



NEWS RELEASE

Ledyard Financial Group Earns \$2.0 Million, or \$0.59 Per Diluted Share, in Q4 2025, and \$6.0 Million, or \$1.81 Per Diluted Share, for the Full Year 2025, Declares Quarterly Cash Dividend of \$0.21 Per Share

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HANOVER, N.H., Jan. 30, 2026 (GLOBE NEWSWIRE) -- Ledyard Financial Group, Inc. . (the "Company", OTCQX®: LFGP), the holding company for Ledyard National Bank (the "Bank"), today reported quarterly net income per diluted share of \$0.59, for the fourth quarter ended December 31, 2025, up 28% from \$0.46 in the prior quarter, as core business activity continued to expand. Strong loan growth continued to drive balance sheet expansion, and wealth management revenue increased with growth in AUM. Reflecting the continued success of the company's strategic investments, net income for the fourth quarter of 2025 was \$2.0 million, up 47% over the comparable year-ago period and approaching a quarterly pace of earnings that nears the high points of previous years.

For the full year, the Company reported net income of \$6.0 million, or \$1.81 per diluted share, compared to \$3.3 million, or \$0.98 per diluted share, for 2024.

"We are energized by the momentum we've built throughout the year, which nearly doubled net income of 2024. Beyond the bottom-line results, what truly positions us well for the future is the deliberate reshaping of our financial foundation - strategically reallocating resources toward higher-yielding core operations, strengthening our credit position, and ensuring strong liquidity reserves. The team has done an amazing job overcoming the challenges from our legacy investment portfolio, and our investments over the last three years have significantly improved our financial performance. We continue to leverage the integration of our banking and wealth

management businesses, promoting growth and the pursuit of making life better for our clients, employees, shareholders, and the communities we serve," said Josephine Moran, CEO.

"Fourth quarter net income increased 47% compared to the fourth quarter a year ago, reflecting sustained growth in deposits and loans alongside an expanded net interest margin. Our wealth management division delivered robust quarterly revenue, driven by favorable equity market conditions and meaningful momentum in new client acquisition. These results validate the strategic plan we launched in early 2023. Having completed the heavy lifting of building out our infrastructure and business model, we're now transitioning into an execution phase focused on capturing the full potential of these investments," said Peter Sprudzs, CFO.

Fourth Quarter 2025 Highlights

- Q4 2025 net income was \$2.0 million (\$0.59 per share), up \$432 thousand and \$634 thousand from Q3 2025 and Q4 2024, respectively.
- Total assets ended the quarter at \$1.06 billion, up \$30.3 million or 2.9% from the prior quarter and \$108.8 million or 11.4% higher than a year ago, driven primarily by loan growth.
 - Loans increased \$23.3 million or 3.6% from the prior quarter and ended \$90.2 million (15.7%) higher than a year ago.
 - Excluding funds from the wealth management business, client deposits increased \$29.1 million (4.8%) in Q4 2025 and grew \$48.6 million (8.2%) from a year ago. Including wealth management balances, client deposits grew \$38.5 million and \$60.1 million over Q3 2025 and Q4 2024, respectively.
- Net interest margin (NIM) was 2.61%, up 7 basis points from the prior quarter and up 26 basis points from the fourth quarter a year ago.
- Capital ratios continue to exceed regulatory well-capitalized minimums.
- Assets under management (AUM) ended the quarter at \$2.29 billion, up 0.5% and 6.6% from Q3 2025 and Q4 2024, respectively. Revenue from the wealth management business was up \$633 thousand (14.7%) and \$1.2 million (33.3%) over the corresponding previous quarters, having shrugged off the impact of market declines early in the second quarter of 2025, and reflecting the benefit of the revised fee structure implemented in early 2025.
- Reflecting the value created by infrastructure investments made over the last year, the efficiency ratio of 78.2% marked the fourth consecutive quarter of year-over-year improvement of 7-8%.
- 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 12.48% and a return on average assets of 0.74% in Q4 2025, compared to 10.31% and 0.58%, respectively, in Q3 2025 and 9.07% and 0.55%, respectively, in Q4 2024.

“Our net interest margin expanded 7 basis points compared to the prior quarter and 26 basis points compared to the year ago quarter, reflecting declining funding costs combined with improving yields on our earning assets. While the current Fed rate environment is constantly evolving, we anticipate further improvement in our cost of funds if rates continue to decline,” said Sprudzs.

Fourth quarter NIM improved to 2.61%, from 2.54% and 2.35% in Q3 2025 and Q4 2024, respectively. Quarter over quarter, earning asset yields increased by 2 basis points, the cost of interest-bearing liabilities decreased by 12 basis points, and other factors (most notably the contribution from derivative hedge positions) increased 7 basis points. Reported NIM figures do not reflect the beneficial effect of the tax advantage provided by the Company’s \$149.0 million in municipal bond holdings.

