NEWS RELEASE

Ledyard Financial Group Earns a Record $2.5 Million, or $0.73 Per Diluted Share, in Q3 2026 and Declares Quarterly Cash Dividend of $0.21 Per Share

2026-10-30

HANOVER, N.H., Oct. 30, 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 $0.73, for the third quarter ended September 30, 2026, compared to $0.52 in the prior quarter, and $0.46 in the third quarter a year ago, supported by continued strength in core business activities. Reflecting the continued success of the Company's strategic investments, net income for the third quarter of 2026 was $2.5 million, a substantial increase of 60.2% over the comparable year-ago period.

"This quarter's record earnings show that our investments and initiatives are paying off, and we expect that momentum to continue," said Josephine Moran, CEO. "The third quarter earnings evidence how our focus on expanding revenue opportunities, enhancing profitability, and delivering greater operational efficiency through innovation and technology is working. We are getting great results leveraging 'One Ledyard' – our unique, comprehensive approach to building and deepening relationships. Wealth management remains an active area of growth for us, where we are exploring strategic partnerships to complement our ongoing new business development. As we enter the final quarter of the year, we are confident in the Company's financial outlook while prioritizing our local communities and our people."

"Reflecting the continued success of our investment strategy, net income reached a record high for the Company, up 42.0% compared to the second quarter, and up 60.2% from the year ago quarter. Strong loan growth also continued to drive our balance sheet operational efficiencies, and the wealth management division's revenue

increased compared to the previous quarter, actively showcasing the effectiveness of our strategic priorities for the year," said Peter Sprudzs, CFO.

Third Quarter 2026 Highlights

- Third quarter 2026 net income was $2.5 million, or $0.73 per share, up $929 thousand from the third quarter of 2025 and up $731 thousand from the prior quarter. Q3 2026 results included growth in both net interest income and wealth management revenue compared to Q2 2026.
- Total assets ended the quarter at $1.16 billion, up $135.7 million or 13.2% from a year ago and up $93.8 million, or 8.8% from the prior quarter, primarily the result of strong loan growth.
    - Loans grew $67.1 million or 9.2% from the prior quarter and ended $154.7 million, or 24.1% higher than a year ago.
    - Excluding funds from the wealth management business, third quarter client deposits increased $45.8 million (7.2%) compared to the prior quarter and $72.5 million (11.9%) compared to the third quarter of 2025. Including wealth management balances, client deposits increased $36.8 million and grew $67.3 million over Q2 2026 and Q3 2025, respectively.
    - Net interest margin (NIM) was 2.91%, up 10 basis points from the prior quarter and up 37 basis points from the third quarter a year ago.
- Assets Under Administration (AUA) ended the quarter at $2.59 billion, up 0.8% from $2.57 billion at the end of Q2 2026, and up 7.9% from $2.40 billion at the end of Q3 2025.
- Revenue from the wealth management business increased $61 thousand (1.3%) compared to the prior quarter, and $519 thousand (12.1%) compared to the third quarter a year ago, reflecting the benefits of market performance and business development efforts.
- The Company's efficiency ratio was 74.0% for Q3 2026, compared to 81.0% in Q2 2026 and 82.4% in Q3 2025.
- 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 15.08% and a return on average assets of 0.90% in Q3 2026, compared to 10.94% and 0.66%, respectively, in Q2 2026 and 10.31% and 0.58%, respectively, in Q3 2025.

"Our net interest margin expanded during the quarter, driven by disciplined loan pricing, lower funding costs and a stronger deposit mix. Alongside solid balance sheet growth, this shows we are growing responsibly, not at the expense of margins, a strategy we remain committed to," said Sprudzs.

Third quarter NIM improved to 2.91%, from 2.82% and 2.54% in Q2 2026 and Q3 2025, respectively. Quarter over quarter, earning asset yields increased by 15 basis points and the cost of interest-bearing liabilities increased by 6 basis points, while the impact on NIM of other factors (most notably the contribution from derivative hedge positions) was unchanged. Reported NIM figures do not reflect the beneficial effect of the tax advantage provided by the Company's $140.3 million in municipal bond holdings.

Provision for credit losses was $471 thousand in Q3 2026, reflecting a net increase in credit reserves (ACL and Liability for Unfunded Commitments) of $192 thousand and net charge-offs of $279 thousand. Comparatively, in Q2 2026 the provision for credit losses was $271 thousand and Q3 2025 the provision for credit losses was $88 thousand.

Non-interest revenue for Q3 2026 totaled $6.0 million, up $608 thousand or 11.2% from Q2 2026, and up $1.2 million or 25.3% from Q3 2025.

