



ODNB Financial Corporation Reports First Quarter 2026 Financial Results

ODNB delivers strong start to 2026 with record quarterly earnings, improved operating efficiency, and continued balance sheet strength

TYSONS CORNER, Va., April 29, 2026 – 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 first quarter ended March 31, 2026.

“ODNB delivered a strong start to 2026, building on the Company’s record performance in 2025,” said Chairman and Chief Executive Officer Mark Merrill. “Record earnings, solid loan origination and core deposit growth, improved operating efficiency, and stable asset quality demonstrate the discipline with which we manage the balance sheet and serve our clients. Our relationship-based, in-market lending strategy, funded by customer deposits, continues to drive performance. Supported by a strong and growing capital base generated through retained earnings and ample liquidity, ODNB is well positioned to fund future growth and deliver sustainable long-term value for our shareholders.”

Selected First Quarter 2026 Highlights

- **Record Earnings** – Net income reached a quarterly record of \$3.7 million, increasing 22.0% from \$3.0 million in the prior quarter and 86.1% from \$2.0 million in the first quarter of 2025. Pre-tax income totaled \$4.7 million, increasing 23.9% from the prior quarter and 86.9% from the prior-year period.
- **Disciplined Loan Growth** – Loans totaled \$1.33 billion at period end, increasing \$104.0 million, or 8.5%, from March 31, 2025. New loan fundings of \$38.7 million were offset by \$57.9 million in elevated loan payoffs during the quarter, resulting in a modest decline from the prior quarter.
- **Valuable Core Deposit Franchise** – Deposits grew to a record \$1.32 billion at period end, increasing 0.5% from the prior quarter and 11.8% from the prior-year period. Deposit mix continued to improve as time deposits declined 11.8% from the prior-year period, while noninterest-bearing, interest-bearing demand, and money market and savings deposits increased 19.1%, 27.6%, and 26.5%, respectively, from the prior-year period. Noninterest-bearing deposits totaled \$275.0 million and represented 20.9% of total deposits at period end.
- **Improved Operating Efficiency** – The efficiency ratio improved to 63.95%, compared to 66.42% in the prior quarter and 73.16% in the first quarter of 2025, reflecting disciplined expense management and positive operating leverage.
- **Strong Asset Quality** – Asset quality metrics remained stable during the quarter. Loans past due 30–89 days totaled \$130 thousand, while loans past due 90 days or more and still accruing totaled \$4.4 million. Nonperforming loans totaled \$13.5 million, or 1.02% of total loans. The Company recorded net recoveries of \$3 thousand for the first quarter of 2026. The allowance for credit losses totaled \$12.3 million, or 0.92% of total loans.

- **Tangible Book Value Growth** – Tangible book value per share increased to \$12.99, up from \$12.67 at December 31, 2025, and \$11.91 at March 31, 2025. Tangible book value per share, excluding AOCI, increased to \$13.29.
- **Well-Capitalized Balance Sheet** – Regulatory capital ratios remained well in excess of “well-capitalized” thresholds, with a Tier 1 leverage ratio of 12.02%, a Tier 1 risk-based capital ratio of 14.08%, and a total risk-based capital ratio of 15.01%. The Company’s tangible equity to assets ratio was 9.18% at March 31, 2026.

Operating Results

Net income was \$3.7 million for the first quarter of 2026, increasing 22.0% from \$3.0 million in the prior quarter and 86.1% from \$2.0 million in the first quarter of 2025. Pre-tax income totaled \$4.7 million, compared to \$3.8 million in the prior quarter and \$2.5 million in the prior-year period.

Net interest income totaled \$10.9 million in the first quarter of 2026, decreasing 2.1% from \$11.1 million in the prior quarter and increasing 20.1% from \$9.0 million in the first quarter of 2025. The linked-quarter decline was primarily attributable to interest expense associated with subordinated debt issued in December 2025. Growth over the prior-year period reflects higher average earning assets and improved loan yields, as well as continued reductions in deposit costs.

Net interest margin was 2.83% in the first quarter of 2026, compared to 2.93% in the prior quarter and 2.73% in the prior-year period. The modest decline from the prior quarter was primarily due to a lower average yield on earning assets and the addition of higher-cost subordinated debt, partially offset by continued improvement in deposit costs.

The average cost of interest-bearing deposits declined to 3.45%, down 11 basis points from the prior quarter and 27 basis points from the prior-year period. The Company expects continued improvement in funding costs through deposit repricing and deposit mix optimization, as well as improvement in earning asset yields through loan growth and repricing activity, which should support margin expansion over the remainder of 2026.

