



FOR IMMEDIATE RELEASE

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CAB Financial Corporation Reports Third Quarter 2017 Results of Carolina Alliance Bank

SPARTANBURG, S.C. October XX, 2017 – CAB Financial Corporation (OTCQX: CABF) (the “Corporation”) today reported third quarter 2017 financial results of its wholly-owned subsidiary, Carolina Alliance Bank (the “Bank”). The Corporation became the holding company of the Bank on October 23, 2017. Net income available to common shareholders was \$934,000, or \$0.13 per diluted common share, for the three months ended September 30, 2017 as compared to net income available to common shareholders of \$1.2 million, or \$0.18 per diluted common share, for the quarter ended September 30, 2016. Net income available to common shareholders of \$3.0 million, or \$0.42 per diluted common share, was reported for the nine months ended September 30, 2017, compared to net income available to common shareholders of \$3.1 million, or \$0.45 per diluted common share, for the nine months ended September 30, 2016. The year-to-date decrease in earnings of approximately \$95,000 was largely attributable to an increase in the provision for loan losses and decreased net interest income due to net interest margin compression, partially offset by increased non-interest income and decreased income tax expense.

“Growth in both loans and deposits was strong in the third quarter, and we are optimistic this will continue throughout the year,” said John Kimberly, President and Chief Executive Officer of the Bank. “Managing net interest margin compression has never been more challenging or more critical to the bank’s success. Fortunately, the slightly lower net interest income has been somewhat offset by increased non-interest income this year.”

Gross loans and leases increased by \$39.7 million to \$515.3 million on September 30, 2017 from \$475.6 million on September 30, 2016, and total assets increased by \$59.5 million to \$685.9 million at September 30, 2017 from \$626.4 million at September 30, 2016. Total deposits increased to \$557.3 million on September 30, 2017 from \$517.6 million on September 30, 2016, an increase of \$39.7 million.

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Total shareholders' equity was 11.2% and 11.3% of total assets, or \$76.9 million and \$71.1 million, as of September 30, 2017 and 2016, respectively. Book value per common share was \$10.69 as of September 30, 2017 compared to \$10.34 as of September 30, 2016. 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 as a percentage of total assets at September 30, 2017 remained low compared to peers at 0.46% of total assets, or \$3.2 million, as compared to 0.40% of total assets, or \$2.5 million, at September 30, 2016.

At September 30, 2017, the allowance for loan and lease losses stood at \$5.4 million, which is 1.04% of gross loans. Loans charged off for the nine months ended September 30, 2017 were negligible.

"Our board was pleased with the opportunity to issue a 5% stock dividend in September. We believe the additional liquidity created by this issuance will be beneficial to our shareholders," said Terry Cash, Chairman of the Boards of Directors of the Bank and the Corporation.

Added John Poole, CEO of the Corporation, "We were pleased to announce on October 23rd that the bank's reorganization into a bank holding company structure was completed and the shares of the Corporation's common stock are now quoted on the OTCQX Market under the symbol of "CABF". We believe this structure will provide added financial and operational flexibility for the future."

For a copy of the letter to shareholders reporting in further detail our third quarter 2017 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 amounts 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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