- Wealth management revenue totaled $4.8 million in Q3 2026, up $61 thousand or 1.3% from Q2 2026, and up $519 thousand or 12.1% from Q3 2025.
    - Assets Under Administration (AUA) ended the quarter at $2.59 billion, up 0.8% from $2.57 billion at the end of Q2 2026, and up 7.9% from $2.40 billion at the end of Q3 2025.
- Net revenue from brokerage commissions in Q3 2026 was $114 thousand, down from $196 thousand in Q2 2026 and $124 thousand in Q3 2025.
- Non-interest revenue included $174 thousand in swap gain revenue, related to a loan payoff and refinancing. The sale of a portion of a bank-owned building no longer in use generated a gain of $1.1 million; that gain was largely offset by losses on the sale of available-for-sale securities and certain residential loans. The net effect of these transactions contributed $374 thousand to non-interest revenue, and reduced non-interest income by $31 thousand due to related derivatives accounting impacts.
- Separately, the company initiated ongoing mortgage sale activity, generating a gain of $8 thousand.

"We continue to focus on the mix of the balance sheet," said Sprudzs. "During the quarter we sold $13.3 million in available-for-sale securities and $3.5 million in residential loans. These transactions serve to improve profitability by way of reducing some higher-cost debt balances and allowing lower-yielding assets to be replaced by assets at current market yields."

Non-interest expense in Q3 2026 was $10.1 million, up $78 thousand (0.8%) from $10.0 million in Q2 2026, and up $1.1 million (11.6%) from $9.0 million in Q3 2025.

The Company's efficiency ratio declined to 74.0% for Q3 2026, reflecting an 8.4% decrease compared to the third quarter a year ago, and a 7.0% decrease compared to the prior quarter. Excluding the non-recurring non-interest revenue items noted above, the efficiency ratio for the current quarter would have been approximately 77.2%.

The Company's investments in Low Income Housing Tax Credits and tax-exempt municipal bonds continue to provide tax benefits. In Q3 2026, the net tax expense was $602 thousand, compared to $342 thousand in Q2 2026 and $296 thousand in Q3 2025. The effective tax rate for the third quarter of 2026 was 19.6%, compared to 16.4% for the second quarter of 2026 and 16.1% for the third quarter of 2025.

Balance Sheet Review

The Company's total assets at September 30, 2026 were $1.16 billion, up $93.8 million or 8.8% over Q2 2026, and up $135.7 million or 13.2% from the end of Q3 2025. The increase was primarily driven by loan growth funded by both retail deposit growth and an increase in wholesale funding.

Gross loans increased $155.9 million, or 24.1% over the last 12 months, while growing $67.3 million or 9.1%, over the prior quarter, to $803.2 million at September 30, 2026. Loan growth continued to be broad based and well spread across several loan categories. Commercial loans increased 17.0% to $448.9 million at September 30, 2026, compared to $383.7 million a year earlier. Residential loans increased 36.0% to $333.9 million at September 30, 2026, compared to $245.4 million a year earlier. Consumer loans increased 13.5% to $20.4 million at September 30, 2026, compared to $17.9 million a year earlier.

"Loan growth during the quarter reflects our disciplined approach to balance sheet management. We have demonstrated our capacity to grow loans prudently, and we remain committed to expanding our retail funding base in step with that growth," said Sprudzs.

Credit reserves totaled $5.9 million at September 30, 2026, which included $5.6 million in ACL and $230 thousand in liability for unfunded commitments. ACL increased $245 thousand and $1.2 million over Q2 2026 and Q3 2025, respectively, and amounted to 0.70% of gross loan balances at September 30, 2026, down from 0.73% at June 30, 2026, and up from 0.69% at September 30, 2025. The liability for unfunded commitments was down $53 thousand from Q2 2026, and down $337 thousand from Q3 2025. This reserve balance is included in other liabilities on the balance sheet. Net charge-offs totaled $279 thousand in Q3 2026, and the ACL at the end of the quarter provided 2.6 times coverage of non-performing assets. "Credit quality remains strong, and our reserve position reflects a measured approach to evolving credit conditions in our footprint," said Sprudzs.

Client deposits excluding wealth funds increased $45.8 million, or 7.2%, during Q3 2026 from the previous quarter,

and increased $72.5 million, or 11.9%, from a year ago. Wealth management fund deposit balances decreased $9.0 million compared to Q2 2026 and were down $5.1 million over Q3 2025.

