

20  
25



**Lyons Bancorp, Inc.**

ANNUAL REPORT



## Profile

Lyons Bancorp, Inc. is a financial holding company headquartered in Lyons, NY, with assets of \$2.07 billion as of December 31, 2025. Lyons Bancorp, Inc. has a banking subsidiary, The Lyons National Bank. The Lyons National Bank is a community bank with offices in Clyde, Lyons, Macedon, Newark, Ontario, and Wolcott in Wayne County; Jordan in Onondaga County; Canandaigua, Farmington, and Geneva in Ontario County; Penn Yan and Rushville in Yates County; Waterloo in Seneca County; Fairport in Monroe County; and Auburn in Cayuga County. The Lyons National Bank has a subsidiary, Lyons Realty Associates Corp.



### Our Mission

The Lyons National Bank is an independent, hometown community bank with an expanding geographic market. Our mission is to safely and profitably serve all of our customers and communities with the most professional service available. We will accomplish this by making a commitment to our most valuable assets — our employees — to treat them with integrity; compensate them appropriately; and provide them with the necessary systems, technology, and training to enable them to become well-respected professionals. Our employees, in turn, will provide our growing customer base with superior service and respect and will be leaders in promoting the quality of life in the communities we serve.



### Our Vision

The vision of The Lyons National Bank is to be the employer and financial institution of choice and to foster an environment of opportunity, growth, and prosperity for our employees, customers, shareholders, and local communities.



### Our Culture – WOW!

WOW! is having a positive attitude and personal conviction to provide customers and fellow employees with a level of service that exceeds their expectations during each and every encounter.

## Table of Contents

President’s Letter	2
Board Chair’s Message	5
2025 Financial Highlights	6
Advisory Boards	10
Promotions	12
WOW! Award Winners	12
Executive Management & Bank Officers	13
Supporting Small Business	15
Connecting with Communities	16
LNB Offices	16

## Stock Symbol

LYBC

## Annual Meeting

The annual meeting of the shareholders will take place at 4:30 p.m. on Wednesday, June 10, 2026, at the historic Ohmann Theatre in Lyons, NY.



# A Letter to Shareholders

**Thomas L. Kime**  
President & CEO, The Lyons National Bank

Dear Fellow Shareholders,

Lyons Bancorp, Inc. has delivered strong and consistent financial performance for over 170 years, supported by disciplined execution of our community banking strategy, targeted market expansion, and diversified product offerings. A major milestone was reached in 2025 as we exceeded \$2 billion in assets due in part to both strong loan and deposit growth. As of December 31, 2025, total branch deposits reached \$1.75 billion, representing growth of about \$500 million, or 47%, over the past five years. This compares very favorably to our peer group with deposit growth of 1% during the same timeframe. This expansion reflects a combination of organic growth within established markets and successful entry into new geographic markets, positioning the Bank for continued long-term value creation.

*“A major milestone was reached in 2025 as we exceeded \$2 billion in assets due in part to both strong loan and deposit growth.”*

## Market Position and Deposit Growth

The Bank’s footprint, now covering 17 locations, reflects a balanced mix of legacy and new market growth, contributing to both stability and expansion. Our average branch deposit size increased meaningfully over this period, rising from an average of \$80 million per office in 2020 to an average of \$118 million per office in 2025, demonstrating the marketability of our brand and the effectiveness of our growth strategy. While newer markets have accounted for a majority of deposit growth, legacy Wayne County markets have remained a meaningful contributor, generating about one-third of total growth over the past five years.

The Bank maintains a leading position in several of our markets, holding full market share in six locations, each of which has continued to experience steady growth. In the remaining markets, the Bank has consistently increased its market share over time, providing a track record of continued expansion. Broader industry trends further support the opportunity for

growth based upon our strong community service-based profile. Over the past five years, other financial institutions have closed 45 branches across the Bank’s seven-county footprint, including 11 within our core counties. This ongoing consolidation has created a favorable competitive environment, enabling the Bank to attract new customers and deepen relationships with individuals, businesses and municipalities seeking stable, locally focused financial partners.

## Lending Platform and Revenue Diversification

The Bank’s lending platform is both comprehensive and diversified, encompassing commercial and agricultural real estate, commercial and agricultural lending, and a wide range of consumer and residential loan products. This diversity reduces concentration risk while supporting consistent revenue generation across varying economic conditions.

Based upon our professional and measured approach to lending, we continue to have strong, steady loan growth year after year. We have consistently maintained higher reserves than our peers while at the same time our net charge-offs have remained minimal. Over the past five years, our loan portfolio has grown over 35% while our peer group has grown slightly over 10%. This growth does not include residential mortgages that have been originated and sold while retaining the servicing of the mortgage. These factors portray the quality of loans we originate and have contributed to our ongoing success.

With our consistent and dedicated service profile, we have established ourselves as a market leader in key lending categories, ranking as the No. 1 residential mortgage lender in three of our five core markets and the leading originator of small business loans in four of these markets.

The Bank has adopted our strategic and high-service profile approach to mortgage banking by retaining servicing rights, thereby generating recurring, annuity-like income streams that enhance long-term earnings stability. It also assists us in developing robust account relationships with our customers and keeping us top of mind for refinancing, home equity needs and other services.

Importantly, LNB occupies a differentiated position within the financial industry. We are sufficiently large enough to deliver a full suite of sophisticated financial products, yet maintain the agility and customer focus necessary to provide personalized service and attention to detail, which remain central to our core values.

## Banking and Financial Services Capabilities

Beyond traditional lending and deposit products, we offer a comprehensive range of financial services designed to meet the evolving needs of our customers and to diversify non-interest income. These services include investment management, retirement planning, education savings programs, and insurance products such as life and long-term care coverage. The Bank also provides employer and employee benefit solutions, further expanding its relationships with local businesses.

Reflecting both market performance and successful customer acquisition, assets under management have grown steadily over the past five years by an impressive 38% with the advisory platform having the largest growth of 78% over that timeframe. In fact, we rank in the top 50 in financial services revenue for banks with \$10 billion in assets or less. Our financial advisors are highly trained with designations such as Certified Financial Planner, Chartered Financial Consultant, Chartered Retirement Planning Counselor, and Wealth Management Certified Professional.

At the same time, the Bank continues to invest in our core banking infrastructure, offering a full suite of products and services comparable to those of larger financial institutions. These include cash management solutions; fraud protection tools such as positive pay; digital banking platforms; bill payment services; and card products. This combination of breadth and service quality allows the Bank to compete effectively while maintaining our community-oriented, one-to-one approach to banking.

Creating efficiencies in our processes can create some unique opportunities for the Bank and our customers. Over the past few years, we have been able to close residential mortgages and home equities in a shorter timeframe, which in turn allows our customers to access their new home or funds for improvements quicker. We have also streamlined the application and approval process for our small business loan customers, giving them quicker access to their loan proceeds. Customers that need a new or replacement debit card can now visit any of our locations to take advantage of instant-issue debit cards. These efficiencies along with others, have helped LNB to decrease our efficiency ratio over the past few years, which compares favorably to the efficiency ratio of our national peer group. We continue to seek efficiencies in our internal processes which is beneficial for both the Bank and our customers.

