COMMUNITIES FIRST FINANCIAL CORPORATION

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FOR IMMEDIATE RELEASE

Communities First Financial Corporation Announces Record Profit; Earnings Increase 20% in 2017; Pre-Tax Reform Earnings Up 30%

Fresno, CA – January 18, 2018 – Communities First Financial Corporation (the "Company") (OTCQX: CFST), the parent company of Fresno First Bank (the "Bank"), today announced solid profitability for the fourth quarter and the full year of 2017. Fourth quarter net income was $877,000, or $0.30 per diluted share, which includes a $325,000, or $0.11 per share, one-time tax expense related to recently enacted tax reforms. In the fourth quarter of 2016, net income was $932,000, or $0.34 diluted share. For the full year 2017, net income increased 20% to $3.7 million, or $1.28 per share, compared to $3.1 million, or $1.12 per share for 2016.

With the signing into law of the Tax Cuts and Jobs Act of 2017, generally accepted accounting principles required deferred tax assets (DTAs) on corporate balance sheets be revalued to reflect the net present value of the future tax benefits based on the new 21% top rate, which replaces the 35% top rate. As a result of this accounting change, the Company made a one-time adjustment to the value of its DTAs causing a tax expense of $325,000. The following table presents a year-to-year comparison of key financial results before the one-time adjustment.

Comparison of 2017 vs. 2016 without the effect of the accounting adjustment to deferred tax assets

SELECT FINANCIAL INFORMATION AND RATIOS (unaudited)	Year to Date as of: Dec. 31, 2017	Dec. 31, 2016	Percent Change
Income before DTA adjustment	$ 4,008	$ 3,074	30%
Basic earnings per share before DTA	$ 1.42	$ 1.13	26%
Fully diluted earnings per share before DTA	$ 1.39	$ 1.12	25%
Return on average assets before DTA	1.09%	.98%	11%
Return on average equity before DTA	12.23%	10.90%	12%

"While the benefits of lower tax rates in 2018 and beyond will be substantial for our Company and for most U.S. corporations, balance sheet adjustments for DTAs are generating considerable inconsistencies in fourth quarter earnings for many companies, and we are no different," said Steve Miller, President and Chief Executive Officer. "Excluding the DTA adjustment, net income increased 30% for the year, 14% from the preceding quarter and 29% for the fourth quarter compared to a year ago. Revenues were solid; deposits were up 12% for the year and 9% on a linked quarter basis, reflecting the strength of our franchise and growth in new customer relationships," added Miller.

"We continue to expand our Small Business Administration ("SBA") lending initiatives, and have again been declared the top Community Bank SBA Lender for the 15 county Fresno District for the fifth consecutive year," commented Miller. "Overall, the team added quality customer relationships to our portfolio through organic expansion in our core markets. Our customer acquisition success was a direct result of enhanced marketing techniques in both the digital and traditional channels, better leveraging our referral partners and maximizing existing relationships that are a part of a larger "ecosystem" of potential clients. Our participation in programs like Hybrid Crowd Funding provides us access to the local start-up community in the central valley, which enables us to further expand and diversify our customer base.

Fourth quarter 2017 Highlights (as of, or for the quarter ended December 31, 2017):

- Pre-tax net income was $2.0 million, up 24% from $1.6 million for the fourth quarter of 2016 and up 16% on a linked quarter basis.
- After adjusting for the DTA expense of $0.11 per share, diluted earnings per share (EPS) was $0.30 for the quarter ended December 31, 2017.
- Net interest income, after provision for loan losses, increased 21% to $3.8 million for the fourth quarter of 2017, compared to $3.2 million for the fourth quarter a year ago and grew 11% from $3.4 million for the preceding quarter. No provision for loan losses was taken in the fourth quarter of 2017, compared to a provision for loan losses of $176,000 booked in the fourth quarter a year ago and $350,000 for the third quarter 2017.
- Return on average assets ("ROAA") was 0.87% at the end of 2017. Before the DTA write-down, ROAA was 1.20%.
- Return on average equity ("ROAE") was 10.16%. Before the DTA write-down, ROAE was 13.93%.
- Net interest margin ("NIM") was 3.97%, compared to 3.89% for the fourth quarter a year ago.
- Total deposits grew 12% to $371.4 million from $332.3 million a year earlier.
- Total loans increased 16% to $263.9 million compared to $227.7 million a year ago.
- The efficiency ratio was 52.23% for the fourth quarter of 2017, compared to 52.48% for the fourth quarter a year earlier.
- Nonperforming loans, as a percentage of total loans, were 1.11%. Asset quality remained sound with total nonperforming assets representing only 0.72% of total assets.
- The allowance for loan and lease losses ("ALLL") as a percentage of total loans was 1.27% at December 31, 2017, net of all government guarantees, the ALLL as a percentage of total loans was 1.90%.
- Capital ratios remain strong with a ratio of tangible shareholders' equity to total assets of 8.49% at December 31, 2017, compared to 8.23% at December 31, 2016.

