



NEWS RELEASE

# Ledyard Financial Group Reports Q2 2025 Earnings and Declares Quarterly Dividend

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HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (the "Company", OTCQX®: LFGP), the holding company for Ledyard National Bank (the "Bank"), today announced financial results for Q2 2025. Quarterly net income per share increased to \$0.39 from \$0.36 in the prior quarter (up 8%), as core business activity continued to expand. Strong loan growth continued to drive balance sheet growth, and wealth management revenue increased despite market volatility during the quarter. Reflecting the continued success of the company's strategic investments, net income in the quarter was up 80% over the comparable year-ago period. The Company continues to leverage the integration of its banking and wealth management businesses, promoting growth and the pursuit of making life better for its clients, its employees, its shareholders, and the communities it serves.

## Q2 2025 Highlights

- Q2 2025 net income was \$1.3 million (\$0.39 per share), up \$101 thousand and \$581 thousand from Q1 2025 and Q2 2024, respectively.
- Total assets ended the quarter at \$993.3 million, having grown \$18.4 million or 1.9% from the prior quarter, and ending \$85.4 million or 9.4% higher than a year ago, driven primarily by loan growth.
  - Loans increased \$20.9 million (3.4%) from the prior quarter and ended \$133.1 million (26.8%) higher than a year ago.
  - Excluding funds from the wealth management business, client deposits increased \$8.4 million (1.4%) in Q2 2025 and grew \$22.9 million (4.0%) since a year ago. Including the wealth management balances, client deposits were up \$2.6 million and \$17.4 million over Q1 2025 and Q2 2024, respectively.

- Net interest margin was 2.47%, down 6 basis points from the prior quarter, but up 33 basis points from a year ago.
- Capital ratios continue to exceed regulatory well-capitalized minimums.
- At \$2.18 billion, assets under management (AUM) ended the quarter up 3.5% and 6.8% from Q1 2025 and Q2 2024, respectively. Revenue from the wealth management business was up \$41 thousand (1.0%) and \$631 thousand (18.1%) over the corresponding previous quarters, shrugging off the impact of market declines early in Q2, 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 82.7% marked the second consecutive quarter of year-over-year improvement of 7-8%.
- The Company declared a regular quarterly dividend of \$0.21 per share.

"Our Q2 results continue to demonstrate solid growth in our core businesses of efficient deposit-gathering, prudent lending, and exceptional wealth management service. We continued to strengthen the balance sheet with added credit reserves, and our liquidity position remains strong. Our efficiency ratio of 81.7% for 1H 2025 is a marked improvement over the comparable year-ago figure of 89.3% and indicates that the investments we have made in infrastructure are paying off," said Peter Sprudzs, CFO.

"Crossing mid-2025 has included notable achievements for the company, including continued growth of our businesses despite challenging external market conditions, the launch of a completely redesigned website and our revamped digital brand "Onward", and near-complete preparations for our new Bedford, NH financial center location, expected to open in August. We look forward to expanding our community banking presence in Southern New Hampshire and continuing to deepen our relationships across all our client segments," added Josephine Moran, CEO.

## Q2 2025 Results

Net income for Q2 2025 was \$1.3 million (\$0.39 per share) compared to \$1.2 million (\$0.36 per share) in Q1 2025 and \$726 thousand (\$0.22 per share) in Q2 2024.

Q2 2025 net interest income was \$5.7 million, up \$166 thousand or 3.0% from the prior quarter, and up \$1.3 million or 27.9% from Q2 2024. Net interest margin (NIM) in Q2 2025 decreased to 2.47% from 2.53% in Q1 2025 and was up 33 basis points from 2.14% in Q2 2024. Quarter over quarter, earning asset yields increased by 6 basis points, the cost of interest-bearing liabilities increased by 3 basis points, and other factors (most notably the contribution from derivative hedge positions) declined 8 basis points. Reported NIM figures do not reflect the beneficial effect of the tax advantage provided by the Company's \$151.7 million in municipal bond holdings.

Provision for credit losses was \$214 thousand in Q2 2025, which consisted of a net \$222 thousand addition to

Allowance for Credit Losses (ACL) and a net \$8 thousand reduction to Liability for Unfunded Commitments.