Noninterest income totaled \$690 thousand in the first quarter of 2026, decreasing from \$806 thousand in the prior quarter and increasing from \$474 thousand in the first quarter of 2025. The decline from the prior quarter primarily reflects lower fee-based transactions, reduced gains on mortgage loans sold, and lower wealth management income following elevated fourth-quarter activity, partially offset by higher bank-owned life insurance income and income from the Company’s investment in Frost & Conn. Growth over the prior-year period reflects increased wealth management activity, higher bank-owned life insurance income, and investment income from Frost & Conn.

Noninterest expense totaled \$7.4 million in the first quarter of 2026, decreasing 6.5% from \$7.9 million in the prior quarter and increasing 6.1% from \$7.0 million in the first quarter of 2025. The decrease from the prior quarter reflects lower salaries and employee benefits, occupancy and equipment costs, FDIC insurance expense, and other operating expenses. The increase from the prior-year period reflects continued investments in personnel and infrastructure to support growth, along with higher data processing costs and franchise taxes, partially offset by reductions in professional services.

Improved operating leverage continued to drive efficiency gains, resulting in an efficiency ratio of 63.95%, compared to 66.42% in the prior quarter and 73.16% in the prior-year period.

Financial Condition

Total assets increased to \$1.62 billion at March 31, 2026, rising 0.6% from the prior quarter and 12.5% from the prior-year period.

Gross loans totaled \$1.33 billion at March 31, 2026, decreasing 1.3% from the prior quarter and increasing 8.5% from the prior-year period. The linked-quarter decrease was primarily driven by elevated loan payoffs totaling \$57.9 million, partially offset by new loan fundings of \$38.7 million. The Company continues to emphasize high-quality, relationship-based loan growth.

Total deposits increased to \$1.32 billion at March 31, 2026, rising 0.5% from the prior quarter and 11.8% from the prior-year period. Deposit mix continued to improve, with noninterest-bearing and core interest-bearing deposits representing a growing proportion of total deposits. At period end, noninterest-bearing deposits represented 20.9% of total deposits, while time deposits declined to 27.9%.

The Company's balance sheet remains highly liquid. The liquidity ratio, defined as the sum of cash and unencumbered marketable securities totaling \$236.9 million to total liabilities, was 16.1% at March 31, 2026.

Asset Quality and Capital Strength

At March 31, 2026, loans past due 30–89 days totaled \$130 thousand, and loans past due 90 days or more and still accruing totaled \$4.4 million. Nonperforming loans totaled \$13.5 million, or 1.02% of total loans, and consist of two commercial real estate relationships secured by mixed-use and multifamily properties in the Washington, D.C. metropolitan area.

The Company recorded a recovery of \$572 thousand in provision for credit losses during the quarter. The allowance for credit losses totaled \$12.3 million, or 0.92% of total loans, compared to \$12.8 million, or 0.95%, at December 31, 2025.

The Bank's regulatory capital ratios remained well above levels required to be considered well-capitalized. The Company's equity to assets ratio was 9.18% at March 31, 2026.

Book value per share increased to \$12.99 at March 31, 2026, compared to \$12.67 at the end of the prior quarter and \$11.91 at March 31, 2025. Non-GAAP book value per share, excluding AOCI, increased to \$13.29.

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. metropolitan area. The Bank's executive headquarters is located in the heart of Northern Virginia in Tysons Corner, with full-service branches in Tysons Corner and Leesburg, Virginia, as well as communities in Central Virginia through its Albemarle County branches and in South Florida through its Boca Raton office.

[Centre 1st Bank](#), a wholly owned division of Old Dominion National Bank, serves customers in Pennsylvania and New Jersey from offices in State College, Pennsylvania.

ODNB provides clients with a full spectrum of financial services, ensuring access to top-tier technology and personalized solutions to help achieve their financial goals. The Company had \$1.6 billion in total assets at March 31, 2026.

