

April 24, 2018



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and BANK & FINANCE Manuals and will be included in the bound April 2018 Monthly News Reports and is published on our Website.

CAB FINANCIAL CORP

Company Website: www.carolinaalliancebank.com

History: Incorporated in South Carolina on Mar. 20, 2017. On Apr. 5, 2014, Co. merged with Forest Commercial Bank, with Co. as the surviving legal entity. On Aug. 4, 2014, Co. acquired the commercial leasing operations of Dave McBride Leasing, LLC. On Oct. 3, 2015, Co. merged with PBSC Financial Corporation and its wholly-owned subsidiary, Pinnacle Bank of South Carolina. On Oct. 23, 2017, Carolina Alliance bank (Spartanburg, SC) ("Carolina Alliance") merged with and into Co. Each of Carolina Alliance's common stock was converted into 1 share of Co.

Business Summary: CAB Financial is a bank holding company. Through its subsidiary, Carolina Alliance Bank (the Bank), Co. conducts a general banking business in the upstate region of South Carolina and western North Carolina. As of Dec 31 2016, the Bank had seven banking offices located in Spartanburg, Greenville, Powdersville, Easley, and Anderson, SC and Asheville and Hendersonville, NC, and a loan and lease production office in Charlotte, NC. The Bank provides banking services to individuals and businesses, including accepting demand and time deposits, providing consumer loans and commercial loans and leases. As of Dec 31 2017, Co. had total assets of \$685.3 million and total deposits of \$567.0 million.

Property: Co. maintains its principal executive offices in Spartanburg, SC. As of Dec. 31, 2017, Co.'s subsidiary, Carolina Alliance Bank had seven banking offices located in Spartanburg, Greenville, Powdersville, Easley, and Anderson, SC and Asheville and Hendersonville, NC, as well as a loan and lease production office in Charlotte, NC.

Subsidiary
Carolina Alliance Bank

Officers
Terry L. Cash, Chairman
W. Louis Bisette, Jr., Vice-Chairman
John D. Kimberly, President; Chief Executive Officer
R. Lamar Simpson, Chief Operating Officer; Chief Financial Officer; Secretary

Directors
Terry L. Cash, Chairman; Director
W. Louis Bisette, Jr., Vice-Chairman; Director
John D. Kimberly, Director
Carl R. Bartlett, Director
T. Alexander Evins, Director
Marshall E. Franklin, Director
Marsha H. Gibbs, Director
George M. Groome, Director
Samuel H. Maw, Jr., Director
Susan H. McClinton, Director
D. Byrd Miller, III, Director
John S. Poole, Director
W. Allen Rogers, II, Director
R. Lamar Simpson, Director
L. Terrell Sovey, Director
Richard H. Sumerel, Director
Larry A. Webb, Director

W. Lewis White, Sr., Director

Auditors: Elliott Davis, LLC
Special Counsel: Nelson, Mullins, Riley & Scarborough LLP
Stock Transfer Agent: American Stock Transfer & Trust Company, Brooklyn, NY
Shareholder Relations: R. Lamar Simpson, CFO & Secretary
Tel: 864-542-2428

No. of Stockholders: Apr. 11, 2018, 137, registered
No. of Employees: Apr. 13, 2018, 146

Address: 200 South Church Street, Spartanburg, SC 29306
Tel: 864 542-2428
Fax: 864 208-2530
Web: www.carolinaalliancebank.com
Email: info@carolinaalliancebank.com

Consolidated Income Statement, Years Ended Dec. 31 (\$):

	2017	2016 (revised)	2015 (revised)
Interest & fees on loans & finance leases	23,046,574	22,688,552	17,990,789
Interest on investment securities	2,239,403	2,056,200	1,498,322
Interest on federal funds sold & interest bearing bank deposits	119,408	55,118	35,297
Total interest income	25,405,385	24,799,870	19,524,408
Interest expense on demand, interest bearing deposits	174,877	122,575	...
Interest expense on money market & savings deposits	935,819	895,670	...
Interest expense on time deposits	1,495,688	1,300,465	...
Interest on deposits	2,606,384	2,318,710	1,273,717
Other interest expense	423,811	229,210	136,612
Total interest expense	3,030,195	2,547,920	1,410,329
Provision for loans & lease losses	378,000	210,000	910,210
Net interest income after provision for loan & lease losses	21,997,190	22,041,950	17,203,869
Operating lease income	2,310,726	2,209,723	1,831,637
Service fees on deposit accounts	865,065	750,486	375,171
Mortgage brokerage income	718,913	1,114,943	217,441
Other income	1,222,005	793,482	416,916

