



NEWS RELEASE

Ledyard Financial Group Earns \$1.5 Million, or \$0.44 Per Diluted Share, in Q1 2026, Declares Quarterly Cash Dividend of \$0.21 Per Share

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HANOVER, N.H., May 01, 2026 (GLOBE NEWSWIRE) -- Ledyard Financial Group, Inc. (the "Company", OTCQX®: LFGP), the holding company for Ledyard National Bank (the "Bank"), reported quarterly net income per diluted share of \$0.44, for the first quarter ended March 31, 2026, compared to \$0.59 in the prior quarter, and \$0.36 in the first quarter a year ago, as core business activity remained strong. Reflecting the continued success of the company's strategic investments, net income for the first quarter of 2026 was \$1.5 million, up 25% over the comparable year-ago period.

"First quarter earnings were solid, reflecting the durability of the financial foundation we have worked deliberately to build over the past several years. Coming off an exceptional fourth quarter and a year that nearly doubled our net income, we are pleased with how the business has performed to start 2026. We remain focused on strengthening our credit profile, managing liquidity with discipline, and continuing to grow through the integration of our banking and wealth management businesses for the benefit of our clients, employees, shareholders, and the communities we serve," said Josephine Moran, CEO.

"Net income for the first quarter rose 25% over the same period a year ago, a result we are proud of as the U.S.-Iran conflict reshaped the economic backdrop — pushing energy prices higher, reigniting inflation concerns, and delaying anticipated Fed rate relief. Both loans and deposits grew on the linked quarter and our net interest margin continued to expand. Our wealth management team navigated a more difficult market backdrop this quarter, but their continued success in expanding client relationships speaks to the strength of our business model. These

results further validate our strategic plan, and we remain confident we are in an execution phase focused on capturing the full return on those investments,” said Peter Sprudz, CFO.

First Quarter 2026 Highlights

- First quarter 2026 net income was \$1.5 million, or \$0.44 per share, up \$296 thousand from the first quarter of 2025 and down \$472 thousand from the prior quarter. Notably, Q4 2025 results included unusual wealth management revenues of approximately \$400 thousand from an accounting change and the recording of an incentive fee earned over the prior six months from our brokerage partner.
- Total assets ended the quarter at \$1.04 billion, up \$68.5 million or 7.0% from a year ago and down \$15.9 million, or 1.5% from the prior quarter. The year-over-year increase was driven primarily by loan growth.
 - Cash balances decreased \$27.5 million, or 35.0% from the prior quarter and ended \$16.0 million, or 47.1% higher than a year ago. The decrease compared to the prior quarter end was primarily due to the paydown of maturing wholesale liabilities, growth in loans, and securities purchases.
 - Loans increased \$13.4 million or 2.0% from the prior quarter and ended \$75.3 million, or 12.5% higher than a year ago.
 - Excluding funds from the wealth management business, client deposits increased \$12.4 million (1.9%) in Q1 2026 and grew \$67.7 million (11.6%) from a year ago. Including wealth management balances, client deposits grew \$776 thousand and \$71.5 million over Q4 2025 and Q1 2025, respectively.
 - Net interest margin (NIM) was 2.75%, up 14 basis points from the prior quarter and up 22 basis points from the first quarter a year ago.
- Capital ratios continue to exceed regulatory well-capitalized minimums.
- Assets under management (AUM) ended the quarter at \$2.25 billion, down 1.6% from Q4 2025 and up 7.0% from Q1 2025. The decrease compared to the prior quarter end was primarily due to market declines. Revenue from the wealth management business decreased \$398 thousand (8.1%) compared to the prior quarter, primarily due to the absence in Q1 of approximately \$400 thousand of unusual one-time revenue items recorded in Q4. Compared to the first quarter a year ago, revenue from wealth management increased \$453 thousand (11.1%) reflecting the benefit of market increases and business development efforts.
- The efficiency ratio was 81.2% in Q1 2026, compared to 78.2% in Q4 2025 and 80.7% in Q1 2025. The efficiency ratio for Q4 2025 would have been 81.0%, excluding the favorable one-time variances within the wealth management business.
- The Company declared a regular quarterly cash dividend of \$0.21 per share.

Income Statement Review

The Company generated a return on average common equity of 9.56% and a return on average assets of 0.57% in Q1 2026, compared to 12.48% and 0.74%, respectively, in Q4 2025 and 7.71% and 0.46%, respectively, in Q1 2025.

