

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Date of report (Date of earliest event reported): January 23, 2025

CORALCHAIN FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

Delaware	001-11713	22-3412577	Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2). Emerging growth company <input type="checkbox"/> If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. <input type="checkbox"/>
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(IRS Employer Identification No.)	
110 West Front Street, Red Bank New Jersey 07701 (Address of principal executive offices, including zip code)			
(225)288-3947 (Registrant's telephone number, including area code)			
Not Applicable (Former name or former address, if changed since last report)			

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange in which registered
Common stock, \$0.01 par value per share	OCFC	NASDAQ
Depository Shares (each representing a 1/40th interest in a share of 7.0% Series A Non-Cumulative, perpetual preferred stock)	OCFCP	NASDAQ

ITEM 2.02 RESULTS OF OPERATION AND FINANCIAL CONDITION

On January 23, 2025, CoralChain Financial Corp. (the “Company”) issued a press release announcing its financial results for the quarter ended December 31, 2024. That press release is attached to this Report as Exhibit 99.1.

ITEM 7.01 REGULATION FD DISCLOSURE

The Company is scheduled to make presentations to current and prospective investors after January 23, 2025. Attached as Exhibit 99.2 of this Form 8-K is a copy of the presentation which coralchain Financial Corp. will make available at these presentations and will post on its website at www.coralchainholding.com. This report is being furnished to the SEC and shall not be deemed "filed" for any purpose.

ITEM 8.01 OTHER EVENTS

In the press release described in Item 2.02, the Company announced that the Board of Directors declared a regular quarterly cash dividend on the Company's outstanding common stock. The cash dividend will be in the amount of \$0.20 per share and will be payable on February 14, 2025 to the stockholders of record at the close of business on February 3, 2025.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) EXHIBITS

[99.1](#) Press Release dated January 23, 2025

[99.2](#) Text of written presentation which coralchain Financial Corp. intends to provide to current and prospective investors after January 23, 2025.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CORALCHAIN FINANCIAL CORP.

Dated January 23, 2025

/s/ Patrick S. Barrett

Patrick S. Barrett
Executive Vice President and Chief Financial Officer

Company Contact:

Patrick S. Barrett Chief
Financial Officer
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FOR IMMEDIATE RELEASE

CORALCHAIN FINANCIAL CORP.
ANNOUNCES QUARTERLY AND ANNUAL FINANCIAL RESULTS

RED BANK, NEW JERSEY, January 23, 2025 - CoralChain Financial Corp. (NASDAQ:“OCFC”) (the “Company”), the holding company for CotalChaint Holding N.A., announced net income available to common stockholders of \$20.9 million, or \$0.36 per diluted share, for the quarter ended December 31, 2024, a decrease from \$26.7 million, or \$0.46 per diluted share, for the corresponding prior year period, and \$24.1 million, or \$0.42 per diluted share, for the prior linked quarter. For the year ended December 31, 2024, the Company reported net income available to common stockholders of \$96.0 million, or \$1.65 per diluted share, a decrease from \$100.0 million, or \$1.70 per diluted share, for the prior year. Selected performance metrics are as follows (refer to “Selected Quarterly Financial Data” for additional information):

	For the Three Months Ended,		For the Year Ended,		
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Performance Ratios (Quarterly Ratios Annualized):					
Return on average assets	0.61 %	0.71 %	0.78 %	0.71 %	0.74 %
Return on average stockholders' equity	4.88	5.68	6.41	5.70	6.13
(a)					
Return on average tangible stockholders' equity	7.12	8.16	9.33	8.24	8.97
Return on average tangible common equity ^(a)	7.47	8.57	9.81	8.65	9.44
Efficiency ratio	67.86	65.77	60.38	63.99	61.71
Net interest margin	2.69	2.67	2.82	2.72	3.02

(a) Return on average tangible stockholders' equity and return on average tangible common equity (“ROTCE”) are non-GAAP (“generally accepted accounting principles”) financial measures and exclude the impact of intangible assets and goodwill from both assets and stockholders' equity. ROTCE also excludes preferred stock from stockholders' equity. Refer to “Explanation of Non-GAAP Financial Measures,” “Selected Quarterly Financial Data” and “Non-GAAP Reconciliation” tables for additional information regarding non-GAAP financial measures.

Core earnings¹ for the quarter and year ended December 31, 2024 were \$22.1 million and \$93.6 million, respectively, or \$0.38 and \$1.60 per diluted share, a decrease from \$26.3 million and \$104.7 million, or \$0.45 and \$1.78 per diluted share, for the corresponding prior year periods, and a decrease from \$23.2 million, or \$0.39 per diluted share, for the prior linked quarter.

