

NEWS RELEASE

For Further Information

Contact: Vicki Smith, Senior Vice President
Katahdin Trust Company
Telephone: (207) 521-3235

Katahdin Bankshares Corp. announces dividend

For Release May 28, 2015 at 9:00 a.m.

Houlton Maine - Katahdin Bankshares Corp. (OTCQX:KTHN), parent company of Katahdin Trust Company, announced that it has declared a cash dividend on its common stock of \$.10 per share for the second quarter of 2015. The common stock dividend will be payable on June 23, 2015 to shareholders of record as of June 9, 2015. Katahdin Bankshares Corp also declared a cash dividend on its preferred stock Series D of \$54.6875 per share for the second quarter of 2015. The preferred stock Series D dividend will be payable on July 15, 2015 to shareholders of record as of July 5, 2015.

Katahdin Bankshares Corp. stock is quoted on the OTC Markets quote board QTCQX under the symbol KTHN. Current stock information can be found at www.otcmarkets.com/stock/KTHN/quote. Katahdin Trust Company, established in 1918, provides banking services to individuals and businesses from 19 offices throughout Maine and online at www.katahdintrust.com.

###