



Norwood Financial Corp announces Fourth Quarter and Full Year 2025 Results

January 22, 2026

Full Year Highlights:

- Full year fully diluted EPS of \$3.01.
- Full year net interest margin increased 58 basis points over the prior year.
- Full year loan growth of 8.2%.
- Full year deposit growth of 11.8%.
- Non-interest bearing DDA up 10% during 2025.
- Tangible book value per share increased 15.4%.

HONESDALE, Pa., Jan. 22, 2026 (GLOBE NEWSWIRE) -- Norwood Financial Corp (Nasdaq Global Market-NWFL) and its subsidiary, Wayne Bank, announced results for the three months and full year ended December 31, 2025.

Jim Donnelly, President and Chief Executive Officer, stated, "We finished the year on a positive note in the fourth quarter, as we continued to maintain solid growth, while improving profitability and efficiency. Our disciplined approach and commitment to core values propels us to be able to deliver strong results for our shareholders. I am proud of the performance of the entire Norwood team as they remain focused on delivering the products and services that help our customers achieve their goals. This gives us great momentum as we enter 2026.

"On January 5, we closed on the acquisition of Presence Bank, giving us a larger geographic presence, greater assets, and a talented team dedicated to serving our communities. I am energized by this combination and believe that we are on our way to creating a bright future for us, our customers, and our shareholders."

(dollars in thousands, except per share data)	Year-Over Year			Linked Quarter		Year-to-Date		
	3 Months Ended			3 Months Ended		12 Months Ended		
	Dec-25	Dec-24	Change	Sep-25	Change	Dec-25	Dec-24	Change
Net interest income	\$20,944	\$ 16,625	\$ 4,319	\$20,458	\$ 486	\$78,324	\$62,191	\$ 16,133
Net interest spread (fte) ¹	2.93%	2.31%	62 bps	0.00%	(1) bp	2.81%	2.17%	64 bps
Net interest margin (fte) ¹	3.60%	3.04%	56 bps	3.63%	(3) bps	3.49%	2.91%	58 bps
Pre Provision Net Revenue (PPNR) ¹	\$ 9,836	\$(14,453)	\$ 24,289	\$10,029	\$ (193)	\$36,792	\$ 2,415	\$ 34,377
Net income (loss)	\$ 7,442	\$(12,651)	\$ 20,093	\$ 8,334	\$ (892)	\$27,755	\$ (160)	\$ 27,915
Diluted earnings per share	\$ 0.81	\$ (1.54)	\$ 2.35	\$ 0.89	\$ (0.08)	\$ 3.01	\$ (0.02)	\$ 3.03
Return on average assets	1.21%	-2.19%	340 bps	1.40%	-19 bps	1.17%	-0.01%	118 bps
Return on average tangible equity	14.01%	-30.77%	4478 bps	16.76%	-275 bps	14.03%	-0.10%	1413 bps

1 - Non GAAP ratio. See Non-GAAP Reconciliation

Excluding 2025 merger charges and 2024 Loss on Sale of Securities (see Non-GAAP reconciliations)

(dollars in thousands, except per share data)	Year-Over Year			Linked Quarter		Year-to-Date		
	3 Months Ended			3 Months Ended		12 Months Ended		
	Dec-25	Dec-24	Change	Sep-25	Change	Dec-25	Dec-24	Change
Pre Provision Net Revenue (PPNR)	\$10,356	\$ 5,509	\$ 4,847	\$10,597	\$ (241)	\$38,030	\$22,377	\$ 15,653
Net income (loss)	\$ 7,853	\$ 3,119	\$ 4,734	\$ 8,783	\$ (930)	\$28,773	\$15,610	\$ 13,163
Diluted earnings per share	\$ 0.85	\$ 0.38	\$ 0.47	\$ 0.94	\$ (0.09)	\$ 3.11	\$ 1.93	\$ 1.18
Return on average assets	1.28%	0.54%	74 bps	1.47%	-19 bps	1.21%	0.69%	52 bps
Return on average tangible equity	14.78%	7.59%	719 bps	17.66%	-288 bps	14.53%	9.97%	456 bps

