



NEWS RELEASE

Ledyard Financial Group Reports Record Quarterly Earnings

2022-04-19

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 2022. This is the ninth consecutive quarter of record earnings and while uncertainty continues in the economy, these results are evidence of the strength of our core businesses and financial condition. Despite these challenges, our attention remains on strengthening our financial position and continuing to make progress on our strategic initiatives.

Net income for the quarter ended March 31, 2022, was \$2,044,552 or \$0.63 per share compared to \$1,835,871 or \$0.58 per share for the same period in 2021, an increase of \$208,681 or 11%. The underlying results for the Company were extremely positive. 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. Volatility in the capital markets has not had a significant impact on our most recent financial results.

Total revenue for the quarter ended March 31, 2022, was \$8,684,640 compared to \$8,258,981 for the same period in 2021, for an increase of \$425,658 or 5%. Net interest income for the quarter ended March 31, 2022, was \$4,694,029 compared to \$4,445,272 for the same period in 2021, for an increase of \$248,757 or 6%. 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, 2022, of \$3,368,700 compared to \$3,080,256 for the same period in 2021, an increase of \$288,444 or 9%. Assets

under management ended the first quarter at \$1.90 billion, an increase of approximately \$112 million over the prior year. Since the end of 2021, the equity markets have been mostly down and interest rates are up. These trends have contributed to a decline in AUM since the end of 2021 of \$75 million.

Non-interest expense for the quarter ended March 31, 2022, was \$6,484,409 compared to \$6,248,271 for the same period in 2021, an increase of \$236,138 or 4%. The increase in non-interest expense relates to salary and benefit expenses and expenses related to software.

At March 31, 2022, the Company's shareholders' equity stood at \$52.7 million compared to \$66.2 million for the same period in 2021. The decrease in shareholders' equity is due to the decline in Other Comprehensive Income, which was in an unrealized loss position of \$13.4 million at March 31, 2022 contrasted with an unrealized gain position of \$6.4 million at March 31, 2021. The change in this account was directly related to the change in values on securities and derivative contracts due to changes in interest rates. The value in this account is excluded when calculating our regulatory capital ratios. 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 times. At March 31, 2022, the Company's book value per share stood at \$15.74 compared to \$19.93 for the same period in 2021. The decline in the book value per share is directly related to the decline in Other Comprehensive Income.

Loans, net of the allowance for loan losses at March 31, 2022, were \$351.5 million compared to \$364.7 million for the same period last year, for a decrease of \$13.2 million or 4%. The decline in loans relates primarily to the Cares Act loans forgiven and to other loans that prepaid early. Total deposits at March 31, 2022, were \$667.6 million compared to \$601.5 million, an increase of \$66.1 million or 11% from the same period last year. Included in this deposit growth is \$71 million of brokered deposits, which provide funding at lower costs than current wholesale borrowing alternatives. Total assets of the Company were \$759.1 million at March 31, 2022, an increase of \$65.2 million over the prior year. The balance sheet growth was due to investments purchased during the past year. The increase in interest rates has negatively impacted the carrying value of our investment securities which caused total assets to decline. The valuation account for investment securities was at an unrealized loss of \$21.3 million at March 31, 2022.

The total Allowance was \$7.47 million at March 31, 2022, compared to \$8.04 million at March 31, 2021. Total non-performing assets were \$1.6 million at March 31, 2022, compared to \$1.4 million for the comparable period in 2021.

On March 29, 2022, the Company completed a private placement of \$18 million of fixed to floating subordinated notes due April 1, 2032 - The notes are noncallable for five years and carry an initial fixed rate of 4.00%. The Company intends to use the net proceeds for general corporate purposes, including support for continued organic growth and strategic initiatives.

The Company's annual meeting is scheduled for 9:00 a.m. on May 26, 2022, at the Hanover Inn, in Hanover New Hampshire.

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)

Operating Data		
	For the Three Months Ended	
	3/31/2022	3/31/2021
Loan Interest Income	\$ 3,121,234	\$ 3,552,150
Investment Interest Income	1,827,015	1,405,928
Total Interest Income	4,948,249	4,958,078
Interest Expense on Deposits	164,135	243,858
Interest Expense on Borrowings	90,085	268,948
Total Interest Expense	254,220	512,806
Net Interest Income before Provision	4,694,029	4,445,272
Provision for Loan Losses	-	50,000
Net Interest Income after Provision	4,694,029	4,395,272
Ledyard Financial Advisors revenue	3,368,700	3,080,256
Securities gains	272,411	308,457
Other Non-interest Income	349,500	424,996
Total Revenue	8,684,640	8,258,981
Non-interest Expense	6,484,409	6,248,271
Pre-tax Income	2,200,231	1,960,710
Tax Expense	155,679	124,839
Net Income	2,044,552	1,835,871
Earnings Per Common Share, basic	\$ 0.63	\$ 0.58
Earnings Per Common Share, diluted	\$ 0.62	\$ 0.57
Financial Condition Data		
	As of 3/31/2022	As of 3/31/2021
Total Assets	\$ 759,122,317	\$ 693,915,743
Investments & interest-bearing deposits	349,331,480	280,515,030
Gross loans	358,958,773	372,719,047
Allowance for loan loss	7,474,005	8,038,375
Net loans	351,484,768	364,680,672
Deposits	578,844,995	534,513,201
Brokered Deposits	71,012,029	67,009,465
Subordinated Debt	18,000,000	-
Borrowings and Other Liabilities	20,812,096	26,159,020
Capital	67,812,066	61,573,058
Other Comprehensive Income	(13,423,844)	6,428,113
Treasury Stock	(1,651,040)	(1,767,114)
Total Shareholder's Equity	52,737,182	66,234,057
Other Data		
Dividends Per Common Share	\$ 0.21	\$ 0.19
Book Value per Share	\$ 15.74	\$ 19.93
Efficiency Ratio	74.67%	75.65%
Stock Price - High	\$ 25.70	\$ 25.00

Stock Price - Low	\$ 24.15	\$ 18.82
Stock Price - Average	\$ 25.02	\$ 21.96
Treasury Shares	116,478	124,664
Common Stock Issued	3,467,307	3,447,639
Assets under management and custody	\$ 1,900,663,078	\$ 1,788,141,035
Equity to asset ratio	8.66%	8.63%
Risk-Based Capital Ratio	15.71%	16.78%
Return on Assets	1.05%	1.05%
Return on Equity	11.15%	10.49%
Allowance to total loans	2.08%	2.16%
Allowance for loan losses to non-performing assets	453%	563%
Texas Ratio	2.33%	2.23%

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/20220419006007/en/>

Gregory D. Steverson, EVP & CFO

(603) 640-2666

greg.steverson@ledyardbank.com

Ticker Symbol: LFGP

Source: Ledyard Financial Group, Inc.