Non-interest revenue for Q2 2025 amounted to \$4.7 million, up \$276 thousand or 6.2% from Q1 2025, and up \$785 thousand or 20.0% from Q2 2024. Excluding the impact of investment portfolio sales in the prior quarters, Q2 2025 non-interest revenue was up \$171 thousand (3.8%) over the prior quarter, and up \$791 thousand (20.2%) over the year-ago quarter.

- Wealth management revenue amounted to \$4.1 million in Q2 2025, up \$41 thousand or 1.0% from Q1 2025, and up \$631 thousand or 18.1% from Q2 2024.
  - AUM ended the quarter at \$2.18 billion, up 3.5% from \$2.10 billion at the end of Q1 2025, and up 6.8% from \$2.04 billion at the end of Q2 2024.
- Net revenue from brokerage commissions in Q2 2025 was \$150 thousand, up substantially from prior periods - \$106 thousand in Q1 2025 and \$19 thousand in Q2 2024.

Non-interest expense in Q2 2025 was \$8.6 million, up \$557 thousand (6.9%) from \$8.1 million in Q1 2025, and up \$1.1 million (15.0%) from \$7.5 million in Q2 2024. About 40% of the increase can be attributed to a favorable one-time item in the prior quarter, another 40% to higher personnel costs resulting from annual merit increases for the workforce and the addition of new client-facing headcount, with the remaining 20% of the increase attributable to business growth. At 82.7% for Q2 2025, the Company's efficiency ratio was 6.7% better than a year ago, repeating the improvement observed in Q1 2025, when the efficiency ratio of 80.7% reflected an 8.4% improvement over Q1 2024.

The Company continues to benefit from its investments in Low Income Housing Tax Credits and tax-exempt municipal bonds. In Q2 2025, the net tax expense was \$291 thousand.

Total assets of the Company at June 30, 2025 were \$993.3 million, up \$18.4 million or 1.9% over Q1 2025, and up \$85.4 million or 9.4% from the end of Q2 2024, primarily driven by loan growth.

Gross loans at June 30, 2025 were \$629.3 million, compared to \$608.5 million at March 31, 2025 and \$496.2 million at June 30, 2024, up 3.4% and 26.8% over the prior and year-ago quarters, respectively. As a result of a concerted effort at diversifying the loan mix, C&I loans grew 5.8% while CRE loans grew 2.2% over the prior quarter.

Credit reserves amounted to \$4.9 million at June 30, 2025, the sum of \$4.4 million in ACL and \$511 thousand in Liability for Unfunded Commitments. ACL increased \$243 thousand and \$1.0 million over Q1 2025 and Q2 2024, respectively, and amounted to 0.70% of gross loan balances at June 30, 2025, as compared to 0.69% at March 31, 2025 and June 30, 2024. The Liability for Unfunded Commitments was down \$8 thousand from Q1 2025, and down \$264 thousand from Q2 2024. This reserve balance is included in Other Liabilities on the balance sheet. The

Company experienced net recoveries of \$22 thousand in Q2 2025, and the ACL at the end of the quarter provides 3.5x coverage of non-performing assets.

Client deposits excluding wealth funds increased \$8.4 million (1.4%) during Q2 2025 and increased \$22.9 million (4.0%) since a year ago. Wealth management fund balances were down \$5.8 million compared to Q1 2025 and down \$5.5 million over Q2 2024. Including these wealth fund movements, client deposits in Q2 were up \$2.6 million over Q1 2025 and up \$17.4 million over Q2 2024.

The Company continues to focus on maintaining a robust liquidity profile, with a diverse deposit base (roughly 80/20 retail/commercial), a small proportion of uninsured deposits (estimated at 15%), and 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 \$15.7 million. The overall maturity profile of the Company's wholesale funding was 2.5 years at Q2 2025, down from 2.7 years at the prior quarter end.

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 \$249 million in readily accessible borrowing capacity as of June 30, 2025.

On June 30, 2025, shareholders' equity was \$56.5 million, down \$638 thousand or 1.1% from the prior quarter, and up \$1.0 million or 1.8% from Q2 2024.

The Company's capital ratios continue to exceed the levels defined by the Federal Reserve for a bank holding company to be considered well capitalized. As expected, capital ratios have trended down in the last year in concert with 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, 2025, the Company's book value per share excluding and including AOCI stood at \$21.20 and \$16.53, respectively, compared to \$21.13 and \$16.76, respectively, at March 31, 2025, and \$20.70 and \$16.29, respectively, at June 30, 2024.