## Strategic Market Expansion: Rushville

In early 2026, the Bank entered the greater Rushville marketplace, underscoring our consistent approach to diversified growth, which includes our commitment to serving our entire marketplace and customer base with a wide range of products and a broad service profile. This market had become underserved following the departure of a prior financial institution, effectively creating a “banking desert.” LNB’s entry addresses a clear need for accessible financial services across Rushville and surrounding communities such as Potter, Gorham, Stanley, and Middlesex, which combined represent a population comparable to our mid-sized communities.

The region is characterized by a diverse economic base, including a strong agricultural presence with both large-scale

dairy operations and specialized farms. These communities often rely on in-person banking services, further emphasizing the importance of a local branch presence. Notably, LNB’s expansion into these markets was driven in part by direct outreach from community members, businesses, and municipalities, reflecting strong demand for our relationship-based banking model.

## Community Integration and Advisory Model

To support our communities’ and our long-term success in the region, the Bank has established multiple advisory boards composed of local, successful business leaders that offer valuable market insight, strengthen community ties and support the Bank’s growth initiatives.

The strong involvement of our advisory board members in many of our markets is a key component of LNB’s growth and community development strategy. The advisory board model plays a critical role in shaping strategic direction by providing grounded, market-informed perspectives. Our advisory board members represent a wide range of industries, including agriculture, manufacturing, real estate, construction, and health care. By providing valuable insight into many of our markets, advisory board members, in conjunction with our local board and management team, enable us to gain significant understanding of our diverse markets — from emerging economic trends to customer and community needs as well as opportunities to expand our marketplace footprint, their input helps LNB leadership refine our priorities, such as lending focus, product development, and community investment.

*“As we continue to grow and diversify, our advisory board members play an important role in helping us stay in tune with the needs of our communities.”*

By incorporating advisory board feedback into strategic planning, LNB can better align our goals with local market realities and identify growth opportunities. The result is a more responsive, community-centered strategy that strengthens relationships, supports sustainable growth, and enhances long-term value for customers and stakeholders.

See pages 10-11 for more information specific to our eight advisory boards.

## Industry Dynamics, Challenges and Opportunities

The broader banking industry continues to evolve, shaped by consolidation, technological advancement, and shifting

customer expectations. Increasing competition from non-bank and financial technology providers, and rising regulatory requirements, are ongoing challenges.

The Bank is addressing these dynamics through continued investment in technology and digital platforms, ensuring that we remain competitive while meeting customer expectations. We continue enhancing our technology platforms to meet the needs of today's technology environment. We focus on high-touch, high-tech initiatives to deliver what the customer needs and wants. LNB has continued to increase its technology budget to meet and exceed the expectations of our customers in today's environment, including security that rivals larger institutions. These security enhancements continue to be a top priority in today's ever-changing world.

At the same time, we continue to emphasize our core differentiator: a relationship-driven, community-focused approach that combines personalized service with a comprehensive product offering.

### Conclusion

We remain confident in our strategic direction and our ability to deliver sustainable, long-term value. Over the past year, we have proven our ability to grow deposits and loans, increase market share and diversify revenue streams all while deepening our commitment to serving our customers and communities. While challenges persist in today's dynamic environment, we

view them as opportunities to adapt, improve, and lead.

Looking ahead, we will continue to invest thoughtfully in growth initiatives, talent, and technology to enhance our competitive position. Discipline in execution and accountability across our organization will remain central to our approach. At the same time, we are committed to maintaining financial resilience and delivering consistent returns to our shareholders.

None of this progress would be possible without the dedication of our employees, the trust of our customers, and the continued support of you, our shareholders. Together, we are building a stronger, more agile bank positioned for enduring success.

Thank you to our shareholders, staff, board members and advisory board members for your continued support and dedication. It is truly a pleasure to work with the outstanding team at LNB.

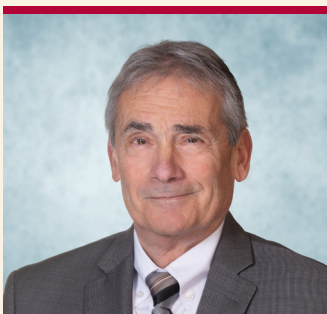


## Board of Directors

LNB's Board of Directors brings together a diverse group of leaders dedicated to guiding our community bank with integrity, insight, and a strong commitment to local growth. Their collective experience and stewardship ensure we remain responsive to our customers' needs while upholding our mission, strengthening relationships and supporting the long-term prosperity of the communities we proudly serve.



**Thomas L. Kime**  
*President & CEO, LNB*



**Joseph A. Fragnoli**  
*President & Owner, Super Casuals*



**Dale H. Hemminger**  
*Principal, Hemdale Farms, Inc.*



**Dale L. Hunt**  
*President, Hunt Properties of New York*



**Teresa M. Jackson**  
*Former Owner, Dudley Poultry Co.(Retired)*



# Board Chair's Message

**Case A. Marshall**

*Board Chair, Lyons Bancorp, Inc.; Chief Financial Officer, Marshall Companies*

I am proud and grateful to serve as your Board Chair as we continue to deliver record-setting financial results while providing meaningful support to the communities we serve. Our customers and communities remain the focus of everything we do at LNB.

The Bank's performance in 2025 reflects both the strength of our approach and the resilience of the communities we call home. As highlighted in the letter to shareholders, surpassing \$2 billion in assets marks an important milestone for LNB. Alongside this achievement, we welcomed nearly 700 new business customers, our commercial and agricultural loan portfolio grew by 9.7%, and our assets under management maintained steady growth — clear signs of the continued demand for relationship-based banking.

At LNB, we embrace community banking in its truest sense: knowing our customers by name, taking the time to understand

their needs, staying actively involved beyond our offices, and supporting the cities, towns, villages, and rural communities that make the Finger Lakes region so special. Our team is committed to these values each and every day.

Looking ahead, your Board will continue to support our management team and staff as we grow within our existing markets and thoughtfully explore new opportunities. We remain committed to our disciplined, conservative strategy — one that delivers strong, consistent results and long-term value for you, our shareholders.

We look forward to another successful year in 2026, and I encourage each of you to join us June 10 at the Ohmann Theatre in Lyons for our Annual Meeting.



