



NEWS RELEASE

Ledyard Financial Group Reports Third Quarter and Year-to-date Earnings

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HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, today announced financial results for Q3 2022 and Q3 2022 YTD. The results confirmed the strength and resiliency of the company's core businesses. ROA, ROE, and key capital ratios all exceeded figures for comparable prior periods. The company remains focused on safely navigating today's uncertain economic environment (including volatile equity markets), while continuing to support its clients, its employees, and the communities it serves.

Net income for Q3 2022 was \$2.08 million or \$0.64 per share compared to \$1.97 million or \$0.61 per share for Q3 2021, an increase of \$105 thousand or 5%. Net income for Q3 2022 YTD was \$6.20 million or \$1.90 per share compared to \$5.77 million or \$1.80 per share for the comparable prior year period, an increase of \$429 thousand or 7%. In recognition of the low level of risk in the company's loan portfolio, \$750 thousand was released from the allowance for loan losses during Q3 2022.

Total revenue (comprised of net interest income after provision and all non-interest revenue) for Q3 2022 was \$8.68 million compared to \$8.39 million for Q3 2021, an increase of \$298 thousand, or 4%. Total revenue for Q3 2022 YTD was \$25.60 million compared to \$24.99 million for Q3 2021, an increase of \$610 thousand or 2%. Net interest income for Q3 2022 was \$4.50 million compared to \$4.65 million for Q3 2021, a decrease of \$147 thousand or 3%. Net interest income for Q3 2022 YTD was \$13.76 million compared to \$13.72 million for Q3 2021, for an increase of \$43 thousand or less than 1%. As noted above, a release of \$750 thousand from the allowance for loan losses in Q3 2022 contributed favorably to net interest income after provision, as comparable prior periods had either a small

provision or none at all. Total non-interest revenue, consisting primarily of revenue from Ledyard Financial Advisors (see detail discussion below), amounted to \$3.43 million for Q3 2022 and \$11.09 million for Q3 2022 YTD, down 8% and 2%, respectively, from the comparable periods in 2021.

Ledyard Financial Advisors (LFA), a division of Ledyard National Bank, reported revenue trends consistent with the broad-based negative market trends of the last year. With the S&P 500 down 17% and the yield on ten-year U.S. treasuries up over 200 basis points, Ledyard's assets under management (AUM) totaled \$1.60 billion at 9/30/2022, down 15% from \$1.88 billion at 9/30/2021. Accordingly, at \$3.11 million and \$9.75 million, Q3 2022 and Q3 2022 YTD revenues from LFA were down 8% and 2%, respectively, from the comparable prior year periods. Without a recovery in the equity markets LFA revenue growth will remain under pressure.

Non-interest expense for Q3 2022 was \$6.49 million compared to \$6.22 million for Q3 2021, an increase of \$271 thousand or 4%. Non-interest expense for Q3 2022 YTD was \$18.95 million compared to \$18.57 million for the same period in 2021, an increase of \$381 thousand or 2%.

On September 30, 2022, the Company's shareholders' equity stood at \$47.4 million compared to \$72.6 million on the same date in 2021. The decrease in shareholders' equity is due to a decline in Accumulated Other Comprehensive Income (AOCI), which moved from an unrealized gain position of \$9.1 million at September 30, 2021 to an unrealized loss position of \$21.5 million at September 30, 2022. This change is directly related to the interest rate driven decline in the market value of Available-For-Sale securities and related derivative contracts used for hedging purposes. (Note: AOCI is excluded when calculating 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 the Company has significant levels of liquidity resources available to support operations during these unusual times. At September 30, 2022, the Company's book value per share excluding AOCI stood at \$20.55 compared to \$19.01 for the same period in 2021.

At \$729.5 million, total assets of the Company at September 30, 2022 were essentially unchanged from total assets of \$729.2 million at September 30, 2021. Loans, net of the allowance for loan losses at September 30, 2022, were \$346.8 million compared to \$344.6 million for the same date last year, an increase of \$2.2 million or less than 1%. Deposits at September 30, 2022 were essentially unchanged from the prior year, ending Q3 2022 at \$567.7 million compared to \$567.4 million a year ago.

The Allowance for Loan Losses stood at \$6.7 million at September 30, 2022, compared to \$8.1 million at September 30, 2021, providing over 2x coverage of non-performing assets as of the end of Q3 2022. Total non-performing assets were \$3.2 million at September 30, 2022, compared to \$1.3 million for the same period in 2021, with the increase attributable to two currently underperforming loans that the company expects will cure.

The Company is pleased to welcome Peter Sprudz as the new SVP Chief Financial Officer. Mr. Sprudz brings many years of experience in finance, treasury, and risk management for public and private companies both large and small and succeeds Greg Steverson, who will be retiring from Ledyard in December after 20 years with the Company.

