



NEWS RELEASE

Ledyard Financial Group Reports Q3 2024 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 2024. With net income up slightly over the prior quarter and the balance sheet evolving, the Company's strategic plan continues to be effective. By leveraging the integration of its banking and wealth management businesses, the Company promotes growth and the pursuit of making life better for its clients, its employees, its shareholders, and the communities it serves.

Q3 2024 Highlights

- Q3 2024 net income was \$733 thousand (\$0.22 per share), up \$7 thousand over Q2 2024, and down \$106 thousand from Q3 2023.
 - Total assets ended the quarter at \$938.0 million, having grown \$30.0 million or 3.3% from the prior quarter, and ending \$137.7 million or 17.2% higher than a year ago, driven primarily by loan growth.
 - Loan growth in Q3 2024 continued to be robust, notably exceeding the annualized 2-3% industry growth rate and increasing \$35.9 million (7.2%) from the prior quarter) and ended \$147.2 million (38.2%) higher than a year ago.
 - Client deposits were up \$34.8 million and \$207.2 million over Q2 2024 and Q3 2023, respectively. Contributing to this increase was the transfer onto the Bank's balance sheet of \$123.2 million in client wealth management funds in January 2024; excluding those new balances, client deposits grew \$13.1 million (2.3%) in Q3 2024 and \$42.7 million (7.9%) since a year ago.

- Net interest margin widened to 2.18%, up 4 basis points from the prior quarter.
- Capital ratios, although reduced from Q2 2024 and Q3 2023, remain well in excess of regulatory well-capitalized minimums.
- Assets under management (AUM) ended the quarter at \$2.16 billion, up 6.1% and 21.9% from Q2 2024 and Q3 2023, respectively. Revenue from the wealth management business was up \$59 thousand (1.7%) and \$344 thousand (10.7%) over the corresponding previous quarters.
- The Company declared a regular quarterly dividend of \$0.21 per share.

“In Q3 2024, we continued to pursue and execute our strategic plan, re-deploying investment portfolio assets into loans, growing client deposits, and embedding resilience into the balance sheet. With ample liquidity and strong capital, we were able to widen net interest margin, build credit reserves, and maintain our level of net income from the prior quarter. Our third quarter earnings represent a continuation of our journey to more normalized performance levels, and we are maintaining our quarterly dividend,” said Peter Sprudz, CFO.

“We are pleased to see that we are succeeding in the pursuit of all three of our strategic plan pillars – growth, evidenced by our expanding client deposit and loan portfolios; client engagement, manifested by our consistently high scores in client service surveys; and employee engagement, confirmed by our recent recognition as the ‘Best Place to Work’ by the Concord Monitor’s Cappies Awards. We look forward to continuing the pace of growth and expanding upon the return on the strategic investments we have made,” added Josephine Moran, CEO.

Q3 2024 Results

Net income for Q3 2024 was \$733 thousand (\$0.22 per share) compared to \$726 thousand (\$0.22 per share) in Q2 2024 and \$839 thousand (\$0.25 per share) in Q3 2023.

Q3 2024 net interest income was \$4.7 million, up \$194 thousand or 4.3% from the prior quarter, and up \$669 thousand or 16.7% from Q3 2023. Net interest margin (NIM) in Q3 2024 widened to 2.18% from 2.14% in Q2 2024 and was down 9 basis points from 2.27% in Q3 2023. Reported NIM figures do not reflect the beneficial effect of the tax advantage provided by the Company’s \$179.8 million in municipal bond holdings.

Provision for credit losses was \$164 thousand in Q3 2024, which consisted of a net \$262 thousand addition to the Allowance for Credit Losses (ACL), and a \$98 thousand reduction in the Liability for Unfunded Commitments.

Non-interest revenue for Q3 2024 amounted to \$3.9 million, up \$10 thousand or 0.3% from Q2 2024, and up \$383 thousand or 10.8% from Q3 2023.

- Revenue from Ledyard Financial Advisors (LFA) amounted to \$3.6 million in Q3 2024, up \$59 thousand or 1.7%

from Q2 2024, and up \$344 thousand or 10.7% from Q3 2023.

- AUM ended the quarter at \$2.16 billion, up 6.1% from \$2.04 billion at the end of Q2 2024, and up 21.9% from \$1.78 billion at the end of Q3 2023.

Non-interest expense in Q3 2024 was \$7.7 million, up \$165 thousand (2.2%) from \$7.5 million in Q2 2024, and up \$591 thousand (8.3%) from \$7.1 million in Q3 2023.

The Company continues to benefit from its investments in Low Income Housing Tax Credits and tax-exempt municipal bonds. In Q3 2024, the net tax expense was \$40 thousand.

Total assets of the Company at September 30, 2024 were \$938.0 million, up \$30.0 million or 3.3% from the end of Q2 2024, and up \$137.7 million or 17.2% from the end of Q3 2023, driven primarily by loan growth.

Gross loans at September 30, 2024 were \$532.2 million, compared to \$496.2 million at June 30, 2024 and \$385.0 million at September 30, 2023, higher by 7.2% for the quarter and 38.2% for the year. Loan growth was broad-based, with a focus on residential lending programs offered as part of the Company's efforts to promote banking services to healthcare professionals.