Results of Operations

Net interest income, after provision for loan losses, increased 21% to $3.8 million from $3.2 million in the fourth quarter a year ago. No provision for loan losses was booked in the current quarter. A loan loss provision of $176,000 was recorded in the fourth quarter of 2016. On a linked quarter basis, net interest income after provision increased 11% from $3.4 million following a provision for loan losses of $350,000. For 2017, net interest income after provision grew 24% to $13.9 million, compared to $11.2 million for 2016. The provision for loan losses was $825,000 for 2017, compared to $1.3 million for 2016.

Non-interest income was $410,000 for the fourth quarter of 2017, compared to $454,000 for the fourth quarter of 2016, and $634,000 for the third quarter of 2017. "Quarterly non-interest income can be somewhat volatile depending on whether we sell SBA loans," said Steve Canfield, Executive Vice President and Chief Financial Officer. "Non-interest income in the fourth quarter of 2017 was down slightly, primarily because we did not sell any SBA loans compared to sales and resultant gains of $177,000 in the fourth quarter of 2016 and $161,000 in the linked quarter. In addition, during the third quarter of this year, we repositioned a portion of our securities portfolio resulting in a gain of $110,000, which is not a normal event." Debit/credit card interchange income was up 31% and merchant services income also increased 24% year-over-year on higher volumes. For the full year of 2017, non-interest income was up 11% from 2016.

The net interest margin was 3.97% for the fourth quarter of 2017, compared to 3.89% a year earlier, and 4.16% for the third quarter of 2017. The net interest margin continues to remain well above the average of 3.71% generated by the SNL MicroCap U.S. Bank Index at September 30, 2017. For the full year of 2017, the net interest margin was 4.11%, compared to 4.08% for 2016.

Operating expenses totaled $2.2 million for the fourth quarter of 2017, compared to $2.0 million for the fourth quarter of 2016 and $2.3 million on a linked quarter basis. The increase in noninterest expense, from a year ago and for the full year, primarily relates to increased occupancy expense from the lease of office space adjacent to the Bank's current headquarters and increased salaries and employee benefits as staffing has increased.

The efficiency ratio was 52.23% for the fourth quarter of 2017, compared to 52.48% a year ago, and 54.15% for the quarter ended September 30, 2017.

Balance Sheet Review

Total assets increased 12% to $407.4 million at December 31, 2017, compared to $363.5 million at December 31, 2016, and grew 8% from $377.0 on a linked quarter basis.

Total loans grew 16% to $263.9 million at December 31, 2017, from $227.7 million a year ago, and increased 8% from $244.9 million at September 30, 2017.

The commercial and industrial (C&I) portfolio totaled $133.9 million, representing 51% of total loans at December 31, 2017. Commercial real estate (CRE) loans totaled $76.3 million, or 29% of total loans. Agriculture and land loans totaled $21.3 million, denoting 8% of loans; residential home loans were $14.2 million, or 5% of loans, and real estate construction and land development loans were $18.1 million, or 7% of loans.

Total deposits increased 12% to $371.4 million at December 31, 2017, compared to $332.3 million from a year earlier and grew 9% from $342.1 million at September 30, 2017. "Our core deposit portfolio is the strength of our franchise and our team shares a common goal of driving new DDA account acquisition," said Miller.

Noninterest-bearing demand deposits increased 17% to $199.0 million at December 31, 2017, representing 54% of total deposits, compared to $169.5 million, or 51% of total deposits a year ago. The ratio of loans to deposits was 71.05% at December 31, 2017, compared to 64.84% one year earlier and 71.58% at September 30, 2017.

Net shareholder's equity increased to $34.6 million at December 31, 2017, compared to $30.0 million a year ago. Book value per common share increased 11% to $12.18 at December 31, 2017, compared to $10.96 a year ago.