Discussion of financial results for the three months and full year ended December 31, 2025 (all comparisons are year-over-year):

- Fourth quarter net income of \$7.4 million increased \$20.0 million.
- Net interest income increased during the fourth quarter due to increases in earning assets and yields on those assets while interest costs of liabilities decreased.
- Correspondingly, the net interest margin in the fourth quarter was 3.60% compared to 3.04%.
- Non-interest income for the full year increased \$806 thousand or 9.2%, excluding the 2024 loss on the sale of securities.
- Total assets were \$2.425 billion, compared to \$2.317 billion, an increase of 4.63%.
- Loans receivable were \$1.853 billion, compared to \$1.713 billion, an increase of 8.2%.
- Total deposits were \$2.079 billion, compared to \$1.859 billion, an increase of 11.8%.
- Tangible Common Equity Ratio was 8.88%, versus 8.05%.
- Tangible Book Value per share increased \$3.05 to \$22.90 from \$19.85.

Norwood Financial Corp is the parent company of Wayne Bank, which operates from fifteen offices throughout Northeastern Pennsylvania and fourteen offices in Delaware, Sullivan, Ontario, Otsego and Yates Counties, New York. The Company's stock trades on the Nasdaq Global Market under the symbol "NWFL".

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 contains safe harbor provisions regarding forward-looking statements. When used in this discussion, the words "believes", "anticipates", "contemplates", "expects", "bode", "future performance", "solid footing," "good momentum," "bright future", "robust growth" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected. Those risks and uncertainties include, among other things, changes in federal and state laws, changes in interest rates, our ability to maintain strong credit quality metrics, our ability to have future performance, our ability to control core operating expenses and costs, demand for real estate, government fiscal and trade policies, cybersecurity and general economic conditions. The Company undertakes no obligation to publicly release the results of any revisions to those forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Non-GAAP Measures

In addition to presenting information in conformity with accounting principles generally accepted in the United States of America (GAAP), this news release contains financial information determined by methods other than GAAP (non-GAAP). The following measures used in this release, which are commonly utilized by financial institutions, have not been specifically exempted by the Securities and Exchange Commission ("SEC") and may constitute "non-GAAP financial measures" within the meaning of the SEC's rules.

The Company has provided in this news release supplemental disclosures for the calculation of

- Net Interest Spread (fte)
- Net Interest Margin (fte)
- Pre-Provision Net Revenue
- Earnings per share
- Return on average assets
- Return on average tangible equity

Management believes that the non-GAAP financial measures disclosed by the Company from time to time are useful in evaluating the Company's performance and that such information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Our non-GAAP financial measures may differ from similar measures presented by other companies. Refer to the tables on pages 10-12 for Non-GAAP to GAAP reconciliations.

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NORWOOD FINANCIAL CORP
Consolidated Balance Sheets
(dollars in thousands, except share and per share data)
(unaudited)

	December 31	
	2025	2024
ASSETS		
Cash and due from banks	\$ 32,118	\$ 27,562
Interest-bearing deposits with banks	12,318	44,777
Cash and cash equivalents	<u>44,436</u>	<u>72,339</u>
Securities available for sale	408,782	397,846
Loans receivable	1,853,422	1,713,638
Less: Allowance for credit losses	19,882	19,843
Net loans receivable	<u>1,833,540</u>	<u>1,693,795</u>
Regulatory stock, at cost	6,623	13,366
Bank premises and equipment, net	22,971	19,657
Bank owned life insurance	46,089	46,657
Foreclosed real estate owned	771	-
Accrued interest receivable	9,250	8,466
Deferred tax assets, net	14,654	17,696
Goodwill	29,266	29,266
Other intangible assets	98	152
Other assets	8,362	18,222
TOTAL ASSETS	<u><u>\$ 2,424,842</u></u>	<u><u>\$ 2,317,462</u></u>
LIABILITIES		
Deposits:		
Non-interest bearing demand	\$ 419,597	\$ 381,479
Interest-bearing	1,659,048	1,477,684
Total deposits	<u>2,078,645</u>	<u>1,859,163</u>
Short-term borrowings	14,714	113,069
Other borrowings	59,419	101,793
Accrued interest payable	12,138	12,615
Other liabilities	17,769	17,314
TOTAL LIABILITIES	<u>2,182,685</u>	<u>2,103,954</u>
STOCKHOLDERS' EQUITY		
Preferred Stock, no par value per share, authorized 5,000,000 shares	-	-
Common Stock, \$.10 par value per share, authorized: 20,000,000 shares, issued: 2025: 9,516,503 shares, 2024: 9,487,068 shares	952	949
Surplus	127,426	126,514
Retained earnings	141,130	124,963
Treasury stock, at cost: 2025: 222,645 shares, 2024: 214,161 shares	(6,008)	(5,797)
Accumulated other comprehensive loss	<u>(21,343)</u>	<u>(33,121)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>242,157</u>	<u>213,508</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 2,424,842</u></u>	<u><u>\$ 2,317,462</u></u>