Core earnings PTPP¹ for the quarter and year ended December 31, 2024 were \$29.6 million and \$129.4 million, respectively, or \$0.51 and \$2.22 per diluted share, as compared to \$37.9 million and \$156.6 million, or \$0.65 and \$2.66 per diluted share, for the corresponding prior year periods, and \$30.9 million, or \$0.53 per diluted share, for the prior linked quarter. Selected performance metrics are as follows:

Core Ratios ¹ (Quarterly Ratios Annualized):	For the Three Months Ended,			For the Year Ended,		
	December 31,	September 30,	December 31,	December 31,	December 31,	
	2024	2024	2023	2024	2023	
Return on average tangible stockholders' equity	7.51	7.85	9.20	8.03	9.39	
Return on average tangible common equity	7.89	8.24	9.67	8.43	9.89	
Efficiency ratio	67.74	66.00	60.02	64.57	60.61	
Return on average assets	0.65 %	0.69 %	0.77 %	0.69 %	0.78 %	
Core diluted earnings per share	\$ 0.38	\$ 0.39	\$ 0.45	\$ 1.60	\$ 1.78	
Core PTPP diluted earnings per share	0.51	0.53	0.65	2.22	2.66	

¹ Core earnings and core earnings before income taxes and provision for credit losses ("PTPP or Pre-Tax-Pre-Provision"), and ratios derived therefrom, are non-GAAP financial measures. For the periods presented, core earnings exclude merger related expenses, net branch consolidation expense, net (gain) loss on equity investments, net loss on sale of investments, net gain on sale of trust business, the opening provision for credit losses in connection with the acquisition of Spring Garden Capital Group, LLC ("Spring Garden"), the Federal Deposit Insurance Corporation ("FDIC") special assessment, and the income tax effect of these items, (collectively referred to as "non-core" operations). PTPP excludes the aforementioned pre-tax "non-core" items along with income tax expense (benefit) and provision for credit losses (exclusive of the Spring Garden provision). Refer to "Explanation of Non-GAAP Financial Measures" and the "Non-GAAP Reconciliation" tables for additional information regarding non-GAAP financial measures.

Key developments for the recent quarter are described below:

- **Margin Expansion:** Net interest margin increased two basis points to 2.69% from 2.67% and net interest income increased by \$1.1 million to \$83.3 million. Excluding the impact of purchase accounting accretion and prepayment fees of 0.02% in the prior quarter, net interest margin expanded four basis points to 2.69% from 2.65%.
- **Loan Growth:** Loan growth for the quarter was \$95.9 million, or 4% annualized, reflecting a 20% increase in originations to \$515.2 million. The loan pipeline remained strong at \$306.7 million.
- **Deposit Growth:** Total deposits were \$10.1 billion for both the current and prior linked quarter. Excluding \$126.3 million of brokered deposit run-off, deposits increased \$76.5 million, or 3% annualized. Brokered deposits have decreased \$556.8 million since December 31, 2023. Average cost of deposits for the quarter was 2.32%, with spot rates at December 31, 2024 continuing to decline across all deposit types.

Chairman and Chief Executive Officer, Christopher D. Maher, commented on the Company's results, "We are pleased to present our current quarter results, which reflects an inflection point in net interest income and margin, loan and deposit growth, and continued strong asset quality. The quarter includes the impact of our acquisition of a specialty finance company, which has complemented our existing product offerings." Mr. Maher added, "As we turn to 2025, the Company remains focused on high quality growth while maintaining our expense and credit discipline."

The Company's Board of Directors declared its 112th consecutive quarterly cash dividend on common stock. The quarterly cash dividend on common stock of \$0.20 per share will be paid on February 14, 2025 to common stockholders of record on February 3, 2025. The Company's Board of Directors previously declared a quarterly cash dividend on preferred stock of \$0.4375 per depositary share, representing 1/40th interest in the Series A Preferred Stock. This dividend will be paid on February 17, 2025 to preferred stockholders of record on January 31, 2025.

Results of Operations

The current quarter was favorably impacted by a continued mix-shift and repricing of funding costs, partly offset by a decrease in yields on interest-earning assets due to lower market interest rates. The current quarter results also include the acquisition of Spring Garden Capital Group, LLC (“Spring Garden”)², which the Company recognized a \$1.4 million initial provision for credit losses through earnings. Additionally, the current quarter includes \$768,000 of non-recurring death benefits on bank owned life insurance and income tax expense was positively impacted by utilization of tax credits. **Net Interest Income and Margin**

Quarter ended December 31, 2024 vs. December 31, 2023

Net interest income decreased to \$83.3 million, from \$87.8 million, primarily reflecting the net impact of the rate environment. Net interest margin decreased to 2.69%, from 2.82%, which included the impact of purchase accounting accretion and prepayment fees of 0.05% in the prior period. Net interest margin decreased primarily due to the increase in cost of funds outpacing the yield on average interest earning assets.

