



NEWS RELEASE

## Ledyard Reports Record Earnings For 2020

2021-01-27

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 and year-to-date earnings. We are very proud of these results but remain focused on risks to the organization due to Covid-19. The pandemic's full impact on both the national and local economy continues to be highly uncertain and far-reaching. Our focus remains on strengthening our financial position by building our reserve for loan losses, improving our liquidity position, and taking the necessary steps to preserve core earnings. Our results demonstrate that our financial condition remains strong and that our core businesses continue to thrive in a difficult operating environment. As a community bank, we continue to focus on the safety of our employees, our customers, and the communities we serve during these highly unusual times. We entered this crisis in a position of strength and will continue to focus our support on our core constituents.

Net income for the quarter ended December 31, 2020, was \$1,753,214 or \$0.55 per share compared to \$1,366,107 or \$0.43 per share for the same period in 2019, an increase of \$387,107 or 28%. Net income for the twelve months ended December 31, 2020, was \$6,729,210 or \$2.13 per share compared to \$5,816,163 or \$1.85 per share for the same period in 2019.

Total revenue for the quarter ended December 31, 2020, was \$8,114,638 compared to \$7,234,744 for the same period in 2019, for an increase of \$879,894 or 12%. Total revenue for the twelve months ended December 31, 2020, was \$31,809,688 compared to \$28,741,115 for the same period in 2019, an increase of \$3,068,573 or 11%. Net interest income for the quarter ended December 31, 2020, was \$4,402,071 compared to \$3,930,541 for the same period in 2019, for a increase of \$471,530 or 12%. Net interest income for the twelve months ended December 31,

2020, was \$16,764,699 compared to \$16,051,146 for the same period in 2019, for an increase of \$713,553 or 4.5%. The increase in non-interest income is due primarily to \$1.47 million in security gains, Financial Advisors revenue, and increased income from the sale of loans in the secondary market.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended December 31, 2020, of \$2,991,728 compared to \$2,802,804 for the same period in 2019, an increase of \$188,924 or 6.7%. Revenue for the twelve months ended December 31, 2020, was \$11,614,224 compared to \$10,887,002 for the same period in 2019, for an increase of \$727,222 or 6.7%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.709 billion at December 31, 2020, and \$1.723 billion for the same period in 2019. The decline in assets under management was caused by Bank assets held in custody being moved to the Federal Home Loan Bank of Boston. Excluding the movement of these Bank assets, assets under management increased when compared to the prior year.

Non-interest expense for the quarter ended December 31, 2020, was \$6,112,695 compared to \$5,685,613 for the same period in 2019, an increase of \$427,083 or 7.5% over the prior year. Non-interest expense for the twelve months ended December 31, 2020, was \$21,817,563 compared to \$22,077,353 for the same period in 2019, for a decrease of \$259,790 or 1.2%.

At December 31, 2020, the Company's shareholders' equity stood at \$66.9 million, compared to \$56.1 million for the same period in 2019. 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 December 31, 2020, the Company's book value per share stood at \$20.14 compared to \$17.19 for the same period in 2019.

Loans, net of the allowance for loan losses at December 31, 2020, were \$364 million, compared to \$320 million for the same period last year, for an increase of \$44 million. Included in this loan growth is \$27.8 million of PPP loans originated as part of the CARES Act. Total deposits at December 31, 2020, were \$590 million, as compared to \$393 million from the same period last year. Included in this deposit growth is \$67 million in brokered deposits, which provide funding at lower costs than current wholesale borrowing alternatives. Total assets of the Company were \$681 million at December 31, 2020, an increase of \$181 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 first half of the year when there were opportunities in the municipal bond markets. The increase in investments was originally funded with borrowings which have been replaced with brokered deposits.

During the quarter ended December 31, 2020, \$250,000 was added to the allowance, bringing the total additions to the allowance to \$2.7 million for 2020. The total Allowance was \$7.96 million at December 31, 2020 and \$5.21 million at December 31, 2019.

The Company is pleased to announce that on October 15, 2020, they expanded their services in Concord, New Hampshire by opening a full-service banking branch located at 74 S. Main Street. This new full-service branch features an innovative design and cutting-edge technologies.

The Company is also pleased to announce that it has been named one of Business NH Magazine's Best Companies to Work For, for the second year in a row. The competition's judges recognized Ledyard as an organization that proactively focuses on and strives to offer a workplace that truly engages its employees.

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 the bank'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 Chief Financial Officer, Gregory D. Steverson.

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

	For the Three Months Ended		For the Twelve Months Ended	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Total Interest Income	\$ 5,310,417	\$ 4,425,546	\$ 19,291,137	\$ 17,936,648
Total Interest Expense	908,346	495,004	2,526,438	1,885,503
Net Interest Income before Provision	4,402,071	3,930,541	16,764,699	16,051,146
Provision for Loan Losses	250,000	0	2,700,000	0
Net Interest Income after Provision	4,152,071	3,930,541	14,064,699	16,051,146
Ledyard Financial Advisors revenue	2,991,728	2,802,804	11,614,224	10,887,002
Securities gains (losses)	189,947	5,988	1,430,586	(39,573)
Other Non-interest Income	530,892	495,411	2,000,179	1,842,541
Non-interest Expense	6,112,695	5,685,613	21,817,563	22,077,353
Pre-tax income	1,751,943	1,549,131	7,292,125	6,663,762
Tax Expense (Benefit)	(1,271)	183,025	562,915	847,599
Net Income	1,753,214	1,366,107	6,729,210	5,816,163
Earnings Per Common Share, basic	\$ 0.55	\$ 0.43	\$ 2.13	\$ 1.85
Earnings Per Common Share, diluted	\$ 0.55	\$ 0.43	\$ 2.11	\$ 1.83
Dividends Per Common Share	\$ 0.19	\$ 0.19	\$ 0.76	\$ 0.74
Efficiency Ratio	75.33%	78.59%	68.59%	76.81%
	As of 12/31/2020	As of 12/31/2019		
Total Assets	\$ 680,912,339	\$ 499,725,242		
Investments & interest bearing deposits	277,650,822	139,402,239		
Loans Receivable, net	363,957,895	320,377,870		
Deposits	522,501,367	393,010,714		
Brokered Deposits	67,011,054	0		
Borrowings	13,624,894	45,321,882		
Stockholder's Equity	66,884,054	56,134,428		
Common Stock Issued	3,447,814	3,384,370		
Treasury Shares	124,704	118,895		
Total Risk Based Capital Ratio	16.99%	18.31%		

Book Value per Share	\$ 20.14	\$ 17.19		
Return on Assets	1.11 %	1.15 %		
Return on Equity	10.97 %	10.99 %		
Allowance for loan losses	7,958,044	5,212,663		
Allowance to total loans	2.14 %	1.60 %		

**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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