



NEWS RELEASE

## Ledyard Financial Group Reports Quarterly Earnings

2020-04-28

HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, is proud to announce record quarterly earnings for the first quarter of 2020, although our enthusiasm is tempered by our concern for those impacted by the COVID-19 pandemic and how it will impact Ledyard, including our employees and the communities we serve. As a community bank we continue to focus on our customers and their financial needs during these highly unusual times while also continuing to take the necessary steps to ensure Ledyard remains strong. We entered this crisis in a position of strength and remain focused on what we need to do to ensure we are able to support the communities we serve. Net income for the quarter ended March 31, 2020, was \$1,620,939 or \$0.51 per share compared to \$1,307,760 or \$0.42 per share for the same period in 2019, an increase of \$313,180 or 24%. The underlying results for the Company were extremely positive, but we are expecting significant challenges ahead, in both the level of problem loans and volatility in the equity markets.

Total revenue for the quarter ended March 31, 2020, was \$7,304,625 compared to \$6,976,633 for the same period in 2019, for an increase of \$327,992 or 4.7%. Net interest income for the quarter ended March 31, 2020, was \$3,843,238 compared to \$4,055,813 for the same period in 2019, for a decrease of \$212,575 or 5.2%. The decrease in net interest income was due primarily to the decrease in interest rates, which caused loans to re-price down and resulted in a reduction of interest income.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended March 31, 2020, of \$2,933,686 compared to \$2,575,276 for the same period in 2019, an increase of \$358,410 or 13.9%. Assets under management ended the first quarter at \$1.4 billion, a decrease of approximately \$124 million over the prior

year and \$300 million over December 31, 2019. The recent volatility in the equity markets is the reason for the decline in assets under management.

Non-interest expense for the quarter ended March 31, 2020, was \$5,202,957 compared to \$5,488,849 for the same period in 2019, a decrease of \$285,892 or 5.2%. During 2019 the Company completed its core conversion and the related costs were incurred within that year with no comparable expenses in 2020.

At March 31, 2020, the Company's shareholders' equity stood at \$58.5 million compared to \$50.7 million for the same period in 2019. All of the Company's capital ratios are well in excess of the amount required by the Federal Reserve for a bank holding company to be considered "well capitalized" and we have significant levels of liquidity resources available to support our operations during these unusual times. At March 31, 2020, the Company's book value per share stood at \$18.00 compared to \$15.70 for the same period in 2019.

Loans, net of the allowance for loan losses at March 31, 2020, were \$326.8 million compared to \$310.9 million for the same period last year, for an increase of \$15.9 million or 5.1%. Total deposits at March 31, 2020, were \$394.6 million compared to \$400.5 million, a decrease of \$5.9 million or 1.5% from the same period last year. Total assets of the Company were \$563.3 million at March 31, 2020, an increase of \$63.7 million over the prior year. The increase was due to investments purchased during March when there were opportunities in the municipal bond markets. The increase in investments was funded with borrowings.

The Company provided \$250,000 to the Allowance during the first quarter of 2020 in response to economic conditions surrounding the COVID-19 pandemic. No funds were added to the Allowance in the first quarter of 2019. Net charge-offs at March 31, 2020, were \$6,119 compared to \$30,265 for the comparable period in 2019. The total Allowance was \$5.5 million at March 31, 2020, compared to \$5.2 million at March 31, 2019. Total non-performing assets were \$1.1 million at March 31, 2020, compared to \$2.5 million for the comparable period in 2019.

On April 24, 2020, the Company announced a regular quarterly dividend of \$0.19 per share to be paid on June 5, 2020, to shareholders of record as of May 15, 2020.

The Company's annual meeting is scheduled for 9:00 a.m. on May 28, 2020, at Ledyard's operations center located at 66 Benning Street, Suite 5, West Lebanon, New Hampshire. We are actively monitoring the COVID-19 situation and are sensitive to the public health and travel concerns of our shareholders. In the event the annual meeting will not be held in person, we will announce alternative arrangements for the meeting as promptly as practicable.

Ledyard Financial Group, Inc., headquartered in Hanover, New Hampshire, is the holding company for Ledyard National Bank. Ledyard National Bank, founded in 1991, is a full-service community bank offering a broad range of banking, investment, tax and wealth management services.

Ledyard Financial Group, Inc. shares can be bought and sold through the NASD sanctioned "OTC Markets" under the trading symbol LFGP. Shares may be traded through an individual's broker. For more information, please refer to the "Investor Relations" section of the bank's website at [www.ledyardbank.com](http://www.ledyardbank.com) or contact the Company's CFO, Gregory D. Steverson.

Ledyard Financial Group, Inc.  
Selected Financial Highlights  
(Unaudited)

	For the Three Months Ended	
	3/31/2020	3/31/2019
Total Interest Income	\$ 4,351,807	\$ 4,427,562
Total Interest Expense	508,568	371,749
Net Interest Income before provision	3,843,238	4,055,813
Provision for Loan Losses	250,000	0
Net interest income after provision	3,593,238	4,055,813
Non-interest Income	3,461,387	2,920,820
Non-interest Expense	5,202,957	5,488,849
Pre-tax Income	1,851,668	1,487,784
Tax Expense	230,729	180,025
Net Income	1,620,939	1,307,760
Earnings Per Common Share, basic	\$ 0.51	\$ 0.42
Earnings Per Common Share, diluted	\$ 0.50	\$ 0.41
Dividends Per Common Share	\$ 0.19	\$ 0.18
Efficiency Ratio	71.23%	78.67%
	As of	As of
	3/31/2020	3/31/2019
Total Assets	\$ 563,264,910	\$ 499,555,785
Investments	199,141,298	147,182,201
Loans Receivable, net	326,754,815	310,862,707
Total Deposits	394,582,444	400,526,632
FHLB Advances & Other Borrowings	98,693,159	36,222,468
Stockholder's Equity	58,528,089	50,699,201
Common Stock Issued	3,384,090	3,352,722
Treasury Shares	133,025	124,048
Book Value per Share	\$ 18.00	\$ 15.70
Return On Assets	1.24%	1.05%
Return On Equity	11.17%	10.45%
Allowance for Loan Losses	\$ 5,468,782	\$ 5,245,760
Allowance to Total Loans	1.65%	1.66%

**Forward-Looking Statements:** Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. Specific factors include, but are not limited to, loan production, competitive pressure in the banking industry, balance sheet management, net interest margin variations, the effect of changes in equity prices on assets under management, the ability to control costs and expenses, changes in the interest rate environment, financial policies of the United States government, and general economic conditions. The Company disclaims any obligation to update any such factors.

**Note:** Certain reclassifications have been made to the prior period information to conform to the current period presentation.

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Source: Ledyard Financial Group, Inc.