

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

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

First Quarter 2018 Highlights:

- YTD Net Income available to shareholders through 1Q 2018 was \$490,548 or \$.40 per share as compared to \$382,093 or \$.32 per share YTD through 1Q 2017.
- Total loan outstandings were \$144.6 million as of March 31, 2018 compared to \$122.5 million on March 31, 2017. This represented an increase of 18.04%.
- Net Interest income of \$1.9 million through 1Q 2018 was an increase of 20.09% 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 1Q 2018 compared to .18% at the end of 1Q 2017.
 - Nonaccrual loans to total loans was .79% at the end of 1Q2018 compared to .99% at the end of 1Q2017.
- Total Deposits as of March 31, 2018 were \$155.4 million which is an increase of \$21.7 million or 16.23% since March 31, 2017.
- The bank's YTD net interest margin through March 31, 2018 was 4.61%. It was also 4.61% for the same time period in 2017.

Tony Collins, Southern Bank & Trust President and CEO comments:

"We were well pleased with the bank's performance during quarter one of 2018. We expected the first quarter to be challenging because of higher deposit interest cost, however due to maintaining our net interest margin at the same level as in 2017, we were able to achieve our earnings targets. Our traditional bank indicators of loan and deposit growth, credit quality, efficiency ratio, and capital adequacy continue to point in a positive direction. Therefore we remain positive about the bank's continued solid performance for the remainder of 2018. Our most significant internal challenge for 2018 will be maintaining a satisfactory net interest margin in a rising rate environment.

Our expansion into the Dahlonega and Dawsonville area continues to be a highlight. We have been operating a loan production office there and are very pleased with the results. We have requested and have been approved by the FDIC and Georgia Department of Banking to upgrade our loan production office into a full service branch. We expect to be fully operational as a branch location in Dahlonega by June 1, 2018. We are excited about the deposit opportunities there and expect this market to be a major contributor of additional deposit and loan growth."

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
1Q 2018 Financial Information
Year-to-Date Results

Unaudited

	Mar-18	Mar-17	Mar-16
Summary of Operations			
Net Interest Income	\$1,930,645	\$1,607,644	\$1,313,685
Provision for loan losses	\$32,000	\$0	\$22,500
Non-interest income	\$194,421	\$186,059	\$146,628
Other non-interest expense	\$1,429,346	\$1,236,459	\$1,065,432
Earnings before tax	\$663,720	\$557,243	\$372,380
Income tax	\$173,172	\$175,150	\$112,500
Net Income	\$490,548	\$382,093	\$259,880
Per Share Ratios			
Earnings per Share	\$0.40	\$0.32	\$0.21
Book Value per Share	\$14.10	\$13.29	\$12.52
Profitability Ratios			
Return on Average Assets	1.13%	1.05%	0.81%
Return on Average Equity	11.50%	9.77%	6.93%
Net Interest Margin	4.61%	4.61%	4.40%
Selected Quarter-End Balances			
Assets	\$177,892,113	\$150,499,458	\$130,377,621
Loans	\$144,661,700	\$122,578,684	\$96,355,602
Deposits	\$155,471,592	\$133,747,480	\$114,382,546
Stockholders' Equity	\$17,390,161	\$16,065,404	\$15,141,094
Credit Quality Summary			
Allowance for Loan Losses	\$2,092,480	\$1,982,861	\$1,823,386
Allowance as a percentage of Loans	1.45%	1.62%	1.89%
Other Real Estate Owned	\$85,000	\$8,370	\$54,334
30 days and over past due	0.07%	0.18%	0.14%
Non-Accrual Loans	\$1,146,052	\$1,214,352	\$1,240,556
Capital Adequacy Ratios			
Tier 1 Leverage Ratio	10.08%	10.84%	11.35%
Tier 1 Risk Based Capital Ratio	13.12%	13.02%	14.93%
Total Risk Based Capital Ratio	14.37%	14.28%	16.19%