

NEWS RELEASE

FOR IMMEDIATE RELEASE

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COMMUNITY FIRST BANCORPORATION ANNOUNCES 2017 THIRD QUARTER FINANCIAL RESULTS

Walhalla, SC (November 1, 2017) – Community First Bancorporation, Inc. (OTC: CFOK), parent company for Community First Bank, Inc., recorded total consolidated earnings of \$351,000 for the third quarter of 2017 and \$739,000 for the year-to-date period ending September 30, 2017, compared to total consolidated earnings of \$138,000 for the third quarter of 2016 and \$723,000 for the year-to-date period ending September 30, 2016

Total assets at September 30, 2017, were \$356,233,000 compared to \$323,878,000 at September 30, 2016, and \$317,692,000 at December 31, 2016. At September 30, 2017, total gross loans and deposits were \$243,809,000 and \$319,023,000, respectively, compared to \$176,014,000 and \$286,704,000 at September 30, 2016, and \$199,411,000 and \$282,446,000 at December 31, 2016.

Commenting on the Company's performance, President and CEO Richard D. Burleson, Jr. stated, "Year-to-date earnings through September 30, 2017 are slightly ahead of earnings recorded for the comparable period in 2016. As reported last quarter we have invested heavily in the future of our Company. Thus far this year, the Bank has opened two additional loan production offices (LPOs), hired additional staff to support our growth, made the strategic decision to invest in a new core processing system and during the third quarter, began offering insurance products through Community First Financial Services, a division of the Bank. The conversion to our new core processing system will take place beginning November 10, 2017 and we will begin operating with our new system when we open for business on Monday morning,

November 13, 2017. As stated in our last quarterly report, we believe that this new core system will provide our Bank with the products, services and tools needed to successfully compete, while providing the Bank with significant gains in operating efficiency. Our earnings thus far this year have been significantly impacted by expenses associated with our new system, however, we expect that impact to lessen after the conversion is completed. Last year's earnings through the first nine months were enhanced by gains on the sales of investment securities and Other Real Estate Owned (OREO) of \$302,000 and \$121,000, respectively, compared to \$11,000 and \$229,000, for the current period. Salaries and benefits costs thus far this year were approximately \$827,000 over last year's comparative period and are attributable to added support staff and salaries associated with the staffing of the new LPO's. The costs associated with our holdings of OREO were \$176,000 more than in the first nine months of 2016 as we have continued to liquidate this portfolio of non-earning assets. Since September 30, 2016, our level of OREO has declined by \$799,000 to \$1,245,000 at September 30, 2017.

Burleson continued, loan demand remains strong. Our outstanding loans have increased \$44,398,000, or 22.3%, since December 31, 2016, with total gross loans outstanding of \$243,809,000 at September 30, 2017. During the first nine months of 2017, total deposits simultaneously grew by \$36,577,000, or 12.9%, to \$319,023,000 at September 30, 2017.

The Company's 2016 and 2017 strategic plans called for the expansion of the Bank's markets through the establishment of LPOs. Last year the Bank established LPOs in Greenville, Spartanburg and Fort Mill, South Carolina. Thus far this year, the Bank continued its expansion along the I-85 corridor by opening LPOs in Concord and Charlotte, North Carolina, while closing its Spartanburg office during the third quarter. The Bank continues to evaluate feasibility studies regarding the addition of full-service branches in the Greenville and Fort Mill, SC markets where it established successful LPOs in 2016.

The Bank's asset quality continues to improve, with its non-performing assets, comprised of nonperforming loans and foreclosed assets, declining to \$2,143,000 at September 30, 2017, compared to \$3,463,000 at December 31, 2016. The Bank experienced net loan recoveries of \$314,000 during the first nine months of 2017 compared to net loan charge-offs of \$86,000 in the

first nine months of 2016 and net loan charge-offs of \$129,000 for all of 2016. At September 30, 2017, the Allowance for Loan and Lease Losses totaled \$3,345,000, or 1.37%, of outstanding loans, compared to \$3,031,000, or 1.52%, of outstanding loans at December 31, 2016.”

