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FOR IMMEDIATE RELEASE

Communities First Financial Corporation 2018 Profits Grow to $6.25 Million, or $2.14 Per Diluted Share

Fresno, CA – January 22, 2019 – Communities First Financial Corporation (the "Company") (OTCQX: CFST), the parent company of Fresno First Bank (the "Bank"), today reported net income of $1.62 million, or $0.55 per diluted share for the fourth quarter of 2018, compared to $877,000, or $0.30 per diluted share for the fourth quarter of 2017. For the third quarter of 2018, net income was $1.63 million, or $0.56 per diluted share. For the year ended December 31, 2018, net income was $6.25 million, or $2.14 per diluted share, compared to $3.68 million, or $1.28 per diluted share for the year ended December 31, 2017.

"We had another exceptional year delivering record earnings for the fourth quarter and full year of 2018, highlighted by top line revenue growth, robust loan and deposit growth with a solid net interest margin," said Steve Miller, President and Chief Executive Officer. "At the same time, we are generating solid low-cost deposits and cultivating a strong customer base in our markets. In fact, our non-interest-bearing deposits increased 33% for the year and represented over 60% of total deposits.

"While we continue to deepen our presence in Central California, we are also further developing our footprint in Southern California as our loan production office recently established in Los Angeles is now fully operational," added Miller. "To boost our presence in the area, we hired a new Head of SBA, Amber Dorland, who is based out of San Diego, California. Amber is a key talent for our team, and she is highly skilled in the government guaranteed lending space.

"We are looking to expand and diversify our franchise throughout California. We are generating positive operating leverage and are well positioned to capitalize on market opportunities," Miller continued. "We are also investing in new technology via a core system conversion that is going to substantially expand our capabilities and reach, allowing us to provide enhanced services to our customers throughout California. As always, we remain focused on building long-term customer relationships, offering a diverse array of banking products and services, and creating value for our customers and shareholders."

Net income for the fourth quarter and full year of 2018 included a non-recurring $680,000 gain from a bank insurance policy that was partially offset by a non-recurring expense related to the computer system conversion of $400,000. Earnings for the fourth quarter of 2017 were impacted by the revaluation of the deferred tax asset ("DTA"), based on the Tax Cuts and Jobs Act enacted on December 22, 2017, which reduced the Company's federal corporate tax rate to 19% from 29%, effective January 1, 2018. Consequently, the DTA reduced net income by $325,000 as a one-time, non-cash, incremental income tax expense for the fourth quarter of 2017.

Fourth quarter 2018 Highlights (as of, or for the period ended December 31, 2018, except where noted):

- Diluted earnings per share ("EPS") were $0.55, compared to $0.30 per share for the fourth quarter of 2017. For the year ended December 31, 2018, diluted EPS totaled $2.14 compared to $1.28 for the year ended December 31, 2017.
- Return on average assets ("ROAA") was 1.37% and return on average equity ("ROAE") was 16.07% in the fourth quarter of 2018, compared to ROAA of .87% and ROAE of 10.08% in the fourth quarter of 2017. For the year, ROAA was 1.46% and ROAE 16.68% compared to 1.00% and 11.24% for 2017 respectively.
- Net interest margin ("NIM") expanded 48 basis points to 4.45% for the fourth quarter of 2018, compared to 3.97% from the fourth quarter a year ago. For the year the NIM increased 34 basis points to 4.45% from 4.11% in 2017.
- Net interest income, before the provision for loan losses, increased by 32% to $5.03 million from the fourth quarter a year ago and grew 5% on a linked quarter basis. For the full year 2018, net interest income increased 24% to $18.25 million, compared to $14.71 for 2017.
- Total deposits increased 14% to $424.35 million from $371.40 million a year earlier. Noninterest bearing deposits grew 33% and are now 62% of entire deposit base.
- Total loans increased 15% to $303.41 million compared to $263.87 million a year ago.
- Asset quality remained solid with nonperforming assets representing 0.69% of total assets. Loans on nonaccrual totaled $3.22 million, compared to $2.93 million a year earlier. Nonaccrual loans represented 1.06% of total loans.
- The allowance for loan and lease losses ("ALLL") was 1.33% as a percentage of total loans, at December 31, 2018, compared to 1.27% a year earlier. The ALLL as a percentage of total assets was 0.87%.
- Capital ratios remain strong with a ratio of tangible shareholders' equity to total assets of 8.71% at December 31, 2018, compared to 8.49% at December 31, 2017.