NORWOOD FINANCIAL CORP
Consolidated Statements of Income
(dollars in thousands, except per share data)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
INTEREST INCOME				
Loans receivable, including fees	\$ 28,666	\$ 26,122	\$ 109,910	\$ 99,388
Securities	3,906	2,789	15,554	10,424

Interest-earning assets:										
Interest-bearing deposits with banks	\$ 46,766	\$ 474	4.02 %	\$ 12,485	\$ 144	4.58 %	\$ 46,629	\$ 574	4.90 %	
Securities available for sale:										
Taxable	400,094	3,656	3.63	399,090	3,661	3.64	404,777	2,434	2.39	
Tax-exempt (1)	<u>44,700</u>	<u>316</u>	2.80	<u>44,074</u>	<u>312</u>	2.81	<u>65,628</u>	<u>449</u>	2.72	
Total securities available for sale (1)	444,794	3,972	3.54	443,164	3,973	3.56	470,405	2,883	2.44	
Loans receivable (1) (4) (5)	<u>1,835,902</u>	<u>28,786</u>	6.22	<u>1,802,046</u>	<u>28,267</u>	6.22	<u>1,690,650</u>	<u>26,246</u>	6.18	
Total interest-earning assets	2,327,462	33,232	5.66	2,257,695	32,384	5.69	2,207,684	29,703	5.35	
Non-interest earning assets:										
Cash and due from banks	31,388			31,050			27,283			
Allowance for credit losses	(20,070)			(21,128)			(18,741)			
Other assets	<u>102,792</u>			<u>96,142</u>			<u>83,506</u>			
Total non-interest earning assets	<u>114,110</u>			<u>106,064</u>			<u>92,048</u>			
Total Assets	<u>\$ 2,441,572</u>			<u>\$ 2,363,759</u>			<u>\$ 2,299,732</u>			
Liabilities and Stockholders' Equity										
Interest-bearing liabilities:										
Interest-bearing demand and money market	\$ 640,265	\$ 3,324	2.06	\$ 579,145	\$ 2,900	1.99	\$ 528,330	\$ 3,017	2.27	
Savings	198,463	106	0.21	200,559	113	0.22	209,362	162	0.31	
Time	<u>848,216</u>	<u>7,904</u>	3.70	<u>822,491</u>	<u>7,717</u>	3.72	<u>764,819</u>	<u>7,805</u>	4.06	
Total interest-bearing deposits	1,686,944	11,334	2.67	1,602,195	10,730	2.66	1,502,511	10,984	2.91	
Short-term borrowings	2,461	25	4.03	8,740	105	4.77	46,267	348	2.99	
Other borrowings	<u>68,025</u>	<u>743</u>	4.33	<u>81,125</u>	<u>899</u>	4.40	<u>133,620</u>	<u>1,528</u>	4.55	
Total interest-bearing liabilities	1,757,430	12,102	2.73	1,692,060	11,734	2.75	1,682,398	12,860	3.04	
Non-interest bearing liabilities:										
Demand deposits	413,238			416,150			394,001			
Other liabilities	<u>30,781</u>			<u>28,816</u>			<u>30,352</u>			
Total non-interest bearing liabilities	444,019			444,966			424,353			
Stockholders' equity	<u>240,123</u>			<u>226,733</u>			<u>192,981</u>			
Total Liabilities and Stockholders' Equity	<u>\$ 2,441,572</u>			<u>\$ 2,363,759</u>			<u>\$ 2,299,732</u>			
Net interest income/spread (tax equivalent basis)		21,130	<u>2.93 %</u>		20,650	<u>2.94 %</u>		16,843	<u>2.31 %</u>	
Tax-equivalent basis adjustment		<u>(186)</u>			<u>(192)</u>			<u>(218)</u>		
Net interest income		<u>\$ 20,944</u>			<u>\$ 20,458</u>			<u>\$ 16,625</u>		
Net interest margin (tax equivalent basis)			<u>3.60 %</u>			<u>3.63 %</u>			<u>3.04 %</u>	

