NEWS RELEASE

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COMMUNITY FIRST BANCORPORATION ANNOUNCES SECOND QUARTER 2023 FINANCIAL RESULTS

Walhalla, SC (July 25, 2023) – Community First Bancorporation, Inc. (OTC: CFOK, the "Company" or "Community First"), parent company of Community First Bank, Inc. (the "Bank"), announced its financial results for the second quarter and first six months of 2023. Highlights of the results include:

- The Company earned $1,232,000 for the second quarter, and $2,267,000 for the first six months of 2023. Earnings per common share were $0.22 (basic and diluted) for the second quarter, and $0.40 (basic and diluted) for the six months ended June 30, 2023.
- Total consolidated earnings for the second quarter increased 19.0% compared to the first quarter of 2023 and increased 3.0% over the second quarter of 2022, excluding the effect of the gain on the sale of SeaTrust Mortgage Company, the Bank's mortgage subsidiary ("SeaTrust"), in May of 2022. Earnings of $2,939,000 (approximately $1,743,000 net of tax) in the second quarter of 2022 included a gain on the sale of SeaTrust.
- Net interest income grew by 6.4% in the first six months of 2023 compared to the comparable 2022 period.
- Noninterest income increased 23.7% in the second quarter of 2023 over the level reported in the first quarter of 2023.
- Loans held for investment increased 6.0% during the six-month period ended June 30, 2023.
- Estimated uninsured deposits were approximately 10.5% on June 30, 2023.
- Nonperforming assets to total assets remained low at 0.06% on June 30, 2023.

Total consolidated earnings were $1,232,000 for the second quarter of 2023 compared to $2,939,000 for the second quarter of 2022, which amount included the after-tax gain on the sale of SeaTrust of $1,743,000. Earnings per common share totaled $0.22 (basic and diluted) for the second quarter of 2023 and $0.53 ($0.52 diluted) for the second quarter of 2022.

Net interest income grew by 3.3% year over year for the second quarter of 2023, driven primarily by loan growth and higher rates on interest earning assets. Average balances of loans were higher by 5.9% for the second quarter of 2023 compared to the second quarter of 2022. Overall yields for average interest-earning assets increased to 4.96% in the second quarter of 2023, compared to 3.79% in the second quarter of 2022. The average rate paid on interest-bearing liabilities climbed to 1.88% in the second quarter of 2023 compared to .49% in the second quarter of 2022. The increase reflects increases in overall market interest rates and changes in the Bank's deposit mix.

Noninterest income increased 23.7% in the second quarter of 2023 over the level reported in the first quarter of 2023. The primary contributor to the increase was an increase in deposit-based fee income. Noninterest income in the second quarter of 2022 included noninterest income from operations of SeaTrust as well as the gain recognized upon its sale.

Noninterest expense decreased 1.1% in the second quarter of 2023 compared to the first quarter of 2023 and declined 32.2% year over year for the three months ended June 30, 2023. The decline in the year over year noninterest expense primarily related to the sale of SeaTrust.

Net income for the first half of 2023 was $2,267,000 compared to $4,092,000 for the first half of 2022. The sale of SeaTrust in 2022 resulted in an after-tax gain of approximately $1,743,000. Earnings per share for the first six months of 2023 were $0.40 per basic and diluted common share compared to $0.73 per basic and diluted common share for the first six months of 2022. Excluding the gain on the sale of SeaTrust, net of tax, the first half of 2023 was within 3% of first half earnings of 2022. In the first half of 2022 the Company did not record an expense for a provision for loan losses. However, in 2023 the Company recorded provision for credit losses of $220,000. The increase was driven by loan growth and by the adoption of the CECL accounting standard in 2023.

Net interest income increased 6.4% for the first six months of 2023 over 2022, due to an increase in interest rates and average loans. The average rate earned on average interest earning assets in the first half of 2023 was 4.81% compared to 3.74% for the first half of 2022. The rate on average loans was 5.33% for the first half of 2023, an increase of 76 basis points over the first half of 2022. Loans averaged $500,707,000 for the first six months of 2023 and $476,759,000 for the first six months of 2022.

Costs of average interest-bearing deposits increased to 1.32% for the first six months of 2023 compared to .29% for the first six months of 2022. Increases in market rates as well as changes in the mix of the Bank's interest-bearing liabilities impacted the average rate paid.

The Company reported noninterest income of $2,089,000 in the first half of 2023 compared to $9,368,000 for the first half of 2022. The decline in noninterest income is primarily due to the operations and gain on sale of SeaTrust included in 2022 results. The decrease in noninterest income was partially offset by declines in noninterest expense.

Noninterest expenses in the first six months of 2023 totaled $10,200,000 compared to $14,681,000 for the first six months of 2022, a decrease of $4,481,000, or 30.5%. The decrease was primarily related to the sale of SeaTrust in May of 2022.

Total deposits on June 30, 2023 were $594,327,000 compared to $593,427,000 on June 30, 2022. The mix of those deposits, however, changed year over year to include a higher concentration of time deposits and also brokered deposits. Competition for deposits has been fierce throughout 2023 and rates paid on deposit balances reflect both Federal Reserve rate increases and competition. The Company expects higher market rates to continue to impact cost of funds for the remainder of the year.