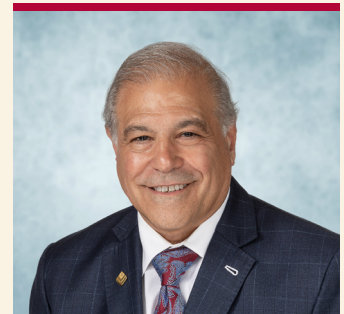
**Joseph P. Bartolotta, Esq.**  
*Senior Managing Director,  
R&M Real Estate Group*



**David J. Breen, Jr.**  
*Vice-Chairperson, Lyons Bancorp, Inc.;  
Supermarket Executive (Retired)*



**Clair J. Britt, Jr.**  
*Executive Vice President & Chief Commercial  
Lending Officer, LNB*



**John A. Colaruotolo**  
*President & Owner, Anco Builders, LLC*



**Case A. Marshall**  
*Board Chair, Lyons Bancorp, Inc.;  
Chief Financial Officer, Marshall Cos.*



**Bradley A. Person**  
*President & General Manager,  
Nuttall & Spacemaker Cos.*



**Carol A. Snook**  
*Vice President & Corporate Executive  
Secretary, LNB*



**Kaye E. Stone-Gansz**  
*President & CEO, Stone Goose Enterprises;  
President, LaGasse Machine & Fabrication,  
Inc.; President, Keg Rag Cellars*



# 2025 Financial Highlights

**Chad J. Proper**  
Senior Vice President & CFO, The Lyons National Bank

**\$21.3M**

Net Income  
↑ 37.9% from 2024

**\$6.06**

Diluted Earnings Per Share  
↑ 38.4% from 2024

**\$57.1M**

Net Interest Income  
↑ 21.4% from 2024

**\$2.07B**

Total Assets  
↑ 7.4% from 2024

## Results of Operations

We are pleased to report that net income increased during 2025, representing a welcomed turnaround from the decrease in net income in 2024. The primary driver of the 2025 increase in net income was a substantial increase in net interest income. An increase in net interest income represents continued fundamental strength in our core banking operations. There are several ways to increase profitability, but we believe an increase in net interest income is the soundest of all as it demonstrates how effectively we manage the assets and liabilities on our balance sheet as interest rates and other economic factors change. A further discussion of our results of operations follows below. Asset quality metrics are also a key measurement of how we manage our balance sheet and, once again, they are very solid. As we have reported to you several times before, profitability and asset quality are front of mind as we conduct our business.

Net income in 2025 was \$21.3 million, representing an increase of \$5.9 million, or 37.9%, from 2024. Net income in 2025 represented diluted earnings per common share of \$6.06, compared to \$4.38 in 2024, an increase of \$1.68, or 38.4%. Basic earnings per common share of \$6.20 in 2025 represented an increase of \$1.74, or 39%, from \$4.46 in 2024. In 2025, net income expressed as a return on average assets was 1.05% and as a return on average shareholders' equity was 16.48%, compared to 0.80% and 14.11%, respectively, in 2024. The increases in 2025 resulted from the increase in net income, discussed previously, offset slightly by increases in both average assets and average shareholders' equity.

Net interest income — the difference between the interest income we earn on our interest-earning assets (primarily loans and investment securities) and the interest we pay on our interest-bearing liabilities (primarily deposit accounts and borrowings, if any) — represents the fundamental measure of our operating results. Net interest income for 2025 was \$57.1 million, an increase of \$10.1 million, or 21.4%, compared to the 2024 total of \$47.0 million. This compares to a decrease of \$0.9 million, or 1.8%, when comparing 2024 to 2023. Interest income increased to \$94.2 million in 2025 compared to \$85.2 million in 2024, for an increase of \$9.0 million, or 10.5%. The increase in interest income during 2025 was due to volume and rates and

amounted to \$6.0 million and \$3.0 million, respectively. Net interest income was further bolstered by a decrease in interest expense from \$38.2 million in 2024 to \$37.1 million in 2025, a decrease of \$1.1 million, or 2.9%. The decrease in interest expense was driven fairly equally by volume and interest rates. Average interest-earning assets grew from \$1.904 billion in 2024 to \$1.996 billion in 2025, an increase of \$92 million, or 4.8%. Interest-bearing liabilities grew from \$1.325 billion in 2024 to \$1.366 billion in 2025, an increase of \$41 million, or 3.1%. As is typically the case for us, the growth in average interest-earning assets and average interest-bearing liabilities was comparable. However, the related average cost of interest-bearing liabilities fell 16 basis points from 2.88% to 2.72%, while the average yield on interest-bearing assets grew 24 basis points from 4.48% to 4.72%. Again, the combination of an increase in interest income and a decrease in interest expense provided us with a respectable increase in net interest income. As mentioned last year, our interest-bearing liabilities reprice more frequently than our interest-bearing assets. Accordingly, in a softening interest rate environment such as we had in 2025, the Bank's interest expense falls faster than its interest income.

Average noninterest-bearing deposits experienced an increase of \$37.0 million in 2025 compared to a decrease of \$558,000 in 2024. Non-interest-bearing deposits represented by strong and stable demand deposit accounts (DDAs) play an important role in our net interest income total as they reduce our cost of funds, thereby effectively contributing to net interest income. DDAs are also important in providing additional funding for our asset growth. The Bank's DDA levels continue to compare favorably to our local and national peer groups.

Our tax-equivalent net interest margin measured 2.87% in 2025 compared to 2.48% in 2024, a positive turnaround from the prior three years, which had seen decreases as rising interest rates began to negatively impact margins.

At Dec. 31, 2025, our non-performing loans remain insignificant and totaled 0.43% of total loans, as compared to 0.24% at Dec. 31, 2024. These ratios continue to compare favorably to our peer group ratio of 0.55% and 0.47% at Dec. 31, 2025, and Dec. 31, 2024, respectively. Our net charge-offs to average loans also remain insignificant and totaled 0.06% during 2025 compared to 0.03% in 2024 and 0.02% in 2023. We are pleased

	2025			2024		
	Average Balance (\$)	Interest Inc/Expense (\$)	Average Yield/Cost (%)	Average Balance (\$)	Interest Inc/Expense (\$)	Average Yield/Cost (%)
<b>Interest-earning assets:</b> (Thousands \$)						
<b>Loans:</b>						
Residential real estate	702,704	31,511	4.48%	682,366	28,738	4.21%
Commercial and agriculture real estate	544,330	33,071	6.08%	495,313	28,126	5.68%
Commercial and agriculture loans	231,483	15,946	6.89%	211,208	14,458	6.85%
Consumer installment loans	28,957	2,087	7.21%	33,908	2,229	6.57%
<b>Total loans</b>	<b>1,507,474</b>	<b>82,615</b>	<b>5.48%</b>	<b>1,422,795</b>	<b>73,551</b>	<b>5.17%</b>
Investments	367,757	6,483	1.76%	391,900	7,069	1.80%
Federal funds sold and other interest-earning assets	120,502	5,099	4.23%	89,787	4,609	5.13%
<b>Total interest-earning assets</b>	<b>1,995,733</b>	<b>94,197</b>	<b>4.72%</b>	<b>1,904,482</b>	<b>85,229</b>	<b>4.48%</b>
Noninterest-earning assets	39,886			35,814		
<b>Total assets</b>	<b>2,035,619</b>			<b>1,940,296</b>		
<b>Interest-bearing liabilities:</b> (Thousands \$)						
Interest-bearing checking	143,878	613	0.43%	155,389	592	0.38%
Money market and savings accounts	659,191	13,409	2.03%	601,579	11,556	1.92%
Time deposits	546,497	22,200	4.06%	485,143	21,795	4.49%
Other	16,553	924	5.58%	83,123	4,285	5.15%
<b>Total interest-bearing liabilities</b>	<b>1,366,119</b>	<b>37,146</b>	<b>2.72%</b>	<b>1,325,234</b>	<b>38,228</b>	<b>2.88%</b>
Noninterest-bearing deposits	515,304			478,304		
Other noninterest-bearing liabilities	24,772			27,141		
<b>Total liabilities</b>	<b>1,906,195</b>			<b>1,830,679</b>		
Total equity	129,424			109,617		
<b>Total liabilities and equity</b>	<b>2,035,619</b>			<b>1,940,296</b>		
Net interest spread			2.00%			1.60%
Net interest income/margin on earning assets		57,051			47,002	
Tax equivalent adjustment		186			218	
Net interest income/margin on a tax equivalent basis		57,237	2.87%		47,220	2.48%