- (1) Interest and yields are presented on a tax-equivalent basis using a marginal tax rate of 21%.
(2) Average balances have been calculated based on daily balances.
(3) Annualized
(4) Loan balances include non-accrual loans and are net of unearned income.
(5) Loan yields include the effect of amortization of deferred fees, net of costs.

NORWOOD FINANCIAL CORP
NET INTEREST MARGIN ANALYSIS
(dollars in thousands)

	Year to Date								
	December 31, 2025			September 30, 2025			December 31, 2024		
	Average Balance (2)	Interest (1)	Average Rate (3)	Average Balance (2)	Interest (1)	Average Rate (3)	Average Balance (2)	Interest (1)	Average Rate (3)
Assets									
Interest-earning assets:									
Interest-bearing deposits with banks	\$ 24,822	\$ 1,064	4.29 %	\$ 17,427	\$ 590	4.53 %	\$ 51,433	\$ 2,768	5.38 %
Securities available for sale:									
Taxable	402,976	14,563	3.61	403,947	10,907	3.61	400,050	8,948	2.24
Tax-exempt (1)	44,294	1,254	2.83	44,157	938	2.84	68,041	1,868	2.75
Total securities available for sale (1)	447,270	15,817	3.54	448,104	11,845	3.53	468,091	10,816	2.31
Loans receivable (1) (4) (5)	1,791,569	110,422	6.16	1,776,629	81,636	6.14	1,646,128	99,815	6.06
Total interest-earning assets	2,263,661	127,303	5.62	2,242,160	94,071	5.61	2,165,652	113,399	5.24
Non-interest earning assets:									
Cash and due from banks	30,376			30,035			26,629		
Allowance for credit losses	(20,523)			(20,675)			(18,450)		
Other assets	96,136			94,389			76,340		
Total non-interest earning assets	105,989			103,749			84,519		
Total Assets	\$ 2,369,650			\$ 2,345,909			\$ 2,250,171		
Liabilities and Stockholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand and money market	\$ 585,289	\$ 11,912	2.04	\$ 566,762	\$ 8,588	2.03	\$ 476,106	\$ 10,506	2.21
Savings	203,765	480	0.24	205,552	374	0.24	220,190	711	0.32
Time	821,710	31,289	3.81	812,778	23,385	3.85	744,895	31,117	4.18
Total interest-bearing deposits	1,610,764	43,681	2.71	1,585,092	32,347	2.73	1,441,191	42,334	2.94
Short-term borrowings	18,173	798	4.39	23,468	774	4.41	54,867	1,363	2.48
Other borrowings	84,543	3,725	4.41	90,110	2,981	4.42	146,195	6,692	4.58
Total interest-bearing liabilities	1,713,480	48,204	2.81	1,698,670	36,102	2.84	1,642,253	50,389	3.07
Non-interest bearing liabilities:									
Demand deposits	399,948			395,470			393,616		

Other liabilities	29,062	28,978	28,350
Total non-interest bearing liabilities	429,010	424,448	421,966
Stockholders' equity	227,160	222,791	185,952
Total Liabilities and Stockholders' Equity	\$ 2,369,650	\$ 2,345,909	\$ 2,250,171
Net interest income/spread (tax equivalent basis)	79,099	57,969	63,010
	<u>2.81 %</u>	<u>2.77 %</u>	<u>2.17 %</u>
Tax-equivalent basis adjustment	(775)	(589)	(819)
Net interest income	<u>\$ 78,324</u>	<u>\$ 57,380</u>	<u>\$ 62,191</u>
Net interest margin (tax equivalent basis)	<u>3.49 %</u>	<u>3.46 %</u>	<u>2.91 %</u>

(1) Interest and yields are presented on a tax-equivalent basis using a marginal tax rate of 21%.

