



FOR IMMEDIATE RELEASE

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CAB Financial Corporation Reports its First Quarter 2018 Results

SPARTANBURG, S.C. April 26, 2018 – CAB Financial Corporation (OTCQX: CABF) (the “Corporation”), holding company for Carolina Alliance Bank, today reported 2018 first quarter consolidated financial results. Net income was \$1.1 million, or \$0.15 per diluted common share, for the three months ended March 31, 2018 as compared to net income of \$1.0 million, or \$0.14 per diluted common share, for the three months ended March 31, 2017.

Gross loans and leases increased by \$44.7 million to \$544.5 million on March 31, 2018 from \$499.8 million on March 31, 2017, and total assets increased by \$30.0 million to \$699.4 million at March 31, 2018 from \$669.4 million at March 31, 2017. Total deposits increased to \$569.7 million on March 31, 2018 from \$548.3 million on March 31, 2017, an increase of \$21.4 million.

“The momentum from late 2017 carried into the first quarter of 2018 and is reflected in our solid loan growth,” said John Kimberly, President and Chief Executive Officer. “We closed the first quarter with loan balances reflecting an annualized increase of nearly 14% over balances at the end of 2017. While we are pleased with those results, we remain vigilant against the potential of net interest margin compression from the possibility of deposit costs increasing at a faster pace than loan yields in the current rising rate environment.”

Total shareholders’ equity was 11.1% and 10.9% of total assets, or \$77.6 million and \$73.0 million, as of March 31, 2018 and 2017, respectively. Book value per common share was \$10.79 as of March 31, 2018 compared to \$10.34 as of March 31, 2017. The Bank’s capital levels continue to exceed the levels required by regulatory standards to be classified as “well capitalized,” which is the highest of the five regulator-defined capital categories used to describe an institution’s capital strength.

Non-performing assets were \$2.8 million, or 0.39% of total assets, at March 31, 2018 as compared to \$4.3 million, or 0.64% of total assets, at March 31, 2017.

At March 31, 2018, the allowance for loan and lease losses stood at \$5.5 million, which is 1.01% of gross loans. Net loan recoveries for the three months ended March 31, 2018 were \$99,145.

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“We are excited about the addition of high quality, seasoned professionals in key leadership roles in the past several months,” said Terry Cash, Chairman. “We believe that the volume of loans originated in the first quarter is a glimpse of what to expect from these strategic hires. We are also encouraged by the progress our newer offices in Anderson and Easley are making toward being full contributors to the bank’s earnings.”

For a copy of the letter to shareholders reporting in further detail our first quarter 2018 financial results, please see “Shareholder Communications” under the “About Us” tab located on our website at www.carolinaalliancebank.com. For other information about CAB Financial or Carolina Alliance, please call (864) 208-BANK (2265) or visit our website.

Note:

Certain statements in this release contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans and expectations, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties, and other factors, such as an economic downturn nationally or in the local markets we serve; competitive pressures among depository and other financial institutions; the rate of delinquencies and amount of charge-offs; the level of allowance for loan loss; the rates of loan growth or adverse changes in asset quality in the bank’s loan portfolios; and changes in the U.S. legal and regulatory framework, including the effect of financial reform legislation on the banking industry, any of which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

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