NEWS RELEASE

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COMMUNITY FIRST BANCORPORATION ANNOUNCES THIRD QUARTER 2020 FINANCIAL RESULTS

Walhalla, SC (October 31, 2020) **–** Community First Bancorporation, Inc. (OTC: CFOK), parent company for Community First Bank, Inc. (the "Bank") and SeaTrust Mortgage Company ("STM"), announced its financial results for the third quarter of 2020. Highlights of the results include:

- Total consolidated earnings were $842,000 for the third quarter and $1,307,000 for the nine-month period ended September 30, 2020.
- Net interest income grew by 11.3% year over year for the nine months of 2020.
- Noninterest income included results for STM and increased 140% over the level reported in the first nine months of 2019.
- Total assets as of September 30, 2020 were $518,462,000, an increase of $23,953,000 or 4.8% compared to total assets of $494,509,000 as of June 30, 2020, and an increase of 23.9% compared to total assets of $418,564,000 as of December 31, 2019.
- As of September 30, 2020, total gross loans held for investment were $395,092,000, an increase of 22.7% compared to total gross loans held for investment of $322,012,000 at December 31, 2019. Loans held for investment included $19,035,000 of loans made under the Small Business Administration ("SBA") Paycheck Protection Program ("PPP").
- Loans held for sale increased 214.8% to $18,102,000 compared to $5,750,000 as of June 30, 2020.
- Total deposits as of September 30, 2020 were $423,668,000 compared to $353,246,000 as of December 31, 2019, an increase of $70,422,000 or 19.9% over December 31, 2019 totals.

Total consolidated earnings of $842,000 were recorded for the third quarter of 2020 compared to $110,000 for the second quarter of 2020 and $443,000 for the third quarter of 2019. Earnings per common share for the third quarter totaled $0.15 compared to $0.01 for the second quarter of 2020 and $0.07 for the third quarter of 2019. Activity in both STM's mortgage business and the Bank's SBA portfolio generated significant increases in noninterest income in the third quarter. Low interest rates and technology paired with our outstanding team have enabled us to capitalize on opportunities available to our mortgage subsidiary. Our new branch locations have experienced a slower than anticipated summer due to precautions taken during the pandemic. Despite the impact of the COVID-19 pandemic generally and upon our new branch locations in particular, our team still managed to grow deposits by 2.1% during the quarter.

Net interest income grew by 11.3% year over year for the first nine months of 2020, driven primarily by solid loan growth experienced over the period. Net loans held for investment grew $72,232,000 or 22.7% over the nine months ended September 30, 2020. The growth included over $19 million of PPP loans made by the Bank in the communities we serve to over 400 small business customers impacted by the pandemic. However, yields on loans made under the PPP program negatively impacted overall yields on loans during the second and third quarters. In addition, the Company deferred recognition of a portion of the net fee income receivable from the SBA on our PPP loans until those loans are forgiven or repaid. Net loan fees on PPP loans totaled approximately $750,000 at origination. These net fees are being amortized over the life of the loans. Overall loan yields for the first nine months of 2020 were 4.92% compared to 5.26% in the first nine months of 2019. Declines in market interest rates resulting from the pandemic also negatively impacted overall earning asset yields by approximately 34 basis points for the first nine months of 2020 compared to the first nine of 2019. Cost of funds did not decrease by the same magnitude, thereby decreasing our net interest margin by 25 basis points in the first nine months of 2020 compared to the first nine months of 2019.

Noninterest income for the third quarter of 2020 totaled $2,338,000 compared to $1,085,000 for the second quarter of 2020 and $652,000 for the third quarter of 2019. The increase was primarily due to loans originated and sold by STM, which began these activities late in the first quarter of 2020. An additional positive factor in the third quarter was an increase in gains on sales of SBA loans in 2020 compared to 2019. Through the first nine months of 2020 SBA loan sales generated almost $200,000 of additional noninterest income in comparison to 2019.

Noninterest expense increased to $13,567,000 for the nine-month period ended September 30, 2020 compared to $10,979,000 for the nine-month period ended September 30, 2019. Noninterest expenses were impacted in 2020 by several factors. The opening of our Dallas, North Carolina branch in the first quarter of 2020, the opening of a second North Carolina branch in Charlotte in the second quarter and expenditures related to the pandemic all resulted in increased noninterest expense. STM increased both its loan origination and processing capabilities throughout 2020. STM began originating loans in the first quarter with locations in Wilmington, North Carolina, as well as Seneca, South Carolina. In the months since it began originating loans, STM has added production personnel in the Greensboro, Jacksonville and Charlotte, North Carolina areas and additional operations personnel in its corporate office in Wilmington, NC. STM has also hired originators in Georgia and Florida. To date STM has originated over $77,916,000 in single family mortgage loans, primarily in North and South Carolina.

