ODNB” or the “Company”), the holding company for Old Dominion National Bank (the “Bank”) and its Centre 1st Bank division (“Centre 1st Bank”), reported financial results for the third quarter ended September 30, 2025.

“We surpassed \$1.5 billion in assets by emphasizing prudent and selective loan growth,” Chairman and Chief Executive Officer Mark Merrill said. “With over \$30 million in new production already booked in the fourth quarter and a very robust pipeline, we expect to end the year ahead of our budget goals. This level of growth would not be possible without a comparable increase in high-quality, low-cost funding. Our entire production team has been instrumental in helping the Bank achieve its deposit growth goals: we have onboarded over \$50 million in new customer deposits in the fourth quarter, and our growth in noninterest-bearing and other core deposits will continue to drive net interest margin expansion for the Bank.”

Merrill added, “ODNB’s loan portfolio continues to perform very well across all markets and industry segments, including our government contracting customers, who have continued to deliver security, defense, and other essential services during the federal shutdown. Overall, we are pleased to report outstanding third-quarter results, highlighted by record pre-tax income and core net income.”

Selected Third Quarter 2025 Highlights

- **Strong Earnings** – Net income was \$2.2 million, increasing 26.4% from \$1.7 million in the second quarter of 2025 and 65.1% from \$1.3 million in the third quarter of 2024. Pre-tax income of \$2.8 million increased 26.0% and 60.3% from the prior quarter and prior year period, respectively, while pre-tax, pre-provision earnings of \$3.2 million increased 9.8% and 34.0% from the prior quarter and prior year period.
- **Continued Growth in Core Net Income (Non-GAAP)** – Core net income, which is net income, excluding nonrecurring items, increased to \$2.5 million in the current quarter compared to \$1.7 million in the prior quarter and \$1.2 million in the prior year period.
- **Expanding NIM** – Net interest margin (“NIM”) expanded to 2.84% from 2.70% in the prior quarter and 2.56% in the third quarter of 2024. NIM increased six of the last seven quarters and has improved 39 basis points from its 2.45% low in the fourth quarter of 2023.
- **Increased Revenue** – Net interest income grew to a record \$10.2 million, increasing 7.2% from the prior quarter and 21.2% from the third quarter of 2024. Noninterest income grew to \$618 thousand, increasing 13.6% from the prior quarter and 66.1% from the third quarter of 2024, reflecting significant contributions from the new Wealth Management division, launched earlier this year.
- **Valuable Core Deposit Franchise** – Deposits grew to a record \$1.24 billion at period end, increasing \$17.1 million or 5.6% annualized during the quarter and \$150.7 million or 13.8%

from September 30, 2024. Time deposits decreased 5.7% from the prior quarter, while noninterest-bearing deposits increased \$21.3 million or 32.2% annualized during the quarter. Noninterest-bearing deposits were 23.1% of total deposits on September 30, 2025. ODNB continues to build core deposits at lower interest rates.

- **Loan Growth** – Loans grew to a record \$1.27 billion at period end, increasing \$5.2 million or 1.6% annualized during the quarter and \$111.2 million or 9.6% from September 30, 2024. Period-end balances reflect elevated payoff and paydown activity in the third quarter of 2025, which was more than offset by new originations of \$112.7 million.
- **Sustained Strong Asset Quality** – Loans past due 30-89 days totaled \$703 thousand and there were no loans past due 90 days or more and still accruing on September 30, 2025. Nonperforming loans were \$13.8 million or 1.09% of total loans at period end, compared to \$14.0 million or 1.10% on June 30, 2025, and \$140 thousand or 0.01% on September 30, 2024. ODNB had no other real estate owned assets. Provision expense was \$375 thousand in the third quarter of 2025 and period-end allowance for credit losses increased to \$12.3 million, or 0.97% of total loans, in response to the Bank's continued loan growth.
- **Sound, Well Capitalized Balance Sheet** – The Bank's regulatory capital ratios remain well in excess of thresholds required to be considered "well capitalized," with tier one leverage ratio of 11.05%, tier one risk-based capital ratio of 12.61% and total risk-based capital ratio of 13.63% at September 30, 2025.
- **Tangible Book Value Per Share Growth** – Tangible book value per share grew to \$12.36 at September 30, 2025 from \$12.12 at June 30, 2025, and \$11.54 at September 30, 2024.

Operating Results

Net interest income grew to a record \$10.2 million in the third quarter of 2025, increasing 7.2% from \$9.5 million in the prior quarter and \$8.4 million in the prior year period. Third quarter 2025 net interest income growth over the comparable periods is a result of an increase in earning assets, higher interest income, and lower interest expense as deposits continue to reprice to lower interest rates.