(2) Average balances have been calculated based on daily balances.

(3) Annualized

(4) Loan balances include non-accrual loans and are net of unearned income.

(5) Loan yields include the effect of amortization of deferred fees, net of costs.

NORWOOD FINANCIAL CORP

Financial Highlights (Unaudited)

(dollars in thousands, except per share data)

For the Three Months Ended December 31

	<u>2025</u>	<u>2024</u>
Net interest income	\$ 20,944	\$ 16,625
Net (loss) income	7,442	(12,651)
Net interest spread (fully taxable equivalent)	2.93%	2.31%
Net interest margin (fully taxable equivalent)	3.60%	3.04%
Return on average assets	1.21%	-2.19%
Return on average equity	12.30%	-26.08%
Return on average tangible equity	14.01%	-30.77%
Basic (loss) earnings per share	\$ 0.80	\$ (1.54)
Diluted (loss) earnings per share	\$ 0.80	\$ (1.54)

For the Twelve Months Ended December 31

	<u>2025</u>	<u>2024</u>
Net interest income	\$ 78,324	\$ 62,191
Net (loss) income	27,755	(160)
Net interest spread (fully taxable equivalent)	2.81%	2.17%
Net interest margin (fully taxable equivalent)	3.49%	2.91%
Return on average assets	1.17%	-0.01%
Return on average equity	12.22%	-0.09%
Return on average tangible equity	14.03%	-0.10%
Basic (loss) earnings per share	\$ 3.01	\$ (0.02)
Diluted (loss) earnings per share	\$ 3.01	\$ (0.02)

As of December 31

	<u>2025</u>	<u>2024</u>
Total assets	\$ 2,424,842	\$ 2,317,462
Total loans receivable	1,853,422	1,713,638

Allowance for credit losses		19,882		19,843
Total deposits		2,078,645		1,859,163
Stockholders' equity		242,157		213,508
Trust assets under management		213,912		205,097
Book value per share	\$	26.06	\$	23.02
Tangible book value per share	\$	22.90	\$	19.85
Equity to total assets		9.99%		9.21%
Allowance to total loans receivable		1.07%		1.16%
Nonperforming loans to total loans		0.34%		0.46%
Nonperforming assets to total assets		0.29%		0.34%

NORWOOD FINANCIAL CORP
Consolidated Balance Sheets (unaudited)
(dollars in thousands)

	December 31 2025	September 30 2025	June 30 2025	March 31 2025	December 31 2024
ASSETS					
Cash and due from banks	\$ 32,118	\$ 50,348	\$ 32,052	\$ 31,729	\$ 27,562
Interest-bearing deposits with banks	12,318	24,382	20,993	43,678	44,777
Cash and cash equivalents	44,436	74,730	53,045	75,407	72,339
Securities available for sale	408,782	403,989	402,460	408,742	397,846
Loans receivable	1,853,422	1,814,682	1,790,574	1,771,269	1,713,638
Less: Allowance for credit losses	19,882	19,911	20,908	20,442	19,843
Net loans receivable	1,833,540	1,794,771	1,769,666	1,750,827	1,693,795
Regulatory stock, at cost	6,623	6,163	7,538	7,616	13,366
Bank owned life insurance	46,089	45,821	46,099	46,914	46,657
Bank premises and equipment, net	22,971	22,292	21,608	20,273	19,657
Foreclosed real estate owned	771	-	-	-	-
Goodwill and other intangibles	29,364	29,375	29,387	29,402	29,418
Other assets	32,266	34,810	35,547	36,863	44,384
TOTAL ASSETS	\$ 2,424,842	\$ 2,411,951	\$ 2,365,350	\$ 2,376,044	\$ 2,317,462
LIABILITIES					
Deposits:					
Non-interest bearing demand	\$ 419,597	\$ 424,027	\$ 406,358	\$ 391,377	\$ 381,479
Interest-bearing deposits	1,659,048	1,649,941	1,591,476	1,613,071	1,477,684
Total deposits	2,078,645	2,073,968	1,997,834	2,004,448	1,859,163
Borrowings	74,133	72,071	111,850	118,590	214,862
Other liabilities	29,907	31,007	30,241	32,299	29,929
TOTAL LIABILITIES	2,182,685	2,177,046	2,139,925	2,155,337	2,103,954
STOCKHOLDERS' EQUITY	242,157	234,905	225,425	220,707	213,508
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,424,842	\$ 2,411,951	\$ 2,365,350	\$ 2,376,044	\$ 2,317,462