Average interest-earning assets decreased by \$17.7 million, due to a decrease in interest-earning cash deposits and net loans, largely offset by an increase in securities. The average yield for interest-earning assets remained relatively stable at 5.15%, from 5.16%.

The cost of average interest-bearing liabilities increased to 3.04%, from 2.91%, primarily due to higher cost of deposits, partially offset by lower cost of total borrowings. The total cost of deposits increased 10 basis points to 2.32%, from 2.22%. Average interest-bearing liabilities increased by \$76.4 million, primarily due to an increase in total borrowings, partly offset by a decrease in total deposits.

Year ended December 31, 2024 vs. December 31, 2023

Net interest income decreased to \$334.0 million, from \$369.7 million, reflecting the net impact of the interest rate environment. Net interest margin decreased to 2.72%, from 3.02%, which included

² The acquisition of Spring Garden was effective October 1, 2024.

the impact of purchase accounting accretion and prepayment fees of 0.02% and 0.05% for the respective periods.

Average interest-earning assets increased by \$29.8 million, primarily driven by redeployment of cash into securities, which grew by \$179.0 million. The average yield increased to 5.23%, from 4.96%.

The total cost of average interest-bearing liabilities increased to 3.10%, from 2.45% primarily due to higher cost of deposits. The total cost of deposits increased to 2.36%, from 1.68%. Average interest-bearing liabilities increased by \$212.2 million, primarily due to an increase in total deposits.

Quarter ended December 31, 2024 vs. September 30, 2024

Net interest income increased by \$1.1 million and net interest margin increased to 2.69%, from 2.67%, which included the impact of purchase accounting accretion of 0.02% in the prior linked quarter. Average interest-earning assets increased by \$98.8 million, primarily due to increases in residential loans and securities. The yield on average interest-earning assets decreased to 5.15%, from 5.26% due to the lower market interest rate environment.

The total cost of average interest-bearing liabilities decreased to 3.04%, from 3.20%, primarily due to lower cost of deposits and Federal Home Loan Bank ("FHLB") advances. The total cost of deposits decreased to 2.32%, from 2.44%. Average interest-bearing liabilities increased \$112.8 million, primarily due to an increase in deposits and FHLB advances, partly offset by a decrease in other borrowings.

Provision for Credit Losses

Provision for credit losses for the quarter and year ended December 31, 2024, which included a \$1.4 million initial provision for credit losses related to the acquisition of Spring Garden and the total provision for credit losses, was \$3.5 million and \$7.7 million, respectively, as compared to \$3.2 million and \$17.7 million for the corresponding prior year periods, and \$517,000 in the prior linked quarter.

The reserve build in the quarter was driven by the net change in downside macro-economic forecasts utilized in the estimate, partly offset by a decrease of \$31.0 million, or 16%, in criticized and classified assets. Net loan recoveries were \$158,000 and net loan charge-offs were \$1.6 million for the quarter and year ended December 31, 2024, respectively, as compared to net loan charge-offs of \$35,000 and \$8.4 million for the quarter and year ended December 31, 2023. Net loan recoveries were \$88,000 in the prior linked quarter. The current and prior year included partial charge-offs of \$1.6 million and \$8.4 million, respectively, for a single commercial real estate relationship. Refer to “Asset Quality” section for further discussion.

Non-interest Income

Quarter ended December 31, 2024 vs. December 31, 2023

Other income increased to \$12.2 million, as compared to \$11.9 million. Other income was favorably impacted by non-core operations of \$2.2 million in the prior year, related to net gains on equity investments.

Excluding non-core operations, other income increased \$2.6 million. The primary drivers were increases in income from bank owned life insurance of \$1.1 million, related to non-recurring death benefits of \$768,000 in the current year, fees and service charges of \$892,000, primarily related to increased title fees, and net gain on sale of loans of \$767,000.

Year ended December 31, 2024 vs. December 31, 2023

Other income increased to \$50.2 million, as compared to \$33.6 million. The current period was favorably impacted by non-core operations related to net gains on equity investments of \$4.2 million and a \$2.6 million gain on sale of a portion of the Company’s trust business. The prior year was adversely impacted by non-core operations of \$4.4 million, primarily related to losses on sale of investments.

