

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

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

Third Quarter 2018 Highlights:

- YTD Net Income through the third quarter 2018 was \$1,687,415 or \$1.37 per share as compared to \$1,252,950 or \$1.02 per share YTD through the third quarter 2017.
- Total loan outstandings were \$151.3 million as of September 30, 2018 compared to \$135.9 million on September 30, 2017. This represented an increase of 11%.
- Net Interest income of \$5.9 million through September 30, 2018 was an increase of 15% over the same time period in 2017.
- The bank's credit quality remained in outstanding condition.
 - Thirty days and over past due loans were 0.09% of total loans at the end of 3Q 2018.
 - Other Real Estate Owned was \$0 as of September 30, 2018.
 - Nonaccrual loans to total loans were .93% in the third quarter of 2018.
- Total Deposits as of September 30, 2018 were \$161.1 million which is an increase of \$11.1 million or 7.4% since September 30, 2017.
- The bank's YTD net interest margin through September 30, 2018 remained strong at 4.57%.

Tony Collins, SBT Bancorp, Inc. President and CEO comments "Our team is doing a great job of taking care of business. Southern Bank & Trust is fortunate to have an experienced and results oriented team that continues to provide outstanding results. The key financial indicators of our company's progress for 2018 continue to be outstanding. Our 2018 YTD Return on Average Assets increased to 1.25%. Our 2018 YTD Return on Average Equity increased to 12.74%. The bank's Earnings per Share improved to \$1.35 and the bank's Book Value per Share increased from \$14.05 as of September 30, 2017 to \$14.91 as of September 30, 2018.

Our challenge for the remainder of 2018 will be to maintain a satisfactory net interest margin during a rising rate environment. After several years of no interest rate increases, the Federal Reserve has increased rates three times in 2018 and additional increases are expected during the next twelve months. Our cost of funds has significantly increased due to these rate increases and the increased competition for depositors by our competitors. Even with these factors, we have been able to maintain a satisfactory net interest margin thus far in 2018. Loan demand throughout 2018 has been satisfactory, however, we are concerned that higher interest rates for loan customers will weaken loan demand over the next year. In spite of our concerns regarding higher rates, we do expect our profitability ratios to remain consistent for the remainder of 2018."

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
3Q 2018 Financial Information

	Year-to-date results <i>Unaudited</i>		
	Sep-18	Sep-17	Sep-16
Summary of Operations			
Net Interest Income	\$5,949,191	\$5,166,848	\$4,161,026
Provision for loan losses	\$32,000	\$101,000	\$153,844
Non-interest income	\$612,789	\$550,002	\$510,946
Non-interest expense	\$4,373,357	\$3,842,652	\$3,294,873
Earnings before tax	\$2,156,622	\$1,773,195	\$1,223,254
Income tax	\$469,207	\$520,245	\$344,100
Net Income	\$1,687,415	\$1,252,950	\$879,154
Per Share Ratios			
Earnings per Share	\$1.37	\$1.02	\$0.73
Book Value per Share	\$14.91	\$14.05	\$13.13
Profitability Ratios			
Return on Average Assets	1.25%	1.08%	0.89%
Return on Average Equity	12.74%	10.22%	7.63%
Net Interest Margin	4.57%	4.63%	4.45%
Selected Quarter-End Balances			
Assets	\$186,043,801	\$173,406,942	\$141,941,673
Loans	\$151,314,169	\$135,949,556	\$109,105,530
Deposits	\$161,073,270	\$149,999,407	\$124,830,712
Stockholders' Equity	\$18,399,530	\$17,201,609	\$15,876,614
Credit Quality Summary			
Allowance for Loan Losses	\$2,085,163	\$2,085,011	\$1,921,387
Allowance as a percentage of Loans	1.38%	1.53%	1.76%
Other Real Estate Owned	0	\$8,370	\$8,370
30 days and over past due	0.09%	0.02%	0.42%
Non-Accrual Loans	\$1,408,833	\$1,205,485	\$1,196,568
Capital Adequacy Ratios			
Tier 1 Leverage Ratio	10.43%	10.23%	11.14%
Tier 1 Risk Based Capital Ratio	13.69%	12.80%	13.92%
Total Risk Based Capital Ratio	14.94%	14.05%	15.18%