



NEWS RELEASE

## Ledyard Financial Group Reports Quarterly Earnings

2016-08-02

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 second quarter of 2016. Net income for the quarter ended June 30, 2016, was \$1,062,432 or \$1.05 per share compared to \$1,021,601 or \$1.00 per share for the same period in 2015, an increase of \$40,831 or 4%. Net income for the six months ended June 30, 2016 was \$2,067,477 or \$2.02 per share compared to \$2,141,281 or \$2.09 per share for the same period in 2015, a decrease of \$73,804 or 3.45%. The year to date income for the Company was impacted negatively by lending activity and volatility in the equity markets which impacted assets under management. These areas were less of a contributing factor in the second quarter of this year and as a result the year over year results for the second quarter showed improvement.

Total revenue for the quarter ended June 30, 2016, was \$5,887,973 compared to \$5,777,176 for the same period in 2015, for an increase of \$110,797 or 1.9%. Total revenue for the six months ended June 30, 2016 was \$11,663,624 compared to \$11,557,271 for the same period in 2015, for an increase of \$106,353 or less than 1%. Net interest income for the quarter ended June 30, 2016, was \$3,277,697 compared to \$3,155,767 for the same period in 2015, for an increase of \$121,930 or 3.8%. Net interest income for the six months ended June 30, 2016 was \$6,477,009 compared to \$6,475,896 for the same period in 2015.

No funds were added to the Allowance during the second quarter of 2016 or 2015. The total Allowance was \$5.7 million at June 30, 2016, compared to \$5.6 million for the same period in 2015. Total non-performing assets were \$2.3 million at June 30, 2016, compared to \$2.4 million for the same period in 2015.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended June 30,

2016, of \$2,097,408 compared to \$2,179,130 for the same period in 2015, a decrease of \$81,722 or 3.75%. Revenue for the six months ended June 30, 2016 was \$4,107,457 compared to \$4,271,954 for the same period in 2015, a decrease \$164,497 or 3.85%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.1 billion as of quarter end June 30, 2016 and 2015.

Non-interest expense for the quarter ended June 30, 2016, was \$4,551,285 compared to \$4,497,027 for the same period in 2015, an increase of \$54,257 or approximately 1.2%. Non-interest expense for the six months ended June 30, 2016 was \$9,104,857 compared to \$8,797,826 for the same period in 2015, an increase of \$307,030, or 3.49%.

At June 30, 2016, the Company's shareholders' equity stood at \$44.7 million, compared to \$42.8 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 June 30, 2016, the Company's book value per share stood at \$43.89 compared to \$41.65 for the same period in 2015.

Loans, net of the allowance for loan losses at June 30, 2016, were \$271.9 million, compared to \$270.1 million for the same period last year, for an increase of \$1.8 million or less than 1%. Total deposits at June 30, 2016 were \$382.6 million, an increase of \$30.6 million from the same period last year. Total assets of the Company were \$460.8 million at June 30, 2016, an increase of \$37.6 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 July 29, 2016 the Company announced a dividend of \$0.48 per share. This dividend will be paid on September 2, 2016 to shareholders of record as of August 12, 2016.

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 |                | For the Six Months Ended |              |
|--|----------------------------|----------------|--------------------------|--------------|
|  | 6/30/2016                  | 6/30/2015      | 6/30/2016                | 6/30/2015    |
| Total Interest Income                        | \$ 3,553,404               | \$ 3,364,501   | \$ 7,027,550             | \$ 6,900,090 |
| Total Interest Expense                       | 275,707                    | 208,734        | 550,451                  | 424,194      |
| Net Interest Income                          | 3,277,697                  | 3,155,767      | 6,477,099                | 6,475,896    |
| Provision for Loan Losses                    | 0                          | 0              | 0                        | 0            |
| Non-interest Income                          | 2,610,276                  | 2,621,408      | 5,186,615                | 5,081,375    |
| Non-interest Expense                         | 4,551,285                  | 4,497,027      | 9,104,857                | 8,797,826    |
| Net Income                                   | 1,062,432                  | 1,021,601      | 2,067,477                | 2,141,281    |
| Earnings Per Common Share, basic             | \$ 1.05                    | \$ 1.00        | \$ 2.02                  | \$ 2.09      |
| Earnings Per Common Share, diluted           | \$ 1.02                    | \$ 0.97        | \$ 1.96                  | \$ 2.03      |
| Dividends Per Common Share                   | \$ 0.48                    | \$ 0.48        | \$ 0.96                  | \$ 0.96      |
| <hr/>  |                            |                |                          |              |
| Total Assets                                 | \$ 460,811,713             | \$ 423,126,572 |                          |              |
| Investments                                  | 154,405,002                | 119,205,622    |                          |              |
| Loans Receivable, net                        | 271,948,176                | 270,076,640    |                          |              |
| Total Deposits                               | 382,685,762                | 352,056,706    |                          |              |
| FHLB Advances & Other Borrowings             | 29,837,586                 | 25,977,218     |                          |              |
| Stockholder's Equity                         | 44,742,579                 | 42,800,852     |                          |              |
| Common Stock Outstanding                     | 1,065,096                  | 1,056,453      |                          |              |
| Treasury Shares                              | 47,932                     | 28,892         |                          |              |
| Tangible Book Value per Share                | \$ 43.89                   | \$ 41.65       |                          |              |
| Total Risk Based Capital Ratio               | 15.68%                     | 15.97%         |                          |              |
| Non-performing Assets                        | \$ 2,453,499               | \$ 2,456,442   |                          |              |
| Non-performing Assets as a % of Total Assets | 0.53%                      | 0.58%          |                          |              |
| Allowance for Loan Losses                    | \$ 5,691,539               | \$ 5,632,918   |                          |              |
| Allowance as a % of Total Loans              | 2.05%                      | 2.04%          |                          |              |

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Ledyard Financial Group, Inc.

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Source: Ledyard Financial Group, Inc.