



NEWS RELEASE

Ledyard Financial Group Reports Record Earnings

2021-04-19

HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, is proud to announce record earnings for the first quarter of 2021. Our focus continues to be strengthening our financial position, maintaining our strong liquidity position, and preserving core earnings. Our results demonstrate that our financial condition remains strong and that our core businesses continue to thrive in this prolonged difficult environment. As a community bank we continue to focus on our customers and their financial needs during these highly unusual times. 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 our core constituents. Net income for the quarter ended March 31, 2021, was \$1,835,872 or \$0.58 per share compared to \$1,620,939 or \$0.51 per share for the same period in 2020, an increase of \$214,933 or 13%. The underlying results for the Company were extremely positive. We are optimistic that the worst of the pandemic is behind us. The Company is well positioned to navigate any difficulties that we may encounter in the future, and we remain focused on supporting our core businesses and executing on our strategic plan.

Total revenue for the quarter ended March 31, 2021, was \$8,258,982 compared to \$7,304,625 for the same period in 2020, for an increase of \$954,357 or 13%. Net interest income for the quarter ended March 31, 2021, was \$4,445,273 compared to \$3,843,238 for the same period in 2020, for an increase of \$602,035 or 16%. The increase in our net interest income was due primarily to the increase in investments and interest-bearing deposits and the ability to manage the cost of our deposits and borrowings.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended March 31, 2021, of \$3,080,256 compared to \$2,933,686 for the same period in 2020, an increase of \$146,570 or 5%. Assets

under management ended the first quarter at \$1.788 billion, an increase of approximately \$329 million over the prior year and \$79 million over December 31, 2020.

Non-interest expense for the quarter ended March 31, 2021, was \$6,248,271 compared to \$5,202,957 for the same period in 2020, an increase of \$1,045,314 or 20%. The increase in non-interest expense relates to non-recurring recruitment expenses as well as salary and benefit expenses that were reinstated in 2021, after having been discontinued in 2020 as part of our expense reduction program in response to the pandemic.

At March 31, 2021, the Company's shareholders' equity stood at \$66.2 million compared to \$58.5 million for the same period in 2020. 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, 2021, the Company's book value per share stood at \$19.93 compared to \$18.00 for the same period in 2020.

Loans, net of the allowance for loan losses at March 31, 2021, were \$364.7 million compared to \$326.8 million for the same period last year, for an increase of \$37.9 million or 12%. Included in this loan growth is \$30.8 million of PPP loans originated as part of the CARES act. Total deposits at March 31, 2021, were \$601.5 million compared to \$394.6 million, an increase of \$206.9 million or 53% from the same period last year. Included in this deposit growth is \$67 million of brokered deposits, which provide funding at lower costs than current wholesale borrowing alternatives. Total assets of the Company were \$693.9 million at March 31, 2021, an increase of \$130.7 million over the prior year. In addition to the loan growth related to the CARES act, the balance sheet growth was due to investments purchased during the past year.

The Company provided \$50,000 to the Allowance during the first quarter of 2021 compared to \$250,000 in the comparable quarter in 2020. Net recoveries at March 31, 2021, were \$30,331 compared to \$6,119 for the comparable period in 2020. The total Allowance was \$8.04 million at March 31, 2021, compared to \$5.5 million at March 31, 2020. Total non-performing assets were \$1.4 million at March 31, 2021, compared to \$1.1 million for the comparable period in 2020.

The Company is pleased to announce it has been named one of the top 25 Bank Boards for Women by Bank Director, an information resource for directors and officers of financial companies. Kathy Underwood, President and CEO, stated, "We're proud to be named to this exclusive list of banks. With eleven directors at Ledyard, I am very proud that six are women. Ledyard is dedicated to bringing diversity and inclusion on our board. We look at diversity in a number of ways including experience, age, ethnicity, geography and gender and are committed to ensuring that women are well represented in leadership roles throughout the bank. The diverse skills and experience of our teams foster innovation that will lead us successfully into the future."

The Company's annual meeting is scheduled for 9:00 a.m. on May 27, 2021, 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 on our website.

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, 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 or contact the Company's CFO, Gregory D. Steverson.

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

	For the Three Months Ended	
	3/31/2021	3/31/2020
Total Interest Income	\$4,958,078	\$4,351,807
Total Interest Expense	512,805	508,568
Net Interest Income before Provision	4,445,273	3,843,238
Provision for Loan Losses	50,000	250,000
Net Interest Income after Provision	4,395,273	3,593,238
Ledyard Financial Advisors revenue	3,080,256	2,933,687
Security gains (losses)	308,457	118,465
Other Non-interest Income	424,996	409,235
Non-interest Expense	6,248,271	5,202,957
Pre-tax Income	1,960,711	1,851,668
Tax Expense	124,839	230,729
Net Income	1,835,872	1,620,939
Earnings Per Common Share, basic	\$ 0.58	\$ 0.51
Earnings Per Common Share, diluted	\$ 0.57	\$ 0.50
Dividends Per Common Share	\$ 0.19	\$ 0.19
Efficiency Ratio	75.65%	71.23%
	As of	As of
	3/31/2021	3/31/2020
Total Assets	\$693,915,743	\$563,264,910
Investments & interest-bearing deposits	280,515,030	199,141,298
Loans Receivable, net	364,680,671	326,754,815
Deposits	534,513,201	394,582,444
Brokered Deposits	67,009,465	-
Borrowings and Other Liabilities	26,159,020	110,154,377
Stockholder's Equity	66,234,057	58,528,089
Common Stock Issued	3,447,639	3,384,090
Treasury Shares	124,664	133,025
Risk-Based Capital Ratio	16.78%	17.84%
Book Value per Share	\$ 19.93	\$ 18.00
Return on Assets	1.05%	1.24%
Return on Equity	10.49%	11.17%
Allowance for loan losses	\$ 8,038,375	\$ 5,468,782
Allowance to total loans	2.16%	1.65%

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.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20210419005700/en/>

Gregory D. Steverson, EVP, COO & CFO
(603) 640-2666
greg.steverson@ledyardbank.com

Source: Ledyard Financial Group, Inc.