

SBT Bancorp, Inc. Announces Earnings for the Fourth Quarter 2018

Clarkesville, GA – SBT Bancorp, Inc. parent company of Southern Bank & Trust reports financial results for the quarter ended December 31, 2018.

Fourth Quarter 2018 Highlights:

- YTD Net Income through the fourth quarter 2018 was \$2,096,772 or \$1.69 per share as compared to \$1,458,865 or \$1.18 per share YTD through the fourth quarter 2017.
- Total loan outstandings were \$155.1 million as of December 31, 2018 compared to \$142.6 million on December 31, 2017. This represented an increase of 8.8%.
- Net Interest income of \$8.0 million through December 31, 2018 was an increase of 13.4% over the same time period in 2017.
- The bank's credit quality remained in outstanding condition.
 - Thirty days and over past due loans were 0.02% of total loans at the end of 4Q 2018.
 - Other Real Estate Owned was \$0 as of December 31, 2018.
 - Nonaccrual loans to total loans were .70% in the fourth quarter of 2018.
- Total Deposits as of December 31, 2018 were \$170.0 million which is an increase of \$17.5 million or 11.5% since December 31, 2017.
- The bank's YTD net interest margin through December 31, 2018 remained strong at 4.56%.

Tony Collins, SBT Bancorp, Inc. President and CEO comments "We are very pleased with the 2018 financial results for SBT Bancorp, Inc. The key financial indicators of our company's progress continue to be outstanding. Our 2018 YTD Return on Average Assets increased to 1.15%. Our 2018 YTD Return on Average Equity increased to 11.68%. The bank's Earnings per Share improved to \$1.69 and the bank's Book Value per Share increased from \$13.87 as of December 31, 2017 to \$15.08 as of December 31, 2018.

As we look forward to 2019, we will continue to have challenges similar to those we faced in 2018. Our most significant concern is always the maintaining of an above average Net Interest Margin, which is the largest component of revenue. We were able to maintain a Net Interest Margin of 4.56% for the 2018 year. This was especially positive considering the Federal Reserve had four rate increases in 2018. Another major emphasis for our company in 2019 will be preventing credit quality problems in light of the uncertainty in our nation's economy going forward. Currently credit quality metrics are extremely good, however, this is an area that our lending staff is constantly monitoring and reviewing for early detection of problems.

In spite of our concerns about maintaining a satisfactory Net Interest Margin and uncertainty about the national economy, we are positive about the bank's potential financial performance for 2019.

Please see the financial information on the following page for additional information about the bank. Please direct any questions to Deanna Mote, Chief Financial Officer or Tony Collins, CEO and President.

This information can also be seen by visiting our website www.southernbankandtrust.com and clicking the "Shareholders Information" link.

SBT Bancorp, Inc

4Q 2018 Financial Information

	<i>Unaudited</i>	Year-to-date results		
		Dec-18	Dec-17	Dec-16
Summary of Operations				
Net Interest Income		\$8,009,515	\$7,060,420	\$5,707,064
Provision for loan losses		\$132,000	\$131,000	\$213,844
Non-interest income		\$822,591	\$740,992	\$695,510
Non-interest expense		\$5,977,415	\$5,227,568	\$4,480,633
Earnings before tax		\$2,722,691	\$2,442,844	\$1,708,097
Income tax		\$625,969	\$983,979	\$476,876
Net Income		\$2,096,722	\$1,458,865	\$1,231,221
Per Share Ratios				
Earnings per Share		\$1.69	\$1.18	\$1.02
Book Value per Share		\$15.08	\$13.87	\$12.93
Profitability Ratios				
Return on Average Assets		1.15%	0.91%	0.92%
Return on Average Equity		11.68%	8.77%	7.93%
Net Interest Margin		4.56%	4.59%	4.48%
Selected Quarter-End Balances				
Assets		\$193,575,670	\$175,209,314	\$143,535,379
Loans		\$155,156,201	\$142,612,351	\$118,534,716
Deposits		\$170,001,490	\$152,515,232	\$125,459,139
Stockholders' Equity		\$18,758,169	\$17,109,019	\$15,630,867
Credit Quality Summary				
Allowance for Loan Losses		\$2,185,593	\$2,117,617	\$1,981,211
Allowance as a percentage of Loans		1.41%	1.48%	1.67%
Other Real Estate Owned		0	\$8,370	\$8,370
30 days and over past due		0.02%	0.17%	0.20%
Non-Accrual Loans		\$1,129,554	\$1,294,339	\$1,220,347
Capital Adequacy Ratios				
Tier 1 Leverage Ratio		10.23%	9.65%	11.04%
Tier 1 Risk Based Capital Ratio		13.65%	12.60%	13.47%
Total Risk Based Capital Ratio		14.90%	13.85%	14.72%