NORWOOD FINANCIAL CORP
Consolidated Statements of Income (unaudited)
(dollars in thousands, except per share data)

	December 31 2025	September 30 2025	June 30 2025	March 31 2025	December 31 2024
Three months ended					
INTEREST INCOME					
Loans receivable, including fees	\$ 28,666	\$ 28,141	\$ 27,115	\$ 25,988	\$ 26,122
Securities	3,906	3,907	3,871	3,870	2,789
Other	474	144	220	226	574
Total interest income	<u>33,046</u>	<u>32,192</u>	<u>31,206</u>	<u>30,084</u>	<u>29,485</u>
INTEREST EXPENSE					
Deposits	11,334	10,730	10,869	10,748	10,984
Borrowings	768	1,004	1,272	1,479	1,876
Total interest expense	<u>12,102</u>	<u>11,734</u>	<u>12,141</u>	<u>12,227</u>	<u>12,860</u>
NET INTEREST INCOME	<u>20,944</u>	<u>20,458</u>	<u>19,065</u>	<u>17,857</u>	<u>16,625</u>
PROVISION FOR (RELEASE OF) CREDIT LOSSES	<u>468</u>	<u>(502)</u>	<u>950</u>	<u>857</u>	<u>1,604</u>
NET INTEREST INCOME AFTER (RELEASE OF) PROVISION FOR CREDIT LOSSES	<u>20,476</u>	<u>20,960</u>	<u>18,115</u>	<u>17,000</u>	<u>15,021</u>
OTHER INCOME					
Service charges and fees	1,734	1,660	1,514	1,513	1,595
Income from fiduciary activities	228	254	226	325	224
Net realized (losses) gains on sales of securities	-	-	-	-	(19,962)
Gains on sales of loans, net	83	130	65	47	50
Gains on sales of foreclosed real estate owned	-	-	-	-	-
Earnings and proceeds on life insurance policies	268	268	266	286	275
Other	198	193	177	180	159
Total other income	<u>2,511</u>	<u>2,505</u>	<u>2,248</u>	<u>2,351</u>	<u>(17,659)</u>
OTHER EXPENSES					
Salaries and employee benefits	7,155	6,696	6,605	6,472	6,690
Occupancy, furniture and equipment, net	1,390	1,361	2,538	1,378	1,291
Foreclosed real estate	-	1	137	4	9
FDIC insurance assessment	423	368	355	406	335
Other	4,651	4,508	2,896	3,804	5,094
Total other expenses	<u>13,619</u>	<u>12,934</u>	<u>12,531</u>	<u>12,064</u>	<u>13,419</u>
INCOME BEFORE TAX (BENEFIT) EXPENSE	<u>9,368</u>	<u>10,531</u>	<u>7,832</u>	<u>7,287</u>	<u>(16,057)</u>
INCOME TAX (BENEFIT) EXPENSE	<u>1,926</u>	<u>2,197</u>	<u>1,627</u>	<u>1,514</u>	<u>(3,406)</u>
NET (LOSS) INCOME	<u>\$ 7,442</u>	<u>\$ 8,334</u>	<u>\$ 6,205</u>	<u>\$ 5,773</u>	<u>\$ (12,651)</u>
Basic (loss) earnings per share	<u>\$ 0.80</u>	<u>\$ 0.89</u>	<u>\$ 0.67</u>	<u>\$ 0.63</u>	<u>\$ (1.54)</u>
Diluted (loss) earnings per share	<u>\$ 0.80</u>	<u>\$ 0.89</u>	<u>\$ 0.67</u>	<u>\$ 0.63</u>	<u>\$ (1.54)</u>
Book Value per share	\$ 26.06	\$ 25.36	\$ 24.34	\$ 23.84	\$ 23.02
Tangible Book Value per share	22.90	22.19	21.17	20.66	19.85
Return on average assets (annualized)	1.21%	1.40%	1.06%	1.01%	-2.19%
Return on average equity (annualized)	12.30%	14.58%	11.14%	10.73%	-26.08%
Return on average tangible equity (annualized)	14.01%	16.76%	12.83%	12.40%	-30.77%