Net gain (loss) on sale of securities available for sale	2,606	79,346	(18,604)
Net gain (loss) on other real estate owned	(82,502)
Net gain (loss) on other real estate owned & repossessed assets	(78,165)	(124,274)	...
Salaries & benefits	11,718,398	11,413,587	8,607,921
Occupancy, furniture & equipment	2,060,346	2,001,045	1,395,474
Operating lease expense	2,055,787	1,948,623	1,600,623
Data processing & computer network	2,263,810	2,048,716	1,295,982
Marketing expenses	329,165	324,906	307,089
Printing, supplies & postage expenses	201,041	207,483	162,609
Core deposit intangible amortization	341,403	394,557	261,818
Merger-related expense	1,026,332
Other operating	2,619,351	2,385,282	2,016,783
Total non-interest expenses	21,589,301	20,724,199	16,674,631
Income before income taxes	5,449,039	6,141,457	3,269,297
Current income tax (benefit) expense	540,627	(135,522)	(188,689)
Net deferred income tax expense (benefit)	222,704	2,122,906	1,558,644
Income tax expense	763,331	1,987,384	1,369,955
Net income	4,685,708	4,154,073	1,899,342
Dividends on preferred shares	...	7,085	50,000
Redemption of preferred shares	...	25,000	...
Net income available to common shareholders	4,685,708	4,121,988	1,849,342
Weighted average shares outstanding - basic	7,128,583	7,211,509	5,753,672
Weighted average shares outstanding - diluted	7,245,473	7,290,024	5,833,326
Year end shares outstanding	7,201,211	6,861,575	7,185,646
Net income (loss) per share - basic	\$0.66	\$0.57	\$0.32
Net income (loss) per share - diluted	\$0.65	\$0.56	\$0.32

Total number of employees.....	146	...	credit losses	5,305,456	4,954,610	agreements to repurchase	15,589,977	16,711,164
Number of common stockholders.....	137	...	Fair value adjustments on acquired loans & leases	(1,298,445)	(2,545,043)	Advances from FHLB of Atlanta	15,500,000	21,500,000
			Deferred fees & costs, net	(2,481,073)	(2,015,512)	Federal funds purchased	4,780,000	3,180,000
			Loans & finance leases, net	521,184,433	488,136,402	Other liabilities	4,334,396	3,647,169
			Land	1,559,924	1,559,924	Total liabilities	607,193,131	572,637,545
			Buildings	6,203,295	6,194,929	Common stock	7,201,211	6,534,833
			Furniture & equipment	3,858,574	3,610,447	Additional paid-in capital	65,553,769	59,055,109
			Leasehold improvements	506,373	480,845	Unearned restricted stock	114,829	...
			Property & equipment, gross	12,128,166	11,846,145	Retained earnings	6,132,482	5,569,583
			Less accumulated depreciation	3,853,105	3,068,988	Accumulated other comprehensive income (loss)	(704,213)	(864,081)
			Property & equipment, net	8,275,061	8,777,157	Total stockholders' equity	78,068,420	70,295,444
			Leased assets, net	4,435,192	5,104,187			
			Bank-owned life insurance	17,272,897	11,358,608			
			Goodwill	4,057,337	4,057,337			
			Core deposit intangibles	1,062,863	1,404,266			
			Other assets	4,790,944	3,568,978			
			Total assets	685,261,551	642,932,989			
			Liabilities:					
			Non-interest bearing deposits	118,393,233	101,185,722			
			Interest checking	80,766,648	68,309,702			
			Money market deposits	144,080,091	139,160,239			
			Savings deposits	84,123,839	74,715,527			
			Time deposits	139,624,947	144,228,022			
			Total deposits	566,988,758	527,599,212			
			Securities sold under					
Assets:								
Cash & due from banks	17,899,745	13,100,026						
Federal funds sold & interest bearing bank balances	956,266	3,642,070						
Total cash & cash equivalents	18,856,011	16,742,096						
Bank term deposit	509,000	2,252,000						
Investment securities, available for sale	103,309,869	97,976,406						
Other investments	1,337,500	1,461,600						
Loans held for sale	170,444	2,093,952						
Commercial	73,690,472	70,894,304						
Real estate: commercial	340,467,962	313,084,968						
Real estate: residential	65,107,040	66,755,796						
Real estate: construction	17,226,018	15,872,706						
Consumer	4,849,627	5,730,997						
Gross loans	501,341,119	472,338,771						
Finance leases	28,928,288	25,312,796						
Less: allowance for								

Reclassified to conform with 2017 presentation; Adjusted for 5% stock dividend, September 19, 2017; Adjusted for 5% stock dividend, February 10, 2016; As of April 13, 2018; As of April 11, 2018

Consolidated Balance Sheet, Years Ended Dec. 31 (\$):

2017 2016

Assets:		(revised)
Cash & due from banks	17,899,745	13,100,026
Federal funds sold & interest bearing bank balances	956,266	3,642,070
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Less: allowance for		

Debt: Dec. 31, 2017, \$15,500,000 (including current portion) FHLB borrowings, bearing interest at rates ranging from 0.99% to 1.693%, due May 23, 2018 - June 29, 2020.

Capital Stock: 1. CAB Financial Corp preferred; no par. OUTSTANDING—Dec. 31, 2015, 5,000 shs; no par.(redeemed Feb. 23, 2016)

2. CAB Financial Corp common; par \$ 1..

AUTHORIZED—20,000,000 shs.

OUTSTANDING—Dec. 31, 2017, 7,201,211 shs; par \$ 1..

STOCK SPLITS—\$1 par shares split in the form of a 5% stock dividend on Feb. 10, 2016 and Sept. 19, 2017.

OPTIONS—Dec. 31, 2017, outstanding, 470,449.

PRIMARY EXCHANGE—National Bulletin Board (NBB): CABF.

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