



NEWS RELEASE

## Ledyard Financial Group Reports Quarterly Earnings

2016-05-04

Company Release - 5/4/2016

HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, today reported quarterly earnings for the first quarter of 2016. Net income for the quarter ended March 31, 2016, was \$1,005,045 or \$0.98 per share compared to \$1,119,680 or \$1.10 per share for the same period in 2015, a decrease of \$114,635 or 10%. The decrease in net income for the quarter is due primarily to the decline in revenue at Ledyard Financial Advisors, which was caused by a decline in assets under management during the quarter, due to volatility in the equity markets. Additionally, interest income was higher in 2015 due to a recovery of interest on a problem loan.

The Company reported total revenue for the quarter ended March 31, 2016, of \$5,775,651 compared to \$5,780,095 for the same period in 2015, for a decrease of \$4,444 or less than 1%. Net interest income for the quarter ended March 31, 2016, was \$3,199,311 compared to \$3,320,128 for the same period in 2015, for a decrease of \$120,817 or 4%.

No funds were added to the Allowance during the first quarter of 2016 or 2015. The total Allowance was \$5.7 million at March 31, 2016 and 2015. Total non-performing assets were \$2.3 million at March 31, 2016 and \$2.2 million at March 31, 2015.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended March 31, 2016, of \$2,010,049 compared to \$2,092,824 for the same period in 2015, a decrease of \$82,775 or 4%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.1 billion as of quarter end,

an increase of approximately \$11 million over the prior year.

Non-interest expense for the quarter ended March 31, 2016, was \$4,553,572 compared to \$4,300,799 for the same period in 2015, an increase of \$252,773 or 6%.

At March 31, 2016, the Company's shareholders' equity stood at \$43.9 million compared to \$43.1 million for the same period in 2015. 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 March 31, 2016, the Company's book value per share stood at \$43.32 compared to \$42.24 for the same period in 2015.

Loans, net of the allowance for loan losses at March 31, 2016, were \$269.3 million compared to \$265.6 million for the same period last year, for an increase of \$3.7 million or 1.4%. Total deposits at March 31, 2016 were \$384.6 million compared to \$361.2 million, an increase of \$23.4 million or 6% from the same period last year. Total assets of the Company were \$457.1 million at March 31, 2016, an increase of \$28.8 million over the prior year.

Due to its strong financial position, the Company has been able to maintain or increase its quarterly dividend since first declaring a dividend in 1995. On April 29, 2016 the Company announced a dividend of \$0.48 per share. This dividend will be paid on June 3, 2016 to shareholders of record as of May 13, 2016.

The Company's annual meeting is scheduled for 4:00 p.m. on May 19, 2016 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, tax and wealth management services in the Dartmouth-Lake Sunapee Region. Ledyard National Bank has eight offices with locations in Hanover, Lebanon, Lyme, New London, and West Lebanon, New Hampshire and in Norwich, Vermont. 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		
	3/31/2016	3/31/2015	
Total Interest Income	\$ 3,474,145	\$ 3,535,589	
Total Interest Expense	274,834	215,460	
Net Interest Income	3,199,311	3,320,128	
Provision for Loan Losses	0	0	
Non-interest Income	2,576,339	2,459,967	
Non-interest Expense	4,553,572	4,300,799	
Net Income	1,005,045	1,119,680	
Earnings Per Common Share, basic	\$ 0.98	\$ 1.10	
Earnings Per Common Share, diluted	\$ 0.96	\$ 1.07	
	As of	As of	
	3/31/2016	3/31/2015	
Total Assets	\$ 457,051,607	\$ 428,221,566	
Investments	156,628,333	128,897,302	
Loans Receivable, net	269,271,260	265,589,204	
Total Deposits	384,599,887	361,196,212	
FHLB Advances & Other Borrowings	25,581,583	21,548,319	
Stockholder's Equity	43,861,898	43,088,874	
Common Stock Outstanding	1,057,614	1,048,940	
Treasury Shares	45,102	28,932	
Tangible Book Value per Share	\$ 43.32	\$ 42.24	
Total Risk Based Capital Ratio	15.52	15.97	%
Non-performing Assets	\$ 2,318,199	\$ 2,150,933	
Non-performing Assets as a % of Total Assets	0.51	0.50	%
Allowance for Loan Losses	\$ 5,693,748	\$ 5,744,243	
Allowance as a % of Total Loans	2.07	2.12	%

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Ledyard Financial Group, Inc.

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