Oak Ridge Financial Services, Inc. (BKOR)

Updated August 11th, 2026, by Kody Kester

Key Metrics

Current Price:	$32	**5 Year Annual Expected Total Return:**	6.3%	**Market Cap:**	$89M
Fair Value Price:	$28	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	08/18/26
% Fair Value:	115%	**5 Year Valuation Multiple Estimate:**	-2.8%	**Dividend Payment Date:**	09/02/26
Dividend Yield:	2.0%	**5 Year Price Target**	$39	**Years Of Dividend Growth:**	7
Dividend Risk Score:	B	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

Founded in 2000, Oak Ridge Financial Services, Inc. (OTC Pink: BKOR) is the holding company of Bank of Oak Ridge. BKOR was built to fill the void left by megamergers of the late 1990s that deprived the local touch from North Carolina banking. This was part of a wave of banks started by local entrepreneurs who believed that customers wanted to be treated like neighbors, rather than numbers. In the early 2000s, BKOR became the first bank in North Carolina to offer health savings accounts, which helped them to attract a sticky and low-cost deposit base early in their corporate history. As of Jun. 30, 2026, the community bank had roughly $661 million in assets.

As expected, BKOR provides a variety of products and services to customers, including checking accounts, savings accounts, money market accounts, mortgages, home equity loans, business SBA loans, HSAs, and wealth management services.

On Jul. 31, 2026, the company released its earnings report for the second quarter ended Jun. 30, 2026. The company's net interest income after provision for credit losses grew by 7.9% year-over-year to $6.87 million in the quarter. This was driven by a combination of a 35-basis-point expansion in the net interest margin to a record of 4.51% during the quarter, as well as a reduction in the provision for credit losses (down from $402,000 in Q2 2025 to $241,000 in Q2 2026). BKOR's noninterest income dropped by 34.1% over the year-ago period to $823,000 for the quarter. That was mostly due to outsized gains on the sale of Small Business Administration loans and on the sale of securities in Q2 2025 ($329,000 and $42,000, respectively). BKOR's diluted EPS decreased by 2.5% year-over-year to $0.79 during the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.70	$1.06	$1.70	$1.60	$1.70	$1.96	$2.47	$2.10	$2.06	$2.92	***$2.80***	***$3.93***
DPS	-	-	-	$0.20	$0.24	$0.27	$0.31	$0.38	$0.46	$0.54	***$0.64***	***$1.13***
Shares[1]	1.3	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7	***2.8***	***2.8***

Since 2016, BKOR's diluted EPS has compounded by over 17% annually. In recent years, this has cooled off a bit due to a larger earnings base, making it more difficult to consistently compound at double-digit percentage rates. Still, we think that the company has a path to 7% annual diluted EPS growth through 2031, off an anticipated 2026 base of $2.80. In the current environment, community banks are benefiting from a steeper yield curve. This allows them to reprice older, low-yielding bonds into higher-yielding instruments. That acts as a floor for its growth. forward, we expect incremental improvements in the efficiency ratio as well. Combined with a stable share count (a 2:1 stock split in 2017 explains the jump in the share count), that's the path for BKOR to 7% annual diluted EPS growth.

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	16.1	12.6	7.5	9.9	8.0	9.3	7.9	7.8	10.1	10.2	***11.5***	***10.0***
Avg. Yld.	-	-	-	1.3%	1.8%	1.5%	1.6%	2.3%	2.2%	1.8%	***2.0%***	***2.9%***

Over the past decade, BKOR's shares have traded at a P/E ratio as low as the high single-digits to as high as the mid-teens. During that time, the average P/E ratio was roughly 10. Since the company's growth prospects are largely intact for a more mature growth profile, we think that a fair value P/E ratio of 10 can be vigorously defended. Relative to the current-year P/E ratio of 11.5, BKOR's shares are now moderately overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	-	-	-	13%	14%	14%	13%	18%	22%	18%	***23%***	***29%***