“Net interest margin expansion continued this quarter, up 14 basis points sequentially and 22 basis points compared to the same period last year, reflecting disciplined management of our funding costs alongside improving earning asset yields. We remain well positioned to benefit from future Fed rate reductions should the monetary policy environment shift,” said Sprudz.

First quarter NIM improved to 2.75%, from 2.61% and 2.53% in Q4 2025 and Q1 2025, respectively. Quarter over quarter, earning asset yields increased by 4 basis points, the cost of interest-bearing liabilities decreased by 16 basis points, and other factors (most notably the contribution from derivative hedge positions) decreased 6 basis points. Reported NIM figures do not reflect the beneficial effect of the tax advantage provided by the Company's \$148.9 million in municipal bond holdings.

Provision for credit losses was \$346 thousand in Q1 2026, which consisted of a net \$419 thousand addition to Allowance for Credit Losses (ACL) and a net \$73 thousand reduction of the Liability for Unfunded Commitments. Provision for credit losses was \$488 thousand in Q1 2025, which consisted of a net \$436 thousand addition to the ACL and a \$52 thousand addition in the Liability for Unfunded Commitments. “The increase in the provision for credit losses during the quarter was precautionary, reflecting the uncertain economic backdrop rather than deterioration observed in the performance of our loan portfolio,” said Sprudz.

Non-interest revenue for Q1 2026 totaled \$5.1 million, down \$242 thousand or 4.5% from Q4 2025, and up \$680 thousand or 15.3% from Q1 2025. During the prior quarter, the Company instituted a change in accounting principle related to wealth management revenue recognition. This change resulted in one-time increases for Q4 2025 of approximately \$218 thousand in revenue and approximately \$905 thousand in equity.

- Wealth management revenue totaled \$4.5 million in Q1 2026, down \$398 thousand or 8.1% from Q4 2025, and up \$453 thousand or 11.1% from Q1 2025.
 - AUM ended the quarter at \$2.25 billion, down 1.6% from \$2.29 billion at the end of Q4 2025, and up 7.0% from \$2.10 billion at the end of Q1 2025. The decrease compared to the prior quarter was primarily due to stock market declines.
- Net revenue from brokerage commissions in Q1 2026 was \$192 thousand, up from \$109 thousand in Q4 2025 and up from \$106 thousand in Q1 2025.

Non-interest expense in Q1 2026 was \$9.6 million, up \$322 thousand (3.5%) from \$9.3 million in Q4 2025, and up

\$1.5 million (19.1%) from \$8.1 million in Q1 2025. Seasonally driven personnel costs account for a large portion of the variance.

"Our efficiency ratio moved higher in the first quarter, reflecting seasonal factors and continued investment in process improvements. We remain committed to the disciplined expense management and process improvements that drove our progress throughout 2025 and are confident in our ability to return to a more favorable efficiency trajectory as earnings momentum builds through the year," said Moran. The Company's efficiency ratio was 81.2% for Q1 2026, reflecting an 0.5% increase compared to the first quarter a year ago, and a 2.9% increase compared to the prior quarter. The efficiency ratio for Q4 2025 would have been 81.0%, excluding the favorable one-time variances within the wealth management business.

The Company's investments in Low Income Housing Tax Credits and tax-exempt municipal bonds continue to provide tax benefits. In Q1 2026, the net tax expense was \$381 thousand, compared to \$533 thousand in Q4 2025 and \$233 thousand in Q1 2025. The effective tax rate for the first quarter of 2026 was 20.2%, compared to 21.3% for the fourth quarter of 2025 and 16.2% for the first quarter of 2025.

Balance Sheet Review

The Company's total assets at March 31, 2026 were \$1.04 billion, down \$15.9 million or 1.5% over Q4 2025, and up \$68.5 million or 7.0% from the end of Q1 2025. The year over year increase was primarily driven by loan growth.

Gross loans increased \$76.1 million, or 12.5% over the last 12 months, while growing \$13.8 million or 2.1%, over the prior quarter, to \$684.6 million at March 31, 2026. Loan growth continued to be broad based and well spread across several loan categories. Commercial loans increased 9.6% to \$402.3 million at March 31, 2026, compared to \$367.1 million a year earlier. Residential loans increased 18.5% to \$265.0 million at March 31, 2026, compared to \$223.5 million a year earlier. Consumer loans decreased 3.4% to \$17.4 million at March 31, 2026, compared to \$18.0 million a year earlier.

"Our performance highlights the strength of our balance sheet strategy. Over the past year, we have continued to support loan growth primarily through deposit momentum and a more streamlined investment portfolio, while maintaining excellent credit quality," said Sprudz.