President and CEO Richard D. Burleson commented: “2020 has been a remarkable year in many ways for Community First Bancorporation. While some of the most challenging times in recent history of our great nation have challenged us all, at Community First the global pandemic has not only forced us to forge new ways of providing services to our customers and communities, but has also presented us with unprecedent opportunities. We are very pleased with the results STM has been able to achieve in its first year of operations, and are excited to see what the future holds, especially considering that STM originated its first loan one month before the pandemic began. In addition, our previously announced merger with Security Federal Bancorp, Inc. of Elizabethton, Tennessee will offer us new markets and experienced personnel in both Eastern Tennessee and in mortgage loan servicing.”

Mr. Burleson continued, “On October 20, 2020 the North Carolina Commissioner of Banking approved our first loan production office (“LPO”) in Western North Carolina to be located at 37 Church Street, Waynesville, NC 28780. We believe that this LPO will allow our Bank to capitalize on the disruption in that market arising from several recent mergers. We expect to build out our franchise in Western North Carolina as demonstrated previously with the initial use of LPO's that will be converted to branches once we have obtained enough loans to profitably open full-service financial centers. These LPO's and future branches will complete the bridge from the upstate of South Carolina into our new markets in Eastern Tennessee.

Mr. Burleson commented on the Bank's continued efforts to protect the well-being of its customers and employees: "We have made extraordinary efforts to protect our customers and associates throughout the pandemic. We have been mindful of social distancing and precautions such as enhanced cleaning and masks. We have been flexible and will continue to be flexible with the hours of operations along with limitations of the number of customers in our lobbies and with work-from-home arrangements that have improved our ability to increase social distancing among associates. Our lobbies are open currently, but if necessary due to changing conditions, we will serve customers by appointment. We offer exemplary customer service via multiple digital banking channels for those who prefer contactless service, including the ability to offer both deposit and loan account opening digitally."

Mr. Burleson continued, "The impact of the pandemic on our customer base has been fairly moderate to date. In order to assist our customers in dealing with the pandemic's impact on them, the Bank granted deferrals of all or a portion of payments on 139 loans with total outstanding balances of approximately $64 million. The majority of loans granted deferrals were with customers in the hardest hit industries such as retail, hotels and restaurants. A majority of these customers have rebounded well and are expected to return to normal payment requirements this month. As of September 30, 2020, loans to borrowers still deferring a portion of their payments totaled $60,140,000, down 5.5% from $63,621,000 at the end of June 2020."

Mr. Burleson noted "The Bank continues to have high asset quality. Our nonperforming assets, comprising nonperforming loans and foreclosed assets, decreased slightly to $1,339,000 as of September 30, 2020 from $1,393,000 at June 30, 2020 and $1,384,000 at December 31, 2019. At September 30, 2020, we had four loans totaling approximately $372,000 in our foreclosure pipeline and our past due percentages remained well below .40% on a monthly basis for the quarter. At September 30, 2020, our Allowance for Loan and Lease Losses ("ALLL") totaled $4,588,000 or 1.16% of loans held for investment, an increase of 22.7% over the December 31, 2019 level. If PPP loans are excluded based on the SBA guarantee, the ALLL would be 1.22% of loans held for investment as of September 30, 2020. The Bank provided $860,000 to the ALLL in 2020. The increase in the ALLL was primarily due to organic growth in the loan portfolio. Net charge-offs for the first nine months of 2020 totaled $11,000. However, the Bank will continue monitoring borrowers' financial situations to determine if additional provisions to the ALLL are warranted due to adverse changes in the economy resulting from the pandemic."

Mr. Burleson closed his comments by noting: "Our highest priority, along with maintaining our well capitalized status and satisfactory liquidity levels, is serving our communities during these unsettling times. We are dedicated to maintaining this service commitment. We have pledged to work with our customers impacted by the pandemic. We expect this may affect the Company over the next several quarters, but management believes we have a duty to be a leader in the communities we serve. The Company's Tier 1 Leverage Capital Ratio was 9.2% on September 30, 2020. Liquidity levels remain satisfactory. The Bank's Tier 1 leverage capital declined from 10.6% at December 31, 2019 to its present level primarily because of growth. A majority of our PPP loans remain included in the Tier 1 Leverage capital computation as of September 30, 2020."