<u>Results of Operations</u>

Net interest income, before the provision for loan losses, increased 32% to $5.03 million from $3.83 million in the fourth quarter a year ago, demonstrating strong year-over-year loan growth and higher yields on investment securities and overnight funds. A provision for loan losses of $650,000 was booked in the fourth quarter. No provision for loan losses was recorded a year ago and a provision for $300,000 was recorded in the preceding quarter. For the year, before the provision for loan losses, net interest income was up 24% to $18.25 million, compared to $14.71 million for 2017.

Non-interest income was $1.12 million for the fourth quarter of 2018, compared to $410,000 for the fourth quarter of 2017, and $456,000 for the third quarter of 2018. The increase in non-interest income was primarily due to a non-recurring, $680,000 gain from a bank insurance policy. Reflecting the growth in new accounts, fee income increased 32% year-over-year; debit/credit interchange income also increased 32% from a year ago and merchant services income was up 14%. Gain on sale of loans was down $359,000, or 77% compared to 2017 as the Bank sold no SBA loans in 2018.

The net interest margin improved by 48 basis points to 4.45% for the fourth quarter of 2018, compared to 3.97% for the fourth quarter of 2017, and contracted 10 basis points from 4.55% for the preceding quarter. For the full year 2018, the net interest margin expanded 34 basis points to 4.45% compared to 4.11% for 2017. "Our net interest margin was positively impacted by increases in yields on securities and the rate on overnight fed funds, enhancing the yield on our earning assets to 4.63% for the fourth quarter of 2018. Our cost of funds remained below industry average at 0.18%," said Steve Canfield, Executive Vice President and Chief Financial Officer. "With 62% of our deposits in non-interest-bearing accounts any upward movement in market rates is generally positive for our margin." The net interest margin is well above the average of 3.75% generated by industry peers.

Operating expenses totaled $3.45 million for the fourth quarter of 2018, compared to $2.21 million for the fourth quarter of 2017 and $2.68 million for the third quarter of 2018. "The increase in operating expenses was primarily due to costs related to establishing the Los Angeles loan production office and non-recurring data processing expenses related to our pending core system conversion and the termination of our current DP contract," added Canfield.

The efficiency ratio was 56.02% for the fourth quarter of 2018, compared to 52.23% for the fourth quarter a year ago, and 51.06% for the third quarter of 2018. For the full year, the efficiency ratio was 54.53%, compared to 55.53% in 2017.

Balance Sheet Review

Total assets increased 15% to $467.21 million at December 31, 2018, compared to $407.42 million at December 31, 2017, and grew 5% from $443.45 million at September 30, 2018.

Total loans increased 15% to $303.41 million at December 31, 2018, from $263.87 million a year ago, and increased 7% from $283.87 million three months earlier. The commercial and industrial (C&I) portfolio represented 48% of total loans at December 31, 2018. Commercial real estate (CRE) loans totaled $101.7 million, or 34% of total loans. Agriculture loans grew 32% from a year ago to $28.1 million and represented 9% of total loans; real estate construction and land development totaled $17.8 million, or 6% of loans, while residential home loans were $10.4 million, or 3% of loans. At December 31, 2018, $93.80 million or 31% of the loan portfolio was guaranteed by the SBA, USDA or other government agencies.

Total deposits increased 14% to $424.35 million at December 31, 2018, compared to $371.40 million from a year earlier and grew 5% from $402.93 million at September 30, 2018. Noninterest-bearing demand deposits increased by 33% to $263.82 million at December 31, 2018, representing 62% of total deposits, compared to $198.92 million, or 54% of total deposits a year ago. The loan to deposit ratio was 71.50% at December 31, 2018, compared to 71.05% one year earlier and 70.20% at September 30, 2018.

