Andover Bancorp (ANDC)

Updated April 1st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$20.00	**5 Year Annual Expected Total Return:**	4.5%	**Market Cap:**	$39.7 M
Fair Value Price:	$20.00	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	06/11/2026[1]
% Fair Value:	100%	**5 Year Valuation Multiple Estimate:**	0.0%	**Dividend Payment Date:**	07/01/2026
Dividend Yield:	3.8%	**5 Year Price Target**	$21.02	**Years Of Dividend Growth:**	43
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Andover Bancorp is a financial holding company that operates via its wholly-owned subsidiary, Andover Bank. Founded in 1884, Andover Bank has a long history of providing community-focused financial services in northeastern Ohio and western Pennsylvania regions. The company operates through 10 branches and a loan production office, serving both individual and commercial customers. Its financial services include traditional products like deposit accounts, loan services, and mortgage lending as well as additional services such as debit card processing, investment services, and bank-owned life insurance policies. In 2025, Andover Bank reported total assets of $587.1 million and total deposits of about $544.3 million. The company has a market cap of merely $39.7 million.

On March 30th, 2026, Andover Bancorp reported its full-year 2025 results for the period ending December 31st, 2025. For the year, net income totaled $4.38 million, or $2.17 per share, up from $3.16 million, or $1.53 per share, in 2024. Net interest income increased to $16.2 million from $14.4 million, driven by growth in total interest and dividend income to $22.4 million, up from $20.4 million the prior year. Interest expense also rose to $6.2 million from $6.0 million, including deposit interest expense of $5.7 million. Non-interest income improved modestly to $3.89 million, while non-interest expenses increased to $15.6 million, mainly due to higher salaries and employee benefits, ATM fees, furniture and equipment costs, and professional fees. For 2026, earnings are expected to benefit from stronger net interest margins and continued loan growth, though expense pressures may persist. We forecast EPS of $2.00 for the year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.51	$1.56	$1.57	$1.56	$1.85	$2.42	$2.29	$1.80	$1.53	$2.17	***$2.00***	***$2.10***
DPS	$0.705	$0.710	$0.725	$0.730	$0.735	$0.740	$0.745	$0.750	$0.755	$0.760	***$0.76***	***$0.80***
Shares[2]	2.5	2.5	2.4	2.4	2.3	2.2	2.1	2.1	2.1	2.0	***2.0***	***1.9***

Andover Bancorp's EPS track record from 2016 to 2025 reflects a series of fluctuations driven by a mix of organic growth, economic conditions, and M&A. During period, EPS grew at a CAGR of just 4.1%. Andover recorded soft EPS growth from $1.51 in 2016 to $1.57 by 2018, supported by conservative lending practices and local economic stability. The acquisition of Community National Bank of Northwestern Pennsylvania in 2015 also contributed to boosted scale and earnings, as evidenced by consistent growth during that period.

From 2019 to 2020, EPS rose from $1.56 to $1.85, boosted by favorable interest rates and economic growth prior to the pandemic. The spike to $2.42 in 2021 was largely attributed to the post-pandemic economic rebound and elevated loan demand, which benefited the bank's core lending operations. However, by 2023 and 2024, EPS declined to $1.80 and $1.53, respectively, due to rising interest rates and inflation, which increased the cost of deposits and reduced loan demand. In 2025, EPS rebounded to $2.17 as easing rate pressures, improving net interest margins, and solid loan growth helped restore earnings momentum. We believe EPS will grow at a CAGR of just 1%, as we doubt if Andover's conservative practices and size can lead to competitive net interest margins or meaningful growth in its deposits.

---

[1] Estimates dates based on past dividend dates.
[2] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Andover Bancorp (ANDC)

Updated April 1st, 2026, by Nikolaos Sismanis

Regarding the dividend, while we were unable to confirm this via multiple sources, the bank's latest annual report claims the company has grown its annual dividend for 43 consecutive years. Nevertheless, the increases have been weak, with the dividend growth CAGR over the past ten and five years standing at 0.8% and 0.5%, respectively. We believe this also illustrates the company's rather limited growth prospects moving forward. Thus, we project a 1% growth through 2031, matching our EPS growth estimate. It's worth noting that modest buybacks have taken place over the past decade.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	16.6	16.0	14.6	13.5	9.7	7.9	8.7	10.8	13.1	8.8	***10.0***	***10.0***
Avg. Yld.	2.8%	2.8%	3.2%	3.5%	4.1%	3.9%	3.7%	3.8%	3.8%	4.0%	***3.8%***	***3.8%***

Excluding the relatively insignificant period between 2016 and 2017, when Andover's stock had very low trading volume, the company has generally traded at P/E ratios in the high-single digits to low teens, in-line with its regional bank peers. Currently, the stock is trading at 10.0 times our projected EPS for the year, which we view as a fair multiple. While it's true that the bank has limited growth prospects and risks related to its lack of geographic scope and scale, it also has a book value per share of $25.95. Thus it is trading at a discount to book value. This implies a wide margin of safety.

