



FOR IMMEDIATE RELEASE

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August 23, 2017

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Carolina Alliance Announces 5% Stock Dividend

SPARTANBURG, S.C. August 23, 2017 – Carolina Alliance Bank (OTCQX: CRLN) today announced that its Board of Directors has declared a 5% stock dividend. The stock dividend will be payable September 19, 2017 to shareholders of record as of September 5, 2017. Holders of Carolina Alliance common stock as of the record date will receive one additional share for every twenty shares held on the record date. Cash will be issued in lieu of fractional shares.

“We are pleased to announce a 5% stock dividend for our shareholders. The Board of Directors believes that our shareholders will benefit from this stock dividend and the expected related enhancement of our stock’s liquidity,” said Terry Cash, Chairman of the Board of Directors of Carolina Alliance.

As a result of the stock dividend, the total number of shares of common stock outstanding will increase from approximately 6.8 million to approximately 7.2 million. The additional shares of common stock are expected to be distributed on or about September 19, 2017 by the bank’s transfer agent, American Stock Transfer and Trust Company.

“We’re very pleased to reward our loyal shareholders for their ongoing support,” John D. Kimberly, Chief Executive Officer, added.

For additional information about Carolina Alliance, please call (864) 208-BANK (2265) or visit www.carolinaalliancebank.com.

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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