

NEWS RELEASE

For Further Information

Contact: Vicki Smith, Senior Vice President

Katahdin Trust Company

Telephone: (207) 521-0455, Ext. 13511

Katahdin Bankshares Corp. announces dividend

For Release February 24, 2014 at 4:30 p.m.

Houlton Maine. Katahdin Bankshares Corp. (OTCQB:KTHN), parent company of Katahdin Trust Company, announced that it has declared a cash dividend of \$.10 per share for the first quarter of 2014. In making the announcement Jon J. Prescott, Katahdin Trust Company President & CEO stated that it represented a 2.6% increase over last year's first quarter dividend. The dividend will be payable on March 25, 2014 to all shareholders of record as of March 10, 2014.

Katahdin Bankshares Corp. stock is quoted on the OTC Markets quote board OTCQB under the symbol KTHN. Current stock information can be found at otcmarkets.com/home.

Katahdin Trust Company, established in 1918, provides banking services to individuals and businesses from 18 offices in northern and central Maine and online at www.katahdintrust.com.

Katahdin Bankshares Corp. has been recognized for seven consecutive years as one of the Top 200 Community Banks in the country by American Banker magazine.