Provision for credit losses was \$78 thousand in Q4 2025, which consisted of a net \$170 thousand addition to Allowance for Credit Losses (ACL) and a net \$92 thousand reduction of the Liability for Unfunded Commitments. Provision for credit losses was a credit of \$171 thousand in Q4 2024, which consisted of a net \$39 thousand addition to the ACL and a \$210 thousand reduction in the Liability for Unfunded Commitments.

Non-interest revenue for Q4 2025 totaled \$5.4 million, up \$552 thousand or 11.5% from Q3 2025, and up \$904 thousand or 20.3% from Q4 2024. During the quarter, the Company instituted a change in accounting principle for how it recognizes revenue for its wealth business. 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 \$4.9 million in Q4 2025, up \$633 thousand or 14.7% from Q3 2025, and up \$1.2 million or 33.3% from Q4 2024.
- AUM ended the quarter at \$2.29 billion, up 0.5% from \$2.27 billion at the end of Q3 2025, and up 6.6% from \$2.14 billion at the end of Q4 2024.
- Net revenue from brokerage commissions in Q4 2025 was \$109 thousand, down from \$124 thousand in Q3 2025 and up from \$90 thousand in Q4 2024.

Non-interest expense in Q4 2025 was \$9.3 million, up \$241 thousand (2.7%) from \$9.0 million in Q3 2025, and up \$1.0 million (12.3%) from \$8.3 million in Q4 2024. Marketing expense related to the Southern New Hampshire expansion strategy as well as increases attributable to business growth and development contributed to the increase.

"We are encouraged by the downward trend in our efficiency ratio we've achieved in 2025 through improved earnings combined with careful expense management and process improvements. We're particularly proud of the success we've had in generating deposits and executing the OneLedyard strategy in Southern New Hampshire in the past six months. We know we have more work to do, and we're dedicated to making steady progress while continuing to serve our customers well," said Moran. The Company's efficiency ratio decreased to 78.2% for Q4 2025, reflecting an 8.9% improvement compared to the fourth quarter a year ago, and a 5.1% improvement compared to the prior quarter.

The Company's investments in Low Income Housing Tax Credits and tax-exempt municipal bonds continue to provide tax benefits. In Q4 2025, the net tax expense was \$533 thousand, compared to \$296 thousand in Q3 2025 and \$188 thousand in Q4 2024. The effective tax rate for the fourth quarter of 2025 was 21.3%, compared to 16.1% for the third quarter of 2025 and 12.3% for the fourth quarter of 2024.

Balance Sheet Review

Total assets of the Company at December 31, 2025 were \$1.06 billion, up \$30.3 million or 2.9% over Q3 2025, and up \$108.8 million or 11.4% from the end of Q4 2024, primarily driven by loan growth.

Gross loans increased \$91.0 million, or 15.7% over the last 12 months, while growing \$23.5 million or 3.6%, over the prior quarter, to \$670.8 million at December 31, 2025. Loan growth continued to be broad based and well spread across several loan categories. Commercial loans increased 15.3% to \$395.2 million at December 31, 2025, compared to \$342.7 million a year earlier. Residential loans increased 16.7% to \$256.8 million at December 31, 2025, compared to \$219.9 million a year earlier. Consumer loans increased 10.1% to \$18.8 million at December 31, 2025, compared to \$17.1 million a year earlier.

"Our results reflect disciplined balance sheet management over the last year we have funded most of our loan growth organically through deposit growth and investment portfolio reductions, and our credit quality continues to be excellent," added Sprudzs.

Credit reserves totaled \$5.1 million at December 31, 2025, which included \$4.6 million in ACL and \$476 thousand in Liability for Unfunded Commitments. ACL increased \$152 thousand and \$835 thousand over Q3 2025 and Q4 2024, respectively, and amounted to 0.68% of gross loan balances at December 31, 2025, as compared to 0.69% at September 30, 2025 and 0.65% at December 31, 2024. The Liability for Unfunded Commitments was down \$92 thousand from Q3 2025, and up \$9 thousand from Q4 2024. This reserve balance is included in Other Liabilities on the balance sheet. Net charge-offs totaled \$17 thousand in Q4 2025, and the ACL at the end of the quarter provides 3.7x coverage of non-performing assets.

Client deposits excluding wealth funds increased \$29.1 million, or 4.8%, during Q4 2025 and increased \$48.6 million, or 8.2%, from a year ago. Wealth management fund balances were up \$9.5 million compared to Q3 2025 and up \$11.5 million over Q4 2024. Including these wealth fund movements, client deposits were up \$38.5 million over Q3 2025 and up \$60.1 million over Q4 2024.

