



NEWS RELEASE

For Further Information

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Katahdin Bankshares Corp. announces dividend

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Houlton Maine. Katahdin Bankshares Corp. (**OTCQX:KTHN**), parent company of Katahdin Trust Company, announced that it has declared a cash dividend of \$.10 per share for the third quarter of 2016. The dividend will be payable on September 23, 2016 to all shareholders of record as of September 9, 2016.

Katahdin Bankshares Corp, also declared a cash dividend on its preferred stock Series D of \$54.6875 per share for the third quarter of 2016. The preferred stock Series D dividend will be payable on October 15, 2016 to shareholders of record as of October 5, 2016.

Katahdin Bankshares Corp. stock is quoted on the OTC Markets quote board OTCQX under the symbol KTHN. Current stock information can be found at otcm Markets.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.

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