



NEWS RELEASE

## Ledyard Financial Group Reports Record Earnings for 2014

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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 earnings for 2014. Net income for the quarter ended December 31, 2014, was \$973,793 or \$0.96 per share compared to \$684,277 or \$0.68 per share for the same period in 2013, an increase of \$289,515 or 42%. Net income for the twelve months ended December 31, 2014 was \$3,969,286 or \$3.90 per share compared to \$3,008,608 or \$2.98 per share for the same period in 2013, an increase of \$960,678 or 32%. During 2014 some of the highlights were:

- Net income for 2014 increased by approximately 32% compared to 2013 and resulted in record earnings.
- Net loans increased by \$29 million over the prior year.
- Total revenue for the Company (net interest income plus non-interest income) was a record high for the year.
- Earnings per share increased by 31% over the prior year.
- The dividend payout for 2014 was \$1.72 per share resulting in a \$0.28 per share increase over 2013. The dividend was increased two times during the year.
- Ledyard Financial Advisors revenue exceeded \$8.1 million, an all-time high. This was the first time in the Company's history that revenue exceeded \$8 million.
- Ledyard Financial Advisors assets under management and custody exceeded \$1 billion at year end.

Total revenue for the quarter ended December 31, 2014, was \$5,642,210 compared to \$5,045,456 for the same

period in 2013, for an increase of \$596,754 or 11.8%. Total revenue for the twelve months ended December 31, 2014, was \$22,590,446 compared to \$20,415,080 for the same period in 2013, an increase of \$2,175,367 or 10.7%. Net interest income for the quarter ended December 31, 2014, was \$3,229,682 compared to \$3,020,957 for the same period in 2013, for an increase of \$208,725 or 6.91%. Net interest income for the twelve months ended December 31, 2014, was \$12,724,888 compared to \$11,490,430 for the same period in 2013, for an increase of \$1,234,458 or 10.74%. The increase in revenue for the quarter and twelve months when compared to the prior year is due to an increase in lending activity and the increase in revenue from Ledyard Financial Advisors.

No funds were added to the Allowance during 2014 or during 2013. Net recoveries for the twelve months ended December 31, 2014, were \$179,903, compared to net charge offs of \$92,030 for the comparable period in 2013. The total Allowance was \$5.7 million at December 31, 2014, compared to \$5.56 million for the same period in 2013. Total non-performing assets were \$2.25 million at December 31, 2014, compared to \$2.51 million for the same period in 2013.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended December 31, 2014, of \$2,037,911 compared to \$1,944,668 for the same period in 2013, an increase of \$93,243 or 4.79%. Revenue for the twelve months ended December 31, 2014, was \$8,169,603 compared to \$7,578,984, for the same period in 2013, for an increase of \$590,619 or 7.79%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.1 billion at December 31, 2014, an increase of approximately \$29 million over the prior year.

Non-interest expense for the quarter ended December 31, 2014, was \$4,484,118 compared to \$4,207,317 for the same period in 2013, an increase of \$276,800 or 6.58%. Non-interest expense for the twelve months ended December 31, 2014, was \$17,525,461 compared to \$16,493,072 for the same period in 2013, for an increase of \$1,032,389 or 6.26%.

At December 31, 2014, the Company's shareholders' equity stood at \$42 million, compared to \$38.2 million for the same period in 2013. 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, 2014, the Company's book value per share stood at \$41.19 compared to \$37.65 for the same period in 2013.

Loans, net of the allowance for loan losses at December 31, 2014, were \$268.6 million, compared to \$239.5 million for the same period last year, for an increase of \$29 million or 12.13%. Total deposits at December 31, 2014 were \$365.2 million, an increase of \$22 million from the same period last year. Total assets of the Company were \$433.3 million at December 31, 2014, an increase of \$23.6 million over the prior year.

Due to its strong financial position, record earnings for 2014, and the strength of its core businesses, the Company

was able to increase its dividend two times during 2014. On January 30, 2015, the Company again announced an increase of \$0.03 per common share to its quarterly dividend resulting in a \$0.48 per common share dividend payable March 3, 2015 to shareholders of record as of February 13, 2015.

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 Twelve Months Ended	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Total Interest Income	\$ 3,431,692	\$ 3,205,460	\$ 13,572,627	\$ 12,327,208
Total Interest Expense	202,010	184,503	847,739	836,778
Net Interest Income	3,229,682	3,020,957	12,724,888	11,490,430
Provision for Loan Losses	0	0	0	0
Non-interest Income	2,412,528	2,024,499	9,865,558	8,924,650
Non-interest Expense	4,484,118	4,207,317	17,525,461	16,493,072
Net Income	973,793	684,277	3,969,286	3,008,608
Earnings Per Common Share, basic	\$ 0.96	\$ 0.68	\$ 3.90	\$ 2.98
Earnings Per Common Share, diluted	\$ 0.93	\$ 0.66	\$ 3.80	\$ 2.91
Dividends Per Common Share	\$ 0.45	\$ 0.37	\$ 1.72	\$ 1.44

	As of 12/31/2014	As of 12/31/2013
Total Assets	\$ 433,277,198	\$ 409,664,673
Investments	131,525,276	140,180,592
Loans Receivable, net	268,579,857	239,533,670
Total Deposits	365,231,746	342,273,043
FHLB Advances & Other Borrowings	23,007,578	26,024,568
Stockholder's Equity	42,012,244	38,169,968
Common Stock Outstanding	1,048,940	1,043,204
Treasury Shares	29,052	29,520
Tangible Book Value per Share	\$ 41.19	\$ 37.65
Total Risk Based Capital Ratio	15.61%	15.76%
Non-performing Assets	\$ 2,254,786	\$ 2,510,089
Non-performing Assets as a % of Total Assets	0.52%	0.61%
Allowance for Loan Losses	\$ 5,743,573	\$ 5,563,670
Allowance as a % of Total Loans	2.09%	2.27%

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Source: Ledyard Financial Group, Inc.