Net shareholder's equity increased 18% to $40.71 million at December 31, 2018, compared to $34.57 million a year ago. Book value per common share increased 17% to $14.24 at December 31, 2018, compared to $12.18 at December 31, 2017.

Asset Quality

Nonperforming assets ("NPAs") totaled $3.22 million, or 0.69% of total assets at December 31, 2018, compared to $2.93 million, or 0.72% of total assets at December 31, 2017, and $3.16 million, or 0.71% of assets at September 30, 2018. "The increase in NPAs at the end of the fourth quarter was primarily due to a few small government guaranteed business loans that we placed on non-accrual status during the quarter," said Miller. "We continue to monitor the $2.9 million NPA which consists of a series of loans isolated to one borrower. We have made significant progress over the last 3 months.; The loans are well-secured with strong underlying collateral."

"We booked a loan loss provision of $650,000 in the fourth quarter, mainly due to growth in our loan portfolio," commented Canfield. No provision was taken in the fourth quarter a year ago and a provision of $300,000 was booked in the third quarter of 2018. The allowance for loan losses to total loans ratio was 1.33% at December 31, 2018, compared to 1.27% a year earlier and 1.30% at September 30, 2018. Net charge-offs totaled $265,000 in 2018, compared to $342,000 of net charge-offs a year earlier.

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 and has expanded into Southern California. The Bank is also a direct acquiring bank with VISA and MasterCard and processes payments for merchants across the country directly and through partners. 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, 2018	Sept. 30, 2018	Dec. 31, 2017	Percentage Change From: Sept. 30, 2018	Dec. 31, 2017	Year to Date as of: Dec. 31, 2018	Dec. 31, 2017	Percent Change
BALANCE SHEET DATA - PERIOD END BALANCES:								
Total assets	$ 467,208	$ 443,449	$ 407,418	5%	15%			
Total portfolio loans	303,410	282,867	263,869	7%	15%			
Investment securities	95,949	82,153	72,664	17%	32%			
Total deposits	424,346	402,933	371,401	5%	14%			
Shareholders equity, net	40,714	38,610	34,572	5%	18%			
SELECT INCOME STATEMENT DATA:								
Gross revenue	$ 6,155	$ 5,237	$ 4,236	18%	45%	$ 20,647	$ 16,638	24%
Operating expense	3,451	2,678	2,212	29%	56%	11,268	9,173	23%
Pre-tax, pre-provision income	2,704	2,559	2,024	6%	34%	9,379	7,465	26%
Net income after tax	$ 1,619	$ 1,625	$ 877	0%	85%	$ 6,249	$ 3,683	70%
SHARE DATA:								
Basic earnings per share	$ 0.57	$ 0.57	$ 0.31	0%	85%	$ 2.19	$ 1.31	67%
Fully diluted earnings per share	$ 0.55	$ 0.56	$ 0.30	-2%	82%	$ 2.14	$ 1.28	67%
Book value per common share	$ 14.24	$ 13.53	$ 12.18	5%	17%			
Common shares outstanding	2,858,172	2,853,672	2,837,313	0%	1%			
Fully diluted shares	2,917,075	2,923,728	2,894,967	0%	1%			
CFST - Stock price	$ 19.80	$ 25.10	$ 19.55	-21%	1%			
RATIOS:								
Return on average assets	1.37%	1.48%	.87%	-7%	57%	1.46%	1.00%	46%
Return on average equity	16.07%	16.90%	10.08%	-5%	59%	16.68%	11.24%	48%
Efficiency ratio	56.02%	51.06%	52.23%	10%	7%	54.53%	55.53%	-2%
Yield on earning assets	4.63%	4.70%	4.11%	-1%	13%	4.60%	4.24%	8%
Cost to fund earning assets	0.18%	0.15%	0.14%	20%	29%	0.15%	0.13%	15%
Net Interest Margin	4.45%	4.55%	3.97%	-2%	12%	4.45%	4.11%	8%
Equity to assets	8.71%	8.71%	8.49%	0%	3%			
Loan to deposits ratio	71.50%	70.20%	71.05%	2%	1%			
Full time equivalent employees	44	42	40	5%	10%			
BALANCE SHEET DATA - AVERAGES:								
Total assets	$ 467,238	$ 434,466	$ 398,289	8%	17%	$ 427,849	$ 368,102	16%
Total portfolio loans	282,480	280,510	255,363	1%	11%	274,543	248,139	11%
Investment securities	90,250	78,439	66,204	15%	36%	80,486	67,235	20%
Deposits	424,861	394,646	362,407	8%	17%	388,565	334,176	16%
Shareholders equity, net	$ 39,981	$ 38,159	$ 34,503	5%	16%	$ 37,464	$ 32,776	14%
ASSET QUALITY:								
Total delinquent accruing loans	$ 397	$ 158	$ 0	151%	0%			
Nonperforming assets	$ 3,220	$ 3,155	$ 2,930	2%	10%			
Non Accrual / Total Loans	1.06%	1.12%	1.11%	-5%	-4%			
Nonperforming assets to total assets	.69%	.71%	.72%	-3%	-4%			
LLR / Total loans	1.33%	1.30%	1.27%	3%	5%			