with these consistently low ratios. Loans past due 30 days or more totaled \$9.1 million and \$8.6 million at Dec. 31, 2025 and 2024, respectively. Loans on non-accrual status totaled \$6.7 million and \$3.6 million at Dec. 31, 2025 and 2024, respectively. The consistently low level of delinquent and non-accrual loans noted above is an ongoing indication that our credit quality remains strong given the fact that gross loans were \$1.6 billion and \$1.5 billion at Dec. 31, 2025 and 2024, respectively. Our allowance for credit losses as a percentage of total loans was 1.48% and 1.46% at Dec. 31, 2025 and 2024, respectively. These compare favorably to our peer group whose ratios were 1.19% at both Dec. 31, 2025 and 2024, respectively.

While net interest income is our primary net revenue source, non-interest income also represents an important part of our profitability. Non-interest income includes, but is not limited to, loan servicing fees, cardholder fees, service charges, financial services fees, and gains (losses) on sales of loans and securities. In 2025, non-interest income represented 16.1% of all revenue sources and totaled \$18.1 million, an increase of \$1.0 million, or 5.5%, from the \$17.1 million recorded in 2024, which represented 16.7% of all revenue sources. The increase in non-interest income when comparing 2025 to 2024 was due primarily to increases in all major categories.

Non-interest expense consists primarily of compensation and employee benefits, occupancy expenses, professional fees, data processing, FDIC Insurance, and other operating expenses. In 2025, total non-interest expense was \$45.2 million, an increase of \$3.0 million, or 7.1%, from \$42.2 million in 2024. All significant expense categories reflected slight increases in 2025, with the exception of pensions and benefits, which showed a slight decrease. The most significant increases were in salaries and wages and other operating expenses, with increases of \$670,000 and \$741,000, respectively.

### Analysis of Financial Condition

Last year, we noted that we had experienced balance sheet growth for several consecutive years with period-ending total assets increasing from \$806.8 million at Dec. 31, 2014, to \$1.925 billion at Dec. 31, 2024. Our total assets grew again this year as we surpassed a significant milestone with assets topping \$2.0 billion at Dec. 31, 2025. Total assets increased \$143.2 million, or 7.4%, from \$1.925 billion at Dec. 31, 2024, to \$2.068 billion at Dec. 31, 2025. Total stockholders' equity (nontangible) increased \$15.1 million, or 10%, to \$165.9 million at Dec. 31, 2025, from \$150.8 million at Dec. 31, 2024.

Total loans were \$1.6 billion at Dec. 31, 2025, an increase of \$84.9 million, or 5.8%, from \$1.5 billion at Dec. 31, 2024. We experienced growth in all material loan types except for consumer installment loans. Like 2024, the largest increase was in our commercial real estate loan portfolio totaling \$43.1 million in 2025. Other portfolios with significant growth were home equity loans at \$18.3 million, commercial loans at \$8.4 million, agricultural real estate loans at \$8.0 million and agricultural loans at \$7.9 million. Quality growth in the loan portfolio has always been, and continues to be, at the core of our lending practices. Loan growth is essential as interest income from loan yields are generally higher than yields on investment securities. We continue to support our strategy of maintaining balance within the loan portfolio with consumer-related loans representing 48.4% of the portfolio and agricultural and commercial-related loans representing 51.6% of the portfolio at Dec. 31, 2025 — a change from Dec. 31, 2024, when we had 50% in both consumer-related loans and agricultural- and commercial-related loans.

Our securities portfolio classifications are available for sale, which may be sold to satisfy liquidity purposes as needed, held-to-maturity, and restricted equity securities. We maintain the investment portfolio to provide us with a critical liquidity source and to generate earnings while not sacrificing asset quality and creating undue risk. Our investment portfolio consists primarily of United States agency debt, mortgage-backed securities either guaranteed by the U.S. government or issued by the Federal Home Loan Bank, and state and local government debt. As of Dec. 31, 2025, our investment portfolio totaled \$329.9 million, an increase of \$3.6 million, or 1.1%, from the total of \$326.3 million at Dec. 31, 2024. The balance of our investment securities portfolio continues to be suppressed by unrealized losses in our available-for-sale securities portfolio, which are carried at their fair market value. Our available-for-sale securities portfolio represented 85.4% and 86.6% of our total investment securities portfolio at Dec. 31, 2025 and 2024, respectively.

Unrealized losses in the available-for-sale securities portfolio improved by \$14.6 million to \$32.0 million at Dec. 31, 2025, compared to \$46.6 million and \$49.6 million at Dec. 31, 2024 and 2023, respectively. The reduction in unrealized losses is primarily

the result of slightly decreasing interest rates. These unrealized losses do not impact our earnings since they are not the result of credit quality concerns with the issuers of the securities and therefore do not have to be adjusted through earnings. When market interest rates rise, the value of the fixed-rate securities that we own fall as the current market rates available on other securities become more attractive to would-be purchasers of those securities. Conversely, when rates fall, the value of our fixed-rate securities rises. Due to our strong liquidity position, we do not anticipate selling these securities before they recover their value, which may be at maturity. These unrealized losses continue to be commonplace in today's environment. However, our unrealized losses are well below our national peer group, as well as most of our local peer groups.

