



NEWS RELEASE

## Ledyard Financial Group Reports Record Earnings

2018-07-20

HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, today reported record quarterly and year-to-date earnings through June 30, 2018. Net income for the quarter ended June 30, 2018, was \$1,341,894 or \$0.43 per share compared to \$1,121,791 or \$0.36 per share for the same period in 2017, an increase of \$220,104 or 19.6%. Net income for the six months ended June 30, 2018, was \$2,549,198 or \$0.82 per share compared to \$2,128,460 or \$0.69 per share for the same period in 2017, an increase of \$420,738 or 19.8%. The strength of the Company's core businesses combined with a lower federal tax rate due to the adoption of tax reform are the primary contributing factors to the improvement in operating results and returns to Ledyard shareholders.

Total revenue for the quarter ended June 30, 2018, was \$6,906,679 compared to \$6,382,351 for the same period in 2017, for an increase of \$524,328 or 8.2%. Total revenue for the six months ended June 30, 2018, was \$13,586,519 compared to \$12,368,907 for the same period in 2017, for an increase of \$1,217,613 or 9.8%. Net interest income for the quarter ended June 30, 2018, was \$3,810,378 compared to \$3,608,903 for the same period in 2017, for an increase of \$201,475 or 5.6%. Net interest income for the six months ended June 30, 2018, was \$7,542,603 compared to \$7,122,752 for the same period in 2017, for an increase of \$419,851, which is a 5.9% improvement over the prior year. The improvement in net interest income was due to interest on loans and investments increasing combined with the Company's ability to hold deposit costs steady.

No funds were added to the Allowance during the second quarter of 2018 or 2017. The total Allowance was \$5.2 million at June 30, 2018, compared to \$5.5 million for the same period in 2017. Total non-performing assets were \$1.7 million at June 30, 2018, compared to \$2.3 million for the same period in 2017.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended June 30, 2018, of \$2,635,835 compared to \$2,375,977 for the same period in 2017, an increase of \$259,858 or 10.9%. Revenue for the six months ended June 30, 2018, was \$5,253,541 compared to \$4,548,450 for the same period in 2017, an increase of \$705,091 or 15.5%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.52 billion as of June 30, 2018, which is a \$154 million increase over June 30, 2017. The improvement in the equity markets when compared to the prior year, strong new business activity, and the Company's entry into the Concord, New Hampshire market have all contributed to the increase in Assets Under Management and Custody.

Non-interest expense for the quarter ended June 30, 2018, was \$5,341,571 compared to \$5,041,674 for the same period in 2017, an increase of \$299,898 or approximately 5.9%. Non-interest expense for the six months ended June 30, 2018, was \$10,665,762 compared to \$9,799,577 for the same period in 2017, an increase of \$866,185 or approximately 8.8%. The factors contributing to increased expense were costs associated with a new core system search, the filling of previously open positions, and increased costs associated with a new operations center.

At June 30, 2018, the Company's shareholders' equity stood at \$46.7 million, compared to \$46.3 million for the same period in 2017. 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, 2018, the Company's book value per share stood at \$14.48 compared to \$14.55 for the same period in 2017.

Loans, net of the allowance for loan losses at June 30, 2018, were \$299.7 million, compared to \$290.1 million for the same period last year, for an increase of \$9.6 million or 3.3%. Total deposits at June 30, 2018, were \$400.3 million, a decrease of \$666,000 or less than 1% from the same period last year. Total assets of the Company were \$483.6 million at June 30, 2018, a decrease of \$10 million over the prior year.

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. 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	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Total Interest Income	\$ 4,084,657	\$ 3,940,344	\$ 8,091,264	\$ 7,775,912
Total Interest Expense	274,279	331,441	548,661	653,160
Net Interest Income	3,810,378	3,608,903	7,542,603	7,122,752
Provision for Loan Losses	0	0	0	0
Non-interest Income	3,096,301	2,773,448	6,043,917	5,246,155
Non-interest Expense	5,341,571	5,041,674	10,665,762	9,799,577
Net Income	1,341,894	1,121,791	2,549,198	2,128,460
Earnings Per Common Share, basic	\$ 0.43	\$ 0.36	\$ 0.82	\$ 0.69
Earnings Per Common Share, diluted	\$ 0.43	\$ 0.36	\$ 0.81	\$ 0.68
Dividends Per Common Share	\$ 0.17	\$ 0.16	\$ 0.34	\$ 0.32
	As of June 30, 2018	As of June 30, 2017		
Total Assets	\$ 483,631,997	\$ 493,681,626		
Investments	150,311,205	169,293,015		
Loans Receivable, net	299,658,009	290,062,611		
Total Deposits	400,289,661	400,955,587		
FHLB Advances & Other Borrowings	32,908,112	43,525,428		
Stockholder's Equity	46,674,297	46,251,060		
Common Stock Issued	3,352,551	3,315,798		
Treasury Shares	130,162	136,779		
Tangible Book Value per Share	\$ 14.48	\$ 14.55		
Total Risk Based Capital Ratio	16.99%	15.91%		
Non-performing Assets	\$ 1,668,681	\$ 2,293,981		
Allowance as a % of Total Loans	1.71%	1.86%		
Return on Assets	1.06%	0.87%		
Return on Equity	10.71%	9.53%		

**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.

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