Net interest spread (fte)	2.93%	2.94%	2.75%	2.61%	2.31%
Net interest margin (fte)	3.60%	3.63%	3.43%	3.30%	3.04%
Allowance for credit losses to total loans	1.07%	1.10%	1.17%	1.15%	1.16%
Net charge-offs to average loans (annualized)	0.13%	0.13%	0.08%	0.07%	0.12%
Nonperforming loans to total loans	0.34%	0.36%	0.45%	0.45%	0.46%
Nonperforming assets to total assets	0.29%	0.31%	0.34%	0.33%	0.34%

NORWOOD FINANCIAL CORP

Reconciliation of Non-GAAP Adjustments for 2025 Merger Charges

Adjusted Return on Average Assets

(Dollars in thousands)

	Three Months Ended September 30, 2025	Three Months Ended December 31, 2025	Twelve Months Ended December 31, 2025
Net (loss) income	\$ 8,334	\$ 7,442	\$ 27,755
Average assets	2,363,759	2,441,572	2,369,516
Return on average assets (annualized)	1.40 %	1.21 %	1.17 %
Net (loss) income	8,334	7,442	27,755
Merger Expenses	568	520	1,238
Tax effect at 21%	(119)	(109)	(260)
Adjusted Net Income (Non-GAAP)	8,783	7,853	28,733
Average assets	2,363,759	2,441,572	2,369,516
Adjusted return on average assets (annualized) (Non-GAAP)	1.47 %	1.28 %	1.21 %

Adjusted Return on Average Tangible Shareholders' Equity

(Dollars in thousands)

	Three Months Ended September 30, 2025	Three Months Ended December 31, 2025	Twelve Months Ended December 31, 2025
Net (loss) income	\$ 8,334	\$ 7,442	\$ 27,755
Average shareholders' equity	226,733	240,123	227,160
Average intangible assets	29,380	29,369	29,388
Average tangible shareholders' equity	197,353	210,754	197,772
Return on average tangible shareholders' equity (annualized)	16.76 %	14.01 %	14.03 %
Net (loss) income	8,334	7,442	27,755
Merger Expenses	568	520	1,238
Tax effect at 21%	(119)	(109)	(260)
Adjusted Net Income (Non-GAAP)	8,783	7,853	28,733
Average tangible shareholders' equity	197,353	210,754	197,772
Adjusted return on average shareholders' equity (annualized) (Non-GAAP)	17.66 %	14.78 %	14.53 %

Adjusted Earnings Per Share

(Dollars in thousands)

Three Months Ended	Three Months Ended	Twelve Months Ended
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	September 30, 2025	December 31, 2025	December 31, 2025
GAAP-Based Earnings Per Share, Basic	\$ 0.89	\$ 0.80	\$ 3.01
GAAP-Based Earnings Per Share, Diluted	\$ 0.89	\$ 0.80	\$ 3.01
Net (Loss) Income	8,334	7,442	27,755
Merger Expenses	568	520	1,238
Tax effect at 21%	(119)	(109)	(260)
Adjusted Net Income (Non-GAAP)	8,783	7,853	28,733
Adjusted Earnings per Share, Basic (Non-GAAP)	\$ 0.94	\$ 0.84	\$ 3.11
Adjusted Earnings per Share, Diluted (Non-GAAP)	\$ 0.94	\$ 0.84	\$ 3.11

