



**FOR IMMEDIATE RELEASE**

**Morris State Bancshares Announces Quarterly Earnings and  
Declares Second Quarter Dividend**

DUBLIN, GA. (April 23, 2025) – Morris State Bancshares, Inc. (OTCQX: MBLU) (the “Company”), the parent of Morris Bank, today announced net income of \$4.9 million for the quarter ending March 31, 2025, representing an increase of \$22 thousand, or 0.45%, compared to net income of \$4.9 million for the quarter ended March 31, 2024. In the linked quarter comparison, net income decreased \$1.2 million, or 20.04%, compared to net income of \$6.1 million for the quarter ending December 31, 2024. Net interest income before provision for credit losses increased from the linked and prior year quarters by \$980 thousand and \$2.5 million, respectively. The decline in linked quarterly net earnings was primarily driven by higher income tax provisioning, increased CECL-related reserves for unfunded loan commitments, and an increase in salary and benefits costs related to the payment of first quarter bonuses for the prior year.

“We are very pleased with our first-quarter performance, highlighted by strong growth in core net interest income. This was driven by a 12 basis-point expansion in our net interest margin compared to the fourth quarter of last year. Despite significant loan payoffs during the quarter, we achieved loan growth of over \$23 million, or 2.12%, representing an annualized growth rate of 8.48%. Our asset quality remains strong, and we’ve seen a slight reduction in our adversely classified ratio from the same time last year,” said Spence Mullis, Chairman and CEO.

The net interest margin was 4.29% for the first quarter of 2025 compared to 4.17% for the fourth quarter of 2024 and 3.99% for the first quarter of 2024. The average yield on earning assets grew 6 basis points from 6.01%, as of December 31, 2024, to 6.07%, while the Bank’s cost of funds decreased 9 basis points from 2.06% to 1.97% during the same period.

Provision for credit losses increased \$549 thousand and provisioning for unfunded loan commitments increased \$521 thousand during the quarter as a result of loan growth. The Company’s asset quality improved during the quarter, as reflected by a decline in the Bank’s adversely classified asset index from 4.96% as of December 31, 2024, to 4.66% as of March 31, 2025. The Bank’s reserve as a percentage of total loans was 1.30% for March 31, 2025, as compared to 1.30% for December 31, 2024, and 1.34% for March 31, 2024. Noninterest expense increased \$621 thousand, or 6.95%, compared to the prior quarter ended December 31, 2024, due mainly to higher salary and benefits expenses. With the expiration of solar project tax credits used by the Company each of the last three years, income tax provision increased by \$1.0 million, or 217.28%, during the quarter.

After paying a regular quarterly dividend of \$0.12 per share and a one-time special dividend of \$0.15 per share, the Company's total shareholders' equity increased 1.18% during the quarter to \$198 million as of March 31, 2025, and up 8.75%, or \$15.9 million, from March 31, 2024. The tangible book value of the company grew to \$17.66 on March 31, 2025, from \$17.45 on December 31, 2024, and was up 9.21% from \$16.17<sup>1</sup> as of March 31, 2024. On April 16, 2025, the board of directors approved a second quarter dividend of \$0.12 per share payable on or about June 15, 2025, to all shareholders of record as of May 15, 2025.

## **Forward-looking Statements**

Certain statements contained in this release may not be based on historical facts and are forward-looking statements. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as "anticipate," "believe," "estimate," "expect," "may," "might," "will," "would," "could" or "intend." We caution you not to place undue reliance on the forward-looking statements contained in this news release, in that actual results could differ materially from those indicated in such forward-looking statements as a result of a variety of factors, including, among others, the business and economic conditions; risks related to the integration of acquired businesses and any future acquisitions; changes in management personnel; interest rate risk; ability to execute on planned expansion and organic growth; credit risk and concentrations associated with the Company's loan portfolio; asset quality and loan charge-offs; inaccuracy of the assumptions and estimates management of the Company makes in establishing reserves for probable loan losses and other estimates; lack of liquidity; impairment of investment securities, goodwill or other intangible assets; the Company's risk management strategies; increased competition; system failures or failures to prevent breaches of our network security; changes in federal tax law or policy; the impact of recent and future legislative and regulatory changes; and increases in capital requirements. We undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this news release.

