



NEWS RELEASE

Ledyard Financial Group Reports Record Quarterly Earnings

2018-10-22

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 third consecutive quarter. Net income for the quarter ended September 30, 2018, was \$1,382,986 or \$0.44 per share compared to \$1,124,246 or \$0.36 per share for the same period in 2017, an increase of \$258,740 or 23%. Net income for the nine months ended September 30, 2018, was \$3,932,184 or \$1.27 per share compared to \$3,252,706 or \$1.07 per share for the same period in 2017, an increase of \$679,478 or 21%. Revenue growth and the effects from tax reform continue to contribute positively to the Company's results.

Total revenue for the quarter ended September 30, 2018, was \$6,929,825 compared to \$6,385,594 for the same period in 2017, for an increase of \$544,231 or 10.4%. Total revenue for the nine months ended September 30, 2018, was \$20,516,345 compared to \$18,754,501 for the same period in 2017, for an increase of \$1,761,844 or 9.4%. Net interest income for the quarter ended September 30, 2018, was \$3,922,896 compared to \$3,661,160 for the same period in 2017, for an increase of \$261,737 or 7.2%. Net interest income for the nine months ended September 30, 2018, was \$11,465,499 compared to \$10,783,911 for the same period in 2017, for an increase of \$681,587 or 6.3%.

No funds were added to the Allowance for the first nine months of 2018 or 2017. The total Allowance was \$5.2 million at September 30, 2018, compared to \$5.5 million for the same period in 2017. Total non-performing assets were \$3.6 million at September 30, 2018, compared to \$1.7 million for the same period in 2017. The increase in non-performing assets is due to a single loan relationship. The loans are secured by all business assets and real estate of the customer.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended September 30, 2018, of \$2,634,689 compared to \$2,387,770 for the same period in 2017, an increase of \$246,919 or 11%. Revenue for the nine months ended September 30, 2018, was \$7,888,231 compared to \$6,936,220 for the same period in 2017, an increase of \$952,011 or 14%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.58 billion as of quarter end September 30, 2018, and \$1.46 billion for the same period in 2017.

Non-interest expense for the quarter ended September 30, 2018, was \$5,318,511 compared to \$5,025,872 for the same period in 2017, an increase of \$292,639 or 5.8%. Non-interest expense for the nine months ended September 30, 2018, was \$15,984,273 compared to \$14,825,449 for the same period in 2017, an increase of \$1,158,824 or 7.8%.

At September 30, 2018, the Company's shareholders' equity stood at \$47.1 million compared to \$46.9 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 September 30, 2018, the Company's book value per share stood at \$14.62 compared to \$14.75 for the same period in 2017.

Loans, net of the allowance for loan losses at September 30, 2018, were \$306.9 million compared to \$286.7 million for the same period last year, an increase of 7.1%. Total deposits at September 30, 2018, were \$412.9 million compared to \$405.1 million, an increase of \$7.8 million or 1.9% from the same period last year. Total assets of the Company were \$493.8 million at September 30, 2018, an increase of \$12.1 million over the prior year.

On September 4, 2018 the Company paid a dividend of \$0.18 per share, which represented a \$0.01 increase in the regular quarterly dividend.

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 Ledyard's 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 EVP, COO and CFO, Gregory D. Steverson.

Ledyard Financial Group, Inc.
Selected Financial Highlights
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Total Interest Income	\$ 4,300,255	\$ 3,977,160	\$ 12,391,519	\$ 11,753,072
Total Interest Expense	377,359	316,001	926,020	969,161
Net Interest Income	3,922,896	3,661,160	11,465,499	10,783,911
Provision for Loan Losses	0	0	0	0
Non-interest Income	3,006,929	2,724,435	9,050,846	7,970,590
Non-interest Expense	5,318,511	5,025,872	15,984,273	14,825,449
Pre-tax Income	1,611,314	1,359,722	4,532,071	3,929,051
Income Tax Expense	228,329	235,477	599,888	676,346
Net Income	1,382,986	1,124,246	3,932,184	3,252,706
Earnings Per Common Share, basic	\$ 0.44	\$ 0.36	\$ 1.27	\$ 1.07
Earnings Per Common Share, diluted	\$ 0.44	\$ 0.36	\$ 1.25	\$ 1.04
Dividends Per Common Share	\$ 0.18	\$ 0.16	\$ 0.52	\$ 0.48
Total Assets	\$ 493,797,042	\$ 481,648,227		
Investments	152,629,163	157,772,254		
Loans Receivable, net	306,984,035	286,723,198		
Total Deposits	412,949,960	405,148,685		
Borrowings & Other Liabilities	33,739,316	29,574,601		
Stockholder's Equity	47,107,767	46,924,942		
Common Stock Outstanding	3,352,842	3,318,922		
Treasury Shares	129,922	136,509		
Tangible Book Value per Share	\$ 14.62	\$ 14.75		
Total Risk Based Capital Ratio	17.14%	16.62%		
Non-performing Assets	\$ 3,629,777	\$ 1,730,041		
Allowance as a % of Total Loans	1.67%	1.89%		
Return on Assets	1.08%	0.88%		
Return on Equity	11.03%	9.55%		

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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Ledyard Financial Group, Inc.

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Source: Ledyard Financial Group, Inc.