



NEWS RELEASE

Ledyard Financial Group Reports Record Quarterly Earnings

2017-08-01

Company Release - 8/1/2017

HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, today reported record quarterly earnings for the second quarter of 2017. Net income for the quarter ended June 30, 2017, was \$1,121,791 or \$1.09 per share compared to \$1,062,432 or \$1.05 per share for the same period in 2016, an increase of \$59,359 or 6%. Net income for the six months ended June 30, 2017 was \$2,128,460 or \$2.08 per share compared to \$2,067,477 or \$2.02 per share for the same period in 2016, an increase of \$60,983 or 3%. The strength of our core businesses continues to drive improvement in our operating results and returns to our shareholders.

Total revenue for the quarter ended June 30, 2017, was \$6,382,351 compared to \$5,887,973 for the same period in 2016, for an increase of \$494,378 or 8%. Total revenue for the six months ended June 30, 2017 was \$12,368,907 compared to \$11,663,624 for the same period in 2016, for an increase of \$705,283 or 6%. Net interest income for the quarter ended June 30, 2017, was \$3,608,903 compared to \$3,277,697 for the same period in 2016, for an increase of \$331,206 or 10%. Net interest income for the six months ended June 30, 2017 was \$7,122,752 compared to \$6,477,009 for the same period in 2016, also a 10% improvement over the prior year.

No funds were added to the Allowance during the second quarter of 2017 or 2016. The total Allowance was \$5.5 million at June 30, 2017, compared to \$5.7 million for the same period in 2016. Total non-performing assets were \$2.3 million at June 30, 2017, compared to \$2.4 million for the same period in 2016.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended June 30, 2017, of \$2,375,977 compared to \$2,097,408 for the same period in 2016, an increase of \$278,569 or 13%. Revenue for the six months ended June 30, 2017 was \$4,548,450 compared to \$4,107,457 for the same period in 2016, an increase of \$440,994 or 11%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.367 billion as of quarter end June 30, 2017, which is a \$257 million increase over June 30, 2016. The continued strength of the equity markets, strong new business activity and our entry into the Concord, NH market have all contributed to the increase in Assets Under Management and Custody.

Non-interest expense for the quarter ended June 30, 2017, was \$5,041,674 compared to \$4,551,285 for the same period in 2016, an increase of \$490,389 or approximately 11%. Non-interest expense for the six months ended June 30, 2017 was \$9,799,577 compared to \$9,104,857 for the same period in 2016, an increase of \$694,721, or approximately 8%. Non-interest expense has increased primarily due to the increased costs associated with opening and staffing our newest office located in Concord, NH.

At June 30, 2017, the Company's shareholders' equity stood at \$46.3 million, compared to \$44.7 million for the same period in 2016. 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, 2017, the Company's book value per share stood at \$44.96 compared to \$43.89 for the same period in 2016.

Loans, net of the allowance for loan losses at June 30, 2017, were \$290.1 million, compared to \$271.9 million for the same period last year, for an increase of \$18.1 million or 7%. Total deposits at June 30, 2017 were \$400.9 million, an increase of \$18.2 million or 5% from the same period last year. Total assets of the Company were \$493,681,626 at June 30, 2017, an increase of \$32,869,913 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 28, 2017 the Company announced a dividend of \$0.48 per share. This dividend will be paid on September 1, 2017 to shareholders of record as of August 11, 2017.

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.

Ledyard Financial Group, Inc.

Selected Financial Highlights

(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Total Interest Income	\$ 3,940,344	\$ 3,553,404	\$ 7,775,912	\$ 7,027,550
Total Interest Expense	331,441	275,707	653,160	550,451
Net Interest Income	3,608,903	3,277,697	7,122,752	6,477,099
Provision for Loan Losses	0	0	0	0
Non-interest Income	2,773,448	2,610,276	5,246,155	5,186,615
Non-interest Expense	5,041,674	4,551,285	9,799,577	9,104,857
Net Income	1,121,791	1,062,432	2,128,460	2,067,477
Earnings Per Common Share, basic	\$ 1.09	\$ 1.05	\$ 2.08	\$ 2.02
Earnings Per Common Share, diluted	\$ 1.06	\$ 1.02	\$ 2.02	\$ 1.96
Dividends Per Common Share	\$ 0.48	\$ 0.48	\$ 0.96	\$ 0.96
Total Assets	\$ 493,681,626	\$ 460,811,713		
Investments	169,293,015	154,405,002		
Loans Receivable, net	290,062,611	271,948,176		
Total Deposits	400,955,587	382,685,762		
FHLB Advances & Other Borrowings	43,525,428	29,837,586		
Stockholder's Equity	46,251,060	44,742,579		
Common Stock Outstanding	1,074,260	1,065,096		
Treasury Shares	45,593	47,932		
Tangible Book Value per Share	\$ 44.96	\$ 43.89		
Total Risk Based Capital Ratio	15.91	% 15.83	%	
Non-performing Assets	\$ 2,293,981	\$ 2,453,499		
Non-performing Assets as a % of Total Assets	0.46	% 0.53	%	
Allowance for Loan Losses	\$ 5,482,941	\$ 5,691,539		
Allowance as a % of Total Loans	1.86	% 2.05	%	

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Source: Ledyard Financial Group, Inc.