The Company continues to focus on maintaining a robust liquidity profile, with a diverse deposit base of approximately 80% retail deposits and 20% commercial deposits. Additionally, approximately 85% 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 \$5.7 million. The average term of the Company's wholesale funding was 2.2 years as of December 31, 2025, compared to 2.3 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 \$243 million in readily accessible borrowing capacity as of December 31, 2025.

On December 31, 2025, shareholders' equity was \$62.5 million, up \$3.1 million or 5.2% from the prior quarter, and up \$6.0 million or 10.5% from Q4 2024.

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 December 31, 2025, the Company's book value per share excluding and including AOCI stood at \$21.96 and \$18.06, respectively, compared to \$21.28 and \$17.16, respectively, at September 30, 2025, and \$20.95 and \$16.58, respectively, at December 31, 2024.

Dividend Declaration

On January 29, 2026, the Board of Directors declared a regular quarterly cash dividend of \$0.21 per share, payable March 13, 2026, to shareholders of record as of February 20, 2026. The current dividend represents an annualized yield of approximately 5.60% 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		
	12/31/2025	9/30/2025	12/31/2024
Income Statement (unaudited, \$000s)			
Net interest income before provision	\$ 6,522	\$ 6,174	\$ 5,180
Provision for credit losses	78	88	(171)
Net interest income after provision	<u>6,444</u>	<u>6,086</u>	<u>5,351</u>
Wealth management revenue	4,936	4,303	3,702
Securities gains	(77)	-	(1,051)
Gain on sale of fixed assets	-	-	1,348
Other non-interest income	494	498	450
Total non-interest income	<u>5,353</u>	<u>4,801</u>	<u>4,449</u>
Total revenue	11,797	10,887	9,800
Non-interest expense	<u>9,290</u>	<u>9,049</u>	<u>8,272</u>
Pre-tax income	2,507	1,838	1,528
Tax expense	533	296	188
Net income	<u>\$ 1,974</u>	<u>\$ 1,542</u>	<u>\$ 1,340</u>

	For the Three Months Ended		
	12/31/2025	9/30/2025	12/31/2024
Other Operating Metrics			
Earnings per common share, basic	\$ 0.59	\$ 0.46	\$ 0.40
Earnings per common share, diluted	\$ 0.59	\$ 0.46	\$ 0.40
Dividends per common share	\$ 0.21	\$ 0.21	\$ 0.21
Return on assets	0.74%	0.58%	0.55%
Return on equity	12.48%	10.31%	9.07%
Net interest margin	2.61%	2.54%	2.35%
Efficiency ratio	78.23%	82.45%	85.91%

Balance Sheet (unaudited, \$000s)		12/31/2025	9/30/2025	12/31/2024
Investments & interest-bearing deposits	\$ 327,896	\$ 322,562	\$ 309,924	
Gross loans	670,761	647,309	579,723	
Allowance for credit losses	(4,594)	(4,442)	(3,759)	
Net loans	<u>666,167</u>	<u>642,867</u>	<u>575,964</u>	
Premises, equipment & other assets	65,272	63,608	64,694	
Total assets	<u>\$ 1,059,335</u>	<u>\$ 1,029,037</u>	<u>\$ 950,582</u>	
Client deposits	\$ 796,893	\$ 758,355	\$ 736,785	
Brokered & institutional deposits	82,330	88,049	70,978	
Borrowings	87,025	92,982	57,087	
Subordinated debt	18,000	18,000	18,000	
Other liabilities	12,596	12,242	11,195	
Total liabilities	<u>996,844</u>	<u>969,628</u>	<u>894,045</u>	
Capital	77,650	75,339	73,097	
Accumulated other comprehensive loss	(13,515)	(14,286)	(14,916)	
Treasury stock	(1,644)	(1,644)	(1,644)	
Total shareholders' equity	<u>62,491</u>	<u>59,409</u>	<u>56,537</u>	
Total liabilities and equity	<u>\$ 1,059,335</u>	<u>\$ 1,029,037</u>	<u>\$ 950,582</u>	
Other Metrics (as of stated date)		12/31/2025	9/30/2025	12/31/2024
Book value per share (excluding AOCI)	\$ 21.96	\$ 21.28	\$ 20.95	
Book value per share (including AOCI)	\$ 18.06	\$ 17.16	\$ 16.58	

Leverage ratio	6.78%	6.72%	7.63%
Risk based capital ratio	13.79%	13.72%	14.39%
Allowance to total loans	0.68%	0.69%	0.65%
Allowance to non-performing assets	368%	371%	300%
Assets under management (billions)	\$ 2.286	\$ 2.274	\$ 2.144
Shares of common stock issued	3,576,612	3,578,700	3,526,641
Treasury shares	115,998	115,998	115,998
Stock price - high	\$ 15.23	\$ 14.30	\$ 15.50
Stock price - low	\$ 13.50	\$ 13.35	\$ 13.50
Stock price - average	\$ 14.36	\$ 13.93	\$ 14.51

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