Asset Quality

Nonperforming assets ("NPAs") totaled $2.9 million at both December 31, 2017, and September 30, 2017, compared to $295,000 one year earlier. "The NPAs have not changed and continue to represent a series of loans isolated to one borrower," said Miller. "The loans are well-secured with good collateral, and we are keeping communications open with the borrower."

With ample reserves, there was no provision for loan losses booked for the fourth quarter of 2017, compared to $176,000 for the fourth quarter a year ago and $350,000 for the preceding quarter. The provision for loan losses was $825,000 for the full year of 2017 compared to $1.3 million for 2016.

Net charge-offs were $342,000 for 2017, which included recoveries of $26,000, compared to charge-offs of $1.9 million and $21,000 of recoveries a year ago. The allowance for loan losses to total loans ratio was 1.27% at December 31, 2017, no change from 1.27% a year earlier and 1.37% at September 30, 2017.

About Communities First Financial Corporation

Communities First Financial Corporation, a bank holding company established in 2014, is the parent company of Fresno First Bank, founded in 2005 in Fresno, California. Fresno First Bank is a leading SBA Lender in California's Central Valley. The Bank was named to the Inc. 5000 Fastest Growing Companies list in 2017 and to Forbes Best 25 Small Businesses in America for 2016. Additional information is available from the Company's website at www.fresnofirstbank.com or call 559-439-0200.

Forward Looking Statement Disclaimer

This earnings release may contain forward-looking statements. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. The forward-looking statements are based on managements' expectations and are subject to a number of risks and uncertainties. Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include, without limitation, the Company's ability to effectively execute its business plans; changes in general economic and financial market conditions; changes in interest rates; changes in the competitive environment; continuing consolidation in the financial services industry; new litigation or changes in existing litigation; losses, customer bankruptcy, claims and assessments; changes in banking regulations or other regulatory or legislative requirements affecting the Company's business; international developments; and changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies. The Company undertakes no obligation to release publicly the results of any revisions to the forward-looking statements included herein to reflect events or circumstances after today, or to reflect the occurrence of unanticipated events. The Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

SELECT FINANCIAL INFORMATION AND RATIOS (unaudited)	For the Quarter Ended: Dec. 31, 2017	Sept. 30, 2017	Dec. 31, 2016	Percentage Change From: Sept. 30, 2017	Dec. 31, 2016	Year to Date as of: Dec. 31, 2017	Dec. 31, 2016	Percent Change
BALANCE SHEET DATA - PERIOD END BALANCES:								
Total assets	$ 407,418	$ 377,043	$ 363,533	8%	12%			
Total Loans	263,869	244,890	227,662	8%	16%			
Investment securities	72,664	62,323	66,292	17%	10%			
Total deposits	371,401	342,126	332,331	9%	12%			
Shareholders equity, net	$ 34,572	$ 33,804	$ 29,930	2%	16%			
SELECT INCOME STATEMENT DATA:								
Gross revenue	$ 4,236	$ 4,426	$ 3,803	-4%	11%	$ 16,638	$ 14,210	17%
Operating expense	2,212	2,337	1,996	-5%	11%	9,173	7,823	17%
Pre-tax, pre-provision income	2,024	2,439	1,983	-17%	2%	8,290	7,653	8%
Net income after tax	$ 877	$ 1,055	$ 932	-17%	-6%	$ 3,683	$ 3,074	20%
SHARE DATA:								
Basic earnings per share	$ 0.31	$ 0.37	$ 0.34	-17%	-9%	$ 1.31	$ 1.13	16%
Fully diluted earnings per share	$ 0.30	$ 0.37	$ 0.34	-17%	-10%	$ 1.28	$ 1.12	15%
Book value per common share	$ 12.18	$ 12.00	$ 10.96	2%	11%			
Common shares outstanding	2,837,313	2,818,066	2,732,043	1%	4%			
Fully diluted shares	2,894,967	2,885,103	2,772,618	0%	4%			
CFST - Stock price	$ 19.55	$ 17.60	$ 11.50	11%	70%			
RATIOS:								
Return on average assets	.87%	1.12%	1.06%	-22%	-17%	1.00%	.98%	2%
Return on average equity	10.16%	12.66%	12.58%	-20%	-19%	11.36%	10.90%	4%
Efficiency ratio	52.23%	54.15%	52.48%	-4%	0%	55.53%	55.08%	1%
Yield on earning assets	4.11%	4.29%	4.03%	-4%	2%	4.24%	4.23%	0%
Cost to fund earning assets	0.14%	0.13%	0.14%	7%	-2%	0.13%	0.15%	-13%
Net Interest Margin	3.97%	4.16%	3.89%	-5%	2%	4.11%	4.08%	1%
Equity to assets	8.49%	8.97%	8.23%	-5%	3%			
Loan to deposits ratio	71.05%	71.58%	64.84%	-1%	10%			
Full time equivalent employees	40	41	37	-2%	8%			
BALANCE SHEET DATA - AVERAGES:								
Total assets	$ 398,289	$ 372,648	$ 350,342	7%	14%	$ 368,102	$ 314,684	17%
Total loans	255,363	249,047	222,958	3%	15%	248,139	206,235	20%
Investment securities	66,204	67,137	66,212	-1%	0%	67,235	66,804	1%
Deposits	362,407	338,002	319,821	7%	13%	334,176	285,099	17%
Shareholders equity, net	$ 34,503	$ 33,532	$ 30,018	3%	15%	$ 32,776	$ 28,855	14%
ASSET QUALITY:								
Total delinquent accruing loans	$ 0	$ 0	$ 0	Inf	Inf			
Nonperforming assets	$ 2,930	$ 2,930	$ 295	0%	893%			
Non Accrual / Total Loans	1.11%	1.20%	.13%	-7%	757%			
Nonperforming assets to total assets	.72%	.78%	.08%	-7%	786%			
LLR / Total loans	1.27%	1.37%	1.27%	-7%	1%			