Credit reserves totaled \$5.4 million at March 31, 2026, which included \$5.0 million in ACL and \$403 thousand in Liability for Unfunded Commitments. ACL increased \$406 thousand and \$823 thousand over Q4 2025 and Q1 2025, respectively, and amounted to 0.73% of gross loan balances at March 31, 2026, as compared to 0.68% at December 31, 2025, and 0.69% at March 31, 2025. The Liability for Unfunded Commitments was down \$73 thousand from Q4 2025, and down \$116 thousand from Q1 2025. This reserve balance is included in Other Liabilities on the balance sheet. "Due to the significant uncertainty arising from events in the Middle East, it was appropriate to modestly

increase the level of our credit reserves. Notably, we have not observed deterioration in loan portfolio performance,” said Sprudz. Net charge-offs totaled \$12 thousand in Q1 2026, and the ACL at the end of the quarter provides 2.9 times the coverage of non-performing assets.

Client deposits excluding wealth funds increased \$12.4 million, or 1.9%, during Q1 2026 and increased \$67.7 million, or 11.6%, from a year ago. Wealth management fund balances decreased \$11.7 million compared to Q4 2025 but were up \$3.8 million over Q1 2025. Including these wealth fund movements, client deposits were up \$776 thousand over Q4 2025 and up \$71.5 million over Q1 2025.

The Company continues to focus on maintaining a robust liquidity profile, with a diverse deposit base of approximately 83% retail deposits and 17% commercial deposits. Additionally, approximately 84% of deposits are insured and the Company has proven access to both unsecured and secured wholesale funding channels.

Quarter over quarter, the Company decreased wholesale borrowings and deposits acquired through brokers or listing channels by \$16.7 million. The average term of the Company's wholesale funding was 2.1 years as of March 31, 2026, compared to 2.2 years at the end of the previous quarter.

The Company has significant liquidity resources available to support operations, as it maintains good standing and extensive portfolios pledged at FHLB Boston and the Federal Reserve. The Company had over \$237.7 million in readily accessible borrowing capacity as of March 31, 2026.

On March 31, 2026, shareholders' equity was \$63.2 million, up \$662 thousand or 1.1% from the prior quarter end, and up \$6.0 million or 10.5% from March 31, 2025.

Capital Management

The Company's capital ratios continue to exceed the Federal Reserve's well capitalized thresholds for bank holding companies. As expected, capital ratios have declined over the past year due to strategic balance sheet growth. Minor methodology adjustments and the inclusion of a deferred tax asset deduction have resulted in a change to prior year Leverage Ratio presentation. On March 31, 2026, the Company's book value per share excluding and including AOCI stood at \$22.25 and \$18.32, respectively, compared to \$21.96 and \$18.06, respectively, at December 31, 2025, and \$21.13 and \$16.76, respectively, at March 31, 2025.

During the first quarter of 2026, the Company repurchased 13,100 shares of common stock at an average price of \$16.98 under its previously announced share repurchase program, leaving 160,035 of the 173,135 authorized shares remaining for repurchase.

Dividend Declaration

On April 30, 2026, the Board of Directors declared a regular quarterly cash dividend of \$0.21 per share, payable June 12, 2026, to shareholders of record as of May 22, 2026. The current dividend represents an annualized yield of approximately 4.93% based on recent market prices.

About Ledyard Financial Group

Ledyard Financial Group, Inc., headquartered in Hanover, New Hampshire, is the holding company for Ledyard National Bank, founded in 1991. Ledyard National Bank is a full-service community bank offering a broad range of banking, investment, and wealth management services.

Ledyard Financial Group, Inc. shares can be bought and sold through the NASD sanctioned OTCQX® Best Markets under the trading symbol LFGP. For additional information about the company, stock activity, or financial results please visit the Investor Relations section of bank's website (www.ledyard.bank).

