



NEWS RELEASE

Ledyard Financial Group Reports Q3 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 Q3 2025. Quarterly net income per share increased to \$0.46 from \$0.39 in the prior quarter (up 18%), 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 110% over the comparable year-ago period and is a quarterly pace of earnings that begins to approach the high points of previous years. 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.

Q3 2025 Highlights

- Q3 2025 net income was \$1.5 million (\$0.46 per share), up \$235 thousand and \$809 thousand from Q2 2025 and Q3 2024, respectively.
- Total assets ended the quarter at \$1.03 billion, having grown \$35.7 million or 3.6% from the prior quarter, and ending \$91.1 million or 9.7% higher than a year ago, driven primarily by loan growth.
 - Loans increased \$18.0 million (2.9%) from the prior quarter and ended \$115.1 million (21.6%) higher than a year ago.
 - Excluding funds from the wealth management business, client deposits increased \$17.8 million (3.0%) in Q3 2025 and grew \$27.7 million (4.8%) since a year ago. Including the wealth management balances,

client deposits were up \$29.5 million and \$12.1 million over Q2 2025 and Q3 2024, respectively.

- Net interest margin was 2.54%, up 7 basis points from the prior quarter and up 36 basis points from a year ago.

- Capital ratios continue to exceed regulatory well-capitalized minimums.
- At \$2.27 billion, assets under management (AUM) ended the quarter up 4.5% and 5.1% from Q2 2025 and Q3 2024, respectively. Revenue from the wealth management business was up \$177 thousand (4.3%) and \$749 thousand (21.1%) 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 82.5% marked the third consecutive quarter of year-over-year improvement of 7-8%.
- The Company declared a regular quarterly dividend of \$0.21 per share.

“In Q3 Ledyard crossed the important \$1 billion mark for total assets, an exciting step for which we are well prepared. More importantly, we are pleased about our financials as we cross this threshold: ample liquidity both on and off the balance sheet, a strong credit profile, capital ratios that continue to exceed well-capitalized minimums, and an enviable earnings trajectory,” said Peter Sprudz, CFO.

“With client deposits and loans continuing to grow and with margins having widened, YTD net income is more than double last year’s figure and provides clear validation of our success at executing the strategic plan we launched in early 2023. We now look forward to shifting our focus to leveraging the new infrastructure and business model we have built for the benefit our customers, team members, and shareholders,” added Josephine Moran, CEO.

Q3 2025 Results

Net income for Q3 2025 was \$1.5 million (\$0.46 per share) compared to \$1.3 million (\$0.39 per share) in Q2 2025 and \$733 thousand (\$0.22 per share) in Q3 2024.

Q3 2025 net interest income was \$6.2 million, up \$442 thousand or 7.7% from the prior quarter, and up \$1.5 million or 32.0% from Q3 2024. Net interest margin (NIM) in Q3 2025 increased to 2.54% from 2.47% in Q2 2025 and was up 36 basis points from 2.18% in Q3 2024. Quarter over quarter, earning asset yields increased by 6 basis points, the cost of interest-bearing liabilities decreased by 2 basis points, and other factors (most notably the contribution from derivative hedge positions) increased 1 basis point. Reported NIM figures do not reflect the beneficial effect of the tax advantage provided by the Company’s \$151.6 million in municipal bond holdings.

Provision for credit losses was \$88 thousand in Q3 2025, which consisted of a net \$31 thousand addition to Allowance for Credit Losses (ACL) and a net \$57 thousand addition to Liability for Unfunded Commitments.

Non-interest revenue for Q3 2025 amounted to \$4.8 million, up \$94 thousand or 2.0% from Q2 2025, and up \$869 thousand or 22.1% from Q3 2024.

- Wealth management revenue amounted to \$4.3 million in Q3 2025, up \$177 thousand or 4.3% from Q2 2025, and up \$749 thousand or 21.1% from Q3 2024.
 - AUM ended the quarter at \$2.27 billion, up 4.5% from \$2.18 billion at the end of Q2 2025, and up 5.2% from \$2.16 billion at the end of Q3 2024.
- Net revenue from brokerage commissions in Q3 2025 was \$124 thousand, down from \$150 thousand in Q2 2025 and up substantially from \$8 thousand in Q3 2024.

Non-interest expense in Q3 2025 was \$9.0 million, up \$422 thousand (4.9%) from \$8.6 million in Q2 2025, and up \$1.4 million (18.0%) from \$7.7 million in Q3 2024. About 20% of the quarterly increase is due to marketing expense related to the launch of our new financial center in Bedford, NH, with the bulk of the remainder attributable to business growth. At 82% for Q3 2025, the Company's efficiency ratio was ~7% better than a year ago, repeating the improvement observed in Q2 2025, when the efficiency ratio ended the quarter at 83%.

The Company continues to benefit from its investments in Low Income Housing Tax Credits and tax-exempt municipal bonds. In Q3 2025, the net tax expense was \$296 thousand.

Total assets of the Company at September 30, 2025 were \$1.03 billion, up \$35.7 million or 3.6% over Q2 2025, and up \$91.1 million or 9.7% from the end of Q3 2024, primarily driven by loan growth.

Gross loans at September 30, 2025 were \$647.3 million, compared to \$629.3 million at June 30, 2025 and \$532.2 million at September 30, 2024, up 2.9% and 21.6% over the prior and year-ago quarters, respectively.

