



NEWS RELEASE

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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 on its common stock of \$.10 per share for the fourth quarter of 2016. The common stock dividend will be payable on December 23, 2016 to shareholders of record as of December 9, 2016.

Katahdin Bankshares Corp. also declared a cash dividend on its preferred stock Series D of \$54.6875 per share for the fourth quarter of 2016. The preferred stock Series D dividend will be payable on January 15, 2017 to shareholders of record as of January 5, 2017.

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 offices throughout Maine and online at www.KatahdinTrust.com.

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