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

	March 31, 2026	December 31, 2025	March 31, 2025
ASSETS			
Cash and due from banks	\$ 89,992	\$ 118,489	\$ 65,584
Federal funds sold	79,500	36,831	36,660
Cash and cash equivalents	169,492	155,320	102,244
Investment securities available-for-sale, at fair value	52,196	47,713	49,268
Investment securities held-to-maturity, at amortized cost	15,225	15,217	21,194
Restricted equity securities, at cost	11,245	10,388	10,217
Loans held for sale	799	1,010	686
Gross loans	1,330,654	1,347,478	1,226,621
Allowance for credit losses	(12,285)	(12,810)	(11,920)
Loans, net of allowance for credit losses	1,318,369	1,334,668	1,214,701
Property and equipment, net	2,236	2,298	1,319
Accrued interest receivable	5,633	5,592	5,557
Bank owned life insurance	32,585	25,220	24,587
Other assets	14,201	14,169	12,415
Total assets	<u>\$ 1,621,981</u>	<u>\$ 1,611,595</u>	<u>\$ 1,442,188</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits			
Non interest-bearing demand	\$ 274,982	\$ 281,781	\$ 230,931
NOW and interest-bearing demand	352,943	337,966	276,543
Money market and savings	322,092	308,811	254,650
Time deposits	366,917	381,881	415,816
Total deposits	1,316,934	1,310,439	1,177,940
Federal Home Loan Bank advances	95,000	95,000	95,000
Subordinated debt, net	48,372	48,379	23,444
Accrued interest payable	2,071	2,562	1,853
Other liabilities	10,732	10,037	7,647
Total liabilities	<u>1,473,109</u>	<u>1,466,417</u>	<u>1,305,884</u>
Stockholders' Equity			
Common stock, \$0.25 par value; 20,000,000 shares authorized;	2,864	2,864	2,862
Additional paid-in capital	139,429	139,335	138,656
Retained earnings (accumulated deficit)	10,010	6,328	(625)
Accumulated other comprehensive loss	(3,431)	(3,349)	(4,589)
Total stockholders' equity	148,872	145,178	136,304
Total liabilities and stockholders' equity	<u>\$ 1,621,981</u>	<u>\$ 1,611,595</u>	<u>\$ 1,442,188</u>
Tangible Book Value:			
Shares outstanding	11,456,755	11,456,755	11,446,764
Tangible book value per share	\$ 12.99	\$ 12.67	\$ 11.91
Tangible book value per share excluding AOCI ⁽¹⁾	\$ 13.29	\$ 12.96	\$ 12.31
Capital Ratios:			
Equity to assets	9.18%	9.01%	9.45%
Bank tier one leverage ratio	12.02%	12.18%	11.33%
Bank tier one risk-based capital ratio	14.08%	13.61%	12.48%
Bank total risk-based capital ratio	15.01%	14.57%	13.47%
Asset Quality:			
Allowance for credit losses	\$ 12,285	\$ 12,810	\$ 11,920
Allowance for credit losses/total gross loans	0.92%	0.95%	0.97%
Loans past due 30-89 days and accruing	\$ 130	\$ -	\$ -
Loans past due 90 days or more and accruing	\$ 4,438	\$ -	\$ -
Nonaccrual loans	\$ 13,513	\$ 13,663	\$ -
Loans past due 30-89 days and accruing to total gross loans	0.01%	0.00%	0.00%
Loans past due 90 days or more and accruing to total gross loans	0.33%	0.00%	0.00%
Nonaccrual loans to total gross loans	1.02%	1.01%	0.00%
Net charge-offs/average loans ⁽²⁾	0.00%	0.11%	0.01%

⁽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		
	March 31, 2026	December 31, 2025	March 31, 2025
Interest and dividend income			
Loans and fees on loans	\$ 19,709	\$ 19,696	\$ 17,419
Interest bearing deposits and federal funds sold	1,157	1,228	599
Investment securities and dividend income	553	539	609
Total interest and dividend income	21,419	21,463	18,627
Interest expense			
Deposits	8,811	8,975	8,277
Federal Home Loan Bank advances and other borrowings	909	929	913
Subordinated debt	836	463	394
Total interest expense	10,556	10,367	9,584
Net interest income	10,863	11,096	9,043
Provision (recovery) for credit losses	(572)	175	20
Net interest income after provision for credit losses	11,435	10,921	9,023
Noninterest income			
Service charges on deposit accounts and other service charges	173	234	197
Gain on sale of loans, net	3	25	12
Bank owned life insurance income	272	215	194
Wealth income	139	299	28
Other income	103	33	43
Total noninterest income	690	806	474
Noninterest expense			
Salaries and employee benefits	4,668	4,850	4,280
Occupancy and equipment	563	612	496
Other operating expense	2,157	2,443	2,187
Total noninterest expense	7,388	7,905	6,963
Pre-tax income	4,737	3,822	2,534
Income tax expense	1,056	804	556
Net income	\$ 3,681	\$ 3,018	\$ 1,978
Performance Ratios:			
Net interest margin	2.83%	2.93%	2.73%
Efficiency ratio	63.95%	66.42%	73.16%
Noninterest income/average assets ⁽¹⁾	0.17%	0.21%	0.14%
Noninterest expense/average assets ⁽¹⁾	1.84%	2.04%	2.02%

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