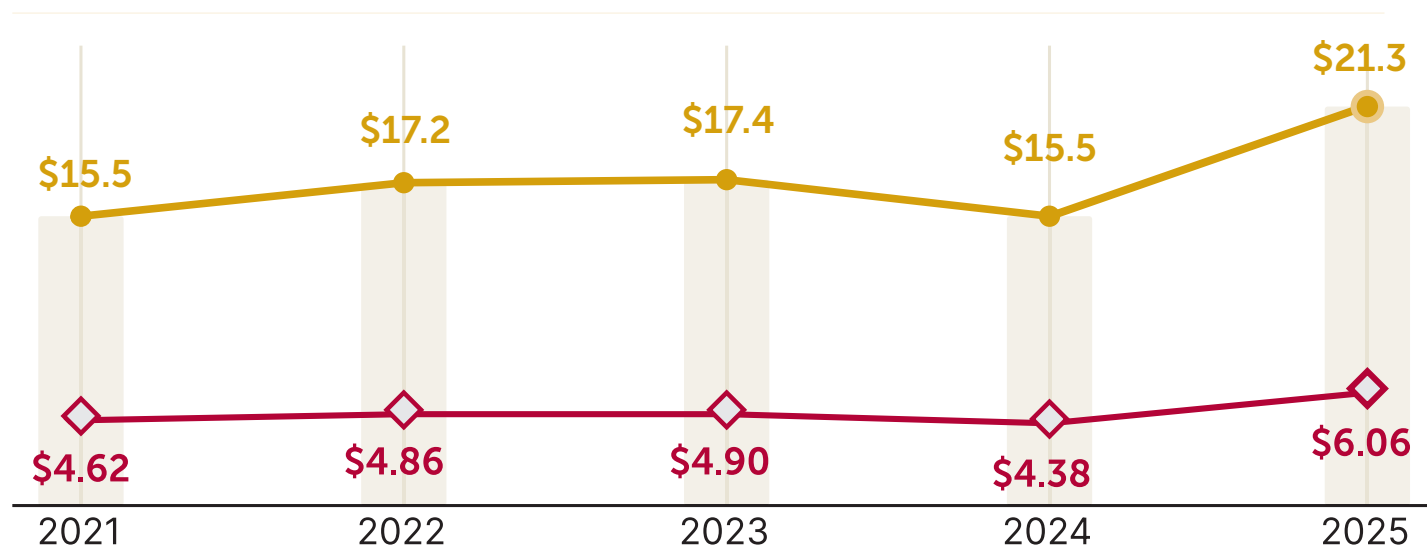
Deposits generated within our local markets continue to be the major source of funds for our lending and investment securities activities. Total deposits at Dec. 31, 2025, were \$1.885 billion, an increase of \$120.7 million, or 6.8%, compared to \$1.765 billion at Dec. 31, 2024. Core deposits (retail and commercial) represented 71% of total deposits at Dec. 31, 2025, compared to 72% at Dec. 31, 2024. Public deposit balances represented 22% of total deposits at Dec. 31, 2025, compared to 20% at Dec. 31, 2024.

Our capital levels continue to be well in excess of regulatory minimums. A strong capital position is the cornerstone of a well-run financial institution and results from careful planning and execution. We have been able to maintain strong capital levels while being profitable and without sacrificing asset quality for several years. As always, the Board of Directors and management team remain committed to providing a dependable and safe return to our shareholders. We declared cash dividends of \$1.79 per share during 2025 compared to \$1.55 in 2024. The 2025 dividend represents a yield of 3.8% based on our Dec. 31, 2025, market price of \$47.00 per share. This compares to a yield of 3.8% in 2024 based on the Dec. 31, 2024, market price of \$41.00.

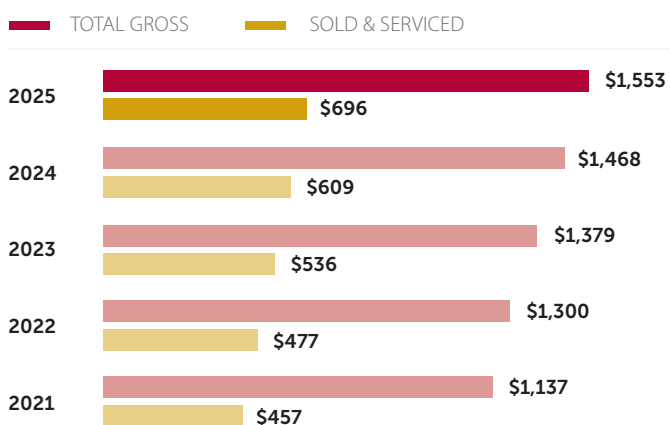
*Please refer to our Consolidated Financial Report as of and for the year ended Dec. 31, 2025, for more information regarding our 2025 operating results and financial position.*

### Net Income & Diluted Earnings Per Share

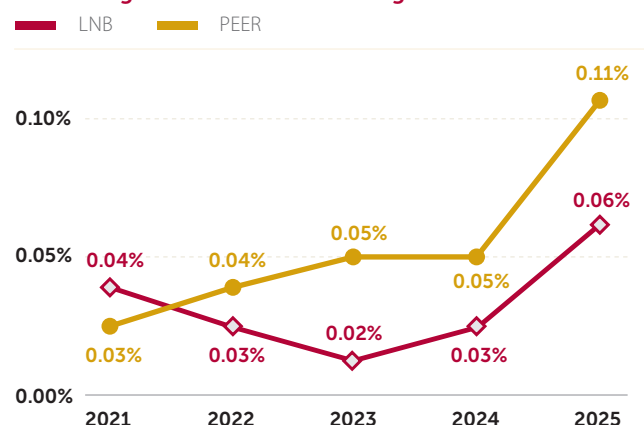
■ DILUTED EPS      ■ NET INCOME



<b>Financial Statement Highlights</b> (Thousands \$)	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Assets	2,068,815	1,924,393	1,848,149	1,753,815	1,626,165
Investments w/o M-to-M	361,877	372,970	397,133	405,825	396,707
Investments with M-to-M	329,897	326,337	347,496	352,583	391,935
Unrealized Gain/(Loss)	(31,980)	(46,633)	(49,637)	(53,242)	(4,772)
Loans, Gross	1,553,277	1,468,371	1,378,610	1,299,741	1,136,959
Deposits	1,885,295	1,764,625	1,627,154	1,623,204	1,470,870
Borrowings	0	0	71,000	0	0
Total Tangible Equity	141,958	115,835	103,660	87,361	109,648
Total Shareholders' Equity	165,943	150,810	140,888	127,292	113,227
Interest Income	94,197	85,230	72,003	56,919	51,735
Interest Expense	37,146	38,228	24,142	5,751	4,199
Net Interest Income	57,051	47,002	47,861	51,168	47,536
Provision for Loan Losses	2,503	1,884	1,040	3,498	1,340
Net Interest Income (after Provision)	54,549	45,118	46,821	47,670	46,196
Net Income	21,326	15,463	17,355	17,204	15,524
<b>Per Share Information</b> (\$)	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Basic Earnings Per Share	\$6.20	\$4.46	\$5.00	\$4.96	\$4.71
Diluted Earnings Per Share	\$6.06	\$4.38	\$4.90	\$4.86	\$4.62
Cash Dividends Declared	\$1.79	\$1.55	\$1.47	\$1.38	\$1.34
Book Value — Tangible Equity/Share (incl. conv. Pref)	\$40.39	\$32.92	\$29.23	\$24.69	\$30.98
Book Value — Tangible Equity/Share (excl. conv. Pref)	\$41.76	\$34.03	\$30.26	\$25.56	\$32.07
<b>Selected Ratio</b> (%)	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Return on Average Assets	1.05%	0.80%	0.95%	1.01%	0.99%
Return on Average Shareholders' Equity	16.48%	14.11%	18.39%	18.53%	15.62%
Leverage Ratio (Bank)	8.80%	8.83%	8.90%	8.56%	8.51%
Dividend Payout Ratio	29.23%	35.33%	30.27%	28.65%	29.81%
Efficiency Ratio	60.13%	65.66%	62.36%	61.31%	71.61%
<b>Other Selected Data</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Banking Offices	16	16	16	16	16
Total Noninterest Income (\$000)	18,072	17,129	14,878	13,358	14,679
Loans Sold & Serviced Off-Balance Sheet (\$000)	696,486	608,952	535,831	477,075	457,308