Tangible Book Value

(Dollars in thousands)

	September 30, 2025	December 31, 2025
Total shareholders' equity	234,905	242,157
Adjustments:		
Goodwill	(29,266)	(29,266)
Other intangible assets	(109)	(98)
Tangible common equity (Non-GAAP)	205,530	212,793
Common shares outstanding	9,262,325	9,293,858
Book value per common share	25.36	26.06
Tangible book value per common share (Non-GAAP)	22.19	22.90

NORWOOD FINANCIAL CORP

Reconciliation of Non-GAAP Adjustments for 2024 Loss on Sale of Securities

Adjusted Return on Average Assets

(Dollars in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net (loss) income	\$ (12,651)	\$ (160)
Average assets	2,299,732	2,250,171
Return on average assets (annualized)	-2.19 %	-0.01 %
Net (loss) income	(12,651)	(160)
Net realized losses on sale of securities	19,962	19,962
Tax effect at 21%	(4,192)	(4,192)
Adjusted Net Income (Non-GAAP)	3,119	15,610
Average assets	2,299,732	2,250,171
Adjusted return on average assets (annualized) (Non-GAAP)	0.54 %	0.69 %

Adjusted Return on Average Tangible Shareholders' Equity

(Dollars in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net (loss) income	\$ (12,651)	\$ (160)
Average shareholders' equity	192,981	185,952

Average intangible assets	29,424	29,449
Average tangible shareholders' equity	163,557	156,503
Return on average tangible shareholders' equity (annualized)	-30.77 %	-0.10 %
Net (loss) income	(12,651)	(160)
Net realized losses on sale of securities	19,962	19,962
Tax effect at 21%	(4,192)	(4,192)
Adjusted Net Income (Non-GAAP)	3,119	15,610
Average tangible shareholders' equity	163,557	156,503
Adjusted return on average shareholders' equity (annualized) (Non-GAAP)	7.59 %	9.97 %

Adjusted Earnings Per Share

(Dollars in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
GAAP-Based Earnings Per Share, Basic	\$ (1.54)	\$ (0.02)
GAAP-Based Earnings Per Share, Diluted	\$ (1.54)	\$ (0.02)
Net (Loss) Income	(12,651)	(160)
Net realized losses on sale of securities	19,962	19,962
Tax effect at 21%	(4,192)	(4,192)
Adjusted Net Income (Non-GAAP)	3,119	15,610
Adjusted Earnings per Share, Basic (Non-GAAP)	\$ 0.38	\$ 1.93
Adjusted Earnings per Share, Diluted (Non-GAAP)	\$ 0.38	\$ 1.93

Tangible Book Value

(Dollars in thousands)

	December 31, 2024
Total shareholders' equity	213,508
Adjustments:	
Goodwill	(29,266)
Other intangible assets	(152)
Tangible common equity (Non-GAAP)	184,090
Common shares outstanding	9,272,906
Book value per common share	23.02
Tangible book value per common share (Non-GAAP)	19.85

NORWOOD FINANCIAL CORP

Reconciliation of Non-GAAP Adjustments for 2025 Merger Charges and Loss on Sale of Securities

Pre Provision Net Revenue

(Dollars in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Income before tax expense (GAAP)	\$ 9,368	\$ (16,057)	\$ 35,019	\$ (258)
Provision for (release of) credit losses	468	1,604	1,773	2,673
Pre provision net revenue (PPNR) (Non-GAAP)	9,836	(14,453)	36,792	2,415
Merger expenses and net realize losses on sale of securities	520	19,962	1,238	19,962

PPNR adjusted for merger expenses (Non-GAAP)	10,356	5,509	38,030	22,377
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**Three Months
Ended
September 30,
2025**

Income before tax expense (GAAP)	\$ 10,531
Provision for (release of) credit losses	(502)
Pre provision net revenue (PPNR) (Non-GAAP)	10,029
Merger expenses	568
PPNR adjusted for merger expenses (Non-GAAP)	10,597