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 83% 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 $55.1 million. The average term of the Company's wholesale funding was 1.7 years as of September 30, 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 $158.0 million in readily accessible borrowing capacity as of September 30, 2026.

On September 30, 2026, shareholders' equity was $64.9 million, up $13 thousand from the prior quarter end, and up $5.5 million or 9.2% from September 30, 2025.

Capital Management

The Bank's capital ratios continue to exceed the Federal Reserve's well capitalized thresholds. As expected, capital ratios have declined over the past year due to strategic balance sheet growth. On September 30, 2026, the Company's book value per share excluding and including AOCI stood at $22.85 and $18.62, respectively, compared to $22.30 and $18.62, respectively, at June 30, 2026, and $21.28 and $17.16, respectively, at September 30, 2025.

Dividend Declaration

On October 29, 2026, the Board of Directors declared a regular quarterly cash dividend of $0.21 per share, payable December 11, 2026, to shareholders of record as of November 20, 2026. The current dividend represents an annualized yield of approximately 3.82% 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.

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	For the Three Months Ended		
Income Statement (unaudited, $000s)	9/30/2026	6/30/2026	9/30/2025
Net interest income before provision	$ 7,626	$ 6,965	$ 6,174
Provision for credit losses	471	271	88
Net interest income after provision	7,155	6,694	6,086
Wealth management revenue	4,822	4,761	4,303
Net Gain on Asset Sales	556	-	-
Other non-interest income	638	647	498
Total non-interest income	6,016	5,408	4,801
Total revenue	13,171	12,102	10,887
Non-interest expense	10,098	10,020	9,049
Pre-tax income	3,073	2,082	1,838
Tax expense	602	342	296
Net income	$ 2,471	$ 1,740	$ 1,542

	For the Three Months Ended		
Other Operating Metrics	9/30/2026	6/30/2026	9/30/2025
Earnings per common share, basic	$ 0.74	$ 0.52	$ 0.46
Earnings per common share, diluted	$ 0.73	$ 0.52	$ 0.46
Dividends per common share	$ 0.21	$ 0.21	$ 0.21
Return on assets	0.90%	0.66%	0.58%
Return on equity	15.08%	10.94%	10.31%
Net interest margin	2.91%	2.81%	2.54%
Efficiency ratio	74.02%	80.98%	82.45%

Balance Sheet (unaudited, $000s)	9/30/2026	6/30/2026	9/30/2025
Investments & interest-bearing deposits	$ 289,495	$ 274,459	$ 322,562
Gross loans	803,169	735,869	647,309
Allowance for credit losses	(5,636)	(5,391)	(4,442)
Net loans	797,533	730,478	642,867
Premises, equipment & other assets	77,718	66,007	64,608
Total assets	$ 1,164,746	$ 1,070,944	$ 1,029,037
Client deposits	$ 825,690	$ 788,896	$ 758,355
Brokered & institutional deposits	88,192	82,668	88,049
Borrowings	155,166	105,586	92,982
Subordinated debt	18,000	18,000	18,000
Other liabilities	12,807	10,916	12,242
Total liabilities	1,099,855	1,006,066	969,628
Capital	81,565	79,635	75,339
Accumulated other comprehensive loss	(14,736)	(12,819)	(14,286)
Treasury stock	(1,938)	(1,938)	(1,644)
Total shareholders' equity	64,891	64,878	59,409
Total liabilities and equity	$ 1,164,746	$ 1,070,944	$ 1,029,037

Other Metrics (as of stated date)	9/30/2026	6/30/2026	9/30/2025
Book value per share (excluding AOCI)	$ 22.85	$ 22.30	$ 21.28
Book value per share (including AOCI)	$ 18.62	$ 18.62	$ 17.16

Leverage ratio	6.76%	6.91%	6.72%
Risk based capital ratio	12.66%	13.67%	13.72%
Allowance to total loans	0.70%	0.73%	0.69%
Allowance to non-performing assets	256%	210%	371%
Assets under management (billions)	$2.242	$2.231	$2.074
Custody Assets (billions)	0.220	0.223	0.234
Other Wealth Assets (billions)	0.128	0.116	0.091
Assets Under Administration (billions)	$2.590	$2.570	$2.399
Shares of common stock issued	3,618,145	3,618,005	3,578,700
Treasury shares	133,298	133,298	115,998
Stock price - high	$ 22.50	$ 17.81	$ 14.30
Stock price - low	$ 17.98	$ 16.80	$ 13.35
Stock price - average	$ 21.44	$ 17.02	$ 13.93

Source: Ledyard Financial Group