<sup>1</sup> Common stock, tangible book value and per share amounts for March 31, 2024 and previous quarters have been adjusted to reflect the April 22, 2024 4-for-1 stock dividend.

CONTACT:  
Morris State Bancshares  
Chris Bond  
Chief Financial Officer  
478-272-5202

---

# MORRIS STATE BANCSHARES, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets March 31, 2025



|  | March 31,<br>2025<br>(Unaudited) | December 31,<br>2024    | Change               | % Change     | March 31,<br>2024<br>(Unaudited) | Change            | % Change     |
|--|----------------------------------|-------------------------|----------------------|--------------|----------------------------------|-------------------|--------------|
| <b>ASSETS</b>  |                                  |                         |                      |              |                                  |                   |              |
| Cash and due from banks                                    | \$ 92,342,678                    | \$ 53,898,138           | \$ 38,444,540        | 71.33%       | \$ 67,354,916                    | \$ 24,987,762     | 37.10%       |
| Federal funds sold   | 15,606,716                       | 42,064,131              | (26,457,415)         | -62.90%      | 3,746,408                        | 11,860,308        | 316.58%      |
| Total cash and cash equivalents                            | 107,949,394                      | 95,962,269              | 11,987,125           | 12.49%       | 71,101,324                       | 36,848,070        | 51.82%       |
| Interest-bearing time deposits in other banks              | 100,000                          | 100,000                 | --                   | 0.00%        | 100,000                          | --                | 0.00%        |
| Securities available for sale, at fair value               | 9,414,147                        | 9,726,716               | (312,569)            | -3.21%       | 7,845,095                        | 1,569,052         | 0.00%        |
| Securities held to maturity, at cost (net of CECL Reserve) | 208,561,077                      | 215,836,502             | (7,275,425)          | -3.37%       | 231,758,455                      | (23,197,378)      | -10.01%      |
| Federal Home Loan Bank stock, restricted, at cost          | 1,084,200                        | 1,032,800               | 51,400               | 4.98%        | 1,029,600                        | 54,600            | 5.30%        |
| Loans, net of unearned income                              | 1,139,719,828                    | 1,116,074,659           | 23,645,169           | 2.12%        | 1,060,755,992                    | 78,963,836        | 7.44%        |
| Less-allowance for credit losses                           | (14,829,709)                     | (14,488,525)            | (341,184)            | 2.35%        | (14,236,149)                     | (593,560)         | 4.17%        |
| Loans, net   | 1,124,890,119                    | 1,101,586,134           | 23,303,985           | 2.12%        | 1,046,519,843                    | 78,370,276        | 7.49%        |
| Bank premises and equipment, net                           | 14,844,597                       | 12,780,014              | 2,064,583            | 16.15%       | 13,112,437                       | 1,732,160         | 13.21%       |
| ROU assets for operating lease, net                        | 692,339                          | 776,979                 | (84,640)             | -10.89%      | 1,035,712                        | (343,373)         | -33.15%      |
| Goodwill   | 9,361,704                        | 9,361,704               | --                   | 0.00%        | 9,361,704                        | --                | 0.00%        |
| Intangible assets, net                                     | 1,253,288                        | 1,338,964               | (85,676)             | -6.40%       | 1,594,101                        | (340,813)         | -21.38%      |
| Other real estate and foreclosed assets                    | 15,503                           | 21,898                  | (6,395)              | -29.20%      | 38,558                           | (23,055)          | -59.79%      |
| Accrued interest receivable                                | 6,369,932                        | 7,278,258               | (908,326)            | -12.48%      | 5,964,911                        | 405,021           | 6.79%        |
| Cash surrender value of life insurance                     | 15,233,512                       | 15,128,762              | 104,750              | 0.69%        | 14,813,139                       | 420,373           | 2.84%        |
