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FOR IMMEDIATE RELEASE

Communities First Financial Corporation Posts Record Profits for 2016; 4Q16 Earnings Increase 73% from 4Q15

Fresno, CA – January 12, 2017 – Communities First Financial Corporation (the "Company") (OTCQX: CFST), Fresno, CA, the parent company of Fresno First Bank (the "Bank"), today reported record earnings in both the fourth quarter and full year of 2016. Net income increased 73% to $932,000, or $0.34 per diluted share for the fourth quarter of 2016, compared to $537,000, or $0.20 per diluted share, for the fourth quarter a year ago, and grew 32.2% from $705,000, or $0.26 per diluted share, for the third quarter of 2016. For the full year of 2016, net income increased 21.1% to $3.1 million, or $1.12 per diluted share, from $2.5 million, or $0.93 per diluted share for 2015. All results are unaudited.

"We delivered stellar financial results for 2016, achieving solid revenue growth and record net income, while maintaining a very strong balance sheet," said Steve Miller, President and Chief Executive Officer. "In 2016, our team worked hard, as we balanced decisions on operating efficiencies with opportunities for investing in future growth and addressing our customers' needs. Our investments in both BodeTree, a cloud-based business management program, and Breakaway Funding, a next generation crowd-funding company, put us on the forefront of financial service providers in California.

"During the year, we were able to attract talented new staff as we continue to build our franchise and build relationships with both existing and new customers," continued Miller. "As the operating environment continues to improve, we are optimistic about the momentum building in our core business, and are prepared to take advantage of market opportunities due to consolidation in our market.

"The strength of our growing franchise is in our core deposit base. We saw significant growth in both the quantity and quality of our checking account relationships. Our focus is always on developing new relationships in Central California, and we achieved a 30% year-over-year increase in new customer growth," added Miller. "We are successfully executing our strategies as we continue to deliver sustainable profitability and revenue growth to our franchise. I am proud of our employees and their passionate commitment to creating value for our customers, communities, and shareholders."

Fourth quarter 2016 Highlights (as of, or for the quarter ended December 31, 2016, except where noted)

- Total assets grew 23% to $363.5 million at December 31, 2016, compared to $295.7 million a year earlier and were up 9% from $333.5 million at September 30, 2016.
- Total deposits grew 24% to $332.3 million at December 31, 2016, from $268.1 million a year earlier.
- Total loans increased 21% to $227.7 million compared to $188.6 million at December 31, 2015.
- Revenue (net interest income before provision for loan losses, plus non-interest income) grew 29% to $3.8 million, from the fourth quarter 2015. For the full year 2016, revenue increased 20% to $14.2 million from $11.9 million for 2015.
- Net interest income increased 23% to $3.3 million for the fourth quarter of 2016, compared to $2.7 million for the fourth quarter a year ago. For 2016, net interest income grew 18% to $12.5 million from $10.6 million for 2015.

- Non-interest income grew 92% to $454,000 for the fourth quarter of 2016, compared to $236,000 a year ago. For the year ended December 31, 2016, non-interest income was $1.7 million, up 31% from $1.3 million for 2015.
- Net interest margin ("NIM") improved 18 basis points to 3.89% for the fourth quarter, compared to 3.71% for the fourth quarter a year ago. For the year ended December 31, 2016, NIM was 4.08% compared to 4.04% for the year ended December 31, 2015.
- Efficiency ratio, which measures overhead cost to revenue, continued to improve, declining to 52.48% in 4Q16, compared to 70.63% a year ago and 53.62% in 3Q16. For the full year 2016, the efficiency ratio was 55.08% compared to 63.48% for the year ended December 31, 2015.
- Return on average assets ("ROAA") was 1.06% and return on average equity ("ROAE") was 12.58% for the fourth quarter 2016. ROAA and ROAE were well above the average of 0.79% and 7.88%, respectively, generated by the 536 banks in the SNL MicroCap U.S. Bank Index, for the third quarter of 2016. For the full year 2016, ROAA and ROAE were 0.98% and 10.90% respectively.
- The allowance for loan and lease losses ("ALLL") was $2.9 million at December 31, 2016, down 19% when compared to $3.6 million a year earlier, reflecting the significant improvement in asset quality. Net of all government guarantees, the ALLL as a percentage of total loans was 1.76%.
- Capital ratios remain strong with a ratio of tangible shareholders' equity to total assets of 8.23% at December 31, 2016.

