NEWS RELEASE

# Ledyard Financial Group Earns $1.7 Million, or $0.52 Per Diluted Share, in Q2 2026 Declares Quarterly Cash Dividend of $0.21 Per Share

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HANOVER, N.H., July 24, 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 $0.52, for the second quarter ended June 30, 2026, compared to $0.44 in the prior quarter, and $0.39 in the second quarter a year ago, as core business activity remained strong. Reflecting the continued success of the company’s strategic investments, net income for the second quarter of 2026 was $1.7 million, up 33.2% over the comparable year-ago period.

“Our strategic investments and initiatives are driving meaningful results, and we expect that to continue,” said Josephine Moran, CEO. “We are getting great results leveraging ‘One Ledyard’ – our unique, holistic approach to building and deepening relationships. And in addition to our ongoing new business development efforts, we are actively pursuing growth opportunities in wealth management, including through strategic partnerships and combinations with like-minded firms. As we enter the second half of the year, we remain focused on expanding our revenue opportunities, enhancing profitability, and delivering greater operational efficiency through continued innovation and disciplined execution. We are well-positioned to build on our momentum while continuing to strengthen the relationships and experiences that differentiate Ledyard in the market.”

“Our second quarter earnings are the direct outcome of the solid foundation we have been building. Second quarter net income is 15.8% higher than in the first quarter. Loan growth was over $50 million, highlighting both the effectiveness of our strategy and the strength of demand across our markets, and both net interest income and

wealth management revenue came in strong, positioning us well for the future," said Peter Sprudzs, CFO.

Second Quarter 2026 Highlights

- Second quarter 2026 net income was $1.7 million, or $0.52 per share, up $433 thousand from the second quarter of 2025 and up $238 thousand from the prior quarter. Q2 2026 results included growth in both net interest income and wealth management compared to Q1 2026.
- Total assets ended the quarter at $1.07 billion, up $78.3 million or 7.9% from a year ago and up $27.5 million, or 2.6% from the prior quarter, primarily the result of strong loan growth.
    - Cash balances decreased $23.2 million, or 45.4%, from the prior quarter and $6.4 million, or 18.6%, compared to a year ago. The decrease compared to the prior quarter end was primarily due to the paydown of maturing wholesale liabilities and growth in loans.
    - Loans grew $51.3 million or 7.5% from the prior quarter and ended $106.5 million, or 16.9% higher than a year ago.
    - Excluding funds from the wealth management business, second quarter client deposits decreased $14.8 million (2.3%) compared to the prior quarter and increased $44.5 million (7.5%) compared to the second quarter of 2025. Including wealth management balances, client deposits decreased $8.8 million and grew $$60.1 million over Q1 2026 and Q2 2025, respectively.
    - Net interest margin (NIM) was 2.81%, up 6 basis points from the prior quarter and up 34 basis points from the second quarter a year ago.
- Capital ratios continue to exceed regulatory well-capitalized minimums.
- Assets Under Administration (AUA) ended the quarter at $2.57 billion, up 7.3% from $2.40 billion at the end of Q1 2026, and up 12.8% from $2.28 billion at the end of Q2 2025. In the supplementary data tables, the Company has provided previously undisclosed details about its wealth management book of assets, distinguishing among traditional Assets Under Management, Custody Assets, and Other Wealth Assets.
- Revenue from the wealth management business increased $223 thousand (4.9%) compared to the prior quarter, and $635 thousand (15.4%) compared to the second quarter a year ago, reflecting the benefit of market performance and business development efforts.
- Marking the ninth consecutive quarter of year-over-year improvement, the Company's efficiency ratio was 81.0% for Q2 2026, compared to 81.2% in Q1 2026 and 82.6% in Q2 2025. Absent a one-time expense item related to benefits costs, efficiency would have declined to 79.5%.
- 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 10.94% and a return on average assets of 0.66% in Q2 2026, compared to 9.56% and 0.57%, respectively, in Q1 2026 and 8.66% and 0.50%, respectively, in Q2 2025.

“This quarter's results show net interest margin widening of 6 basis points compared to the first quarter, and 34 basis points compared to the second quarter last year. In tandem with solid balance sheet growth, our margins signal that we are expanding responsibly and remaining vigilant about managing costs while maintaining the focus on profitability that our shareholders expect,” said Sprudzs.

Second quarter NIM improved to 2.81%, from 2.75% and 2.47% in Q1 2026 and Q2 2025, respectively. Quarter over quarter, earning asset yields increased by 9 basis points, the cost of interest-bearing liabilities decreased by 2 basis points, and other factors (most notably the contribution from derivative hedge positions) decreased 5 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 $271 thousand in Q2 2026, which consisted of a net $391 thousand addition to allowance for credit losses (ACL) and a net $120 thousand reduction of the liability for unfunded commitments. Comparatively, in Q1 2026 the provision for credit losses was $346 thousand and Q2 2025 the provision for credit losses was $214 thousand.