STATEMENT OF INCOME ($ in thousands)	For the Quarter Ended:			Percentage Change From:		For the Year Ended		
(unaudited)	Dec. 31, 2018	Sept. 30, 2018	Dec. 31, 2017	Sept. 30, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017	Percent Change
Interest Income								
Loan interest income	$ 4,109	$ 4,149	$ 3,350	-1%	23%	$ 15,662	$ 13,110	19%
Investment income	636	481	388	32%	64%	2,009	1,447	39%
Int. on fed funds & CDs in other banks	421	272	193	55%	118%	1,047	510	105%
Dividends from non-marketable equity	70	32	30	119%	133%	157	121	30%
Interest income	5,236	4,934	3,961	6%	32%	18,875	15,188	24%
Total interest expense	202	153	135	32%	50%	630	477	32%
Net interest income	5,034	4,781	3,826	5%	32%	18,245	14,711	24%
Provision for loan losses	650	300	0	117%	0%	950	825	15%
Net interest income after provision	4,384	4,481	3,826	-2%	15%	17,295	13,886	25%
Non-Interest Income:								
Total deposit fee income	100	96	76	4%	32%	359	320	12%
Debit / credit card interchange inc.	50	44	38	14%	32%	172	134	28%
Merchant services income	159	153	140	4%	14%	596	522	14%
Gain on sale of loans	18	44	22	-59%	-18%	106	465	-77%
Other operating income	794	119	134	567%	493%	1,169	486	141%
Non-interest income	1,121	456	410	146%	173%	2,402	1,927	25%
Non-Interest Expense:								
Salaries & employee benefits	1,656	1,612	1,260	3%	31%	6,391	5,385	19%
Occupancy expense	190	256	163	-26%	17%	774	664	17%
Other operating expense	1,605	810	789	98%	103%	4,103	3,124	31%
Non-interest expense	3,451	2,678	2,212	29%	56%	11,268	9,173	23%
Net income before tax	2,054	2,259	2,024	-9%	1%	8,429	6,640	27%
Tax provision	435	634	1,147	-31%	-62%	2,180	2,957	-26%
Net income after tax	$ 1,619	$ 1,625	$ 877	0%	85%	$ 6,249	$ 3,683	70%