STATEMENT OF INCOME ($ in thousands)	For the Quarter Ended:			Percentage Change From:		For the Year Ended		
(unaudited)	Dec. 31, 2017	Sept. 30, 2017	Dec. 31, 2016	Sept. 30, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Percent Change
Interest Income								
Loan interest income	$ 3,350	$ 3,381	$ 2,981	-1%	12%	$ 13,110	$ 11,220	17%
Investment income	388	367	319	6%	22%	1,447	1,246	16%
Int. on fed funds & CDs in other banks	193	142	100	36%	93%	510	305	67%
Dividends from non-marketable equity	30	21	72	43%	-58%	121	163	-26%
Interest income	3,961	3,911	3,472	1%	14%	15,188	12,934	17%
Total interest expense	135	119	123	13%	10%	477	458	4%
Net interest income	3,826	3,792	3,349	1%	14%	14,711	12,476	18%
Provision for loan losses	-	350	176	-100%	-100%	825	1,266	-35%
Net interest income after provision	3,826	3,442	3,173	11%	21%	13,886	11,210	24%
Non-Interest Income:								
Total deposit fee income	76	79	75	-4%	1%	320	284	13%
Debit / credit card interchange inc.	38	36	29	6%	31%	134	114	18%
Merchant services income	140	142	113	-1%	24%	522	448	17%
Gain on sale of loans	22	161	177	-86%	-88%	465	669	-30%
Other operating income	134	216	60	-38%	123%	486	219	122%
Non-interest income	410	634	454	-35%	-10%	1,927	1,734	11%
Non-Interest Expense:								
Salaries & employee benefits	1,260	1,397	1,195	-10%	5%	5,385	4,607	17%
Occupancy expense	163	185	126	-12%	29%	664	516	29%
Other operating expense	789	755	675	5%	17%	3,124	2,700	16%
Non-interest expense	2,212	2,337	1,996	-5%	11%	9,173	7,823	17%
Net income before tax	2,024	1,739	1,631	16%	24%	6,640	5,121	30%
Tax provision	1,147	684	699	68%	64%	2,957	2,047	44%
Net income after tax	$ 877	$ 1,055	$ 932	-17%	-6%	$ 3,683	$ 3,074	20%