Community First Bank has ten full-service financial centers in North and South Carolina, with two each in Seneca and Anderson and single locations in Greenville, Williamston, Walhalla and Westminster, South Carolina, and in Dallas and Charlotte, North Carolina. The Company operates a loan production office in Concord, North Carolina. In addition, its SeaTrust Mortgage subsidiary operates offices in Wilmington, Greensboro, Jacksonville and Charlotte, North Carolina.

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:

- The ultimate impact of the current pandemic is unknown and has adversely impacted, and may continue to adversely impact, the Company in various areas including but not limited to credit risk, liquidity risk, and risk to earnings;
- 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;
- 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 borrowers, which may be unpredictable, and the collateral securing these loans may fluctuate in value;
- We continue to hold 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 incentive compensation plan will increase our costs, which will reduce our income;
- The implementation of our stock-based incentive compensation plan 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 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 impacted 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.

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COMMUNITY FIRST BANCORPORATION
CONSOLIDATED FINANCIAL HIGHLIGHTS
(Unaudited)
(Amounts in thousands except share information)

	Three Months Ended September 30,		
Income Statement	2020	2019	Change
Net interest income	$ 4,155	$ 3,693	12.5%
Provision for loan losses	321	40	702.5%
Other income	2,338	652	258.6%
Other expense	5,049	3,782	33.5%
Income before income taxes	1,123	523	114.7%
Benefit (provision) for income taxes	(281)	(80)	251.3%
Net income	$ 842	$ 443	90.1%
Dividends paid on preferred stock	39	39	-%
Net income available to common shareholders	$ 803	$ 404	98.8%
Net income per common share			
Basic	$ 0.15	$ 0.07	
Diluted	$ 0.15	$ 0.07	

	Nine Months Ended September 30,		
Income Statement	2020	2019	Change
Net interest income	$ 11,660	$ 10,476	11.3%
Provision for loan losses	860	40	2,050.0%
Other income	4,462	1,856	140.4%
Other expense	13,567	10,979	23.6%
Income before income taxes	1,695	1,313	29.1%
Benefit (provision) for income taxes	(388)	(285)	36.1%
Net income	$ 1,307	$ 1,028	27.1%
Dividends paid or on preferred stock	118	118	-%
Net income available to common shareholders	$ 1,189	$ 910	30.7%
Net income per common share			
Basic	$ 0.22	$ 0.20	
Diluted	$ 0.22	$ 0.19	

	September 30, 2020	September 30, 2019	December 31, 2019
Balance Sheet	(Unaudited)	(Unaudited)	(Audited)
Total assets	$ 518,462	$ 420,141	$ 418,564
Gross loans held for investment	395,092	311,572	322,012
Allowance for loan losses	4,588	3,609	3,740
Loans held for investment, net	390,504	307,963	318,272
Loans held for sale	18,102	-	-
Securities	42,665	45,714	46,313
Total earning assets	479,873	399,435	399,206
Total deposits	423,668	352,890	353,246
Shareholders' equity	50,342	48,008	48,175
Book value per common share	8.59	8.16	8.19

Asset Quality Data	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	December 31, 2019 (Audited)
Nonperforming loans			
Non-accrual loans	$ 612	$ 751	$ 591
Past due loans 90 days or more	0	0	0
Total nonperforming loans	612	751	591
Foreclosed Assets	727	551	793
Total nonperforming assets	$ 1,339	$ 1,302	$ 1,384
Net charge-offs (recoveries) year to date	$ 11	8	$ (124)
Nonperforming assets as a percentage of total loans and foreclosed assets	0.34%	0.42%	0.43%
Nonperforming assets to total assets	0.26%	0.31%	0.33%
Allowance for loan losses to nonperforming loans	749.67%	480.56%	632.83%
Allowance for loan losses to total loans outstanding	1.16%	1.16%	1.16%
Net charge-offs (recoveries) to total loans outstanding	0.00%	0.00%	(0.04%)

Capital Ratios- Community First Bank	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	December 31, 2019 (Audited)
Tier 1 Capital (to average assets)	9.2%	10.7%	10.6%