

NEWS RELEASE

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COMMUNITY FIRST BANCORPORATION ANNOUNCES UNAUDITED 2016 FINANCIAL RESULTS

Walhalla, SC – Community First Bancorporation, Inc. (CFOK), parent company for Community First Bank, Inc., recorded total consolidated earnings of \$201,000 for the fourth quarter of 2016 compared to a net loss of \$418,000 for the fourth quarter of 2015. For the year ending December 31, 2016, Community First Bancorporation recorded total consolidated earnings of \$924,000 compared to \$375,000 for the year ending December 31, 2015. 2015's results included the receipt of a \$739,000 payment on an insurance claim filed by the Company in 2014 associated with losses incurred on a series of fraudulent loans. Absent the \$739,000 payment, the Company would have recorded a net loss of approximately \$308,000 in 2015.

Total assets at December 31, 2016 were \$317,692,000 compared to \$355,541,000 at December 31, 2015. At December 31, 2016, total gross loans and deposits were \$199,411,000 and \$282,446,000, compared to \$146,651,000 and \$320,763,000 at December 31, 2015, respectively.

“Since the beginning of 2016, our gross outstanding loans have grown by \$52,760,000 or 36%. As a result of the significant loan growth experienced in 2016 along with improved asset quality our core earnings began to materialize in 2016. As reported in the last quarterly report, in early 2016 our Board of Directors refined the Company's strategic plan for 2016, approving the expansion of the Company's markets through the establishment of loan production offices in some of South Carolina's larger communities. In 2016 the Bank established three (3) loan production offices (LPO's) located along the I-85 corridor between Anderson, SC and Charlotte, NC, with offices in Greenville, Spartanburg and Fort Mill, SC,” said Company President and CEO, Richard D. Burleson.

Burleson continued, “The Company's asset quality continued to improve in 2016, as the Company's nonperforming assets, comprised of nonperforming loans and foreclosed assets, declined to \$3,462,000 at December 31, 2016, compared to \$7,334,000 at December 31, 2015. Net loan charge-offs for all of 2016 amounted to \$129,000, compared to \$673,000 for all of 2015. At December 31, 2016 our Allowance for Loan and Lease Losses totaled \$3,031,000, or 1.52% of outstanding loans. The Company's Allowance has declined as a percentage of outstanding loans over the past year and is indicative of our improved asset quality.

Our highest priorities continued to be increasing capital through improved earnings and maintaining our liquidity levels at satisfactory levels. The Company's Tier 1 Capital Ratio at December 31, 2016, was 10.00%, compared to 9.30% at December 31, 2015. Our Total Capital (to risk-weighted assets) ratio was 16.30% at December 31, 2016, compared to 19.2% at December 31, 2015. Liquidity levels remain at satisfactory levels and the Company has no dependence on brokered deposits or borrowed funds at December 31, 2016."

As previously reported Community First Bank's Memorandums of Understanding (MOU) with its regulators were removed in December of 2016. Subsequent to December 31, 2016, the parent company was notified by its regulator, the Federal Reserve, that the MOU against it had been removed.

Currently, 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. It also operates loan production offices in Spartanburg, Greenville and Fort Mill, 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)

	Three Months Ended December 31,		
<u>Income Statement</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>
Net interest income	\$ 2,721	\$ 2,353	15.64%
Provision for loan losses	0	0	0.00%
Other income	635	119	433.61%
Other expense	3,147	2,890	8.89%
Income before income taxes	209	(418)	N/A
Provision for income taxes	(8)	0	-100.00%
Net income	<u>\$ 201</u>	<u>\$ (418)</u>	N/A
Dividends paid or accumulated on preferred stock	39	39	0.00%
Net income available to common shareholders	<u>\$ 162</u>	<u>\$ (457)</u>	N/A

Net income per common share

Basic	\$ 0.04	\$ (0.11)
Diluted	\$ 0.04	\$ (0.11)

	Twelve Months Ended December 31,		
<u>Income Statement</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>
Net interest income	\$ 10,247	\$ 9,682	5.84%
Provision for loan losses	50	230	-78.26%
Other income	2,915	3,545	-17.77%
Other expense	12,180	12,566	-3.07%
Income before income taxes	932	431	116.24%
Provision for income taxes	(8)	(56)	85.71%
Net income	<u>\$ 924</u>	<u>\$ 375</u>	146.40%
Dividends paid or accumulated on preferred stock	157	157	0.00%
Net income available to common shareholders	<u>\$ 767</u>	<u>\$ 218</u>	251.83%

Net income per common share

Basic	\$ 0.18	\$ 0.05
Diluted	\$ 0.18	\$ 0.05

	December 31,	December 31,
<u>Balance Sheet</u>	<u>2016</u>	<u>2015</u>
	(Unaudited)	(Audited)
Total assets	\$ 317,692	\$ 355,541
Gross loans	199,411	146,651
Allowance for loan losses	3,031	3,110
Loans, net	196,380	143,541
Securities	71,671	108,234
Total earning assets	303,627	337,494
Total deposits	282,446	320,763
Shareholders' equity	31,378	31,010
Book value per common share	6.80	6.72

Asset Quality Data

Nonperforming loans:

Non-accrual loans	\$ 1,719	\$ 5,135
Past due loans 90 days or more	0	0
Total nonperforming loans	1,719	5,135
Foreclosed assets	1,743	2,199
Total nonperforming assets	<u>\$ 3,462</u>	<u>\$ 7,334</u>

Net charge-offs	\$ 129	\$ 673
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	December 31, 2016	December 31, 2015
	<u>(Unaudited)</u>	<u>(Audited)</u>
Nonperforming assets as a percentage of total loans and foreclosed assets	1.72%	4.93%
Nonperforming assets to total assets	1.09%	2.06%
Allowance for loan losses to nonperforming loans	176.32%	60.56%
Allowance for loan losses to total loans outstanding	1.52%	2.12%
Net charge-offs to total loans outstanding	0.06%	0.46%
CAPTIAL RATIOS		
Total Capital (to risk-weighted assets)	16.30%	19.20%
Tier 1 Capital (to risk-weighted assets)	15.00%	18.00%
Tier 1 Capital (to average assets)	10.00%	9.30%