| Other assets   | 21,726,495                       | 22,674,658              | (948,163)            | -4.18%       | 25,151,653                       | (3,425,158)       | -13.62%      |
| <b>Total Assets</b>  | <b>\$ 1,521,496,307</b>          | <b>\$ 1,493,605,658</b> | <b>\$ 27,890,649</b> | <b>1.87%</b> | <b>\$ 1,429,426,532</b>          | <b>92,069,775</b> | <b>6.44%</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                |                                  |                         |                      |              |                                  |                   |              |
| Deposits:  |                                  |                         |                      |              |                                  |                   |              |
| Non-interest bearing                                       | \$ 330,414,834                   | \$ 325,534,335          | \$ 4,880,499         | 1.50%        | \$ 302,810,356                   | 27,604,478        | 9.12%        |
| Interest bearing   | 963,948,287                      | 939,354,005             | 24,594,282           | 2.62%        | 904,181,606                      | 59,766,681        | 6.61%        |
|  | 1,294,363,121                    | 1,264,888,340           | 29,474,781           | 2.33%        | 1,206,991,962                    | 87,371,159        | 7.24%        |
| Other borrowed funds                                       | 19,029,606                       | 19,019,372              | 10,234               | 0.05%        | 27,169,934                       | (8,140,328)       | -29.96%      |
| Lease liability for operating lease                        | 692,339                          | 776,979                 | (84,640)             | -10.89%      | 1,035,712                        | (343,373)         | -33.15%      |
| Accrued interest payable                                   | 2,778,669                        | 2,111,093               | 667,576              | 31.62%       | 1,419,439                        | 1,359,230         | 95.76%       |
| Accrued expenses and other liabilities                     | 6,726,119                        | 11,206,717              | (4,480,598)          | -39.98%      | 10,830,616                       | (4,104,497)       | -37.90%      |
| Total liabilities  | 1,323,589,854                    | 1,298,002,501           | 25,587,353           | 1.97%        | 1,247,447,663                    | 76,142,191        | 6.10%        |
| Shareholders' Equity:                                      |                                  |                         |                      |              |                                  |                   |              |
| Common stock   | 10,701,756                       | 10,688,723              | 13,033               | 0.12%        | 10,645,509                       | 56,247            | 0.53%        |
| Paid in capital surplus                                    | 35,307,009                       | 34,936,059              | 370,950              | 1.06%        | 34,349,749                       | 957,260           | 2.79%        |
| Retained earnings  | 149,055,224                      | 130,111,050             | 18,944,174           | 14.56%       | 133,038,717                      | 16,016,507        | 12.04%       |
| Current year earnings                                      | 4,913,056                        | 21,804,345              | (16,891,289)         | -77.47%      | 4,890,818                        | 22,238            | 0.45%        |
| Accumulated other comprehensive income (loss)              | 1,289,137                        | 1,422,709               | (133,572)            | -9.39%       | 1,811,160                        | (522,023)         | -28.82%      |
| Treasury Stock, at cost 95,498                             | (3,359,729)                      | (3,359,729)             | --                   | 0.00%        | (2,757,084)                      | (602,645)         | 21.86%       |
| Total shareholders' equity                                 | 197,906,453                      | 195,603,157             | 2,303,296            | 1.18%        | 181,978,869                      | 15,927,584        | 8.75%        |
| <b>Total Liabilities and Shareholders' Equity</b>          | <b>\$ 1,521,496,307</b>          | <b>\$ 1,493,605,658</b> | <b>\$ 27,890,649</b> | <b>1.87%</b> | <b>\$ 1,429,426,532</b>          | <b>92,069,775</b> | <b>6.44%</b> |

