



NEWS RELEASE

Ledyard Financial Group Reports Record Earnings for 2015

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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 2015 of \$4,061,338, a 2% improvement over 2014. Additional highlights for the year include:

- Second consecutive year of record earnings
- Dividends increased by 12% to \$1.92
- Earnings per share increased to \$3.96, a new record
- Revenue increased to \$22.9 million, also a new record
- Ledyard Financial Advisors revenue exceeded \$8 million for the second consecutive year
- The Company achieved ROA of 0.93% and ROE of 9.26% for the year
- The Company's effective tax rate was lowered to 21.51%

Net income for the quarter ended December 31, 2015, was \$886,229 or \$0.87 per share compared to \$973,793 or \$0.96 per share for the same period in 2014, a decrease of \$87,564 or 8.9%. The primary cause of lower year-over-year quarterly income was the challenging operating environment for our two primary businesses, banking and wealth management. Net income for the twelve months ended December 31, 2015 was \$4,061,338 or \$3.96 per share compared to \$3,969,286 or \$3.90 per share for the same period in 2014, an increase of \$92,052 or 2.3%.

Total revenue for the quarter ended December 31, 2015, was \$5,611,969 compared to \$5,642,210 for the same period in 2014, for a decrease of \$30,241 or less than 1%. Total revenue for the twelve months ended December 31, 2015, was \$22,904,974 compared to \$22,590,446 for the same period in 2014, an increase of \$314,528. Net interest income for the quarter ended December 31, 2015, was \$3,186,278 compared to \$3,229,682 for the same period in 2014, for a decrease of \$43,404. Net interest income for the twelve months ended December 31, 2015, was \$12,827,091 compared to \$12,724,888 for the same period in 2014, for an increase of \$102,203. The increase in revenue for the twelve months when compared to the prior year is due primarily to the increase in revenue from Ledyard Financial Advisors.

No funds were added to the Allowance during 2015 or during 2014. Net charge-offs for the twelve months ended December 31, 2015, were \$37,335, compared to net recoveries of \$179,903 for the comparable period in 2014. The total Allowance was \$5.7 million at December 31, 2015, and 2014. Total non-performing assets were \$2.47 million at December 31, 2015, compared to \$2.25 million for the same period in 2014.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended December 31, 2015, of \$2,054,714 compared to \$2,037,911 for the same period in 2014, an increase of \$16,804. Revenue for the twelve months ended December 31, 2015, was \$8,437,281 compared to \$8,169,603, for the same period in 2014, for an increase of \$267,678 or 3%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.07 billion as of December 31, 2015, a decrease of approximately \$22 million over the prior year.

Non-interest expense for the quarter ended December 31, 2015, was \$4,525,263 compared to \$4,484,118 for the same period in 2014, an increase of \$41,145. Non-interest expense for the twelve months ended December 31, 2015, was \$17,731,105 compared to \$17,525,461 for the same period in 2014, for an increase of \$205,644.

At December 31, 2015, the Company's shareholders' equity stood at \$44 million, compared to \$42 million for the same period in 2014. 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, 2015, the Company's book value per share stood at \$42.81 compared to \$41.19 for the same period in 2014.

Loans, net of the allowance for loan losses at December 31, 2015, were \$270.9 million, compared to \$268.6 million for the same period last year, for an increase of \$2.3 million. Total deposits at December 31, 2015 were \$373 million, an increase of \$7.8 million from the same period last year. Total assets of the Company were \$445 million at December 31, 2015, an increase of \$11.7 million over the prior year.

On January 29, 2016, the Company announced a regular quarterly dividend of \$0.48 per share to be paid on March 4, 2016 to shareholders of record as of February 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 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	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Total Interest Income	\$ 3,443,417	\$ 3,431,692	\$ 13,721,545	\$ 13,572,627
Total Interest Expense	257,140	202,010	894,453	847,739
Net Interest Income	3,186,278	3,229,682	12,827,091	12,724,888
Provision for Loan Losses	0	0	0	0
Non-interest Income	2,425,691	2,412,528	10,077,883	9,865,558
Non-interest Expense	4,525,263	4,484,118	17,731,105	17,525,461
Net Income	886,229	973,793	4,061,338	3,969,286
Earnings Per Common Share, basic	\$ 0.87	\$ 0.96	\$ 3.96	\$ 3.90
Earnings Per Common Share, diluted	\$ 0.84	\$ 0.93	\$ 3.85	\$ 3.80
Dividends Per Common Share	\$ 0.48	\$ 0.45	\$ 1.92	\$ 1.72

	As of 12/31/2015	As of 12/31/2014
Total Assets	\$ 445,009,796	\$ 433,277,198
Investments	143,306,148	131,525,276
Loans Receivable, net	270,967,025	268,579,857
Total Deposits	373,070,889	365,231,746
FHLB Advances & Other Borrowings	25,590,462	23,007,578
Stockholder’s Equity	44,048,423	42,012,243
Common Stock Outstanding	1,057,144	1,048,940
Treasury Shares	28,364	29,052
Tangible Book Value per Share	\$ 42.81	\$ 41.19
Total Risk Based Capital Ratio	15.82%	15.61%
Non-performing Assets	\$ 2,467,494	\$ 2,254,786
Non-performing Assets as a % of Total Assets	0.56%	0.52%
Allowance for Loan Losses	\$ 5,706,238	\$ 5,743,573
Allowance as a % of Total Loans	2.06%	2.09%

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Ledyard Financial Group, Inc.

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Source: Ledyard Financial Group, Inc.