



FOR IMMEDIATE RELEASE

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CAB Financial Corporation Reports its 2017 Results

SPARTANBURG, S.C. February 12, 2018 – CAB Financial Corporation (OTCQX: CABF) (the “Corporation”), holding company for Carolina Alliance Bank, today reported 2017 annual and fourth quarter consolidated financial results. Net income available to common shareholders was \$1.7 million, or \$0.23 per diluted common share, for the three months ended December 31, 2017 as compared to net income available to common shareholders of \$1.0 million, or \$0.15 per diluted common share, for the three months ended December 31, 2016. Net income available to common shareholders of \$4.7 million, or \$0.65 per diluted common share, was reported for the year ended December 31, 2017, compared to net income of \$4.1 million, or \$0.60 per diluted common share, for the twelve months ended December 31, 2016. Included in net income available to common shareholders for the 2017 periods is a tax benefit of approximately \$700,000, or \$0.10 per diluted share, related to the revaluation of our deferred tax liability as a result of the recently enacted Tax Cuts and Jobs Act. Excluding the deferred tax adjustment, net income was \$1.0 million and \$4.0 million, or \$0.13 and \$0.55 per diluted share, for the three and twelve months ended December 31, 2017, respectively.

Gross loans and leases increased by \$31.5 million to \$526.7 million on December 31, 2017 from \$495.2 million on December 31, 2016, and total assets increased by \$42.4 million to \$685.3 million at December 31, 2017 from \$642.9 million at December 31, 2016. Total deposits increased to \$567.0 million on December 31, 2017 from \$527.6 million on December 31, 2016, an increase of \$39.4 million.

“We had a great year in terms of loan and core deposit growth,” said John Kimberly, President and Chief Executive Officer. “However, net interest margin compression suppressed core earnings growth. Our focus for 2018 is loan growth and protecting our margin against further erosion from changing market conditions, particularly increases in short-term rates that are widely predicted in the coming year.”

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Total shareholders' equity was 11.4% and 10.9% of total assets, or \$78.2 million and \$70.3 million, as of December 31, 2017 and 2016, respectively. Book value per common share was \$10.87 as of December 31, 2017 compared to \$10.22 as of December 31, 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 December 31, 2017 were \$2.9 million, or 0.42% of total assets as compared to \$2.1 million, or 0.32% of total assets, at December 31, 2016.

At December 31, 2017, the allowance for loan and lease losses stood at \$5.3 million, which is 1.01% of gross loans. Net loans charged off for the twelve months ended December 31, 2017 were \$27,155.

"We believe that the recent additions in key lending positions will play a significant role in achieving our growth goals," said Terry Cash, Chairman. "Also with the completion of our reorganization into a bank holding company in the fourth quarter, capital management and other strategic possibilities have opened up for the company, and we will be exploring opportunities to capitalize on this new structure."

For a copy of the letter to shareholders reporting in further detail our fourth quarter and annual 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.

Notes:

- (1) The estimated impact of the Tax Cuts and Jobs Act on net income may change as additional guidance and information become available.
- (2) 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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