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.ledyard.bank or contact the Company's SVP CFO, Peter Sprudz.

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

	Operating Data			
	For the Three Months Ended 9/30/2022	For the Three Months Ended 9/30/2021	For the Nine Months Ended 9/30/2022	For the Nine Months Ended 9/30/2021
Loan interest income	\$3,179,740	\$3,415,663	\$9,414,221	\$10,497,775
Investment interest income	1,887,898	1,554,828	5,556,347	4,395,647
Total interest income	5,067,638	4,970,491	14,970,568	14,893,422
Interest expense on deposits	130,726	160,441	450,770	591,643
Interest expense on borrowings	436,453	162,983	760,082	585,198
Total interest expense	567,179	323,424	1,210,852	1,176,841
Net interest income before provision	4,500,459	4,647,067	13,759,716	13,716,581
Provision for loan losses	(750,000)	-	(750,000)	50,000
Net interest income after provision	5,250,459	4,647,067	14,509,716	13,666,581
Ledyard Financial Advisors revenue	3,112,208	3,376,600	9,748,417	9,762,432
Securities gains (losses)	-	-	-	275,827
Other non-interest income	321,409	362,860	1,338,162	1,281,230
Total revenue	8,684,076	8,386,527	25,596,295	24,986,070
Non-interest expense	6,489,762	6,218,579	18,953,887	18,573,032
Pre-tax income	2,194,314	2,167,948	6,642,408	6,413,038
Tax expense	114,679	193,109	445,037	645,058
Net income	2,079,635	1,974,839	6,197,371	5,767,980
Earnings per common share, basic	\$0.64	\$0.61	\$1.90	\$1.80
Earnings per common share, diluted	\$0.63	\$0.60	\$1.89	\$1.77

Financial Condition Data
As of 9/30/2022 As of 9/30/2021

Total assets	729,479,304	729,188,129
Investments & interest-bearing deposits	317,304,454	337,409,854
Gross loans	353,550,744	352,719,776
Allowance for loan loss	6,720,147	8,077,220
Net loans	346,830,597	344,642,556
Premises, equipment & other assets	65,344,253	47,135,719
Deposits	567,746,223	567,442,683
Brokered Deposits	-	70,009,452
Borrowings	90,401,956	12,822,967
Subordinated debt	18,000,000	-
Other liabilities	5,933,528	6,273,332
Capital	70,561,027	65,337,575
Other comprehensive income	(21,519,192)	9,062,145
Treasury stock	(1,644,238)	(1,760,025)
Total shareholder's equity	47,397,597	72,639,695

Other Data
As of 9/30/2022 As of 9/30/2021

Dividends per common share	\$0.63	\$0.59
Book value per share (excluding OCI)	20.55	19.01
Book value per share (including OCI)	14.13	21.72
Efficiency ratio	76.28%	74.19%
Stock price - high	25.00	26.08
Stock price - low	19.76	17.87
Stock price - average	21.81	22.84
Common stock issued	3,470,127	3,468,612
Treasury shares	115,998	124,164
Assets under management (billions)	1.597	1.877
Leverage ratio	9.46%	8.69%
Risk based capital ratio	19.99%	16.79%
Return on assets	1.09%	1.08%
Return on equity	14.57%	11.00%
Allowance to total loans	1.90%	2.29%
Texas ratio	3.58%	1.90%
Allowance for loan losses to non-performing assets	211.86%	621.48%

Economic Value of Equity (000s)

	Minus 100BP	Base	Plus 200 BP
Total Assets	725,423	696,887	636,829
Total Liabilities	578,944	550,606	518,616
Economic Value of Equity	146,479	146,281	118,213
Economic Value of Equity Ratio	20.20%	21.00%	18.60%

Sensitivity to Interest Rates - Net Interest Income (NII in 000s)

	Current Year				
	Y1	Y2	Y3	Y4	Y5
NII					
Up 200 BP	20,635	21,994	23,877	26,070	27,465
Base	21,309	22,940	24,115	25,507	26,342
Down 100BP	20,718	21,694	22,386	23,241	23,790
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NII	Y1	Y2	Y3	Y4	Y5
Up 200 BP	19,767	20,577	22,348	24,044	25,845
Base	20,161	21,145	22,083	23,084	24,155
Down 100BP	20,042	20,191	20,554	21,125	21,672
			-----Difference-----		
NII	Y1	Y2	Y3	Y4	Y5
Up 200 BP	868	1,417	1,529	2,026	1,620
Base	1,148	1,795	2,032	2,423	2,187
Down 100BP	676	1,503	1,832	2,116	2,118

Source: Internal asset liability management reports for the third quarter of 2022.

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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