Forward-Looking Statements

Forward-Looking Statements: Certain statements herein constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as "believes," "will," "would," "expects," "project," "may," "could," "developments," "strategic," "launching," "opportunities," "anticipates," "estimates," "intends," "plans," "targets" and similar expressions. These statements are based upon the current beliefs and expectations of Ledyard Financial Group, Inc.'s (the "Company's") management and are subject to significant risks and uncertainties. Actual results may differ materially from those set forth in the forward-looking statements as a result of numerous factors. Factors that could cause such differences to exist include, but are not limited to, changes in interest rates; changes in general business and economic conditions (including inflation and concerns about liquidity) on a national basis and in the local markets in which the Company operates, including changes that adversely affect borrowers' ability to service and repay the Company's loans; changes in customer behavior; turbulence in the capital and debt markets and the impact of such conditions on the Company's business activities; changes in employment levels; increases in loan default and charge-off rates; decreases in the value of securities in the Company's investment portfolio; fluctuations in real estate values; the possibility that future credit losses may be higher than currently expected due to changes in economic assumptions, customer behavior or adverse economic developments; changes in loan loss reserves; decreases in deposit levels necessitating increased borrowing to fund loans and investments; competitive pressures from other financial institutions; operational risks including, but not limited to, cybersecurity incidents, fraud, natural disasters, war, terrorism, civil unrest, and future pandemics; changes in regulation; changes in accounting standards and practices; the risk that goodwill and intangibles recorded in the Company's financial statements will become impaired; demand for loans in the Company's market area; the Company's ability to attract and maintain deposits; risks related to the implementation of acquisitions, dispositions, and restructurings; and the risk that the Company

may not be successful in the implementation of its business strategy. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, the Company's actual results could differ materially from those discussed. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. The Company disclaims any obligation to publicly update or revise any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes, except as required by law.

Income Statement (unaudited, \$000s)	For the Three Months Ended		
	3/31/2026	12/31/2025	3/31/2025
Net interest income before provision	\$ 6,730	\$ 6,522	\$ 5,566
Provision for credit losses	346	78	488
Net interest income after provision	6,384	6,444	5,078
Wealth management revenue	4,538	4,936	4,085
Securities gains	-	(77)	(105)
Other non-interest income	573	494	451
Total non-interest income	5,111	5,353	4,431
Total revenue	11,495	11,797	9,509
Non-interest expense	9,612	9,290	8,071
Pre-tax income	1,883	2,507	1,439
Tax expense	381	533	233
Net income	\$ 1,502	\$ 1,974	\$ 1,206

Other Operating Metrics	For the Three Months Ended		
	3/31/2026	12/31/2025	3/31/2025
Earnings per common share, basic	\$ 0.45	\$ 0.59	\$ 0.36
Earnings per common share, diluted	\$ 0.44	\$ 0.59	\$ 0.36
Dividends per common share	\$ 0.21	\$ 0.21	\$ 0.21
Return on assets	0.57%	0.74%	0.46%
Return on equity	9.56%	12.48%	7.71%
Net interest margin	2.75%	2.61%	2.53%
Efficiency ratio	81.18%	78.23%	80.73%

Balance Sheet (unaudited, \$000s)	3/31/2026	12/31/2025	3/31/2025
	Investments & interest-bearing deposits	\$ 299,422	\$ 327,896
Gross loans	684,559	670,761	608,472
Allowance for credit losses	(5,000)	(4,594)	(4,177)
Net loans	679,559	666,167	604,295
Premises, equipment & other assets	64,452	65,272	64,914
Total assets	\$ 1,043,433	\$ 1,059,335	\$ 974,931
Client deposits	\$ 797,669	\$ 796,893	\$ 726,190
Brokered & institutional deposits	81,615	82,330	69,591
Borrowings	71,005	87,025	93,389
Subordinated debt	18,000	18,000	18,000
Other liabilities	11,991	12,596	10,599
Total liabilities	980,280	996,844	917,769
Capital	78,563	77,650	73,708
Accumulated other comprehensive loss	(13,548)	(13,515)	(14,902)
Treasury stock	(1,862)	(1,644)	(1,644)

Total shareholders' equity	63,153	62,491	57,162
Total liabilities and equity	\$ 1,043,433	\$ 1,059,335	\$ 974,931
Other Metrics (as of stated date)	3/31/2026	12/31/2025	3/31/2025
Book value per share (excluding AOCI)	\$ 22.25	\$ 21.96	\$ 21.13
Book value per share (including AOCI)	\$ 18.32	\$ 18.06	\$ 16.76
Leverage ratio	6.85%	6.78%	7.05%
Risk based capital ratio	13.72%	13.79%	14.01%
Allowance to total loans	0.73%	0.68%	0.69%
Allowance to non-performing assets	293%	368%	346%
Assets under management (billions)	\$ 2.250	\$ 2.286	\$ 2.103
Shares of common stock issued	3,576,612	3,576,612	3,526,641
Treasury shares	129,098	115,998	115,998
Stock price - high	\$ 17.49	\$ 15.23	\$ 15.50
Stock price - low	\$ 14.95	\$ 13.50	\$ 14.13
Stock price - average	\$ 16.57	\$ 14.36	\$ 14.82

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Source: Ledyard Financial Group