Results of Operations

Mainly driven by strong loan growth, net interest income grew 23% to $3.3 million for the fourth quarter of 2016, compared to $2.7 million for the fourth quarter a year ago. For 2016, net interest income increased 18% to $12.5 million, from $10.6 million for 2015.

The provision for loan losses was $176,000 for the fourth quarter of 2016, compared to $565,000 for the third quarter of 2016. No provision for loan losses was taken in the fourth quarter a year ago. "While asset quality is very strong, we continue to add to our allowance for loan losses to provide for the robust loan growth we are achieving," said Steve Canfield, Chief Financial Officer.

Non-interest income increased 92% to $454,000 for the fourth quarter of 2016, compared to $236,000 for the fourth quarter of 2015. Although non-interest income increased in almost all categories year-over-year, the growth was primarily due to increased income from Merchant Services activities and an increase in gains from the sale of SBA loans. For 2016, non-interest income increased 31% to $1.7 million from $1.3 million in 2015.

The net interest margin expanded 18 basis points to 3.89% for the fourth quarter of 2016, compared to 3.71% for the fourth quarter a year ago and contracted 32 basis points from 4.21% on a linked quarter basis. The year-over-year improvement in the net interest margin was principally due to loan growth replacing lower yielding overnight funds. The decline in the net interest margin on a linked quarter basis primarily reflected the rapid growth in deposits resulting in a higher percentage of overnight and short term investments in the earning asset mix. "Although we saw some seasonal decline in our net interest margin in Q4 similar to prior years, our net interest margin remains above the average of 3.58% generated by the SNL MicroCap U.S. Bank Index at September 30, 2016," said Canfield.

Total operating expenses declined to $2.0 million for the third and fourth quarter of 2016, compared to $2.1 million for the fourth quarter of 2015. Noninterest expense for 2016 increased 4% to $7.8 million, compared to $7.5 million for 2015. The increase in year-over-year operating expense was mainly due to increased compensation expense driven by the hiring of additional staff. Operating expenses on a linked quarter basis were relatively flat. Q4 2016 operating expenses compared to the fourth quarter of 2015 declined by

$100,000. Operating expense in Q4 2015 contained one-time costs associated with the recruitment and hiring of CEO Steve Miller.

The efficiency ratio improved to 52.48%, for the fourth quarter of 2016, compared to 70.63% for the fourth quarter of 2015 and 53.62% for the third quarter of 2016. For 2016, the efficiency ratio improved to 55.08% compared to 63.48% in 2015. The SNL MicroCap Index averaged an efficiency ratio of 69.03% for the third quarter of 2016.

Balance Sheet Review

Total assets increased 23% to $363.5 million at December 31, 2016, compared to $295.7 million a year earlier and were up 9% from $333.5 million at September 30, 2016. The total loans outstanding increased 21% to $227.7 million at December 31, 2016, compared to $188.6 million at December 31, 2015, and increased 6% compared to $214.8 million three months earlier.

The commercial and industrial (C&I) portfolio, an area of specialty for Fresno First Bank, totaled $100.3 million and represented 44% of the total loans at December 31, 2016. Commercial real estate (CRE) loans totaled $76.6 million and comprise 34% of loans. Agriculture and land loans totaled $22.9 million represented 10% of loans, residential home loans were $13.6 million, or 6% of loans and, real estate construction and land development loans were $14.1 million, or 6% of loans.