Burleson noted that the Company’s capital ratios remain strong and exceed levels required by regulatory authorities as its Tier 1 Capital Ratio was 9.30% at September 30, 2017.

Community First Bank maintains seven full-service financial centers: two each in Seneca and Anderson and single locations in Williamston, Walhalla and Westminster, South Carolina; and four LPOs located in Greenville, SC, Fort Mill, SC, Concord, NC, and Charlotte, NC.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This News Release contains forward-looking statements, which can be identified by the use of words such as “estimate,” “project,” “believe,” “intend,” “anticipate,” “plan,” “seek,” “expect,” “will,” “may” and words of similar meaning. These forward-looking statements include, but are not limited to statements of our goals, intentions and expectations; statements regarding our business and strategic plans, prospects, growth and operating strategies; statements regarding the asset quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits.

These forward-looking statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. The Company is under no duty to and do not undertake any obligation to update any forward-looking statements after the date of this News Release.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- We may not be able to implement aspects of our growth strategy;
- Future expansion involves risks;
- New bank office facilities and other facilities may not be profitable;
- Acquisition of assets and assumption of liabilities may expose us to intangible asset risk, which could impact our results of operations and financial condition;
- The success of our growth strategy depends on our ability to identify and retain individuals with experience and relationships in the markets in which we intend to expand;
- We may need additional access to capital, which we may be unable to obtain on attractive terms or at all;
- Our estimate for losses in our loan portfolio may be inadequate, which would cause our results of operations and financial condition to be adversely affected;
- Our commercial real estate loans generally carry greater credit risk than one-to-four family residential mortgage loans;
- Our concentration of construction financing may expose us to a greater risk of loss and hurt our earnings and profitability;
- Repayment of our commercial business loans is primarily dependent on the cash flows of the borrower, which may be unpredictable, and the collateral securing these loans may fluctuate in value;

- We continue to hold and acquire other real estate, which has led to operating expenses and vulnerability to additional declines in real property values;
- A significant portion of our loan portfolio is secured by real estate, and events that negatively impact the real estate market could hurt our business;
- Future changes in interest rates could reduce our profits;
- Strong competition within our market areas may limit our growth and profitability;
- Our stock-based benefit plan will increase our costs, which will reduce our income;
- The implementation of stock-based benefit plans may dilute shareholder ownership interest;
- We are subject to extensive regulation and oversight, and, depending upon the findings and determinations of our regulatory authorities, we may be required to make adjustments to our business, operations or financial position and could become subject to formal or informal regulatory action;
- We are subject to more stringent capital requirements, which may adversely impact our return on equity, require us to raise additional capital, or constrain us from paying dividends or repurchasing shares;
- We depend on our management team to implement our business strategy and execute successful operations and we could be harmed by the loss of their services;
- The value of our deferred tax asset could be significantly reduced if corporate tax rates in the U.S. decline or as a result of other changes in the U.S. corporate tax system;
- We may not be able to utilize all of our deferred tax asset;
- The fair value of our investments could decline;
- Liquidity risk could impair our ability to fund operations and jeopardize our financial condition, results of operations and cash flows;
- Changes in accounting standards could affect reported earnings;
- A failure in or breach of our operational or security systems or infrastructure, or those of our third party vendors and other service providers or other third parties, including as a result of cyber-attacks, could disrupt our businesses, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs, and cause losses;
- Our stock price may be volatile, which could result in losses to our shareholders and litigation against us;
- The trading volume in our common stock is lower than that of other larger companies; future sales of our stock by our shareholders or the perception that those sales could occur may cause our stock price to decline;
- There may be future sales of additional common stock or preferred stock or other dilution of our equity, which may adversely affect the market price of our common stock;
- We may issue additional debt and equity securities or securities convertible into equity securities, any of which may be senior to our common stock as to distributions and in the event of liquidation, which could negatively affect the value of our common stock;
- Negative public opinion surrounding our Company and the financial institutions industry generally could damage our reputation and adversely impact our earnings;