NIM was 2.84% in the third quarter of 2025, up 14 basis points from 2.70% in the prior quarter and 28 basis points from 2.56% in the third quarter of 2024. The expansion in NIM during the quarter and prior periods was primarily due to the decline in the average cost of deposits.

Noninterest income grew to \$618 thousand in the third quarter of 2025, increasing 13.6% from \$544 thousand in the prior quarter and 66.1% from \$372 thousand in the prior year period. ODNB's new Wealth Management division generated noninterest income of \$125 thousand in the third quarter of 2025, increasing 33.0% from \$94 thousand in the prior quarter. Assets under management, not included in total assets on the Company's balance sheet, have grown from zero at its launch early this year to over \$500 million as of today. Noninterest income growth for the quarter reflects increases in fee-based transactions and other cash management service charges, bank-owned life insurance income and distributions from the Company's equity investment with Frost & Conn, an insurance agency located in State College, Pa.

The Company recorded total noninterest expense of \$7.6 million for the third quarter of 2025, compared to \$7.1 million in the prior quarter, and \$6.4 million in the prior year period. Excluding nonrecurring items, operating expense totaled \$7.3 million for the third quarter of 2025, \$7.1 million in the prior quarter, and \$6.6 million in the prior year period. Exclusive of nonrecurring items, noninterest expense growth primarily reflected higher occupancy and equipment expense, investments to support balance sheet and revenue growth, salaries and benefits expense, professional services, FDIC deposit insurance and other operating expenses, partially offset by lower marketing and data processing expense.

Non-GAAP core net income, which excludes nonrecurring items, was a record \$2.5 million in the current quarter compared to \$1.7 million in the prior quarter and \$1.2 million in the prior year period. Net income was \$2.2 million, increasing 26.4% from \$1.7 million in the prior quarter and 65.1% from \$1.3 million in the prior year period.

Financial Condition

Total assets grew to \$1.51 billion at September 30, 2025, increasing 1.36% from \$1.49 billion at the end of the prior quarter and 12.1% from \$1.35 billion at September 30, 2024. Gross loans were \$1.27 billion at September 30, 2025, increasing 0.4% from \$1.26 billion at the end of the prior quarter and 9.6% from \$1.16 billion at September 30, 2024. Period-end balances reflect elevated payoff and paydown activity in the third quarter of 2025, which was more than offset by new originations of \$112.7 million. Loan growth is expected to accelerate through the end of 2025 with over \$30 million in new production to date in the fourth quarter and a very robust pipeline.

Total deposits grew to \$1.24 billion at September 30, 2025, increasing 1.4% from \$1.22 billion at the end of the prior quarter and 13.8% from \$1.09 billion at September 30, 2024. As a percentage of total deposits as of September 30, 2025, noninterest-bearing deposits grew to 23.1%, interest-bearing checking, savings and money market deposits grew to 45.8%, and time deposits including brokered CDs declined to 31.1%. ODNB continues to emphasize core customer deposit relationships to reduce its total cost of funding and improve deposit concentration mix.

The Company's balance sheet remains highly liquid. The liquidity ratio, defined as the sum of cash and unencumbered marketable securities totaling \$196.2 million to total liabilities, was 14.3% at September 30, 2025.

Asset Quality and Capital Strength

The Company's ability to maintain attractive long-term asset quality metrics is largely due to the high quality of the Bank's borrowers, the strength of customer relationships, and the Bank's stringent underwriting criteria.

ODNB had no other real estate owned, no loans past due 90 days or more, and just \$703 thousand in loans past due 30-89 days which consisted of one cash-secured commercial loan and one small consumer loan secured by adequate real estate at September 30, 2025. Nonaccrual loans of \$13.8 million, or 1.09% of total loans, on September 30, 2025 continue to consist of two commercial real estate loans secured by mixed use and multifamily properties in the Washington, D.C. metro area. As previously reported, these two loans experienced credit deterioration and were placed on nonaccrual in the second quarter of 2025, even though the borrowers remain current on their monthly loan payments. Nonaccrual loans were \$14.0 million, or 1.10% of total loans on June 30, 2025, and \$140 thousand, or 0.01% of total loans, on September 30, 2024.

Provision expense was \$375 thousand in the third quarter of 2025 compared to \$672 thousand in the prior quarter and \$623 thousand in the prior year period. The allowance for credit losses was \$12.3 million or 0.97% of gross loans at September 30, 2025, \$11.9 million or 0.94% of gross loans at June 30, 2025, and \$11.7 million or 1.01% on September 30, 2024.

The Bank's regulatory capital ratios at September 30, 2025 remained well above levels required to be considered well-capitalized, with tier one leverage of 11.05%, tier one risk-based capital of 12.61%, and total risk-based capital of 13.63%. The Company's equity to assets ratio was 9.37% at September 30, 2025.