**Loan Breakdown**

\$ MILLIONS

**Net Charged-Off Loans to Average Loans**

# A Spotlight on Advisory Boards

Members of LNB's eight Advisory Boards help keep us closely connected to the people, businesses and communities we serve. Through their insight and experience, these individuals provide valuable perspectives that help the Bank better understand local needs, opportunities and challenges.

Our Advisory Boards bring together respected leaders from across our region who are deeply engaged in local economic and civic life. Representing a range of professions — from business and agriculture to education and health care — these individuals share a common commitment to the success and vitality of the places they call home.

Members are active in their communities every day and often have a firsthand view of emerging trends and concerns, hearing directly from local business owners, leaders and neighbors about the challenges they face and the opportunities they see ahead. By sharing these insights with Bank leadership, Advisory Board members help ensure that LNB remains informed, responsive and closely aligned with the needs of our customers.

Advisory Board members also serve as important ambassadors for the Bank. As trusted voices within their networks, they help share LNB's story and reinforce our commitment to supporting local businesses, families and community organizations. Their advocacy helps strengthen relationships and deepen the Bank's presence throughout the region.

Just as valuable is the perspective members bring to broader conversations about the economy. Because they have experience in a variety of industries, they help provide context to both local and national trends and offer thoughtful insight that supports strategic planning and long-term growth.

By sharing their time, expertise and leadership, the members of LNB's Advisory Boards demonstrate a strong belief in the role a community bank plays in supporting local opportunity and economic vitality. Their partnership reflects the collaborative spirit at the heart of what we do at LNB — neighbors working together to strengthen our hometowns. And their commitment helps ensure that LNB remains closely connected to the communities we are proud to serve today and for generations to come.

*“By sharing their time, expertise and leadership, the members of LNB’s Advisory Boards demonstrate a strong belief in the role a community bank plays in supporting local opportunity and economic vitality.”*

## Thank You, Retiring Members

We extend our sincere gratitude for your dedicated service and meaningful contributions during your time on LNB's Advisory Boards. Your insights, guidance and commitment have played an important role in shaping our work and advancing our mission. As you step away from your committee roles, we thank you for the lasting impact you've made and wish you continued success in all your future endeavors.

<b>Bonnie B. Curbeau</b>	<i>Penn Yan</i>	<b>21 Years</b>
<b>Eugene F. Pierce</b>	<i>Seneca County</i>	<b>15 Years</b>
<b>Kenneth W. Padgett, DC</b>	<i>Seneca County</i>	<b>13 Years</b>
<b>Charles W. Potter</b>	<i>Canandaigua</i>	<b>11 Years</b>
<b>Rodney D. Littlejohn, DDS, MS</b>	<i>Seneca County</i>	<b>9 Years</b>
<b>John E. Garvey</b>	<i>Farmington</i>	<b>6 Years</b>