“We continue to purchase 100% government guaranteed SBA and USDA loans with our excess liquidity as an investment alternative. Additionally, we have been the largest Community Bank SBA lender by volume in California’s Central Valley for the last four consecutive years and we remain very active in the program,” added Miller. “Approximately $64.3 million or 28% of our loans have a guarantee from the U.S. Government either through the SBA, USDA or FSA. These guarantees substantially reduce the credit risk on a significant portion of our loan portfolio and are a factor when determining our overall reserve levels. See chart below:

LOAN LOSS RESERVE RATIOS:	Period Ended:		
($ in thousands, unaudited)	Dec. 31, 2016	Sept. 30, 2016	Dec. 31, 2015
Reserve for loan losses	$ 2,880	$ 2,685	$ 3,556
Total loans	$ 227,662	$ 214,795	$ 188,607
Purchased govt. guaranteed loans	$ 37,113	$ 24,650	$ 20,784
Originated govt. guaranteed loans	$ 27,209	$ 24,626	$ 24,321
LLR / Total loans	1.27%	1.25%	1.89%
LLR / Loans less purchased govt. guara	1.51%	1.41%	2.12%
LLR / Loans less all govt. guaranteed lc	1.76%	1.62%	2.48%
LLR / Total assets	.79%	.81%	1.20%

Total deposits increased 24% reaching $332.3 million at December 31, 2016, compared to $268.1 million from a year earlier. “Total deposits grew 10% on a linked quarter basis, fostered by our strong marketing efforts, opportunities generated by market disruptions and due to normal seasonal effects of our deposit stream,” added Canfield.

Non-interest bearing demand deposits increased 41% to $169.5 million, representing 51% of total deposits, compared to $120.3 million, or 48% of non-interest bearing deposits a year ago. The ratio of loans to deposits was 68.50% at December 31, 2016, compared to 70.35% one year earlier and 70.81% at September 30, 2016.

Total stockholder equity was $29.8 million at December 31, 2016, compared to $26.6 million a year ago. Book value per common share increased 10% to $10.97 at December 31, 2016, compared to $10.00 a year ago.

Asset Quality

Nonperforming assets declined to $295,000 at December 31, 2016, compared to $2.4 million at year end 2015. The ratio of nonperforming assets to total assets was .08% at December 31 2016, compared to 0.80% at December 31, 2015. The substantial improvement in nonperforming assets was primarily driven by the charge-off in Q3 2016 of $1.96 million from the $2.4 million isolated nonperforming asset that has remained in nonaccrual loans since the second quarter of 2015. Net of all government guarantees, the ALLL as a percentage of total loans was 1.76% and was 976% of nonperforming assets.

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 Bank Lender in California's Central Valley. The Bank was named by Forbes as one of the Best 25 Small Businesses in America for 2016, and received the All-Star Performance Award from the Great Game of Business in 2015. Additional information is available from the Company's website at www.fresnofirstbank.com or call 559-439-0200.