## Dividend Declaration

The Company is pleased to announce that a regular quarterly dividend of \$0.21 per share will be paid on September 5, 2025, to shareholders of record as of August 15, 2025.

## About the Company

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](http://www.ledyard.bank)), or contact the Company's Chief Financial Officer, Peteris J. Sprudzs.

Income Statement (unaudited, \$000s)	For the Three Months Ended		
	6/30/2025	3/31/2025	6/30/2024
Net interest income before provision	\$ 5,732	\$ 5,566	\$ 4,482
Provision for credit losses	214	488	139
<b>Net interest income after provision</b>	<b>5,518</b>	<b>5,078</b>	<b>4,343</b>
Wealth management revenue	4,126	4,085	3,495
Securities gains (losses)	-	(105)	6
Other non-interest income	581	451	421
<b>Total non-interest income</b>	<b>4,707</b>	<b>4,431</b>	<b>3,922</b>
Total revenue	10,225	9,509	8,265
Non-interest expense	8,627	8,070	7,506
Pre-tax income	1,598	1,439	759
Tax expense	291	233	33
<b>Net income</b>	<b>\$ 1,307</b>	<b>\$ 1,206</b>	<b>\$ 726</b>
For the Three Months Ended			
Other Operating Metrics	6/30/2025	3/31/2025	6/30/2024
	\$ 0.39	\$ 0.36	\$ 0.22
Earnings per common share, basic	\$ 0.39	\$ 0.36	\$ 0.22
Earnings per common share, diluted	\$ 0.21	\$ 0.21	\$ 0.21
Dividends per common share	0.50%	0.46%	0.28%
Return on assets	8.66%	7.71%	4.61%
Return on equity	2.47%	2.53%	2.14%
Net interest margin	82.65%	80.73%	89.31%

Balance Sheet (unaudited, \$000s)	6/30/2025	3/31/2025	6/30/2024
Investments & interest-bearing deposits	\$ 302,326	\$ 305,532	\$ 349,109
Gross loans	629,328	608,472	496,232
Allowance for credit losses	(4,420)	(4,177)	(3,409)
<b>Net loans</b>	<b>624,908</b>	<b>604,295</b>	<b>492,823</b>
Premises, equipment & other assets	66,111	65,104	66,053
<b>Total assets</b>	<b>\$ 993,345</b>	<b>\$ 974,931</b>	<b>\$ 907,985</b>
Client deposits	\$ 728,840	\$ 726,190	\$ 711,442
Brokered & institutional deposits	85,246	69,591	82,366
Borrowings	93,146	93,389	32,280
Subordinated debt	18,000	18,000	18,000

Other liabilities	11,589	10,599	8,375
<b>Total liabilities</b>	<b>936,821</b>	<b>917,769</b>	<b>852,463</b>
Capital	74,366	73,708	72,224
Accumulated other comprehensive loss	(16,198)	(14,902)	(15,058)
Treasury stock	(1,644)	(1,644)	(1,644)
<b>Total shareholders' equity</b>	<b>56,524</b>	<b>57,162</b>	<b>55,522</b>
<b>Total liabilities and equity</b>	<b>\$ 993,345</b>	<b>\$ 974,931</b>	<b>\$ 907,985</b>
<b>Other Metrics (as of stated date)</b>	<b>6/30/2025</b>	<b>3/31/2025</b>	<b>6/30/2024</b>
Book value per share (excluding AOCI)	\$ 21.20	\$ 21.13	\$ 20.70
Book value per share (including AOCI)	\$ 16.53	\$ 16.76	\$ 16.29
Leverage ratio	6.85%	7.05%	7.78%
Risk based capital ratio	13.91%	14.01%	15.54%
Allowance to total loans	0.70%	0.69%	0.69%
Texas ratio	1.40%	1.35%	1.09%
Allowance to non-performing assets	348%	346%	360%
Assets under management (billions)	\$ 2.177	\$ 2.103	\$ 2.038
Shares of common stock issued	3,581,031	3,526,641	3,525,357
Treasury shares	115,998	115,998	115,998
Stock price - high	\$ 15.50	\$ 15.50	\$ 15.20
Stock price - low	\$ 14.35	\$ 14.13	\$ 13.44
Stock price - average	\$ 14.98	\$ 14.82	\$ 14.49

**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.

**Note:** Certain reclassifications have been made to the prior period information to conform to the current period presentation.

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