# LNB Advisory Board Members

## CANANDAIGUA

**J. David Damaske**  
Parkview Fairways Golf Course

**Alexandra M. Farnsworth**  
Garber Randall Buick GMC Cadillac;  
Garber Randall Chevrolet

**Robert E. Johnston**  
B&B Builders, Inc.;  
Green Front Restaurant

**Kurt M. Koczent**  
UR Thompson Health

**Jack W. Moran**  
Business Owner (Retired)

**Floyd G. Rayburn**  
F.G. Rayburn Mason Contractors;  
In a Pickle – Indoor Pickleball Club

**Justin S. Sensenig**  
Flint Creek Transportation

## CAYUGA COUNTY

**Elizabeth Chirco Anderson, Esq.**  
Norman J. Chirco Law

**Richard L. Beauchine, CPA**  
Waterloo Container

**Mark DiVietro, O.D.**  
Silbert Optical, Inc.

**Christopher J. Geherin**  
Builder's Choice Lumber Co.

**Thomas L. Hughes**  
Alex Lyon & Son Sales Managers;  
Auctioneers, Inc.

**Christopher A. Major**  
Auburn Police Officer (Retired);  
Founder of Majorpalooza

## FARMINGTON

**Megan Larmouth Avila**  
Pioneer Millworks and New Energy Works;  
ArborCare Tree Management, LLC

**Nathan E. Bowerman**  
Ontario County Sheriff's Office

**Thomas G. Ewing**  
Ewing Graphics, Inc.

**Kyle W. Johnson**  
Leonard's Express, Inc.

**Andrew J. Suppo**  
Hoffend's Discount Liquor & Wine

**Tyler W. Wolk**  
Rochester Insulated Glass

## GENEVA

**Stephen J. Blowers**  
Blowers Agri Service, Inc.

**Peter J. D'Amico Jr.**  
Business Owner (Retired)

**Matthew D. Horn**  
MRB Group

**Bernard G. Lynch**  
Lynch Furniture – Geneva

**Anne D. Nenneau**  
CCN International

**Robert B. O'Connor**  
Hobart & William Smith Colleges

**Lawrence "Bo" E. Wright**  
Geneva City Schools

## PENN YAN

**Ryan T. Kennedy**  
Morgan Marine

**James H. Long**  
Long's Cards and Books

**Paul W. Marble, Jr.**  
Marble's Automotive and Glass

**Henry H. Martin**  
Town of Benton Dairy Farmer

**Steven D. Perry**  
Knapp & Schlappi Lumber Co., Inc.

**Philip D. Riehl**  
Oak Hill Bulk Foods, Inc.

**Neil J. Simmons**  
Simmons Vineyards

## PERINTON PARK

**James W. Diem**  
Alliance Insurance Group

**Donald R. Fox, Esq.**  
Partner, Evans & Fox, LLP

**Martha M. Malone**  
Fairport OCED (Retired)

**Nancy A. Ragus**  
Fairport Perinton Partnership;  
Fairport Foundation

**Howard I. Sharp**  
Business Owner (Retired)

**J. Lincoln Swedrock, P.E.**  
BME Associates (Retired)

## RUSHVILLE

**Terry L. Button**  
Farmer/Terry Button Trucking

**Pamela F. Hobart, NP**  
Finger Lakes Health (Retired)

**David R. LeClair**  
Rushville Mayor (Retired)

**John "Jay" J. Newswanger**  
Seneca Pole Barn, LLC;  
Seneca Energy, LLC

**Jonathan S. Nolt**  
Valley Farm Market

**Geoffrey P. Ostrander, MD**  
Valley View Family Practice

## SENECA COUNTY

**Salvatore N. Franzone**  
Ciccino's Pizzeria and Restaurants

**Daryl L. Hurst**  
Finger Lakes Dairy Services, Inc.

**Erica L. Paolicelli**  
Three Brothers Wineries & Estates;  
Synergy Social Wellness

**Brian W. Sessler**  
Sessler Wrecking; Sessler Environmental  
Services; Sessler Equipment; 5S Development

**Raymond A. Tuuri, Jr.**  
Finger Lakes Equipment Rental

**Stephen J. Wadhams**  
Wadhams Enterprises, Inc.



## In Memoriam

We are deeply saddened by the recent passing of our friend, John Bouck. His commitment to our Cayuga County Advisory Board leaves a lasting impact on our organization and all who had the privilege of working with him. We extend our heartfelt condolences to his family.

# Elevating Talent: Celebrating Officer Promotions

We are proud to celebrate the achievements of these team members and the continued strength of our organization as we announce our annual promotions. These advancements reflect not only individual excellence but also our shared commitment to innovation, integrity, and delivering exceptional value to our customers. Each promotion represents a meaningful investment in leadership and expertise that will help guide LNB into the future.

We congratulate our colleagues on this well-deserved recognition and look forward to their continued contributions in the years ahead.



**Devin M. Cobb**  
Banking Officer and Compliance/  
BSA Officer  
*Promoted from Bank Compliance Manager*



**Joshua D. Kayn**  
Banking Officer, Agricultural/  
Commercial Loan Officer  
*Promoted from Agricultural/  
Commercial Loan Representative*



**Susan L. Lockwood**  
Assistant Vice President,  
Wolcott Branch Manager  
*Promoted from Banking Officer and  
Wolcott Branch Manager*



**Christopher J. Nolan**  
Banking Officer, Geneva  
Branch Manager  
*Promoted from Geneva Branch Manager*



**Mackenzie M. Roberts**  
Assistant Vice President, Agricultural/  
Commercial Loan Officer  
*Promoted from Banking Officer and  
Agricultural/Commercial Loan Officer*



**James M. Schukraft**  
Banking Officer, Mortgage  
Underwriter II  
*Promoted from Mortgage Underwriter II*



**Heather E. Whalen**  
Assistant Vice President,  
Seneca County Branch Manager  
*Promoted from Banking Officer and  
Seneca County Branch Manager*

## WOW! Award Recipients

From years of dedicated service to meaningful personal and professional growth, this year's WOW! Award recipients reflect the very best of LNB's frontline and back-office teams.

Each year, our President and CEO, Tom Kime, honors employees who go above and beyond in their contributions to the Bank. We are delighted to recognize this year's recipients — individuals who shine through their positivity, dedication, and unwavering commitment to exceeding expectations for both customers and colleagues.

*(L to R) Heather L. Rooze – Exceeding Expectations; Thomas D. Muller – Dean of Experience; Heather E. Whalen – President's Award; Melissa A. Lucieer – Shining Star*