President and CEO Richard D. Burleson commented: "As inflation and the Federal Reserve's efforts at controlling it continue to create economic uncertainty, our Bank remains committed to focusing its attention on the fundamentals. We do this through active engagement with our customers and our conservative credit management as demonstrated previously."

Burleson continued, "Our management team is confident about where the Bank is at this point of 2023, given the significant increases in deposit costs and banking sector headwinds experienced over the last year. Deposit competition from other banks and credit unions and from other investment options has created a challenge for our industry. Community First continues to weather this storm with the right mix of products and services, including our ability to offer FDIC insurance beyond traditional limits through a valuable network relationship. The Company's performance in the second quarter and 2023 year to date supports our confidence. I am encouraged by the increase in net interest income for the first half of 2023 compared to last year. I am also encouraged by our ability to increase noninterest income and reduce noninterest expense on a linked-quarter basis. Our loan pipeline remains strong, and we are approving credits that demonstrate strong expected cash flow. We are seeing expansion of our SBA 7A pipeline and are expecting expansion to continue through the remainder of 2023 and into the first half of 2024."

Mr. Burleson also noted: "The Company continues to have excellent asset quality. Nonperforming assets, comprising nonperforming loans and foreclosed assets, were \$387,000 as of June 30, 2023 and \$414,000 as of June 30, 2022. As of June 30, 2023, the Bank had two loans with combined outstanding balances of \$31,000 in our foreclosure pipeline and our past due percentages remained low at .15% of total loans. We are proud of the outstanding results of our consistent and conservative credit policies. On June 30, 2023, our allowance for credit losses ("ACL") totaled \$6,112,000, or 1.19% of total loans outstanding. We experienced a net recovery to the ACL during the first half of 2023."

The Bank's Tier 1 Leverage Capital Ratio was 10.1% on June 30, 2023, and liquidity levels remain satisfactory.

Community First Bank has twelve full-service financial centers in North Carolina, South Carolina and Tennessee, with two in Seneca and single locations in each of Anderson, Greenville, Williamston, Walhalla and Westminster, South Carolina; Dallas, Charlotte and Franklin, North Carolina; and Elizabethton and Johnson City, Tennessee.

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:

- Inflation may impact our operational costs and impact results of operations.
- 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 may hold other real estate, which has led to operating expenses and vulnerability to additional declines in real property values.
- A sizable 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.
- 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 per share information)

Income Statement	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Change
Net interest income	$ 5,689	$ 5,510	3.3%
Provision for credit losses	98	0	100.0%
Other income	1,155	5,929	-80.5%
Other expense	5,072	7,475	-32.2%
Income before income taxes	1,674	3,964	-57.8%
Provision for income taxes	(442)	(1,025)	-56.9%
Net income	$ 1,232	$ 2,939	-58.1%
Dividends paid on preferred stock	(39)	(39)	-%
Net income available to common shareholders	$ 1,192	$ 2,899	-58.9%
Net income per common share			
Basic	$ 0.22	$ 0.53	
Diluted	$ 0.22	$ 0.52	

Income Statement	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Change
Net interest income	$ 11,416	$ 10,734	6.4%
Provision for credit losses	220	0	100.0%
Other income	2,089	9,368	-77.7%
Other expense	10,200	14,681	-30.5%
Income before income taxes	3,085	5,421	-43.1%
Provision for income taxes	(818)	(1,329)	-38.5%
Net income	2,267	4,092	-44.6%
Dividends paid on preferred stock	(79)	(79)	-%
Net income available to common shareholders	$ 2,188	$ 4,013	-45.5%
Net income per common share			
Basic	$ 0.40	$ 0.73	
Diluted	$ 0.40	$ 0.73	

(Continued)

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

(continued)

Balance Sheet	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Total assets	$ 696,439	$ 672,299	$ 661,175
Gross loans	513,612	468,227	484,676
Allowance for credit losses	6,112	5,484	5,594
Loans held for investment, net	507,500	462,743	479,082
Securities and Federal Funds Sold	100,546	111,492	104,345
Total earning assets	675,766	649,668	638,469
Total deposits	594,327	593,427	568,633
Shareholders' equity	49,463	48,668	47,053
Book value per common share	8.40	8.25	7.96

Asset Quality Data	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Nonperforming loans			
Non-accrual loans	$ 315	$ 322	$ 205
Past due loans 90 days or more	0	0	35
Total nonperforming loans	315	322	240
Foreclosed Assets	72	92	25
Total nonperforming assets	$ 387	$ 414	$ 265
Net recoveries year to date	$ (49)	$ (13)	$ (96)
Nonperforming assets as a percentage of total loans and foreclosed assets	0.08%	0.09%	0.05%
Nonperforming assets to total assets	0.06%	0.06%	0.04%
Allowance for credit losses to nonperforming loans	1,940.3%	1,703.1%	2,330.8%
Allowance for credit losses to total loans outstanding	1.19%	1.17%	1.15%
Net recoveries to total loans outstanding	(0.01)%	(0.02)%	(0.02)%

Capital Ratios- Community First Bank	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Tier 1 Capital (to average assets)	10.12%	9.13%	9.90%