Book value per share grew to \$12.36 at September 30, 2025, increasing from \$12.12 at the end of the prior quarter and \$11.54 at September 30, 2024. Non-GAAP book value, excluding available

for sale (“AFS”) securities losses reported in accumulated other comprehensive income (“AOCI”), grew to \$12.68 per share at September 30, 2025, increasing from \$12.48 per share at the end of the prior quarter and \$11.94 at September 30, 2024.

About ODNB Financial Corporation

ODNB Financial Corporation is the holding company for [Old Dominion National Bank](#), a locally owned community bank serving markets including the Washington, D.C. metro area, with its executive headquarters in the heart of Northern Virginia at Tysons Corner, and its full service branches in Tysons Corner and Leesburg, Va., as well as communities in Central Virginia from its Albemarle County branches and in South Florida from its Boca Raton office. [Centre 1st Bank](#), a division of the Bank, serves Pennsylvania and New Jersey from offices in State College, Pennsylvania. ODNB Wealth Management, a wholly owned division of the Bank, serves clients from its office in Haverford, Pa. ODNB offers a full range of commercial and consumer financial services in the communities it serves. The Company had \$1.51 billion in assets at September 30, 2025.

Forward-Looking Statements

This news release may contain certain forward-looking statements, such as statements of the Company’s plans, objectives, expectations, estimates and intentions. Forward-looking statements may be identified using words such as “expects,” “subject,” “will,” “intends,” “will be” or “would.” These statements are subject to change based on various important factors (some of which are beyond the Company’s control) and actual results may differ materially. Accordingly, readers should not place undue reliance on any forward-looking statements (which reflect management’s analysis of factors only as of the date of which they are given). These factors include general economic conditions, trends in interest rates, the ability of the Company to effectively manage its growth and results of regulatory examinations, among other factors. The foregoing list of important factors is not exclusive.

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Use of Non-GAAP Financial Measures

Certain information set forth in this press release refers to financial measures that are determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). The Company believes that certain non-GAAP measures may be helpful to investors and provide a greater understanding of its business and financial results. These measures are not necessarily comparable to similar measures that may be presented by other companies and should not be considered in isolation or as a substitute for the related GAAP measure. See the table below for reconciliations of the non-GAAP information identified herein and its most comparable GAAP measures.

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
GAAP Noninterest Expense	\$ 7,627	\$ 7,149	\$ 6,409	\$ 21,738	\$ 21,409
Nonrecurring (expenses) recovery	(362)	-	174	(362)	(1,719)
Non-GAAP Noninterest Expense	\$ 7,265	\$ 7,149	\$ 6,583	\$ 21,376	\$ 19,690
GAAP Pre-Tax Income	\$ 2,811	\$ 2,230	\$ 1,754	\$ 7,576	\$ 2,108
Nonrecurring expenses (recovery)	362	-	(174)	362	1,719
Tax expense	(697)	(492)	(331)	(1,742)	(804)
Non-GAAP Net Income	\$ 2,476	\$ 1,738	\$ 1,249	\$ 6,196	\$ 3,023

ODNB FINANCIAL CORPORATION
Consolidated Balance Sheets (Unaudited)
(\$ in thousands except per share data)

