



March 23, 2023

Dear customers,

With the continuing concerns regarding the failures of banks in California and New York over the last couple of weeks, along with the continued decline of banks across the world, I wanted to provide you with a transparent reassurance of the strength and condition of business operations at Community First Bank. As a locally owned and operated Community Bank headquartered in the Upstate of South Carolina, we are a small business in the grand sense of banking operations across the world. At Community First we stand together with the hard-working Americans in the communities we serve. We provide our customers with the banking products and services you and your businesses need to grow and succeed. We also manage our business operations in a safe, sound, and conservative manner to ensure our long-term stability for our customers, friends, neighbors, families, and community.

Although tragic, the failures last week are a great distance from South Carolina in the sense of business operations. All banks invest in bonds to mitigate interest rate risk and to maintain liquid earning assets on their books. One significant difference is that the failed banks had many large uninsured depositors who acted to move their funds out of the banks in a very compressed time frame. These banks could not gain access to sufficient liquidity from their securities without selling the securities and incurring significant losses. At Community First Bank, we do not have a significant portion of our deposits that are considered uninsured, and we are very conservative in our investment approach. We have procedures designed to enable us to access the liquidity in our investment portfolio without selling the securities we own.

If you have a business or individual account with Community First Bank, the FDIC protects you up to a minimum of \$250,000.00, and we can show you how that works with a tool from the FDIC. Plus, we are one of the few community banks in the upstate to partner with a company known as IntraFi. IntraFi allows us to work with other banks across this great nation of ours to provide you with FDIC insurance *in excess* of \$250,000.00, while maintaining your banking relationship with us. We have had this business relationship with IntraFi for several years. If you are interested in hearing about IntraFi, please stop by one of our locations for more information.

In the last banking crisis, most banks failed due to problem loans and the losses of capital associated with those bad loans. At Community First Bank we are well capitalized, and our credit quality is exceptional with no issues on the horizon.

If you have additional questions or concerns, please do not hesitate to contact me or any of my team. We are here for you, and we are positioned to be here for a long time to come.

Thank you for your business and continued support.

Best regards,

*Richard D. Burlison*

Richard D. Burlison  
President and CEO