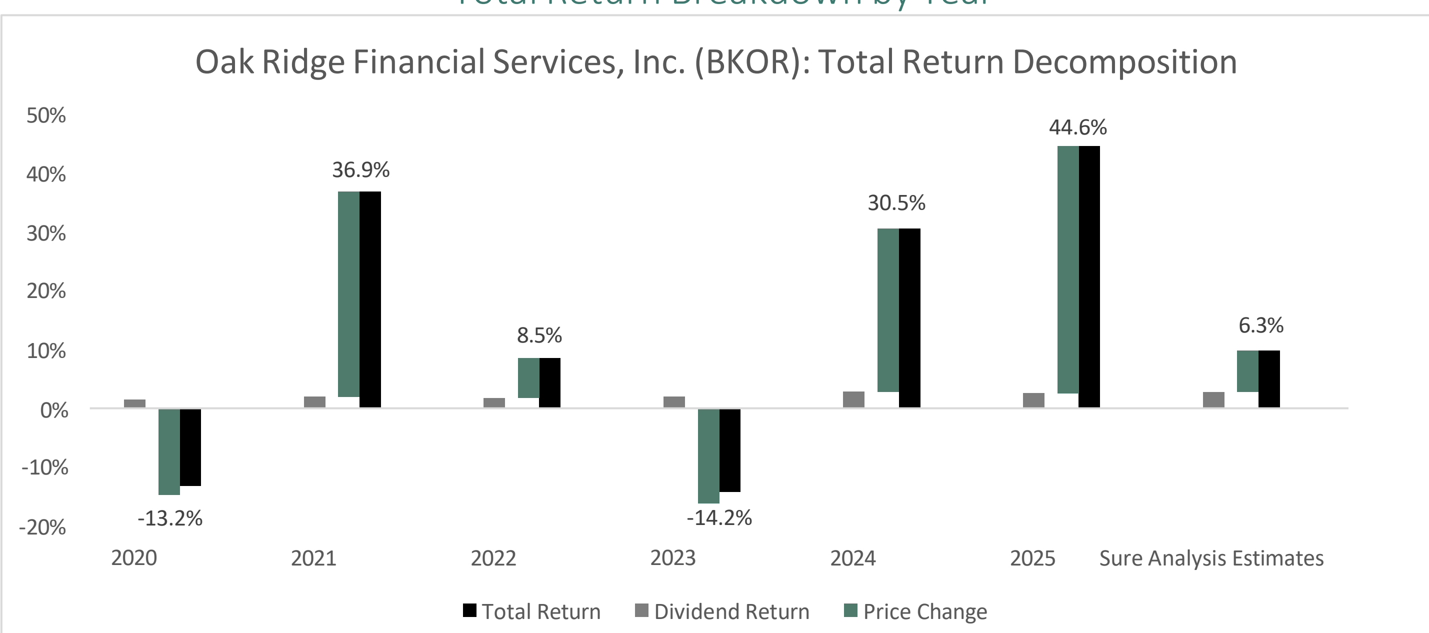
While BKOR lacks the scale of its regional and national peers, it makes up for this with its local touch. This is because the company's employees are often deeply embedded in local non-profits, like United Way and the Greensboro Symphony. In local banking, trust is a valuable currency. That has fostered deep and lasting connections with its customers, which is how it has delivered solid diluted EPS growth over the years.

BKOR's credit quality is decent for a community bank. As of Jun. 30, 2026, the company's nonperforming assets to total assets ratio was 1.42% (unchanged sequentially). Most of the nonperforming assets balance is directly guaranteed by the federal government, which makes this not nearly as bad as it initially looks. BKOR further cushions its business model with a very sustainable dividend, which is set to be in the low-20% range in 2026. That gives it the room to grow its dividend moderately ahead of diluted EPS growth for the foreseeable future (we're forecasting 12% annual dividend growth through 2031).

Final Thoughts & Recommendation

BKOR's 2.0% dividend yield, 7.0% annual diluted EPS growth prospects, and 2.8% annualized valuation multiple contraction could deliver 6.3% annual total returns through 2031. This is why we're maintaining our Hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	19	20	23	25	25	27	28	35	41	44
D&A Exp.						1	2	1	1	
Operating Profit	4	4	5	5	4	10	8	7	7	10
Operating Margin	20.1%	21.4%	21.5%	20.9%	15.9%	35.9%	29.9%	20.9%	18.0%	23.4%
Net Profit	3	3	4	4	3	8	7	6	6	8
Net Margin	14.0%	14.3%	17.4%	17.0%	12.9%	28.3%	23.7%	16.2%	13.8%	18.1%
Free Cash Flow						8	9	7	5	
Income Tax	1	1	1	1	1	2	2	2	2	2

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	388	431	453	476	541	587	589	620	664	660
Cash & Equivalents	8	9	5	4	9	9	12	8	8	9
Total Liabilities	361	400	419	435	496	536	537	562	601	589
Long-Term Debt	15	15	15	21	27	20	19	20	60	24
Shareholder's Equity	27	31	34	40	45	51	53	58	63	71
LTD/E Ratio	0.99	1.07	0.88	0.78	0.78	0.40	0.95	1.04	0.99	0.67

Profitability & Per-Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.7%	0.7%	0.9%	0.9%	0.6%	1.4%	1.1%	0.9%	0.9%	1.2%
Return on Equity	9.3%	9.9%	12.2%	11.4%	7.7%	16.2%	12.8%	10.3%	9.4%	11.9%
ROIC	5.1%	4.9%	6.2%	6.2%	4.3%	10.3%	7.7%	5.2%	4.6%	6.6%
Shares Out.	1.3	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7	2.7
Revenue/Share	7.22	7.71	8.71	9.52	9.58	10.29	10.42	12.96	14.91	16.15
FCF/Share						2.83	3.29	2.43	1.95	

Note: All figures are in millions of U.S. Dollars unless per share or indicated otherwise.