

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

Clarkesville, GA – SBT Bancorp, Inc. parent company of Southern Bank & Trust reports financial results for the quarter ended June 30, 2018.

Second Quarter 2018 Highlights:

- YTD Net Income through the second quarter 2018 was \$1,107,580 or \$.89 per share as compared to \$751,991 or \$0.61 per share YTD through the second quarter 2017.
- Total loan outstandings were \$149.7 million as of June 30, 2018 compared to \$132.1 million on June 30, 2017. This represented an increase of 13.3%.
- Net Interest income of \$3.9 million through June 30, 2018 was an increase of 18% over the same time period in 2017.
- The bank's credit quality remained in outstanding condition.
 - Thirty days and over past due loans were 0.07% of total loans at the end of 2Q 2018 compared to .08% at the end of 2Q 2017.
 - Other Real Estate Owned was zero as of June 30, 2018.
 - Nonaccrual loans to total loans was .76% in the second quarter of 2018 compared to .91% in the second quarter 2017.
- Total Deposits as of June 30, 2018 were \$154.9 million which is an increase of \$21.6 million or 16.2% since June 30, 2017.
- The bank's YTD net interest margin through June 30, 2018 was 4.62% compared to 4.63% for the same time period in 2017.

Tony Collins, Southern Bank & Trust President and CEO comments "We are fortunate that the North Georgia Mountains area has seen continued economic growth during 2018. With housing demand high and unemployment low in our service area, we have experienced strong loan demand in 2018. None of the economic data that we collect indicates an immediate material pullback in our area, therefore, we are hopeful that this economic upswing will continue.

This improving economy is reflected in our earnings for 2018. As you can see from our financials, earnings continue to improve as indicated by our 2018 YTD Return on Average Assets of 1.25% which is an increase from 1.00% the previous year. Our 2018 YTD Return on Average Equity increased to 12.80% from 9.41%. The bank's Book Value per Share increased to \$14.52. Maintaining these levels of performance for the remainder of 2018 will be a challenge as we adjust to rapidly rising deposit interest rate costs.

A highlight for the bank during the second quarter was the official opening of our Dahlonega branch office. The office can now provide both loan and deposit services. We are expecting our next wave of loan and deposit growth to be generated in Lumpkin, Dawson and North Forsyth Counties which are the primary markets this office serves. "

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

2Q 2018 Financial Information

Year-to-Date Results

	Jun-18	Jun-17	Jun-16
Summary of Operations			
Net Interest Income	\$3,943,580	\$3,329,328	\$2,694,074
Provision for loan losses	\$32,000	\$51,000	\$76,344
Non-interest income	\$395,823	\$367,257	\$329,693
Non-interest expense	\$2,888,555	\$2,501,497	\$2,162,483
Earnings before tax	\$1,418,848	\$1,144,088	\$784,939
Income tax (Estimated)	\$311,268	\$392,097	\$219,700
Net Income (Estimated)	\$1,107,580	\$751,991	\$565,239
Per Share Ratios			
Earnings per Share	\$0.89	\$0.61	\$0.47
Book Value per Share	\$14.53	\$13.65	\$12.89
Profitability Ratios			
Return on Average Assets	1.25%	1.00%	0.87%
Return on Average Equity	12.80%	9.41%	7.48%
Net Interest Margin	4.62%	4.63%	4.42%
Selected Quarter-End Balances			
Assets	\$176,165,722	\$156,099,746	\$132,245,081
Loans	\$149,791,044	\$132,160,689	\$102,822,231
Deposits	\$154,940,148	\$133,361,989	\$115,669,283
Stockholders' Equity	\$17,929,609	\$16,716,747	\$15,583,108
Credit Quality Summary			
Allowance for Loan Losses	\$2,090,769	\$2,024,361	\$1,842,658
Allowance as a percentage of Loans	1.40%	1.54%	1.79%
Other Real Estate Owned	0	\$8,370	\$8,370
30 days and over past due	0.07%	0.08%	0.05%
Non-Accrual Loans	\$1,143,843	\$1,210,093	\$1,200,755
Capital Adequacy Ratios			
Tier 1 Leverage Ratio	10.23%	10.55%	11.32%
Tier 1 Risk Based Capital Ratio	13.64%	12.65%	14.34%
Total Risk Based Capital Ratio	14.89%	13.91%	15.60%