



NEWS RELEASE

Ledyard Financial Group Reports Record 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 reported record quarterly and year-to-date earnings through June 30, 2019. Net income for the quarter ended June 30, 2019, was \$1,563,045 or \$0.50 per share compared to \$1,341,896 or \$0.43 per share for the same period in 2018, an increase of \$221,149 or 16.5%. Net income for the six months ended June 30, 2019, was \$2,870,804 or \$0.91 per share compared to \$2,549,200 or \$0.82 per share for the same period in 2018, an increase of \$321,604 or 12.6%. Strength in the Company's core businesses and the ability to control operating expenses are the primary contributing factors to these record results.

Total revenue for the quarter ended June 30, 2019, was \$7,299,263 compared to \$6,921,919 for the same period in 2018, for an increase of \$377,344 or 5.5%. Total revenue for the six months ended June 30, 2019, was \$14,275,895 compared to \$13,617,418 for the same period in 2018, for an increase of \$658,477 or 4.7%. Net interest income for the quarter ended June 30, 2019, was \$4,092,159 compared to \$3,810,378 for the same period in 2018, for an increase of \$281,781 or 7.4%. Net interest income for the six months ended June 30, 2019, was \$8,147,973 compared to \$7,542,603 for the same period in 2018, for an increase of \$605,370, which is an 8% improvement over the prior year. The improvement in the Company's spread and growth in earning assets contributed to the increase in net interest income.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended June 30, 2019, of \$2,758,305 compared to \$2,635,835 for the same period in 2018, an increase of \$122,470 or 4.6%. Revenue for the six months ended June 30, 2019, was \$5,333,582 compared to \$5,253,541 for the same period in 2018, an increase of \$80,041 or 1.5%. Assets under management and custody at Ledyard Financial Advisors totaled

approximately \$1.63 billion as of June 30, 2019, which is a \$108 million increase over June 30, 2018. The strength of the equity markets and strong new business activity have been the primary contributors to the increase in Assets under management and custody.

Non-interest expense for the quarter ended June 30, 2019, was \$5,454,193 compared to \$5,356,810 for the same period in 2018, an increase of \$97,383 or approximately 1.8%. Non-interest expense for the six months ended June 30, 2019, was \$10,943,042 compared to \$10,696,659 for the same period in 2018, an increase of \$246,383 or approximately 2.3%. The primary factors contributing to the increased expenses were costs associated with implementing a new core operating system and salary and benefit costs.

At June 30, 2019, the Company's shareholders' equity stood at \$53.2 million compared \$46.7 million for the same period in 2018. 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, 2019, the Company's book value per share stood at \$15.70 compared to \$14.48 for the same period in 2018.

Loans, net of the allowance for loan losses at June 30, 2019, were \$314.3 million compared to \$299.7 million for the same period last year, for an increase of \$14.6 million or 4.9%. Total deposits at June 30, 2019, were \$393.1 million compared to \$400.3 million, a decrease of \$7.2 million or 1.8% from the same period last year. Total assets of the Company were \$512.4 million at June 30, 2019, an increase of \$28.7 million over the prior year. No funds were added to the Allowance during the second quarter of 2019 or 2018. The total Allowance was \$5.2 million at June 30, 2019, and 2018. Total non-performing assets were \$2.1 million at June 30, 2019, compared to \$1.7 million for the same period in 2018.

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 or contact the Company's Chief Financial Officer, Gregory D. Steverson.

Selected Financial Highlights
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Total Interest Income	\$ 4,557,379	\$ 4,084,657	\$9,004,491	\$8,091,264
Total Interest Expense	485,220	274,279	856,968	548,661
Net Interest Income	4,092,159	3,810,378	8,147,973	7,542,603
Provision for Loan Losses	0	0	0	0
Non-interest Income	3,207,103	3,111,541	6,127,923	6,074,816
Non-interest Expense	5,454,193	5,356,810	10,943,042	10,696,659
Net Income	1,563,045	1,341,896	2,870,804	2,549,200
Earnings Per Common Share, basic	\$0.50	\$ 0.43	\$0.91	\$ 0.82
Earnings Per Common Share, diluted	\$0.50	\$ 0.43	\$0.91	\$ 0.81
Dividends Per Common Share	\$0.18	\$ 0.17	\$0.36	\$ 0.34
Efficiency Ratio	74.72%	77.17%	76.65%	78.55%
	As of June 30, 2019	As of June 30, 2018		
Total Assets	\$512,356,624	\$483,631,997		
Investments	\$160,574,047	150,311,205		
Loans Receivable, net	314,276,845	299,658,009		
Total Deposits	393,129,201	400,289,661		
FHLB Advances & Other Borrowings	61,422,591	32,908,112		
Stockholder's Equity	53,168,449	46,674,297		
Common Stock Issued	3,386,214	3,352,551		
Treasury Shares	123,868	130,162		
Total Risk Based Capital Ratio	16.90%	16.99%		
Book Value per Share	\$15.70	\$ 14.48		
Return on Assets	1.14%	1.06%		
Return on Equity	11.27%	10.71%		
Non-performing Assets	\$2,067,899	\$ 1,668,681		
Allowance as a % of Total Loans	1.65%	1.71 %		

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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Source: Ledyard Financial Group, Inc.