Non-interest revenue for Q2 2026 totaled $5.4 million, up $297 thousand or 5.8% from Q1 2026, and up $701 thousand or 14.9% from Q2 2025.

- Wealth management revenue totaled $4.8 million in Q2 2026, up $223 thousand or 4.9% from Q1 2026, and $635 thousand or 15.4% from Q2 2025.
    - Assets Under Administration (AUA) ended the quarter at $2.57 billion, up 7.3% from $2.40 billion at the end of Q1 2026, and up 12.8% from $2.28 billion at the end of Q2 2025. In the supplementary data tables, the Company has provided previously undisclosed details about its wealth management book of assets, distinguishing among traditional Assets Under Management, Custody Assets, and Other Wealth Assets.
- Net revenue from brokerage commissions in Q2 2026 was $196 thousand, up from $192 thousand in Q1 2026 and $150 thousand in Q2 2025.

Non-interest expense in Q2 2026 was $10.0 million, up $408 thousand (4.2%) from $9.6 million in Q1 2026, and up $1.4 million (16.2%) from $8.6 million in Q2 2025. The current quarter’s non-interest expense included one-time

insurance catch-up charges of $180 thousand and a full quarter's effect of merit increases awarded in March.

The Company's efficiency ratio was 81.0% for Q2 2026, reflecting a 1.7% decrease compared to the second quarter a year ago, and a 0.2% decrease compared to the prior quarter. Absent the one-time charge of $180 thousand, the efficiency ratio would have declined to 79.5%.

The Company's investments in Low Income Housing Tax Credits and tax-exempt municipal bonds continue to provide tax benefits. In Q2 2026, the net tax expense was $342 thousand, compared to $381 thousand in Q1 2026 and $291 thousand in Q2 2025. The effective tax rate for the second quarter of 2026 was 16.4%, compared to 20.2% for the first quarter of 2026 and 18.2% for the second quarter of 2025.

Balance Sheet Review

The Company's total assets at June 30, 2026, were $1.07 billion, up $27.5 million or 2.6% over Q1 2026, and up $78.3 million or 7.9% from the end of Q2 2025. The increase was primarily driven by loan growth.

Gross loans increased $106.5 million, or 16.9% over the last 12 months, while growing $51.3 million or 7.5%, over the prior quarter, to $735.9 million at June 30, 2026. Loan growth continued to be broad based and well spread across several loan categories. Commercial loans increased 12.0% to $423.4 million at June 30, 2026, compared to $378.1 million a year earlier. Residential loans increased 24.7% to $292.0 million at June 30, 2026, compared to $234.1 million a year earlier. Consumer loans increased 16.9% to $20.0 million at June 30, 2026, compared to $17.1 million a year earlier.

"We remain focused on disciplined balance sheet growth. We are committed as always to expanding our retail funding base to match our demonstrated capacity to grow loans," said Sprudzs.

Credit reserves totaled $5.7 million at June 30, 2026, which included $5.4 million in ACL and $283 thousand in liability for unfunded commitments. ACL increased $391 thousand and $971 thousand over Q1 2026 and Q2 2025, respectively, and amounted to 0.73% of gross loan balances at June 30, 2026, unchanged from 0.73% at March 31, 2026, and up from 0.70% at June 30, 2025. The liability for unfunded commitments was down $120 thousand from Q1 2026, and down $228 thousand from Q2 2025. This reserve balance is included in other liabilities on the balance sheet. "We continue to conservatively build reserves in anticipation of a turn in the credit cycle," said Sprudzs. Net charge-offs totaled $1 thousand in Q2 2026, and the ACL at the end of the quarter provided 2.1 times the coverage of non-performing assets.

Client deposits excluding wealth funds decreased $14.8 million, or 2.3%, during Q2 2026 and increased $44.5 million, or 7.5%, from a year ago. The decline in the quarter stemmed primarily from seasonal factors, including tax

payments. Wealth management fund balances increased $6.0 million compared to Q1 2026 and were up $15.6 million over Q2 2025. Including these wealth fund movements, client deposits were down $8.8 million over Q1 2026 and up $60.1 million over Q2 2025.

The Company continues to focus on maintaining a robust liquidity profile, with a diverse deposit base of approximately 84% retail deposits and 16% 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 increased wholesale borrowings and deposits acquired through brokers or listing channels by $35.6 million. The average term of the Company's wholesale funding was 2.2 years as of June 30, 2026, compared to 2.1 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 $215.5 million in readily accessible borrowing capacity as of June 30, 2026.

On June 30, 2026, shareholders' equity was $64.9 million, up $1.7 million or 2.7% from the prior quarter end, and up $8.4 million or 14.8% from June 30, 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 June 30, 2026, the Company's book value per share excluding and including AOCI stood at $22.30 and $18.62, respectively, compared to $22.25 and $18.32, respectively, at March 31, 2026, and $21.20 and $16.53, respectively, at June 30, 2025.

