



NEWS RELEASE

Katahdin Bankshares Corp. Reports Second Quarter Results

HOULTON, Maine (July 18, 2019) - Katahdin Bankshares Corp. (OTCQX: KTHN), parent company of Katahdin Trust Company, a community bank founded in 1918 serving northern Maine and the greater Bangor and Portland regions, has announced second-quarter earnings of \$2.18 million, or \$0.56 per common share, exceeding last year's second quarter by \$314,000 or 17.4%. Earnings for the first 6 months of the year totaled \$3.97 million, up by \$526,000 or 15.3% over the same period last year. Loans grew by \$34.4 million in the second quarter, bringing total assets to \$838.2 million as of quarter end.

“Earnings for the second quarter represented the best quarter in our history,” said Jon J. Prescott, Katahdin Trust President and Chief Executive Officer. “We were also pleased to announce the issuance of \$14.5 million in 7 year fixed rate senior notes at 5.375% and the subsequent retirement of the \$10 million in Preferred Stock Series D shares.”

The Company paid a quarterly dividend of \$0.1125 per share in the second quarter 2019, representing a 4.65% increase over last year's second quarter dividend. Additionally, the Company recently announced a new stock buyback program during the quarter. Shareholders interested in the buyback program should feel free to contact the Company for more details.

For more information and to view a copy of our most recent quarterly financial report, visit www.KatahdinTrust.com/Shareholder-Relations.

About Katahdin Bankshares Corp.

Katahdin Bankshares Corp. is the bank holding company of Katahdin Trust Company, a community bank founded in 1918 and based in Houlton, Maine. Katahdin Trust, named one of the 2018 Best Places to Work in Maine, has 180 employees and sixteen banking offices that serve Aroostook, Penobscot and Cumberland counties. Katahdin Bankshares Corp. common stock is quoted on the OTCQX market under the symbol KTHN. To learn more about the Company and its subsidiary bank, visit KatahdinTrust.com or follow Katahdin Trust on Facebook, Twitter, LinkedIn, and Instagram.

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