Forward Looking Statement Disclaimer

SELECT FINANCIAL INFORMATION AND RATIOS (unaudited)	For the Quarter Ended: Dec. 31, 2016	For the Quarter Ended: Sept. 30, 2016	For the Quarter Ended: Dec. 31, 2015	Percentage Change From: Sept. 30, 2016	Percentage Change From: Dec. 31, 2015	For the Year Ended: Dec. 31, 2016	For the Year Ended: Dec. 31, 2015	Percent Change
BALANCE SHEET DATA - PERIOD END BALANCES:								
Total assets	$ 363,533	$ 333,463	$ 295,736	9%	23%			
Total Loans	227,662	214,795	188,607	6%	21%			
Investment securities	66,292	66,707	68,775	-1%	-4%			
Total deposits	332,331	303,319	268,111	10%	24%			
Shareholders equity, net	$ 29,930	$ 29,621	$ 26,978	1%	11%			
SELECT INCOME STATEMENT DATA:								
Core revenue	$ 3,803	$ 3,694	$ 2,948	3%	29%	$ 14,202	$ 11,877	20%
Operating expense	1,996	1,980	2,082	1%	-4%	7,822	7,540	4%
Pre-tax, pre-provision income	1,807	1,713	866	5%	109%	6,380	4,337	47%
Net income after tax	$ 932	$ 705	$ 537	32%	73%	$ 3,075	$ 2,539	21%
SHARE DATA:								
Fully diluted earnings per share	$ 0.34	$ 0.26	$ 0.20	31%	72%	$ 1.12	$ 0.93	20%
Book value per common share	$ 10.97	$ 10.86	$ 10.00	1%	10%			
Common shares outstanding	2,728,164	2,727,019	2,698,417	0%	1%			
Fully diluted shares	2,768,739	2,746,867	2,727,493	1%	2%			
CFST - Stock price	$ 11.50	$ 9.91	$ 10.16	16%	13%			
RATIOS:								
Return on average assets	1.06%	.90%	.71%	18%	49%	.98%	.94%	4%
Return on average equity	12.58%	9.73%	8.09%	29%	56%	10.90%	9.96%	9%
Efficiency ratio	52.48%	53.62%	70.63%	-2%	-26%	55.08%	63.48%	-13%
Yield on earning assets	4.03%	4.36%	3.86%	-7%	4%	4.23%	4.20%	1%
Cost to fund earning assets	0.14%	0.15%	0.15%	-5%	-6%	0.15%	0.16%	-7%
Net Interest Margin	3.89%	4.21%	3.71%	-8%	5%	4.08%	4.04%	1%
Equity to assets	8.23%	8.88%	9.12%	-7%	-10%			
Loan to deposits ratio	68.50%	70.81%	70.35%	-3%	-3%			
Full time equivalent employees	37	38	32	-3%	16%			
BALANCE SHEET DATA - AVERAGES:								
Total assets	$ 350,342	$ 309,399	$ 300,268	13%	17%	$ 314,684	$ 271,182	16%
Total loans	222,958	210,096	180,391	6%	24%	206,235	174,976	18%
Investment securities	66,212	66,288	64,366	0%	3%	66,804	61,491	9%
Deposits	319,609	279,380	272,612	14%	17%	285,099	244,327	17%
Shareholders equity, net	$ 30,018	$ 29,268	$ 26,828	3%	12%	$ 28,855	$ 25,982	11%
ASSET QUALITY:								
Total delinquent accruing loans	Highlights	$ 0	$ 0	0%	0%			
Nonperforming assets	$ 295	$ 295	$ 2,361	0%	-88%			
Non Accrual / Total Loans	.13%	.14%	1.25%	-6%	-90%			
Nonperforming assets to total assets	.08%	.09%	.80%	-8%	-90%			
LLR / Total loans	1.27%	1.25%	1.89%	1%	-33%			

STATEMENT OF INCOME ($ in thousands)	**For the Quarter Ended:**			**Percentage Change From:**		**For the Year Ended**		
(unaudited)	**Dec. 31, 2016**	**Sept. 30, 2016**	**Dec. 31, 2015**	**Sept. 30, 2016**	**Dec. 31, 2015**	**Dec. 31, 2016**	**Dec. 31, 2015**	**Percent Change**
Interest Income								
Loan interest income	$ 2,981	$ 2,964	$ 2,449	1%	22%	$ 11,220	$ 9,494	18%
Investment income	319	310	293	3%	9%	1,246	1,234	1%
Int. on fed funds & CDs in other banks	100	69	62	44%	61%	305	161	89%
Dividends from non-marketable equity	72	25	30	186%	142%	163	151	8%
Interest income	3,472	3,368	2,833	3%	23%	12,934	11,041	17%
Total interest expense	123	116	112	5%	10%	458	422	9%
Net interest income	3,349	3,252	2,721	3%	23%	12,476	10,619	17%
Provision for loan losses	176	565	-	-69%	0%	1,266	270	369%
Net interest income after provision	3,173	2,687	2,721	18%	17%	11,210	10,349	8%
Non-Interest Income:								
Total deposit fee income	75	76	68	-2%	10%	284	290	-2%
Debit / credit card interchange inc.	29	27	27	8%	6%	114	97	17%
Merchant services income	113	121	84	-7%	34%	448	319	40%
Gain on sale of loans	177	166	5	6%	3608%	669	389	72%
Other operating income	60	51	52	18%	16%	219	231	-5%
Non-interest income	454	442	236	3%	92%	1,734	1,327	31%
Non-Interest Expense:								
Salaries & employee benefits	1,195	1,175	1,186	2%	1%	4,607	4,182	10%
Occupancy expense	99	106	137	-7%	-28%	424	517	-18%
Other operating expense	675	673	742	0%	-9%	2,700	2,762	-2%
Non-interest expense	1,996	1,980	2,082	1%	-4%	7,822	7,540	4%
Net income before tax	1,631	1,148	875	42%	86%	5,122	4,135	24%
Tax provision	699	443	338	58%	107%	2,047	1,596	28%
Net income after tax	$ 932	$ 705	$ 537	32%	73%	$ 3,075	$ 2,539	21%