# MORRIS STATE BANCSHARES, INC. AND SUBSIDIARIES

## Consolidating Statement of Income for the Three Months Ended



|   | March 31,<br>2025<br><i>(Unaudited)</i> | December 31,<br>2024<br><i>(Unaudited)</i> | Change      | % Change | March 31,<br>2024<br><i>(Unaudited)</i> | Change       | % Change  |
|---|---|--|-------------|----------|---|--------------|-----------|
| <b>Interest and Dividend Income:</b>                  |   |  |             |          |   |              |           |
| Interest and fees on loans                            | \$ 19,338,360                           | \$ 18,818,919                              | \$ 519,441  | 2.76%    | \$ 17,124,889                           | \$ 2,213,471 | 12.93%    |
| Interest income on securities                         | 1,671,657                               | 1,735,131                                  | (63,474)    | -3.66%   | 1,970,394                               | (298,737)    | -15.16%   |
| Income on federal funds sold                          | 534,479                                 | 363,781                                    | 170,698     | 46.92%   | 168,129                                 | 366,350      | 217.90%   |
| Income on time deposits held in other banks           | 605,454                                 | 362,174                                    | 243,280     | 67.17%   | 408,412                                 | 197,042      | 48.25%    |
| Other interest and dividend income                    | 25,413                                  | 22,116                                     | 3,297       | 14.91%   | 75,848                                  | (50,435)     | -66.49%   |
| Total interest and dividend income                    | 22,175,363                              | 21,302,121                                 | 873,242     | 4.10%    | 19,747,672                              | 2,427,691    | 12.29%    |
| <b>Interest Expense:</b>                              |   |  |             |          |   |              |           |
| Deposits  | 6,413,065                               | 6,401,228                                  | 11,837      | 0.18%    | 6,339,843                               | 73,222       | 1.15%     |
| Interest on other borrowed funds                      | 286,480                                 | 404,974                                    | (118,494)   | -29.26%  | 445,278                                 | (158,798)    | -35.66%   |
| Interest on federal funds purchased                   | --                                      | 129  | (129)       | -100.00% | --                                      | --           | 0.00%     |
| Total interest expense                                | 6,699,545                               | 6,806,331                                  | (106,786)   | -1.57%   | 6,785,121                               | (85,576)     | -1.26%    |
| Net interest income before provision for loan losses  | 15,475,818                              | 14,495,790                                 | 980,028     | 6.76%    | 12,962,551                              | 2,513,267    | 19.39%    |
| Less-provision for credit losses                      | 577,123                                 | 27,972                                     | 549,151     | 1963.22% | 4,501                                   | 572,622      | 12722.11% |
| Net interest income after provision for credit losses | 14,898,695                              | 14,467,818                                 | 430,877     | 2.98%    | 12,958,050                              | 1,940,645    | 14.98%    |
| <b>Noninterest Income:</b>                            |   |  |             |          |   |              |           |
| Service charges on deposit accounts                   | 540,600                                 | 560,822                                    | (20,222)    | -3.61%   | 491,568                                 | 49,032       | 9.97%     |
| Other service charges, commissions and fees           | 380,482                                 | 393,175                                    | (12,693)    | -3.23%   | 362,692                                 | 17,790       | 4.90%     |
| Gain on sales of foreclosed assets                    | --                                      | --   | --          | --       | 700                                     | (700)        | -100.00%  |
| Gain on sale of securities available for sale         | --                                      | 447  | (447)       | -100.00% | --                                      | --           | 447       |
| Increase in CSV of life insurance                     | 104,750                                 | 106,388                                    | (1,638)     | -1.54%   | 101,516                                 | 3,234        | 3.19%     |
| Other income  | 20,407                                  | 15,349                                     | 5,058       | 32.95%   | 251,361                                 | (230,954)    | -91.88%   |
| Total noninterest income                              | 1,046,239                               | 1,076,181                                  | (29,942)    | -2.78%   | 1,207,837                               | (161,598)    | -13.38%   |
| <b>Noninterest Expense:</b>                           |   |  |             |          |   |              |           |
| Salaries and employee benefits                        | 5,122,152                               | 4,743,238                                  | 378,914     | 7.99%    | 4,861,534                               | 260,618      | 5.36%     |
| Occupancy and equipment expenses, net                 | 527,532                                 | 550,212                                    | (22,680)    | -4.12%   | 545,126                                 | (17,594)     | -3.23%    |
| Loss on sales of foreclosed assets                    | --                                      | 8,457                                      | (8,457)     | -100.00% | --                                      | --           | --        |
| Other expenses  | 3,905,857                               | 3,632,476                                  | 273,381     | 7.53%    | 3,716,219                               | 189,638      | 5.10%     |
| Total noninterest expense                             | 9,555,541                               | 8,934,383                                  | 621,158     | 6.95%    | 9,122,879                               | 432,662      | 4.74%     |
| <b>Income Before Income Taxes</b>                     |   |  |             |          |   |              |           |
|   | 6,389,393                               | 6,609,616                                  | (220,223)   | -3.33%   | 5,043,008                               | 1,346,385    | 26.70%    |
| Provision for income taxes                            | 1,476,337                               | 465,314                                    | 1,011,023   | 217.28%  | 152,190                                 | 1,324,147    | 870.06%   |
| <b>Net Income</b>                                     |   |  |             |          |   |              |           |
|   | \$ 4,913,056                            | \$ 6,144,302                               | (1,231,246) | -20.04%  | \$ 4,890,818                            | 22,238       | 0.45%     |
| <b>Earnings per common share:</b>                     |   |  |             |          |   |              |           |
| Basic   | \$ 0.46                                 | \$ 0.58                                    | (0.12)      | -20.69%  | \$ 0.46                                 | -            | 0.00%     |
| Diluted   | \$ 0.46                                 | \$ 0.58                                    | (0.12)      | -20.69%  | \$ 0.46                                 | -            | 0.00%     |