# Executive Management

**Thomas L. Kime**

President & Chief Executive Officer

**Jeffrey A. Friend**

Senior Vice President & Director of Market and Municipal Development

**Chad J. Proper**

Senior Vice President & Chief Financial Officer

**Robert S. Flowers**

Vice President & Director of Compliance / Legal Counsel

**Clair J. Britt, Jr.**

Executive Vice President & Chief Commercial Lending Officer

**Barbara L. Hennessy**

Senior Vice President & Director of Marketing

**Robert W. Sollenne**

Senior Vice President & Chief Operating Officer

**Stephen V. DeRaddo**

Executive Vice President & Chief Experience Officer

**Amanda M. McDonald**

Senior Vice President & Director of Credit Administration

**Melonie L. Tiffany**

Senior Vice President & Director of Audit

**Todd F. Juffs**

Executive Vice President & Chief Technology / Cybersecurity Officer

**Joshua N. Miller**

Senior Vice President & Director of Retail Lending

**Danielle M. Ayers**

Vice President & Director of Human Resources

## Bank Officers

### ADMINISTRATION

---

**Thomas D. Muller**

Senior Vice President & Project Administrator

**Jenna L. Miller**

Vice President & Executive Administrative Assistant

**Carol A. Snook**

Vice President & Corporate Executive Secretary

**Michael L. Warner**

Assistant Vice President & Director of Performance Assessment and Improvement

### BRANCH DIVISION

---

**Emily E. Hilimire**

Vice President & Branch Manager, Auburn

**Demetrius Murphy**

Vice President & Business Development, Cayuga County

**Tara R. Rago**

Vice President & Branch Manager, Canandaigua

**Julieann B. Downey**

Assistant Vice President & Branch Manager, Lyons

**Steven J. Hasseler**

Assistant Vice President & Branch Manager, Newark

**Leah S. Hodge**

Assistant Vice President & Branch Manager, Penn Yan

**Susan L. Lockwood**

Assistant Vice President & Branch Manager, Wolcott

**Charles K. Parkhurst**

Assistant Vice President & Branch Manager, Farmington

**Michele L. Waeghe**

Assistant Vice President & Branch Manager, Macedon

**Heather E. Whalen**

Assistant Vice President & Branch Manager, Seneca County

**Maureen K. Conner**

Banking Officer & Branch Manager, Jordan

**Christine M. Copper**

Banking Officer & Branch Manager, Rushville

**Melissa A. Lucieer**

Banking Officer & Branch Manager, Ontario

**Christopher J. Nolan**

Banking Officer & Branch Manager, Geneva

**Allison M. Verkey**

Banking Officer & Branch Manager, Clyde

### CASH MANAGEMENT

---

**Maxwell W. Harris**

Banking Officer & Cash Management Specialist

**Jennifer L. Porten**

Banking Officer & Cash Management Specialist

### COMMERCIAL LENDING

---

**Ryan M. Hallings**

Senior Vice President & Team Leader, Agricultural / Commercial Loan Officer

**James H. King**

Senior Vice President & Commercial Loan Officer

**Mark J. DeBacco**

Vice President & Commercial Loan Officer

**Scott A. MacKenzie**

Vice President & Team Leader, Agricultural / Commercial Loan Officer

**Kraig M. vonHahmann**

Vice President & Agricultural / Commercial Loan Officer

**Todd L. Borsa**

Assistant Vice President & Commercial Loan Officer

**Mackenzie M. Roberts**

Assistant Vice President & Agricultural / Commercial Loan Officer

**J. Lincoln Swedrock, P.E.**

Assistant Vice President & Commercial Loan Officer

**Joshua D. Kayn**

Banking Officer & Agricultural / Commercial Loan Officer

**Justin J. Sinisi**

Banking Officer & Agricultural / Commercial Loan Officer

# Bank Officers (Cont.)

## COMPLIANCE & CREDIT ADMINISTRATION

---

**Cristin M. Menotti**

Assistant Vice President &  
Senior Credit Underwriter

**Devin M. Cobb**

Banking Officer &  
Compliance / BSA & AML Officer

**Wendy E. DeSanto**

Banking Officer &  
Loan Portfolio Monitoring Officer

## FACILITIES & SECURITY

---

**Michael J. Colacino**

Vice President &  
Director of Security and Facilities

## FINANCE

---

**Shannon M. Romano**

Vice President & Controller

## FINANCIAL SERVICES

---

**Robert T. Koczent**

Vice President &  
Director of Financial Services

**David J. DeRaddo**

Vice President &  
Financial Services Representative

**Kim M. Emperato**

Banking Officer &  
Financial Services Representative

## HUMAN RESOURCES

---

**Terri A. Martin**

Banking Officer & Payroll / Benefits Specialist

**Jennifer L. Srmack**

Banking Officer & Marketing Specialist

## MORTGAGE LENDING – RETAIL & RESIDENTIAL

---

**Angela M. Merola**

Vice President & Collections Manager

**Craig A. Schojan**

Vice President & Senior Mortgage Underwriter

**James M. Allison**

Assistant Vice President & Mortgage Specialist

**Joseph M. Arbogast**

Assistant Vice President & Mortgage Specialist

**Craig R. Mietz**

Assistant Vice President & Mortgage Specialist

**Scott W. Russell**

Assistant Vice President &  
Mortgage Underwriter

**Kari R. Bezek**

Banking Officer & Mortgage Specialist

**Trisha A. Mastrodonato**

Banking Officer & Mortgage Specialist

**Paul R. Rowan**

Banking Officer & Mortgage Underwriter

**James M. Schukraft**

Banking Officer & Mortgage Underwriter

## OPERATIONS & IT

---

**Hope A. Alexanian**

Vice President &  
Retail Loan Operations Supervisor

**Lynnette M. DeChick**

Vice President &  
Commercial Loan Operations Supervisor

**Jennifer C. Dunn**

Assistant Vice President &  
Mortgage / Home Equity Processor

**Karen D. Lombardozzi**

Assistant Vice President &  
Systems Administrator

**Greg T. Noel**

Assistant Vice President &  
Deposit Operations Supervisor

## TRAINING

---

**Daniela A. Qualdieri**

Vice President & Director of Training

**Meghan A. Nagel**

Assistant Vice President & Training Specialist

# Supporting Small Business



Small businesses remain a central driver of economic growth across New York state. In 2025 alone, small businesses accounted for the majority of new business openings and contributed significantly to job creation, reinforcing their importance as engines of opportunity and innovation. At the same time, broader economic conditions presented both opportunities and challenges. While the U.S. economy continued to expand with steady GDP growth and near full employment, businesses faced rising input costs and tighter access to capital. In Upstate New York, these pressures were compounded by higher costs tied to tariffs, labor, and energy — underscoring the need for stable, relationship-based financial partners.

LNB is uniquely positioned to provide this stability. Unlike larger financial institutions, LNB is deeply rooted in the markets we serve, allowing us to develop long-term relationships and a nuanced understanding of local market conditions. This proximity enables our lending team to provide tailored guidance — not only on financing but also on strategic challenges such as managing labor shortages, adapting to rising supply costs, and navigating market uncertainty.

For startups and family-owned businesses, access to capital is often the defining factor between success and stagnation. LNB frequently serves as the primary lender for these enterprises, offering flexible financing solutions that reflect both the needs of the business and the realities of the local economy. In the agricultural sector — where dairy, grain and specialty crops are key economic drivers — this support is especially vital.

*Whether assisting a multi-generation business navigate management transition, supporting a startup through its early growth stages, or helping an established business manage cost volatility, the Bank's focus remains on long-term partnership and sustainable growth.*

Beyond financing, LNB's business lenders act as trusted advisors, helping clients navigate an increasingly complex operating environment. Whether assisting a multi-generation business navigate management transition, supporting a startup through its early growth stages, or helping an established business manage cost volatility, the Bank's focus remains on long-term partnership and sustainable growth.

Looking ahead, the resilience of small businesses will continue to depend on access to capital, informed guidance and strong community connections. As economic conditions evolve, LNB will remain an essential partner — bridging gaps, fostering innovation, and ensuring that local businesses not only endure but thrive. We're proud to play this role, investing in the success of our customers and the long-term prosperity of the communities we serve.

# Connecting with Communities



At LNB, volunteerism is a reflection of our deep commitment to the communities we serve. By encouraging employees to volunteer their time and expertise, the Bank fosters meaningful connections with local residents, schools, and nonprofit organizations. From providing financial literacy education in local classrooms; partnering with the American Red Cross to hold annual blood drives; participating in United Way's Annual Day of Caring activities; helping build someone's dream home with Habit for Humanity to serving on boards and committees across our footprint, our employees make a tangible impact. These efforts foster lasting relationships and reinforce LNB's role as a caring, invested partner in the long-term vitality of the communities we serve.

## Our Branch Locations

### AUBURN

9 Dill Street  
Auburn, NY 13021  
(315) 612-3456

311 Grant Avenue Road  
Auburn, NY 13021  
(315) 567-0200

### CANANDAIGUA

3225 East Lake Road  
Suite 215  
Canandaigua, NY 14424  
(585) 394-2265

### CLYDE

4 Williams Street  
Clyde, NY 14433  
(315) 923-2100

### FARMINGTON

1423 Hathaway Drive  
Farmington, NY 14425  
(585) 433-8700

### GENEVA

399 Exchange Street  
Geneva, NY 14456  
(315) 781-5000

### JORDAN

2 North Main Street  
Jordan, NY 13080  
(315) 689-9530

### LYONS

2 Forgham Street  
Lyons, NY 14489  
(315) 946-4505

35 William Street  
Lyons, NY 14489  
(315) 946-4871

### MACEDON

359 NYS Route 31  
Macedon, NY 14502  
(315) 986-9681

### NEWARK

750 West Miller Street  
Newark, NY 14513  
(315) 331-0296

### ONTARIO

6280 Furnace Road  
Suite 200  
Ontario, NY 14519  
(315) 524-9661

### PENN YAN

205 Liberty Street  
Penn Yan, NY 14527  
(315) 536-2300

### PERINTON PARK

1314 Fairport Road  
Fairport, NY 14450  
(585) 433-2900

### RUSHVILLE

1 North Main Street  
P.O. Box 522  
Rushville, NY 14454  
(585) 554-7300

### SENECA COUNTY

2433 State Route 414  
Waterloo, NY 13165  
(315) 539-4100

### WOLCOTT

5996 New Hartford Street  
Wolcott, NY 14590  
(315) 594-6002