Credit reserves amounted to \$4.3 million at September 30, 2024, the sum of \$3.7 million in ACL and \$677 thousand in Liability for Unfunded Commitments. ACL increased \$262 thousand and \$939 thousand over Q2 2024 and Q3 2023, respectively, and amounted to 0.69% of gross loan balances at September 30, 2024, as compared to 0.69% and 0.71% at June 30, 2024 and September 30, 2023, respectively. The Liability for Unfunded Commitments was down \$98 thousand from Q2 2024, and up \$590 thousand from Q3 2023. This reserve balance is included in Other Liabilities on the balance sheet. The Company experienced net recoveries of \$5 thousand in Q3 2024, and the ACL at the end of the quarter provides 3.6x coverage of non-performing assets.

Client deposits were up \$34.8 million and \$207.2 million over Q2 2024 and Q3 2023, respectively. Contributing to these increases were net deposit inflows from LFA client wealth management funds of \$21.7 million in Q3 2024 and the transfer onto the Bank's balance sheet of \$123.2 million in LFA client wealth management funds in January; excluding those new balances, client deposits grew \$13.1 million (2.3%) in Q3 2024 and \$42.7 million (7.9%) since a year ago.

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 14%), and proven access to both unsecured and secured wholesale funding channels.

Quarter-over-quarter, the Company reduced wholesale borrowings and deposits acquired through brokers or

listing channels by \$5.8 million. The overall maturity profile of the Company's wholesale funding was 3.8 years at quarter end, effectively unchanged from the prior 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 \$340 million in readily accessible borrowing capacity as of September 30, 2024.

At September 30, 2024, shareholders' equity was \$56.7 million, up \$1.2 million or 2.1% from the prior quarter, and up \$3.2 million or 6.0% from Q3 2023. These changes include the impact of changes in Accumulated Other Comprehensive Income (AOCI), which moved from an unrealized loss position of \$17.6 million at Q3 2023 to an unrealized loss position of \$15.1 million at Q2 2024, and to an unrealized loss position of \$14.0 million at the end of Q3 2024. These movements directly track interest rate driven changes in the market value of Available-for-Sale securities and derivative contracts used for hedging purposes.

The Company's capital ratios remain well in excess of 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. At September 30, 2024, the Company's book value per share excluding and including AOCI stood at \$20.74 and \$16.63, respectively, compared to \$20.70 and \$16.29, respectively, at June 30, 2024, and \$21.11 and \$15.89, respectively, at September 30, 2023.

Dividend Declaration

The Company is pleased to announce that a regular quarterly dividend of \$0.21 per share will be paid on December 6, 2024, to shareholders of record as of November 15, 2024.

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.

For the Three Months Ended

Income Statement (unaudited, \$000s)	9/30/2024	6/30/2024	9/30/2023
Net interest income before provision	\$4,676	\$4,482	\$4,007
Provision for credit losses	164	139	(298)
Net interest income after provision	4,512	4,343	4,305
Ledyard Financial Advisors revenue	3,554	3,495	3,210
Securities gains (losses)	1	6	(11)
Other non-interest income	377	421	350
Total non-interest income	3,932	3,922	3,549
Total revenue	8,444	8,265	7,854
Non-interest expense	7,671	7,506	7,080
Pre-tax income	773	759	774
Tax expense (benefit)	40	33	(65)
Net income	\$733	\$726	\$839

For the Three Months Ended

Other Operating Metrics	9/30/2024	6/30/2024	9/30/2023
Earnings per common share, basic	\$0.22	\$0.22	\$0.25
Earnings per common share, diluted	\$0.22	\$0.22	\$0.25
Dividends per common share	\$0.21	\$0.21	\$0.21
Return on assets	0.30%	0.28%	0.44%
Return on equity	4.87%	4.61%	6.02%
Net interest margin	2.18%	2.14%	2.27%
Efficiency ratio	89.11%	89.31%	93.71%

Balance Sheet (unaudited, \$000s)	9/30/2024	6/30/2024	9/30/2023
Investments & interest-bearing deposits	\$344,501	\$349,109	\$350,301
Gross loans	532,164	496,232	384,971
Allowance for credit losses	(3,671)	(3,409)	(2,732)
Net loans	528,493	492,823	382,239
Premises, equipment & other assets	64,957	66,053	67,708
Total assets	\$937,951	\$907,985	\$800,248
Client deposits	\$746,208	\$711,442	\$538,980
Brokered & institutional deposits	76,542	82,366	54,533
Borrowings	32,107	32,280	128,730
Subordinated debt	18,000	18,000	18,000
Other liabilities	8,381	8,375	6,480
Total liabilities	881,238	852,463	746,723
Capital	72,356	72,224	72,769
Accumulated other comprehensive loss	(13,999)	(15,058)	(17,600)
Treasury stock	(1,644)	(1,644)	(1,644)
Total shareholders' equity	56,713	55,522	53,525
Total liabilities and equity	\$937,951	\$907,985	\$800,248

Other Metrics (as of stated date)	9/30/2024	6/30/2024	9/30/2023
Book value per share (excluding AOCI)	\$20.74	\$20.70	\$21.11
Book value per share (including AOCI)	\$16.63	\$16.29	\$15.89
Leverage ratio	7.63%	7.78%	9.13%
Risk based capital ratio	15.05%	15.54%	18.99%
Allowance to total loans	0.69%	0.69%	0.71%
Texas ratio	1.15%	1.09%	1.24%
Allowance to non-performing assets	364%	360%	255%
Assets under management (billions)	\$2.163	\$2.038	\$1.775
Shares of common stock issued	3,525,930	3,525,357	3,484,962
Treasury shares	115,998	115,998	115,998
Stock price - high	\$14.00	\$15.20	\$15.75
Stock price - low	\$12.77	\$13.44	\$13.50
Stock price - average	\$13.64	\$14.49	\$14.62

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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