



NEWS RELEASE

## Ledyard Financial Group Reports Record Earnings

2021-10-25

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 third 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 prosper in this prolonged challenging environment. The delta variant continues to present challenges to Ledyard and to our core constituents. It is far from certain what the “new normal” might be in the future. In spite of these challenges, our attention continues to remain on strengthening our financial position, maintaining our strong liquidity position, and preserving core earnings. As a community bank, our focus is 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 supporting our employees, clients and community.

Net income for the quarter ended September 30, 2021, was \$1,974,838 or \$0.61 per share compared to \$1,717,884 or \$0.54 per share for the same period in 2020, an increase of \$256,954 or 15%. Net income for the nine months ended September 30, 2021, was \$5,767,982 or \$1.80 per share compared to \$4,975,996 or \$1.57 per share, an increase of \$791,986 or 16%. The underlying results for the Company were extremely positive and we are well positioned to navigate any difficulties we may encounter in the future. We remain focused on keeping our employees and customers safe, supporting our customers as they navigate the challenges presented by the pandemic, and executing on our strategic plan.

Total revenue for the quarter ended September 30, 2021, was \$8,386,526 compared to \$8,241,275 for the same period in 2020, for an increase of \$145,251 or 1.7%. Total revenue for the nine months ended September 30, 2021, was \$25,036,071 compared to \$23,695,050 for an increase of \$1,341,021 or 5.7%. Net interest income for the

quarter ended September 30, 2021, was \$4,647,066 compared to \$4,251,182 for the same period in 2020, for an increase of \$395,884 or 9.3%. Net interest income for the nine months ended September 30, 2021, was \$13,716,582 compared to \$12,362,628 for the same period in 2020, for an increase of \$1,353,954 or 11%. 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 September 30, 2021, of \$3,376,600 compared to \$2,931,645 for the same period in 2020, an increase of \$444,955 or 15%. Revenue for the nine months ended September 30, 2021, was \$9,762,432 compared to \$8,622,496 for the same period in 2020, an increase of \$1,139,936 or 13%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.88 billion as of quarter-end September 30, 2021, and \$1.61 billion for the same period in 2020.

Non-interest expense for the quarter ended September 30, 2021, was \$6,218,579 compared to \$5,234,662 for the same period in 2020, an increase of \$983,917 or 19%. Non-interest expense for the nine months ended September 30, 2021, was \$18,573,032 compared to \$15,704,868 for the same period in 2020, an increase of \$2,868,164 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.

On September 30, 2021, the Company's shareholders' equity stood at \$72.6 million compared to \$62.8 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." At September 30, 2021, the Company's book value per share stood at \$21.72 compared to \$18.97 for the same period in 2020.

Loans, net of the allowance for loan losses at September 30, 2021, were \$344.6 million compared to \$363.7 million for the same period last year, a decrease of \$19.1 million or 5.2%. At September 30, 2021, PPP loan balances totaled \$10.1 million compared to \$40.1 million for the same period last year. Total deposits at September 30, 2021, were \$637.5 million compared to \$550.5 million, an increase of \$87 million or 16% 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 \$729 million compared to \$648 million at September 30, 2020, an increase of \$81 million over the prior year. The current environment has presented challenges to growing loans. As cash has built up on our balance sheet either because of PPP forgiveness, other loan prepayments or growth in deposits, we have deployed excess funds in investment securities in order to earn a spread.

During the quarter ended September 30, 2021, no funds were added to the allowance, compared to \$1 million added during the same period in 2020. For the nine months ended September 30, 2021, \$50,000 was added to the allowance compared to \$2,450,000 for the same period in 2020. The total Allowance was \$8.1 million at September 30, 2021, compared to \$7.5 million at September 30, 2020. Total non-performing assets were \$1.3 million at September 30, 2021, compared to \$1.5 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 Ledyard’s 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 EVP, COO, and CFO, Gregory D. Steverson.

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

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2021	9/30/2020	9/30/2021	9/30/2020
Total Interest Income	\$ 4,970,491	\$ 4,824,855	\$ 14,893,422	\$ 13,980,720
Total Interest Expense	323,425	573,673	1,176,840	1,618,092
Net Interest Income Before Provision	4,647,066	4,251,182	13,716,582	12,362,628
Provision for Loan Losses	-	1,000,000	50,000	2,450,000
Net Interest Income after Provision	4,647,066	3,251,182	13,666,582	9,912,628
Ledyard Financial Advisor Revenue	3,376,600	2,931,645	9,762,432	8,622,496
Securities gains	-	556,164	275,828	1,240,639
Other Non-interest Income	362,860	502,283	1,281,230	1,469,287
Non-interest Expense	6,218,579	5,234,662	18,573,032	15,704,868
Pre-tax Income	2,167,947	2,006,612	6,413,040	5,540,182
Tax Expense	193,109	288,728	645,058	564,186
Net Income	1,974,838	1,717,884	5,767,982	4,975,996
Earnings Per Common Share, basic	\$ 0.61	\$ 0.54	\$ 1.80	\$ 1.57
Earnings Per Common Share, diluted	\$ 0.60	\$ 0.54	\$ 1.77	\$ 1.55
Dividends Per Common Share	\$ 0.20	\$ 0.19	\$ 0.59	\$ 0.57
Efficiency Ratio	74.15%	63.52%	74.19%	66.28%
	As of September 30, 2021	As of September 30, 2020		
Total Assets	\$ 729,188,129	\$ 648,000,630		
Investments and interest-bearing deposits	337,409,854	247,007,855		
Loans Receivable, net	344,642,556	363,652,187		
Deposits	567,442,683	470,450,806		
Brokered Deposits	70,009,452	80,013,852		
Borrowings & Other Liabilities	19,096,299	34,681,146		
Stockholder’s Equity	72,639,695	62,854,827		
Common Stock Issued	3,468,612	3,447,834		
Treasury Shares	124,164	133,505		
Total Risk Based Capital Ratio	16.79%	17.00%		
Book Value per Share	\$ 21.72	\$ 18.97		
Return on Assets	1.08%	1.13%		

Return on Equity	11.00%	11.04%		
Allowance for Loan Losses	8,077,220	7,525,919		
Allowance as a % of Total Loans	2.29%	2.03%		

**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.