BALANCE SHEET ($ in thousands) (unaudited)	End of Period: Dec. 31, 2016	Sept. 30, 2016	Dec. 31, 2015	Percentage Change From: Sept. 30, 2016	Dec. 31, 2015
ASSETS					
Cash and due from banks	$ 5,933	$ 10,394	$ 11,391	-43%	-48%
Fed funds sold and deposits in banks	56,459	34,800	20,514	62%	175%
CDs in other banks	5,199	5,447	5,695	-5%	-9%
Investment securities	66,292	66,707	68,775	-1%	-4%
Total loans outstanding:					
RE constr & land development	14,087	17,406	11,823	-19%	19%
Residential RE 1-4 Family	13,643	14,673	15,069	-7%	-9%
Commercial Real Estate	76,561	73,700	63,535	4%	21%
Agriculture	22,870	22,674	23,232	1%	-2%
Commercial and Industrial	100,279	86,148	74,864	16%	34%
Consumer and Other	222	194	84	14%	164%
Total Loans	227,662	214,795	188,607	6%	21%
Deferred fees & discounts	(427)	(476)	(212)	-10%	101%
Allowance for loan losses	(2,880)	(2,685)	(3,556)	7%	-19%
Loans, net	224,355	211,634	184,839	6%	21%
Non-marketable equity investments	1,918	1,808	1,649	6%	16%
Accrued interest and other assets	3,209	2,516	2,705	28%	19%
Total assets	363,533	333,463	295,736	9%	23%
LIABILITIES AND EQUITY					
Non-interest bearing deposits	169,539	147,068	120,303	15%	41%
Interest checking	11,022	9,479	6,525	16%	69%
Savings	36,780	35,384	42,732	4%	-14%
Money Market	72,153	66,807	59,231	8%	22%
Certificates of Deposit	42,837	44,581	39,320	-4%	9%
Total deposits	332,331	303,319	268,111	10%	24%
Borrowings	0	0	0	0%	0%
Other liabilities	1,273	522	647	144%	97%
Total liabilities	333,603	303,841	268,758	10%	24%
Common, preferred & paid in capital	27,054	27,019	26,916	0%	1%
Retained earnings (deficit)	2,775	1,843	(300)	51%	-1023%
Total equity	29,829	28,861	26,616	3%	12%
Accumulated other comprehensive inc.	101	760	362	-87%	-72%
Shareholders equity, net	29,930	29,621	26,978	1%	11%
Total Liabilities and shareholders' equity	363,533	333,463	295,736	9%	23%

ASSET QUALITY ($ in thousands)	**Period Ended:**		
(unaudited)	**Dec. 31, 2016**	**Sept. 30, 2016**	**Dec. 31, 2015**
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	$ 295	$ 295	$ 2,361
Other real estate owned	$ 0	$ 0	$ 0
Nonperforming assets	$ 295	$ 295	$ 2,361
Performing restructured loans	$ 31	$ 31	$ 1,208
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	.13%	.14%	1.25%
Nonperforming assets to total assets	.08%	.09%	.80%
Year-to-date charge-off activity			
Charge-offs	$ 1,963	$ 1,961	$ 66
Recoveries	$ 21	$ 0	$ 310
Net charge-offs	$ 1,942	$ 1,961	$ (244)
Annualized net loan losses (recoveries) to average loans	.94%	1.30%	-.12%
LOAN LOSS RESERVE RATIOS:			
Reserve for loan losses	$ 2,880	$ 2,685	$ 3,556
Total loans	$ 227,662	$ 214,795	$ 188,607
Purchased govt. guaranteed loans	$ 37,113	$ 24,650	$ 20,784
Originated govt. guaranteed loans	$ 27,209	$ 24,626	$ 24,321
LLR / Total loans	1.27%	1.25%	1.89%
LLR / Loans less purchased govt. guaranteed loans	1.51%	1.41%	2.12%
LLR / Loans less all govt. guaranteed loans	1.76%	1.62%	2.48%
LLR / Total assets	.79%	.81%	1.20%

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