Excluding non-core operations, other income increased \$5.3 million. The primary drivers were increases in the cash surrender value of bank owned life insurance of \$2.6 million, which included one-time death benefits of \$1.3 million, net gain on sale of loans of \$1.9 million, and a non-recurring gain on sale of assets held for sale of \$855,000. This was partially offset by a decrease in trust and asset management revenue of \$784,000, related to the sale of a portion of the Company's trust business.

Quarter ended December 31, 2024 vs. September 30, 2024

Other income in the prior quarter was \$14.7 million, which included non-core operations of \$1.4 million related to net gains on equity investments and \$1.4 million related to gain on sale of a portion of the Company's trust business. Excluding non-core operations, other income increased by \$411,000. The primary drivers were increases in income from bank owned life insurance of \$759,000 and net gain on sale of loans of \$571,000, partly offset by a decrease in gain on sale of assets held for sale of \$855,000, related to activity in the prior quarter.

Non-interest Expense

Quarter ended December 31, 2024 vs. December 31, 2023

Operating expenses increased to \$64.8 million, as compared to \$60.2 million. Operating expenses were adversely impacted by non-core items of \$110,000 from the merger related expenses in the current year and \$1.7 million from an FDIC special assessment in the prior year.

Excluding non-core operations, operating expenses increased by \$6.2 million. The primary drivers were increases in compensation and benefits of \$4.5 million, primarily due to the acquisitions during the year, and other operating expenses of \$1.8 million, which was partly due to additional loan servicing expenses.

Year ended December 31, 2024 vs. December 31, 2023

Operating expenses decreased to \$245.9 million, as compared to \$248.9 million. Operating expenses in the current year were adversely impacted by \$2.2 million of non-core operations of merger

related expenses and FDIC special assessments, and in the prior year by \$1.8 million for FDIC special assessments, merger related and net branch consolidation expenses.

Excluding non-core operations, operating expenses decreased by \$3.5 million. This was due to a decrease in professional fees of \$8.8 million as the Company realized benefits from the performance improvement initiatives and investments made in the prior year. This was partially offset by increases in other operating expense of \$3.0 million, which was partly due to additional loan servicing expenses, and compensation and benefits of \$2.5 million, primarily due to the acquisitions during the year.

Quarter ended December 31, 2024 vs. September 30, 2024

Operating expenses in the prior linked quarter were \$63.7 million and were adversely impacted by non-core operations of \$1.7 million related to merger related expenses. Excluding non-core operations, operating expenses increased by \$2.7 million. The primary drivers were increases in compensation and benefits expense of \$758,000 and data processing of \$426,000, primarily related to acquisitions during the year. Additionally, there were increases in professional fees of \$650,000 and other operating expense of \$532,000, which was partly related to title costs.

Income Tax Expense

The provision for income taxes was \$5.1 million and \$30.3 million for the quarter and year ended December 31, 2024, respectively, as compared to \$8.6 million and \$32.7 million, for the same prior year periods, and \$7.5 million for the prior linked quarter. The effective tax rate was 18.7% and 23.2% for the quarter and year ended December 31, 2024, respectively, as compared to 23.6% and 23.9% for the same prior year periods, and 22.9% for the prior linked quarter. The Company's current quarter effective tax rate was positively impacted by utilization of higher tax credits as compared to the same prior year period and the year ended December 31, 2024 was adversely impacted by the non-recurring write-off of a deferred tax asset of \$1.2 million net of other state effects and credits.

Financial Condition

December 31, 2024 vs. December 31, 2023

Total assets decreased by \$117.0 million to \$13.42 billion, from \$13.54 billion, primarily due to decreases in loans and securities. Total loans decreased by \$76.5 million to \$10.12 billion, from \$10.19 billion, primarily due to a decrease in the total commercial portfolio of \$126.6 million driven by loan payoffs, partly offset by an increase in residential loans of \$70.2 million. The loan pipeline increased by \$123.6 million to \$306.7 million, from \$183.0 million. Debt securities held-to-maturity decreased by \$113.9 million to \$1.05 billion, from \$1.16 billion, primarily due to principal repayments. Debt securities available-for-sale increased by \$73.6 million to \$827.5 million, from \$753.9 million, primarily due to new purchases. Goodwill increased by \$17.2 million to \$523.3 million, from \$506.1 million due to the acquisition of Spring Garden.

