



NEWS RELEASE

## Ledyard Financial Group Reports Record Earnings

2021-07-26

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 second quarter and year-to-date 2021. Our record quarterly earnings and our year-to-date results demonstrate that our financial condition remains strong and that our core businesses continue to thrive in this prolonged challenging environment. Our attention remains on strengthening our financial position, maintaining our strong liquidity position, and preserving core earnings. 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 centered on what we need to do to ensure our continued support of our core constituents.

Net income for the quarter ended June 30, 2021, was \$1,957,272 or \$0.61 per share compared to \$1,637,173 or \$0.52 per share for the same period in 2020, an increase of \$320,099 or 20%. Net income for the six months ended June 30, 2021, was \$3,793,143 or \$1.18 per share compared to \$3,258,112 or \$1.03 per share for the same period in 2020, an increase of \$535,031 or 16%. 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. We remain focused on supporting our core businesses and executing on our strategic plan.

Total revenue for the quarter ended June 30, 2021, was \$8,390,563 compared to \$8,149,150 for the same period in 2020, for an increase of \$241,413 or 3%. Total revenue for the six months ended June 30, 2021, was \$16,649,545 compared to \$15,453,775 for the same period in 2020, for an increase of \$1,195,770 or 7.7%. Net interest income for the quarter ended June 30, 2021, was \$4,624,242 compared to \$4,268,207 for the same period in 2020, for an

increase of \$356,035 or 8.3%. Net interest income for the six months ended June 30, 2021, was \$9,069,515 compared to \$8,111,446 for the same period in 2020, for an increase of \$958,069 or 11.8%. The increase in our net interest income was due primarily to an increase in investments and interest-bearing deposits, the acceleration of deferred revenue due to the forgiveness of PPP loans, and our 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 June 30, 2021, of \$3,305,576 compared to \$2,757,164 for the same period in 2020, an increase of \$548,412 or 20%. Revenue for the six months ended June 30, 2021, was \$6,385,831 compared to \$5,690,850 for the same period in 2020, an increase of \$694,981 or 12%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.88 billion as of June 30, 2021, which is a \$328 million increase over June 30, 2020.

Non-interest expense for the quarter ended June 30, 2021, was \$6,106,181 compared to \$5,267,249 for the same period in 2020, an increase of \$838,932 or 16%. Non-interest expense for the six months ended June 30, 2021, was \$12,354,453 compared to \$10,470,206 for the same period in 2020, an increase of \$1,884,247 or 18%. 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 June 30, 2021, the Company's shareholders' equity stood at \$70.8 million compared to \$61.2 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 the Company has significant levels of liquidity resources available to support operations during these unusual times. At June 30, 2021, the Company's book value per share stood at \$21.09 compared to \$18.88 for the same period in 2020.

Loans, net of the allowance for loan losses at June 30, 2021, were \$354.4 million compared to \$352.6 million for the same period last year, for an increase of \$1.8 million or less than 1%. Ledyard's lending continues to be impacted by the pandemic's effect on its business loan customers and the effect interest rates are having on lending in general. Excluding PPP net loan activity during the current and prior period, loan balances increased approximately \$25 million. At June 30, 2021, the Company's PPP loan balances were \$17.7 million compared to \$39.9 million in the prior year. Total deposits at June 30, 2021 were \$624.2 million compared to \$448.7 million, an increase of \$175.5 million or 39% from the same period last year. Included in this deposit growth is \$70 million of brokered deposits, which provide funding at lower costs than current wholesale borrowing alternatives. Total assets of the Company were \$714.4 million at June 30, 2021, an increase of \$94.3 million over the prior year. Most of the growth in total assets was due to investments purchased during the past year.

No funds were added to the Allowance during the second quarter of 2021, compared to \$1,200,000 for the second

quarter of 2020. Year to date \$50,000 has been added to the Allowance, compared to \$1,450,000 for the prior year. The total Allowance was \$8.04 million at June 30, 2021, compared to \$6.49 million for the prior year. Total non-performing assets were \$1.2 million at June 30, 2021, compared to \$1.6 million for the same period in 2020.

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. Stock activity information can be found in the “Investor Relations” section of our website, which includes a wealth of other information that Ledyard shareholders and prospective shareholders may find of interest.

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 Chief Financial Officer, Gregory D. Steverson.

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

	For the Three Months Ended		For the Six Months Ended	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Total Interest Income	\$4,964,853	\$4,804,058	\$9,922,931	\$9,155,865
Total Interest Expense	340,611	535,851	853,416	1,044,419
Net Interest Income Before Provision	4,624,242	4,268,207	9,069,515	8,111,446
Provision for Loan Losses	0	1,200,000	50,000	1,450,000
Net Interest Income After Provision	4,624,242	3,068,207	9,019,515	6,661,446
Ledyard Financial Advisor Revenue	3,305,576	2,757,164	6,385,831	5,690,850
Securities gains (losses)	(32,630)	566,011	275,827	684,475
Other Non-interest Income	493,374	557,769	918,371	967,005
Non-interest Expense	6,106,181	5,267,249	12,354,453	10,470,206
Pre-tax income	2,284,381	1,681,902	4,245,091	3,533,570
Tax Expense	327,109	44,729	451,948	275,458
Net Income	1,957,272	1,637,173	3,793,143	3,258,112
Earnings Per Common Share, basic	\$0.61	\$0.52	\$1.18	\$1.03
Earnings Per Common Share, diluted	\$0.60	\$0.52	\$1.17	\$1.02
Dividends Per Common Share	\$0.20	\$0.19	\$0.39	\$0.38
Efficiency Ratio	72.77%	64.64%	74.20%	67.75%
	As of June 30, 2021	As of June 30, 2020		
Total Assets	\$714,425,234	\$620,114,929		
Investments & interest-bearing deposits	314,124,489	229,738,538		
Loans Receivable, net	354,380,409	352,606,790		
Deposits	554,222,283	448,703,986		
Brokered Deposits	70,009,249	-		
Borrowings & Other Liabilities	19,430,925	110,205,746		
Stockholder's Equity	70,762,776	61,205,197		
Common Stock Issued	3,479,450	3,375,434		
Treasury Shares	124,244	132,845		
Total Risk Based Capital Ratio	17.11%	17.09%		
Book Value per Share	\$21.09	\$18.88		
Return on Assets	1.07%	1.15%		

Return on Equity	11.02%	11.07%		
Allowance for Loan Losses	\$8,039,722	\$6,497,322		
Allowance as a % of Total Loans	2.22%	1.81%		

**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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Ticker Symbol: LFGP

Source: Ledyard Financial Group, Inc.