Credit reserves amounted to \$5.0 million at September 30, 2025, the sum of \$4.4 million in ACL and \$567 thousand in Liability for Unfunded Commitments. ACL increased \$22 thousand and \$771 thousand over Q2 2025 and Q3 2024, respectively, and amounted to 0.69% of gross loan balances at September 30, 2025, as compared to 0.70% at June 30, 2025 and 0.69% at September 30, 2024. The Liability for Unfunded Commitments was up \$57 thousand from Q2 2025, and down \$110 thousand from Q3 2024. This reserve balance is included in Other Liabilities on the balance sheet. The Company experienced net charge-offs of \$9 thousand in Q3 2025, and the ACL at the end of the quarter provides 3.7x coverage of non-performing assets.

Client deposits excluding wealth funds increased \$17.8 million (3.0%) during Q3 2025 and increased \$27.7 million (4.8%) since a year ago. Wealth management fund balances were up \$11.7 million compared to Q2 2025 and down \$15.5 million over Q3 2024. Including these wealth fund movements, client deposits in Q3 were up \$29.5 million over Q2 2025 and up \$12.1 million over Q3 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 \$2.8 million. The average life of the Company's wholesale funding was 2.3 years as of Q3 2025, compared to 2.5 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 \$254 million in readily accessible borrowing capacity as of September 30, 2025.

On September 30, 2025, shareholders' equity was \$59.4 million, up \$2.9 million or 5.1% from the prior quarter, and up \$2.7 million or 4.8% from Q3 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 September 30, 2025, the Company's book value per share excluding and including AOCI stood at \$21.28 and \$17.16, respectively, compared to \$21.20 and \$16.53, respectively, at June 30, 2025, and \$20.74 and \$16.63, respectively, at September 30, 2024.

Dividend Declaration

The Company is pleased to announce that a regular quarterly dividend of \$0.21 per share will be paid on December 12, 2025, to shareholders of record as of November 21, 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), or contact the Company's Chief Financial Officer, Peteris J. Sprudz.

Income Statement (unaudited, \$000s)	For the Three Months Ended		
	9/30/2025	6/30/2025	9/30/2024
Net interest income before provision	\$ 6,174	\$ 5,732	\$ 4,676
Provision for credit losses	88	214	164
Net interest income after provision	6,086	5,518	4,512
Wealth management revenue	4,303	4,126	3,554
Securities gains	-	-	1
Other non-interest income	498	581	377
Total non-interest income	4,801	4,707	3,932
Total revenue	10,887	10,225	8,444
Non-interest expense	9,049	8,627	7,671
Pre-tax income	1,838	1,598	773
Tax expense	296	291	40
Net income	\$ 1,542	\$ 1,307	\$ 733

Other Operating Metrics	For the Three Months Ended		
	9/30/2025	6/30/2025	9/30/2024
Earnings per common share, basic	\$ 0.46	\$ 0.39	\$ 0.22
Earnings per common share, diluted	\$ 0.46	\$ 0.39	\$ 0.22
Dividends per common share	\$ 0.21	\$ 0.21	\$ 0.21
Return on assets	0.58%	0.50%	0.30%
Return on equity	10.31%	8.66%	4.87%
Net interest margin	2.54%	2.47%	2.18%
Efficiency ratio	82.45%	82.65%	89.11%

Balance Sheet (unaudited, \$000s)	9/30/2025	6/30/2025	9/30/2024
Investments & interest-bearing deposits	\$ 322,562	\$ 302,786	\$ 344,595
Gross loans	647,309	629,328	532,164
Allowance for credit losses	(4,442)	(4,420)	(3,671)
Net loans	642,867	624,908	528,493
Premises, equipment & other assets	64,608	65,651	64,863
Total assets	\$ 1,029,037	\$ 993,345	\$ 937,951
Client deposits	\$ 758,355	\$ 728,840	\$ 746,208
Brokered & institutional deposits	88,049	85,246	76,543
Borrowings	92,982	93,146	32,107
Subordinated debt	18,000	18,000	18,000
Other liabilities	12,242	11,589	8,380
Total liabilities	969,628	936,821	881,238
Capital	75,339	74,366	72,356
Accumulated other comprehensive loss	(14,286)	(16,198)	(13,999)
Treasury stock	(1,644)	(1,644)	(1,644)
Total shareholders' equity	59,409	56,524	56,713
Total liabilities and equity	\$ 1,029,037	\$ 993,345	\$ 937,951

Other Metrics (as of stated date)	9/30/2025	6/30/2025	9/30/2024
Book value per share (excluding AOCI)	\$ 21.28	\$ 21.20	\$ 20.74
Book value per share (including AOCI)	\$ 17.16	\$ 16.53	\$ 16.63
Leverage ratio	6.72%	6.85%	7.63%
Risk based capital ratio	13.72%	13.80%	15.05%

Allowance to total loans		0.69%		0.70%		0.69%
Texas ratio		1.31%		1.40%		1.15%
Allowance to non-performing assets		371%		348%		364%
Assets under management (billions)	\$	2.274	\$	2.177	\$	2.163
Shares of common stock issued		3,578,700		3,581,031		3,525,930
Treasury shares		115,998		115,998		115,998
Stock price - high	\$	14.30	\$	15.50	\$	14.00
Stock price - low	\$	13.35	\$	14.35	\$	12.77
Stock price - average	\$	13.93	\$	14.98	\$	13.64

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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