During the second quarter of 2026, the Company repurchased 4,200 shares of common stock at an average price of $17.05 under its previously announced share repurchase program, leaving 155,835 of the 173,135 authorized shares remaining for repurchase.

Dividend Declaration

On July 23, 2026, the Board of Directors declared a regular quarterly cash dividend of $0.21 per share, payable September 4, 2026, to shareholders of record as of August 14, 2026. The current dividend represents an annualized yield of approximately 4.72% 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.

| | For the Three Months Ended | | |
|---|---|---|---|
| Income Statement (unaudited, $000s) | 6/30/2026 | 3/31/2026 | 6/30/2025 |
| Net interest income before provision | $ 6,965 | $ 6,730 | $ 5,732 |
| Provision for credit losses | 271 | 346 | 214 |
| Net interest income after provision | 6,694 | 6,384 | 5,518 |
| Wealth management revenue | 4,761 | 4,538 | 4,126 |
| Securities gains | - | - | - |
| Other non-interest income | 647 | 573 | 581 |
| Total non-interest income | 5,408 | 5,111 | 4,707 |
| Total revenue | 12,102 | 11,495 | 10,225 |
| Non-interest expense | 10,020 | 9,612 | 8,627 |
| Pre-tax income | 2,082 | 1,883 | 1,598 |
| Tax expense | 342 | 381 | 291 |
| Net income | $ 1,740 | $ 1,502 | $ 1,307 |

| | For the Three Months Ended | | |
|---|---|---|---|
| Other Operating Metrics | 6/30/2026 | 3/31/2026 | 6/30/2025 |
| Earnings per common share, basic | $ 0.52 | $ 0.45 | $ 0.39 |
| Earnings per common share, diluted | $ 0.52 | $ 0.44 | $ 0.39 |
| Dividends per common share | $ 0.21 | $ 0.21 | $ 0.21 |
| Return on assets | 0.66% | 0.57% | 0.50% |
| Return on equity | 10.94% | 9.56% | 8.66% |
| Net interest margin | 2.81% | 2.75% | 2.47% |
| Efficiency ratio | 80.98% | 81.18% | 82.65% |

| Balance Sheet (unaudited, $000s) | 6/30/2026 | 3/31/2026 | 6/30/2025 |
|---|---|---|---|
| Investments & interest-bearing deposits | $ 274,459 | $ 299,422 | $ 302,326 |
| Gross loans | 735,869 | 684,559 | 629,328 |
| Allowance for credit losses | (5,391) | (5,000) | (4,420) |
| Net loans | 730,478 | 679,559 | 624,908 |
| Premises, equipment & other assets | 66,007 | 64,452 | 66,111 |
| Total assets | $ 1,070,944 | $ 1,043,433 | $ 993,345 |
| Client deposits | $ 788,896 | $ 797,669 | $ 728,840 |
| Brokered & institutional deposits | 82,668 | 81,615 | 85,246 |
| Borrowings | 105,586 | 71,005 | 93,146 |
| Subordinated debt | 18,000 | 18,000 | 18,000 |
| Other liabilities | 10,916 | 11,991 | 11,589 |
| Total liabilities | 1,006,066 | 980,280 | 936,821 |
| Capital | 79,635 | 78,563 | 74,366 |
| Accumulated other comprehensive loss | (12,819) | (13,548) | (16,198) |
| Treasury stock | (1,938) | (1,862) | (1,644) |
| Total shareholders' equity | 64,878 | 63,153 | 56,524 |
| Total liabilities and equity | $ 1,070,944 | $ 1,043,433 | $ 993,345 |

| Other Metrics (as of stated date) | 6/30/2026 | 3/31/2026 | 6/30/2025 |
|---|---|---|---|
| Book value per share (excluding AOCI) | $ 22.30 | $ 22.25 | $ 21.20 |
| Book value per share (including AOCI) | $ 18.62 | $ 18.32 | $ 16.53 |
| | | | |
| Leverage ratio | 6.91% | 6.85% | 6.85% |
| Risk based capital ratio | 13.67% | 13.72% | 13.91% |
| Allowance to total loans | 0.73% | 0.73% | 0.70% |
| | | | |
| Allowance to non-performing assets | 210% | 293% | 348% |
| Assets under management (billions) | $ 2.231 | $ 2.089 | $ 1.968 |
| Custody Assets (billions) | 0.223 | 0.209 | $ 0.227 |
| Other Wealth Assets (billions) | 0.116 | 0.097 | 0.083 |
| Assets Under Administration (billions) | $ 2.570 | $ 2.395 | $ 2.278 |
| Shares of common stock issued | 3,618,005 | 3,576,612 | 3,581,031 |
| Treasury shares | 133,298 | 129,098 | 115,998 |
| | | | |
| Stock price - high | $ 17.81 | $ 17.49 | $ 15.50 |
| Stock price - low | $ 16.80 | $ 14.95 | $ 14.35 |
| Stock price - average | $ 17.02 | $ 16.57 | $ 14.98 |

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Source: Ledyard Financial Group