

## **NEWS RELEASE**

**Date:** August 7, 2015

**Contact:** Richard D. Burleson, President and CEO  
William B. West – Executive Vice President and CFO

**To:** News Media

**Release Date:** Immediate

### **COMMUNITY FIRST BANCORPORATION**

#### **ANNOUNCES**

#### **June 30, 2015 Financial Results**

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Walhalla, SC – Community First Bancorporation, Inc. (CFOK) (the “Company”), the parent company for Community First Bank, Inc., Walhalla, South Carolina, reported total consolidated earnings of \$746,000 for the six month period ending June 30, 2015 compared to a total consolidated loss of \$584,000 for the six month period ending June 30, 2014. The results for the first six months of 2015 represent a return to profitability for the Company after reporting four consecutive years of losses.

Total assets at June 30, 2015 were \$337,169,000 compared to \$357,802,000 in total assets at June 30, 2014, and \$370,541,000 in total assets at December 31, 2014. At June 30, 2015 total gross loans and deposits were \$147,000,000 and \$302,724,000, respectively, compared to \$150,100,000 and \$327,411,000 at June 30, 2014, respectively, and \$143,924,000 and \$335,434,000 at December 31, 2014, respectively.

Commenting on the Company’s performance, Company President and CEO, Richard D. Burleson stated, “While earnings are not where we would like for them to be, they are positive thus far this year. We continue to experience improvement in asset quality due to concerted efforts in problem loan resolutions and the marketing of foreclosed assets. Adversely classified loans continue to decline. The adversely classified loans declined to \$12,835,000 at June 30, 2015 compared to \$15,200,000 at December 31, 2014, a \$2,365,000, or 15.6%, decrease. Foreclosed assets declined to \$3,545,000 at June 30, 2015, compared to \$6,873,000, at December 31, 2014, a \$3,329,000, or 48.4%, decrease. We have been and will continue to be aggressive in dealing with our non-performing assets. Net loan charge-offs for the first six months of 2015 amounted to \$621,000 compared to \$1,751,000 for the first six months of 2014 and to \$2,506,000 for all of 2014. While the level of non-performing assets remains high compared to

historical levels, we continue to maintain our allowance for loan losses at levels we believe are sufficient to absorb losses inherent in our current loan portfolio. ”

Burleson continued, commenting further on the Company and its performance, “While improving credit quality has been and remains our top priority, our next highest priority is capital and liquidity. The Company’s Tier 1 Capital Ratio at June 30, 2015 was 9.32% compared to 8.95% at December 31, 2014 and to 7.82% at June 30, 2014. Our Total Capital to Risk-weighted Assets Ratio was 18.70% at June 30, 2015 compared to 17.27% at December 31, 2014 and to 15.52% at June 30, 2014. Our liquidity levels remain at historically high levels with no dependence on brokered deposits or borrowed funds at June 30, 2015.”

We have made significant progress in complying with the regulatory orders levied on our bank subsidiary, Community First Bank, Inc. We have hired qualified people in the areas of Bank Secrecy Act compliance, Information Technology and have engaged new accounting firms to perform our internal audit function and to render audited opinions on our financial statements. In addition we have already added several experienced lenders to our staff and anticipate other hires in this area, as well as, other areas of the Company.”

In closing, Mr. Burleson stated, “We continue to see 2015 as a year of transition for the Company and the Bank as the new management team transitions into their new roles and begins building for the future. We anticipate continued improvement in asset quality and improvement in our overall operations as we continue to address the challenges ahead.”

Currently, Community First Bank, Inc., which celebrated its 25<sup>th</sup> anniversary in March, maintains seven locations: two in Seneca, two in Anderson, one in Williamston, one in Walhalla and one in Westminster, South Carolina.

To the extent that the foregoing information refers to matters that may occur in the future, please be aware that such forward-looking statements may differ materially from actual results.

**COMMUNITY FIRST BANCORPORATION**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
**(Unaudited)**

(Amounts in thousands except share information)

<b><u>Income Statement</u></b>	<b>Six Months Ended June 30,</b>		<b><u>Change</u></b>
	<b><u>2015</u></b>	<b><u>2014</u></b>	
Net interest income	\$ 4,922	\$ 5,434	-9.42%
Provision for loan losses	230	801	-71.29%
Other income	2,366	1,231	92.20%
Other expense	6,298	6,448	-2.33%
Income (loss) before income taxes	760	(584)	230.14%
Provision for income taxes	(14)	0	100.00%
Net income (loss)	<u>\$ 746</u>	<u>\$ (584)</u>	227.74%
Dividends paid or accumulated on preferred stock	80	80	0.00%
Net income (loss) available to common shareholders	<u>\$ 666</u>	<u>\$ (664)</u>	200.30%

**Net income (loss) per common share**

Basic	\$ 0.16	\$ (0.16)
Diluted	\$ 0.16	\$ (0.16)

	<b>June 30,</b>	<b>June 30,</b>	<b>December 31,</b>
	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b><u>Balance Sheet</u></b>			
Total assets	\$ 337,169	\$ 357,802	\$ 370,541
Gross loans	147,000	150,100	143,924
Allowance for loan losses	3,162	3,688	3,553
Loans, net	143,838	146,412	140,371
Securities	127,155	153,026	139,475
Total earning assets	316,446	331,026	341,974
Total deposits	302,724	327,411	335,434
Shareholders' equity	60,845	25,737	30,156
Book value per common share	6.68	5.45	6.51

**Asset Quality Data**

Nonperforming loans:			
Non-accrual loans	\$ 6,759	\$ 7,249	\$ 7,715
Past due loans 90 days or more	0	0	0
Total nonperforming loans	6,759	7,249	7,715
Foreclosed assets	3,545	8,491	6,873
Total nonperforming assets	<u>\$ 10,304</u>	<u>\$ 15,740</u>	<u>\$ 14,588</u>
Net charge-offs	\$ 621	\$ 1,751	\$ 2,506
Nonperforming assets as a percentage of total loans and foreclosed assets	6.84%	15.28%	16.62%
Nonperforming assets to total assets	3.06%	6.77%	6.76%
Allowance for loan losses to nonperforming loans	46.78%	23.44%	19.53%
Allowance for loan losses to total loans outstanding	2.15%	2.46%	2.47%
Net charge-offs to total loans outstanding	0.42%	1.17%	1.74%

**CAPITAL RATIOS**

Total Capital (to risk-weighted assets)	18.70%	15.52%	17.27%
Tier 1 Capital (to risk-weighted assets)	17.45%	14.27%	16.03%
Tier 1 Capital (to average assets)	9.32%	7.82%	8.94%