BALANCE SHEET ($ in thousands)	End of Period:			Percentage Change From:	
(unaudited)	Dec. 31, 2018	Sept. 30, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
ASSETS					
Cash and due from banks	$ 6,869	$ 10,973	$ 3,282	-37%	109%
Fed funds sold and deposits in banks	35,512	48,474	51,454	-27%	-31%
CDs in other banks	10,906	7,699	5,199	42%	110%
Investment securities	95,949	82,153	72,664	17%	32%
Loans held for sale	4,081	0	0	0%	0%
Portfolio loans outstanding:					
RE constr & land development	17,794	14,590	18,115	22%	-2%
Residential RE 1-4 Family	10,350	11,174	14,225	-7%	-27%
Commercial Real Estate	101,667	87,368	76,306	16%	33%
Agriculture	28,080	28,099	21,285	0%	32%
Commercial and Industrial	145,390	141,602	133,921	3%	9%
Consumer and Other	129	34	17	279%	659%
Total Portfolio Loans	303,410	282,867	263,869	7%	15%
Deferred fees & discounts	141	191	104	-26%	36%
Allowance for loan losses	(4,049)	(3,668)	(3,363)	10%	20%
Loans, net	299,502	279,390	260,610	7%	15%
Non-marketable equity investments	2,440	2,475	2,244	-1%	9%
Cash value of life insurance	7,780	8,240	8,072	-6%	-4%
Accrued interest and other assets	$ 4,169	$ 4,045	$ 3,893	3%	7%
Total assets	467,208	443,449	407,418	5%	15%
LIABILITIES AND EQUITY					
Non-interest bearing deposits	263,818	243,580	198,918	8%	33%
Interest checking	11,210	13,583	12,162	-17%	-8%
Savings	30,805	30,887	34,603	0%	-11%
Money market	82,420	77,514	80,620	6%	2%
Certificates of deposits	36,093	37,369	45,098	-3%	-20%
Total deposits	424,346	402,933	371,401	5%	14%
Borrowings	-	-	-	0%	0%
Other liabilities	2,148	1,906	1,445	13%	49%
Total liabilities	426,494	404,839	372,846	5%	14%
Common stock & paid in capital	28,453	28,350	28,035	0%	1%
Retained earnings	12,708	11,089	6,458	15%	97%
Total equity	41,161	39,439	34,493	4%	19%
Accumulated other comprehensive income	(447)	(829)	79	-46%	-666%
Shareholders equity, net	$ 40,714	$ 38,610	$ 34,572	5%	18%
Total Liabilities and shareholders' equity	467,208	443,449	407,418	5%	15%

ASSET QUALITY ($ in thousands) (unaudited)	Period Ended: Dec. 31, 2018	Sept. 30, 2018	Dec. 31, 2017
Delinquent accruing loans 30-60 days	$ 397	$ 158	$ 0
Delinquent accruing loans 60-90 days	$ 0	$ 0	$ 0
Delinquent accruing loans 90+ days	$ 0	$ 0	$ 0
Total delinquent accruing loans	$ 397	$ 158	$ 0
Loans on non accrual	$ 3,220	$ 3,155	$ 2,930
Other real estate owned	$ 0	$ 0	$ 0
Nonperforming assets	$ 3,220	$ 3,155	$ 2,930
Performing restructured loans	$ 0	$ 0	$ 0
Delq 30-60 / Total Loans	.13%	.06%	.00%
Delq 60-90 / Total Loans	.00%	.00%	.00%
Delq 90+ / Total Loans	.00%	.00%	.00%
Delinquent Lns / Total Lns	.13%	.06%	.00%
Non Accrual / Total Loans	1.06%	1.12%	1.11%
Nonperforming assets to total assets	.69%	.71%	.72%
Year-to-date charge-off activity			
Charge-offs	$ 272	$ 0	$ 368
Recoveries	$ 7	$ 5	$ 26
Net charge-offs	$ 265	$ (5)	$ 342
Annualized net loan losses (recoveries) to average loans	.10%	-.00%	.14%
LOAN LOSS RESERVE RATIOS:			
Reserve for loan losses	$ 4,049	$ 3,668	$ 3,363
Total loans	$ 303,410	$ 282,866	$ 263,870
Purchased govt. guaranteed loans	$ 63,442	$ 62,741	$ 60,970
Originated govt. guaranteed loans	$ 30,363	$ 27,542	$ 25,944
LLR / Total loans	1.33%	1.30%	1.27%
LLR / Loans less purchased govt. guaranteed loans	1.69%	1.67%	1.66%
LLR / Loans less all govt. guaranteed loans	1.93%	1.90%	1.90%
LLR / Total assets	.87%	.83%	.83%

Note: Transmitted on Globenewswire on January 22, 2019, at 6:00 a.m. Pacific time.