

FOR IMMEDIATE RELEASE

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LIBERTY BANK, SBT BANCORP, INC. AND ITS SUBSIDIARY, THE SIMSBURY BANK & TRUST COMPANY ANNOUNCE MERGER AGREEMENT

Liberty Bank to Expand in Hartford County

Middletown, CT and Simsbury, CT, March 21, 2019 - Liberty Bank, headquartered in Middletown, Connecticut and SBT Bancorp, Inc. headquartered in Simsbury, Connecticut (OTC: PNK: "SBTB") jointly announced today that they have entered into a definitive agreement for the merger of SBT Bancorp, Inc. and its subsidiary, The Simsbury Bank & Trust Company, with and into Liberty Bank.

Under terms of the agreement, upon completion of the merger, each shareholder of SBT Bancorp, Inc. will receive \$51.32 per share in cash, giving the transaction a value of approximately \$71 million. The agreement has been unanimously approved by the Boards of Liberty Bank, SBT Bancorp, Inc. and The Simsbury Bank & Trust Company.

SBT Bancorp, Inc., a bank holding company headquartered in Simsbury, Connecticut, is the parent company of The Simsbury Bank & Trust Company, a Connecticut chartered bank with assets of approximately \$480 million and 5 full service branches in Hartford County.

Liberty Bank is a Connecticut chartered mutual savings bank with \$5.1 billion in assets and over \$738 million in capital. Through its 55 branch network in Connecticut, Liberty Bank provides financial services to individuals, businesses, not-for-profit organizations and government entities through its commercial and consumer lending divisions, corporate services, retail banking and investment management services.

"The merger with The Simsbury Bank & Trust Company will expand our presence into new communities in Hartford County, including Avon, Bloomfield, Granby and Simsbury," said Liberty Bank President & CEO David W. Glidden. "We look forward to the opportunity to expand our footprint, and through continued employee teamwork, will remain committed to exceeding the expectations of customers and giving back to the communities we serve. Simsbury Bank is an outstanding bank and we are excited to draw upon their talented team of banking professionals and their strengths in small business banking. The philosophy, culture, and footprint of these two franchises fit very well together."

Martin J. Geitz, President and Chief Executive Officer, of SBT Bancorp, Inc. and The Simsbury Bank & Trust Company agrees and stated, “In the years since Simsbury Bank opened its doors in April 1995, we have grown to become the leading bank by many measures in the markets we serve and one of the top performing banks in Connecticut. As we look to the future, we believe that in becoming part of Liberty Bank our shareholders, customers, employees and communities will benefit from Liberty’s commitment to Connecticut, and the advantages that its scale brings in technology, commercial lending capacity and competitiveness.”

The transaction is subject to approval by the shareholders of SBT Bancorp, Inc., as well as customary regulatory approvals, including the State of Connecticut Department of Banking and the Federal Deposit Insurance Corporation. The transaction is expected to close in September of 2019.

Liberty Bank was represented by Cranmore, FitzGerald & Meaney, Hartford, CT. SBT Bancorp, Inc. was advised by Piper Jaffray & Co. and its legal counsel was Day Pitney, LLP, Hartford, CT.

About Liberty Bank

Established in 1825, Liberty Bank is Connecticut’s oldest bank, with more than \$5.1 billion in assets and 55 banking offices throughout the central, eastern, western and shoreline areas of the state. As a full-service financial institution, Liberty offers consumer and commercial banking, home mortgages, insurance, and investment services. Named in 2019 as one of the World’s Best Banks, ranking 4th in the United States by Forbes and a ‘Top Workplace’ by the Hartford Courant for seven consecutive years, Liberty maintains a longstanding commitment to superior personal service and unparalleled community involvement. For more information about Liberty Bank, visit www.liberty-bank.com.

About SBT Bancorp

SBT Bancorp, Inc. is the parent company of wholly-owned The Simsbury Bank & Trust Company, Inc., a Central Connecticut based independent community bank for businesses and consumers with assets of \$480 million. SBT Bancorp, Inc. stock is traded on the OTC Pink marketplace under the ticker symbol SBTB. For more information, visit www.simsburybank.com.

Special Note Concerning Forward-Looking Statements

Forward-looking Information: Any forward-looking statements regarding Liberty Bank’s acquisition of SBT Bancorp, Inc. involve uncertainties. Those uncertainties include, but are not limited to: legislation or changes in regulatory requirements, shareholder actions, technical or systems issues affecting dates of consummation or conversion, costs or difficulties related to the integration, realization of expected synergies from the acquisition, and general economic conditions that are less favorable than expected. Neither Liberty Bank nor SBT Bancorp, Inc. undertakes any obligation to update forward-looking statements to reflect events or circumstances that occur after the date on which such statements are made.

This press release does not constitute a solicitation of proxies. SBT Bancorp, Inc. will mail its shareholders a proxy statement and other relevant documents concerning the proposed transaction. Shareholders of SBT Bancorp, Inc. are urged to read the proxy statement and any amendments or supplements to such document, because they will contain important information which you should consider before making any decision regarding the transaction. You will be able to obtain a free copy of the proxy statement, as well as other filings containing information about SBT Bancorp, Inc. at its website (www.simsburybank.com). Copies of the proxy statement may also be obtained without charge, when available, by directing a request to SBT Bancorp, Inc., 86 Hopmeadow Street, Weatogue, CT 06089.

SBT Bancorp, Inc. and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of SBT Bancorp, Inc. in connection with the acquisition. Information about the directors and executive officers of SBT Bancorp, Inc. and their ownership of SBT Bancorp, Inc. common stock is available at the SBT Bancorp, Inc. website noted above. Additional information regarding the interests of such participants in the transaction will be contained in the proxy statement when it becomes available.

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