Safety, Quality, Competitive Advantage, & Recession Resiliency

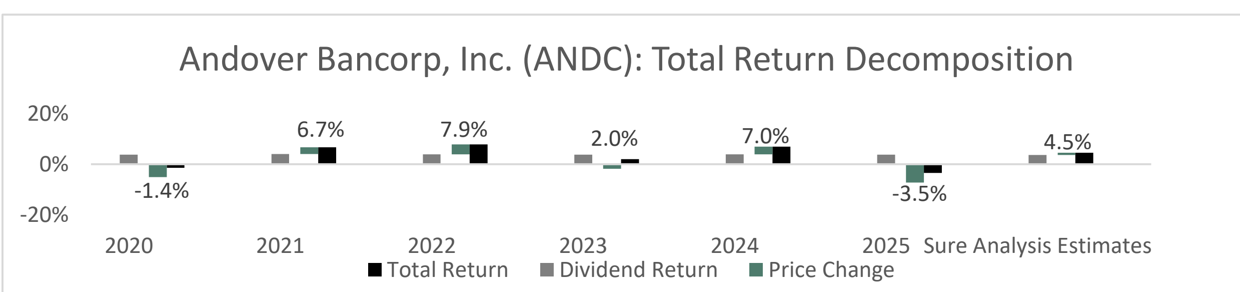
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	47%	46%	46%	47%	40%	31%	33%	42%	49%	35%	***38%***	***38%***

Andover's competitive advantages lie in its strong community banking model, conservative financial management, and long-standing presence in northeastern Ohio and western Pennsylvania. Its focus on sustaining high asset quality, careful loan underwriting, and avoiding riskier financial products like brokered deposits and excessive wholesale borrowings has helped the bank remain stable even in uncertain economic environments. For example, during the challenging economic environment post-COVID, the bank remained profitable, reflecting its resilience and prudent risk management. While its regional presence provides a solid foundation, however, the bank's smaller scale compared to national competitors may limit its ability to leverage technology and innovation as rapidly, which could be a potential vulnerability in the long run. In any case, Andover's focus on core deposits and relationship-based banking continues to offer a durable moat against larger, less personalized financial institutions, and so for this reason we remain confident in its dividend coverage. Note that only a few hundred shares a day are traded Over the Counter (OTC). The stock is highly illiquid.

Final Thoughts & Recommendation

Andover's robust community presence and footprint in the areas it serves make it a seemingly solid choice for investors seeking exposure to a well-managed regional bank with a track record of consistent earnings and dividend growth. That said, its total return outlook seems weak. Our growth estimates are too soft despite the decent potential returns from the dividend. Still, Andover Bancorp earns a hold rating due to its tremendous dividend growth track record.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Andover Bancorp (ANDC)

Updated April 1st, 2026, by Nikolaos Sismanis

Income Statement Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	---	---	15	16	18	18	18	24	26
SG&A Exp.	---	---	1	1	1	1	1	---	---
D&A Exp.	---	---	1	1	1	1	1	1	1
Net Profit	---	---	4	4	5	5	4	3	4
Net Margin	---	---	24.4%	26.6%	30.1%	26.4%	20.7%	12.5%	15.4%
Free Cash Flow	---	---	4	8	6	6	5	5	5
Income Tax	---	---	0	0	0	0	0	0	0

Balance Sheet Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	---	---	427	527	575	571	558	566	588
Cash & Equivalents	---	---	13	19	18	15	29	13	27
Goodwill & Int. Ass.	---	---	3	3	3	3	3	3	3
Total Liabilities	---	---	384	478	528	558	538	548	559
Accounts Payable	---	---	0	0	0	0	1	---	---
Long-Term Debt	---	---	15	18	20	30	10	10	10
Shareholder's Equity	---	---	43	49	47	14	20	18	18
LTD/E Ratio	---	---	0.35	0.36	0.42	2.18	0.49	0.56	0.35

Profitability & Per Share Metrics

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	---	---	---	0.9%	1.0%	0.9%	0.7%	0.6%	0.8%
Return on Equity	---	---	---	9.3%	11.3%	16.2%	22.2%	16.6%	19.0%
ROIC	---	---	---	6.9%	8.1%	8.9%	10.3%	10.9%	13.3%
Shares Out.	2.5	2.4	2.4	2.3	2.2	2.1	2.1	2.1	2.1
Revenue/Share	---	---	6.37	6.94	8.05	8.66	8.69	11.75	13.04
FCF/Share	---	---	1.51	3.59	2.85	2.64	2.59	2.66	2.59

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.