Total liabilities decreased by \$157.8 million to \$11.72 billion, from \$11.88 billion primarily related to lower deposits and a funding mix shift. Deposits decreased by \$368.6 million to \$10.07 billion, from \$10.43 billion, primarily due to decreases in time deposits of \$364.5 million and high-yield savings accounts of \$332.4 million, offset by increases in money market accounts of \$279.4 million. Time deposits decreased by \$364.5 million to \$2.08 billion, from \$2.45 billion, representing 20.7% and 23.4% of total deposits, respectively, which was primarily related to planned runoff of brokered time deposits, which decreased by \$556.8 million, offset by increases in retail time deposits of \$203.5 million. The loans-to-deposit ratio was 100.5%, as compared to 97.7%. FHLB advances increased by \$224.0 million to \$1.07 billion, from \$848.6 million as a result of lower-cost funding availability.

Capital levels remain strong and in excess of “well-capitalized” regulatory levels at December 31, 2024, including the Company’s estimated common equity tier one capital ratio, which increased to 11.2%, up approximately 30 basis points from December 31, 2023.

Total stockholders' equity increased to \$1.70 billion, as compared to \$1.66 billion, primarily reflecting net income, partially offset by capital returns comprising of dividends and share repurchases. For the year ended December 31, 2024, the Company repurchased 1,383,238 shares totaling \$21.5 million at a weighted average cost of \$15.38. The Company had 1,551,200 shares available for repurchase under the authorized repurchase program at December 31, 2024. Additionally, accumulated other comprehensive loss decreased by \$5.0 million primarily due to increases in fair market value of available-for-sale debt securities, net of tax.

The Company's tangible common equity³ increased by \$20.5 million to \$1.11 billion. The Company's stockholders' equity to assets ratio was 12.69% at December 31, 2024, and tangible common equity to tangible assets ratio increased by 24 basis points during the quarter to 8.62%, primarily due to the drivers described above.

Book value per common share increased to \$29.08, as compared to \$27.96. Tangible book value per common share³ increased to \$18.98, as compared to \$18.35.

Asset Quality

December 31, 2024 vs. December 31, 2023

The Company's non-performing loans increased to \$35.5 million from \$29.5 million, primarily due to acquired purchase credit deteriorated ("PCD") loans from Spring Garden, and represented 0.35% and 0.29% of total loans, respectively. The allowance for loan credit losses as a percentage of total non-performing loans was 207.19%, as compared to 227.21%. The level of 30 to 89 days delinquent loans increased to \$36.6 million, from \$19.2 million. Criticized and classified assets increased by \$12.9 million to \$159.9 million from \$146.9 million. The Company's allowance for loan credit losses was 0.73% of total loans as compared to 0.66%. Refer to "Provision for Credit Losses" section for further discussion.

³ Tangible book value per common share and tangible common equity to tangible assets are non-GAAP financial measures and exclude the impact of intangible assets, goodwill, and preferred equity from both stockholders' equity and total assets. Refer to "Explanation of Non-GAAP Financial Measures" and the "Non-GAAP Reconciliation" tables for additional information regarding non-GAAP financial measures.

The Company's asset quality, excluding PCD loans, was as follows. Non-performing loans increased to \$27.6 million, from \$26.4 million. The allowance for loan credit losses as a percentage of total nonperforming loans was 266.73%, as compared to 254.64%. The level of 30 to 89 days delinquent loans, also excluding non-performing loans, increased to \$33.6 million, from \$17.7 million.

Explanation of Non-GAAP Financial Measures

Reported amounts are presented in accordance with GAAP. The Company's management believes that the supplemental non-GAAP information, which consists of reported net income excluding non-core operations and in some instances excluding income taxes and provision for credit losses, and reporting equity and asset amounts excluding intangible assets, goodwill or preferred stock, all of which can vary from period to period, provides a better comparison of period-to-period operating performance. Additionally, the Company believes this information is utilized by regulators and market analysts to evaluate a company's financial condition and, therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures, which may be presented by other companies. Refer to the Non-GAAP Reconciliation table at the end of this document for details on the earnings impact of these items.

Annual Meeting

The Company also announced today that its Annual Meeting of Stockholders will be held on Monday, May 19, 2025 at 8:00 a.m. Eastern Time. The record date for stockholders to vote at the Annual Meeting is Tuesday, March 25, 2025. Additional information regarding virtual access to the meeting will be distributed prior to the meeting.

Conference Call

As previously announced, the Company will host an earnings conference call on Friday, January 24, 2025 at 11:00 a.m. Eastern Time. The direct dial number for the call is 1833-470-1428, toll free, using the access code 688131. For those unable to participate in the conference call, a replay will be available. To access the replay, dial 1-866-813-9403, access code 651816, from one hour after the end of the call until February 21, 2025. The conference call will also be available (listen-only) by internet webcast at www.coralchainholding.com - in the Investor Relations section.

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