# MORRIS STATE BANCSHARES, INC. AND SUBSIDIARIES

## Selected Financial Information



|   | March 31,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Unaudited) | March 31,<br>2024<br>(Unaudited) |
|---|----------------------------------|-------------------------------------|----------------------------------|
| Dollars in thousand, except per share data  |                                  |                                     |                                  |
| <b>Per Share Data</b>   |                                  |                                     |                                  |
| Basic Earnings per Common Share   | \$ 0.46                          | \$ 0.58                             | \$ 0.46                          |
| Diluted Earnings per Common Share   | 0.46                             | 0.58                                | 0.46                             |
| Dividends per Common Share  | 0.27                             | 0.092                               | 0.092                            |
| Book Value per Common Share   | 18.66                            | 18.46                               | 17.20                            |
| Tangible Book Value per Common Share  | 17.66                            | 17.45                               | 16.17                            |
| Average Diluted Shared Outstanding  | 10,593,370                       | 10,596,432                          | 10,602,289                       |
| End of Period Common Shares Outstanding   | 10,606,258                       | 10,593,225                          | 10,624,932                       |
| <b>Annualized Performance Ratios (Bank Only)</b>                                  |                                  |                                     |                                  |
| Return on Average Assets  | 1.41%                            | 1.79%                               | 1.55%                            |
| Return on Average Equity  | 11.12%                           | 13.69%                              | 11.74%                           |
| Equity/Assets   | 12.75%                           | 12.84%                              | 13.09%                           |
| Yield on Earning Assets   | 6.07%                            | 6.01%                               | 5.87%                            |
| Cost of Funds   | 1.97%                            | 2.06%                               | 2.09%                            |
| Net Interest Margin   | 4.29%                            | 4.17%                               | 3.99%                            |
| Efficiency Ratio  | 57.90%                           | 54.21%                              | 61.48%                           |
| <b>Credit Metrics</b>   |                                  |                                     |                                  |
| Allowance for Credit Losses to Total Loans  | 1.30%                            | 1.30%                               | 1.34%                            |
| Adversely Classified Assets to Tier 1 Capital<br>plus Allowance for Credit Losses | 4.66%                            | 4.96%                               | 5.22%                            |