



NEWS RELEASE

## Ledyard Reports Record Earnings for the Third Consecutive Year

2017-02-21

HANOVER, N.H.--(BUSINESS WIRE)-- Ledyard Financial Group, Inc. (ticker symbol LFGP), the holding company for Ledyard National Bank, is pleased to report record earnings for 2016 of \$4,128,419, a 2% improvement over 2015. Additional highlights for the year include:

- Third consecutive year of record earnings
- Total revenue increased to \$23.5 million, also a new record
- Ledyard Financial Advisors revenue exceeded \$8 million for the third consecutive year
- The Company achieved ROA of 0.89% and ROE of 9.10% for the year

Net income for the quarter ended December 31, 2016, was \$987,221 or \$0.95 per share compared to \$886,229 or \$0.87 per share for the same period in 2015, an increase of \$110,992 or 11%. This increase was primarily due to the improving environment for our two primary businesses, banking and wealth management. Net income for the twelve months ended December 31, 2016 was \$4,128,419 or \$3.98 per share compared to \$4,061,338 or \$3.96 per share for the same period in 2015, an increase of \$68,025 or 2%.

Total revenue for the quarter ended December 31, 2016, was \$5,966,718 compared to \$5,611,969 for the same period in 2015, for an increase of \$354,749 or 6%. Total revenue for the twelve months ended December 31, 2016, was \$23,535,879 compared to \$22,904,974 for the same period in 2015, an increase of \$630,905 or 3%. Net interest income for the quarter ended December 31, 2016, was \$3,422,586 compared to \$3,186,278 for the same period in

2015, for an increase of \$236,308 or 7%. Net interest income for the twelve months ended December 31, 2016, was \$13,256,991 compared to \$12,827,091 for the same period in 2015, for an increase of \$429,900 or 3%.

No funds were added to the Allowance during 2016 or during 2015. Net charge-offs for the twelve months ended December 31, 2016, were \$6,588, compared to \$37,335 for the comparable period in 2015. The total Allowance was \$5.7 million at December 31, 2016, and 2015. Total non-performing assets were \$2.67 million at December 31, 2016, compared to \$2.47 million for the same period in 2015.

Ledyard Financial Advisors, a division of Ledyard National Bank, reported revenue for the quarter ended December 31, 2016, of \$2,103,396 compared to \$2,054,714 for the same period in 2015, an increase of \$48,682 or 2%. Revenue for the twelve months ended December 31, 2016, was \$8,314,869 compared to \$8,437,281, for the same period in 2015, for a decrease of \$122,413 or 1%. Assets under management and custody at Ledyard Financial Advisors totaled approximately \$1.157 billion as of December 31, 2016, an increase of approximately \$87 million over the prior year.

Non-interest expense for the quarter ended December 31, 2016, was \$4,756,526 compared to \$4,525,263 for the same period in 2015, an increase of \$231,263 or 5%. Non-interest expense for the twelve months ended December 31, 2016, was \$18,400,229 compared to \$17,731,105 for the same period in 2015, for an increase of \$669,124 or 4%.

At December 31, 2016, the Company's shareholders' equity stood at \$42.9 million, compared to \$44 million for the same period in 2015. 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, 2016, the Company's book value per share stood at \$40.93 compared to \$42.81 for the same period in 2015.

Loans, net of the allowance for loan losses at December 31, 2016, were \$289.2 million, compared to \$270.9 million for the same period last year, for an increase of \$18.2 million. Total deposits at December 31, 2016 were \$401.9 million, an increase of \$28.8 million from the same period last year. Total assets of the Company were \$475.1 million at December 31, 2016, an increase of \$30 million over the prior year.

On January 27, 2017, the Company announced a regular quarterly dividend of \$0.48 per share to be paid on March 3, 2017 to shareholders of record as of February 10, 2017.

During the fourth quarter of 2016 the Company had an unprecedented investment opportunity and embarked upon a strategic geographic expansion into Concord, New Hampshire by hiring four experienced wealth management professionals with deep knowledge of the greater Concord area. In the coming year, the Company expects to strategically introduce additional banking products and services to the Concord market complementing

the services just launched.

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	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Total Interest Income	\$3,706,817	\$3,443,417	\$14,379,903	\$13,721,545
Total Interest Expense	284,231	257,140	1,122,912	894,453
Net Interest Income	3,422,586	3,186,278	13,256,991	12,827,091
Provision for Loan Losses	0	0	0	0
Non-interest Income	2,544,132	2,425,691	10,278,888	10,077,883
Non-interest Expense	4,756,526	4,525,263	18,400,229	17,731,105
Net Income	987,221	886,229	4,128,419	4,061,338
Earnings Per Common Share, basic	0.95	\$ 0.87	3.98	\$ 3.96
Earnings Per Common Share, diluted	0.92	\$ 0.84	3.87	\$ 3.85
Dividends Per Common Share	0.48	\$ 0.48	\$1.92	\$ 1.92

	As of 12/31/2016	As of 12/31/2015
Total Assets	\$475,052,410	\$445,009,796
Investments	154,821,762	143,306,148
Loans Receivable, net	289,166,831	270,967,025
Total Deposits	401,899,842	373,070,889
FHLB Advances & Other Borrowings	27,414,676	25,590,462
Stockholder's Equity	42,889,490	44,048,423
Common Stock Outstanding	1,047,787	1,028,780
Treasury Shares	45,770	28,364
Tangible Book Value per Share	\$40.93	\$42.81
Total Risk Based Capital Ratio	13.40%	14.58%
Non-performing Assets	\$2,670,897	\$ 2,467,494
Non-performing Assets as a % of Total Assets	0.56%	0.56%
Allowance for Loan Losses	\$5,699,651	\$5,706,238
Allowance as a % of Total Loans	1.93%	2.06%

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Ledyard Financial Group, Inc.

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Source: Ledyard Financial Group, Inc.