BALANCE SHEET ($ in thousands)	End of Period:			Percentage Change From:	
(unaudited)	Dec. 31, 2017	Sept. 30, 2017	Dec. 31, 2016	Sept. 30, 2017	Dec. 31, 2016
ASSETS					
Cash and due from banks	$ 3,570	$ 8,466	$ 5,933	-58%	-40%
Fed funds sold and deposits in banks	51,166	45,267	56,459	13%	-9%
CDs in other banks	5,199	5,199	5,199	0%	0%
Investment securities	72,664	62,323	66,292	17%	10%
Total loans outstanding:					
RE constr & land development	18,115	17,525	14,087	3%	29%
Residential RE 1-4 Family	14,225	12,747	13,643	12%	4%
Commercial Real Estate	76,306	76,848	76,561	-1%	0%
Agriculture	21,285	23,029	22,870	-8%	-7%
Commercial and Industrial	133,921	114,638	100,279	17%	34%
Consumer and Other	17	103	222	-83%	-92%
Total Loans	263,869	244,890	227,662	8%	16%
Deferred fees & discounts	104	174	(427)	-40%	-124%
Allowance for loan losses	(3,363)	(3,347)	(2,880)	0%	17%
Loans, net	260,610	241,717	224,355	8%	16%
Non-marketable equity investments	2,244	2,207	1,918	2%	17%
Cash value of life insurance	8,072	8,015	-	100%	100%
Accrued interest and other assets	3,893	3,849	3,377	1%	15%
Total assets	$ 407,418	$ 377,043	$ 363,533	8%	12%
LIABILITIES AND EQUITY					
Non-interest bearing deposits	$ 198,918	$ 184,556	$ 169,539	8%	17%
Interest checking	12,162	10,264	11,022	18%	10%
Savings	34,603	37,029	36,780	-7%	-6%
Money Market	80,620	71,444	72,153	13%	12%
Certificates of Deposit	45,098	38,833	42,837	16%	5%
Total deposits	371,401	342,126	332,331	9%	12%
Borrowings	-	-	-	0%	0%
Other liabilities	1,445	1,113	1,272	30%	14%
Total liabilities	372,846	343,239	333,603	9%	12%
Common, preferred & paid in capital	28,035	27,861	27,054	1%	4%
Retained earnings (deficit)	6,458	5,582	2,775	16%	133%
Total equity	34,493	33,443	29,829	3%	16%
Accumulated other comprehensive income	79	361	101	-78%	-22%
Shareholders equity, net	34,572	33,804	29,930	2%	16%
Total Liabilities and shareholders' equity	$ 407,418	$ 377,043	$ 363,533	8%	12%

ASSET QUALITY ($ in thousands)	**Period Ended:**		
(unaudited)	**Dec. 31, 2017**	**Sept. 30, 2017**	**Dec. 31, 2016**
Delinquent accruing loans 30-60 days	$ 0	$ 0	$ 0
Delinquent accruing loans 60-90 days	$ 0	$ 0	$ 0
Delinquent accruing loans 90+ days	$ 0	$ 0	$ 0
Total delinquent accruing loans	$ 0	$ 0	$ 0
Loans on non accrual	$ 2,930	$ 2,930	$ 295
Other real estate owned	$ 0	$ 0	$ 0
Nonperforming assets	$ 2,930	$ 2,930	$ 295
Performing restructured loans	$ 0	$ 0	$ 31
Delq 30-60 / Total Loans	.00%	.00%	.00%
Delq 60-90 / Total Loans	.00%	.00%	.00%
Delq 90+ / Total Loans	.00%	.00%	.00%
Delinquent Lns / Total Lns	.00%	.00%	.00%
Non Accrual / Total Loans	1.11%	1.20%	.13%
Nonperforming assets to total assets	.72%	.78%	.08%
Year-to-date charge-off activity			
Charge-offs	$ 368	$ 358	$ 1,963
Recoveries	$ 26	$ 0	$ 21
Net charge-offs	$ 342	$ 358	$ 1,942
Annualized net loan losses (recoveries) to average loans	.14%	.19%	.94%
LOAN LOSS RESERVE RATIOS:			
Reserve for loan losses	$ 3,363	$ 3,347	$ 2,880
Total loans	$ 263,870	$ 244,890	$ 227,662
Purchased govt. guaranteed loans	$ 60,970	$ 48,692	$ 37,113
Originated govt. guaranteed loans	$ 25,944	$ 23,427	$ 27,209
LLR / Total loans	1.27%	1.37%	1.27%
LLR / Loans less purchased govt. guaranteed loans	1.66%	1.71%	1.51%
LLR / Loans less all govt. guaranteed loans	1.90%	1.94%	1.76%
LLR / Total assets	.83%	.89%	.79%

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Note: Transmitted on Globenewswire on January 18, 2018 at 1:00 p.m.