	September 30, 2025	June 30, 2025	September 30, 2024
ASSETS			
Cash and due from banks	\$ 105,011	\$ 72,005	\$ 69,733
Federal funds sold	26,285	42,059	5,504
Cash and cash equivalents	131,296	114,064	75,237
Investment securities available-for-sale, at fair value	48,231	48,898	51,211
Investment securities held-to-maturity, at amortized cost	16,709	19,202	22,171
Restricted equity securities, at cost	10,383	10,324	9,916
Loans held for sale	1,431	-	1,504
Gross loans	1,269,403	1,264,181	1,158,178
Allowance for credit losses	(12,307)	(11,929)	(11,652)
Loans, net of allowance for credit losses	1,257,096	1,252,252	1,146,526
Property and equipment, net	2,156	1,375	1,100
Accrued interest receivable	5,141	5,470	5,446
Bank owned life insurance	25,006	24,792	24,195
Other assets	13,019	13,878	10,148
Total assets	<u>\$ 1,510,468</u>	<u>\$ 1,490,255</u>	<u>\$ 1,347,454</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits			
Non interest-bearing demand	\$ 286,035	\$ 264,722	\$ 227,126
NOW and interest-bearing demand	279,136	284,670	265,810
Money market and savings	288,214	263,703	273,311
Time deposits	385,872	409,088	322,315
Total deposits	1,239,257	1,222,183	1,088,562
Federal Home Loan Bank advances	95,000	95,000	95,000
Subordinated debt, net	23,481	23,462	23,406
Accrued interest payable	2,025	2,449	1,496
Other liabilities	9,233	8,462	7,166
Total liabilities	1,368,996	1,351,556	1,215,630
Stockholders' Equity			
Common stock, \$0.25 par value; 20,000,000 shares authorized;	2,862	2,862	2,856
Additional paid-in capital	139,023	138,840	138,290
Retained earnings (accumulated deficit)	3,311	1,113	(4,728)
Accumulated other comprehensive loss	(3,724)	(4,116)	(4,594)
Total stockholders' equity	141,472	138,699	131,824
Total liabilities and stockholders' equity	<u>\$ 1,510,468</u>	<u>\$ 1,490,255</u>	<u>\$ 1,347,454</u>
Tangible Book Value:			
Tangible book value per share	\$ 12.36	\$ 12.12	\$ 11.54
Tangible book value per share excluding AOCI ⁽¹⁾	\$ 12.68	\$ 12.48	\$ 11.94
Capital Ratios:			
Equity to assets	9.37%	9.31%	9.78%
Bank tier one leverage ratio	11.05%	10.85%	11.32%
Bank tier one risk-based capital ratio	12.61%	12.23%	12.72%
Bank total risk-based capital ratio	13.63%	13.21%	13.77%
Asset Quality:			
Allowance for credit losses	\$ 12,307	\$ 11,929	\$ 11,652
Allowance for credit losses/total gross loans	0.97%	0.94%	1.01%
Loans past due 30-89 days and accruing	\$ 703	\$ -	\$ 11,950
Loans past due 90 days or more and accruing	\$ -	\$ -	\$ 1,398
Nonaccrual loans	\$ 13,800	\$ 13,968	\$ 140
Loans past due 30-89 days and accruing to total gross loans	0.06%	0.00%	1.03%
Loans past due 90 days or more and accruing to total gross loans	0.00%	0.00%	0.12%
Nonaccrual loans to total gross loans	1.09%	1.10%	0.01%
Net charge-offs/average loans ⁽²⁾	0.10%	0.10%	0.02%

⁽¹⁾ Non-GAAP, Accumulated Other Comprehensive Income (AOCI)

⁽²⁾ Annualized net charge-offs

ODNB FINANCIAL CORPORATION
Consolidated Statements of Income (Unaudited)
(\$ in thousands)

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest and dividend income					
Loans and fees on loans	\$ 18,954	\$ 18,187	\$ 16,803	\$ 54,561	\$ 46,907
Interest bearing deposits and federal funds sold	805	992	1,161	2,396	2,846
Investment securities and dividend income	572	602	621	1,782	1,882
Total interest and dividend income	20,331	19,781	18,585	58,739	51,635
Interest expense					
Deposits	8,799	8,961	8,847	26,038	24,219
Federal Home Loan Bank advances and other borrowings	943	919	930	2,775	2,815
Subordinated debt	394	394	394	1,181	1,181
Total interest expense	10,136	10,274	10,171	29,994	28,215
Net interest income	10,195	9,507	8,414	28,745	23,420
Provision for credit losses	375	672	623	1,067	1,008
Net interest income after provision for credit losses	9,820	8,835	7,791	27,678	22,412
Noninterest income					
Service charges on deposit accounts and other service charges	207	206	147	610	428
Gain on sale of loans, net	19	31	(2)	63	25
Bank owned life insurance income	213	205	197	612	572
Wealth income	125	94	-	246	-
Other income	54	8	30	105	80
Total noninterest income	618	544	372	1,636	1,105
Noninterest expense					
Salaries and employee benefits	4,401	4,273	4,036	12,953	12,389
Occupancy and equipment	570	515	548	1,581	1,585
Other operating expense	2,656	2,361	1,825	7,204	7,435
Total noninterest expense	7,627	7,149	6,409	21,738	21,409
Pre-tax income	2,811	2,230	1,754	7,576	2,108
Income tax expense	614	492	423	1,663	566
Net income	\$ 2,197	\$ 1,738	\$ 1,331	\$ 5,913	\$ 1,542
Performance Ratios:					
Net interest margin	2.84%	2.70%	2.56%	2.75%	2.51%
Efficiency ratio	70.54%	71.12%	72.95%	71.55%	87.29%
Efficiency ratio ⁽²⁾	67.19%	71.12%	74.93%	70.36%	80.28%
Noninterest income/average assets ⁽¹⁾	0.17%	0.15%	0.11%	0.15%	0.12%
Noninterest expense/average assets ⁽¹⁾	2.08%	1.95%	1.92%	2.02%	2.24%
Noninterest expense/average assets ⁽²⁾	1.98%	1.95%	1.97%	1.98%	2.06%

⁽¹⁾ Annualized noninterest income and noninterest expense for the three and nine months ended

⁽²⁾ Non-GAAP, adjusted for nonrecurring items