COMMUNITY FIRST BANCORPORATION
CONSOLIDATED FINANCIAL HIGHLIGHTS
(Unaudited)

(Amounts in thousands except share information)

	Three Months Ended September 30,			
<u>Income Statement</u>	<u>2017</u>		<u>2016</u>	<u>Change</u>
Net interest income	\$ 3,024		\$ 2,614	15.68%
Provision for loan losses	0		0	0.00%
Other income	774		702	10.26%
Other expense	3,447		3,178	8.46%
Income before income taxes	351		138	154.35%
Provision for income taxes	0		0	0.00%
Net income	<u>\$ 351</u>		<u>\$ 138</u>	154.35%
Dividends paid or accumulated on preferred stock	39		39	0.00%
Net income available to common shareholders	<u>\$ 312</u>		<u>\$ 99</u>	215.15%

Net income per common share

Basic	\$ 0.08		\$ 0.02
Diluted	\$ 0.08		\$ 0.02

	Nine Months Ended September 30,			
<u>Income Statement</u>	<u>2017</u>		<u>2016</u>	<u>Change</u>
Net interest income	\$ 8,887		\$ 7,526	18.08%
Provision for loan losses	0		50	-100.00%
Other income	2,174		2,280	-4.65%
Other expense	10,321		9,033	14.26%
Income before income taxes	740		723	2.35%
Provision for income taxes	1		0	100.00%
Net income	<u>\$ 739</u>		<u>\$ 723</u>	2.21%
Dividends paid or accumulated on preferred stock	118		118	0.00%
Net income available to common shareholders	<u>\$ 621</u>		<u>\$ 605</u>	2.64%

Net income per common share

Basic	\$ 0.15		\$ 0.15
Diluted	\$ 0.15		\$ 0.15

	September 30,	September 30,	December 31,
	2017	2016	2016
<u>Balance Sheet</u>	(Unaudited)	(Unaudited)	(Audited)
Total assets	\$ 356,233	\$ 323,878	\$ 317,692
Gross loans	243,809	176,014	199,411
Allowance for loan losses	3,345	3,073	3,031
Loans, net	240,464	172,941	196,380
Securities	58,470	87,502	71,671
Total earning assets	346,049	309,613	303,636
Total deposits	319,023	286,704	282,446
Shareholders' equity	32,585	33,184	31,376
Book value per common share	7.09	7.24	6.80

Asset Quality Data

Non-performing loans:			
Non-accrual loans	\$ 898	\$ 1,627	\$ 1,720
Past due loans 90 days or more	0	0	0
Total non-performing loans	898	1,627	1,720
Foreclosed assets	1,245	2,044	1,743
Total nonperforming assets	<u>\$ 2,143</u>	<u>\$ 3,671</u>	<u>\$ 3,463</u>

Net charge-offs (recoveries)	\$	(314)	\$	86	\$	129
		September 30,		September 30,		December 31,
		2017		2016		2016
		<u>(Unaudited)</u>		<u>(Unaudited)</u>		<u>(Audited)</u>
Non-performing assets as a percentage of total loans and foreclosed assets		0.87%		2.06%		1.72%
Non-performing assets to total assets		0.60%		1.13%		1.09%
Allowance for loan losses to Non-performing loans		372.49%		188.88%		176.22%
Allowance for loan losses to total loans outstanding		1.37%		1.75%		1.52%
Net charge-offs to total loans outstanding		-0.13%		0.05%		0.06%
CAPTIAL RATIOS						
Total Capital (to risk-weighted assets)		14.15%		16.69%		16.30%
Tier 1 Capital (to risk-weighted assets)		12.90%		15.44%		15.00%
Tier 1 Capital (to average assets)		9.30%		9.71%		10.00%