



## CHECKPOINT

May 15, 2017

Dear Shareholders,

First Quarter 2017 Highlights:

- In a private transaction in February, Community Capital acquired common stock representing 3.55% of the outstanding shares of the Company. The shares will be held as Treasury stock. The transaction was immediately accretive to existing shareholders.
- Net income for the quarter increased 157% year-over-year and 16% on a linked quarter basis.
- Diluted earnings per share grew 166.6% year-over-year.
- Loans increased 9% year-over-year and 1.3% on a linked quarter basis.
- Deposits grew 14.3% year-over-year and 4.8% from 4Q16.
- Demand Deposits were up 31.3% year-over-year and 1.8% on a linked quarter basis. Demand Deposits represented more than 31% of total deposits at March 31<sup>st</sup>.
- Non-performing assets declined to \$0 from \$76M a year ago.
- The Allowance for Loan Losses declined 9.3% year-over-year and 0.68% from 3Q16. The decline in the Allowance was the result of growth in Total Loans. Asset quality remains very healthy.
- There has been no Provision for Loan Losses since FY2014.

Although the first quarter of 2017 was not without challenges in our community, the bank's performance during this period remained strong, as evidenced by the quarter's many highlights. One such highlight included the repurchase of 226,502 common shares of Community Capital in a private transaction. The shares will be held as Treasury stock which reduces the number of shares outstanding. The transaction was accretive to shareholders and resulted in an immediate increase in the Tangible Book Value per Common Share. Tangible Book Value per Common Share at March 31, 2017 was \$2.45 compared to \$2.37 at December 31, 2016.

The first quarter also saw growth of Net Income by 157% year-over-year, which resulted from a combination of revenue growth and expense control. Interest Income from loans and revenue from trust activities and mortgage originations increased compared to 1Q16, while Non-Interest Expenses experienced a decline of about 2.2%. Loans were also up 9% year-over-year and 1.3% for the first quarter 2017. Credit quality, as evidenced by \$0 Non-Performing Assets and no Provision for Losses on Loans, remains strong. Our comprehensive and consistent approach to credit underwriting continues to serve us well.

On the deposit side, deposit growth continued its upward trajectory during the quarter. Deposits grew 14.3% year-over-year as the deposit mix stabilized. Demand deposits grew 31.3% year-over-year and represented 31.1% of Total Deposits at March 31<sup>st</sup> compared to 27% of Total Deposits at March 31, 2016. On a linked quarter basis, Total Deposits grew 4.8%.

As evidenced by our Q1 performance, the bank continues to thrive thanks to the effective execution of AB&T's foundational strategies. The bank is operationally sound and our associates continue to provide unmatched service. The future again looks bright as we remain committed to the behaviors we believe make us the institution of choice for clients seeking a truly consultative and lasting banking relationship. We believe if we hold true to our values, diligently exercise sound judgment and utilize proven practices, we will be able to build on this success. We look forward to presenting similarly positive financial reports in the coming months.

Sincerely,

A handwritten signature in black ink that reads "James L. Flatt".

James L. Flatt  
President and Chief Executive Officer



**Community Capital Bancshares, Inc.**  
**First Quarter Earnings and Operating Results**

March 31, 2017  
(unaudited)

**FINANCIAL SUMMARY (UNAUDITED)**

(In Thousands except share and per share amounts)

|   | Period Ending<br>March 31, 2017 | Period Ending<br>December 31, 2016 | % Change From<br>Period Ending<br>December 31, 2016<br>to Period Ending<br>March 31, 2017 | Period Ending<br>March 31, 2016 | % Change From<br>Period Ending<br>March 31, 2016<br>to Period Ending<br>March 31, 2017 |
|---|---------------------------------|------------------------------------|---|---------------------------------|--|
| <b>QUARTERLY OPERATING RESULTS</b>            |                                 |                                    |   |                                 |  |
| Net Income                                    | \$239                           | \$206                              | 16.0%   | \$93                            | 157.0%   |
| Net Income Available to Common Stockholders   | \$239                           | \$206                              | 16.0%   | \$93                            | 157.0%   |
| Diluted Earnings Per Share (annualized)       | \$0.16                          | \$0.13                             | 20.4%   | \$0.06                          | 166.6%   |
| Return on Average Assets                      | 0.62%                           | 0.55%                              |   | 0.26%                           |  |
| Return on Average Common Stockholders' Equity | 6.32%                           | 5.46%                              |   | 2.55%                           |  |
| Average Diluted Shares Outstanding            | 6,142,385                       | 6,371,872                          |   | 6,371,872                       |  |
| <b>YEAR-TO-DATE OPERATING RESULTS</b>         |                                 |                                    |   |                                 |  |
| Net Income                                    | \$239                           | \$633                              |   | \$93                            | 157.0%   |
| Net Income Available to Common Stockholders   | \$239                           | \$633                              |   | \$93                            | 157.0%   |
| Diluted Earnings Per Share (annualized)       | \$0.16                          | \$0.10                             |   | \$0.06                          | 166.6%   |
| Return on Average Assets                      | 0.62%                           | 0.44%                              |   | 0.26%                           |  |
| Return on Average Common Stockholders' Equity | 6.32%                           | 4.27%                              |   | 2.55%                           |  |
| Average Diluted Shares Outstanding            | 6,142,385                       | 6,371,872                          |   | 6,371,872                       |  |
| <b>BALANCE SHEET</b>                          |                                 |                                    |   |                                 |  |
| Total Assets                                  | \$156,870                       | \$151,182                          | 3.8%  | \$144,006                       | 8.9%   |
| Loans   | \$130,534                       | \$128,899                          | 1.3%  | \$119,732                       | 9.0%   |
| Non-interest-bearing Demand Deposits          | \$40,130                        | \$39,421                           | 1.8%  | \$30,562                        | 31.3%  |
| Total Deposits                                | \$129,026                       | \$123,081                          | 4.8%  | \$112,840                       | 14.3%  |
| Stockholders' Equity                          | \$15,036                        | \$15,093                           | -0.4%   | \$14,575                        | 3.2%   |
| <b>ASSET QUALITY METRICS</b>                  |                                 |                                    |   |                                 |  |
| Total Non-performing assets                   | \$0                             | \$0                                | 0%  | \$76                            | -100.0%  |
| Non-performing assets as % of Total Assets    | 0.00%                           | 0.00%                              | 0%  | 0.05%                           | -100.0%  |
| OREO  | \$0                             | \$0                                | 0%  | \$76                            | -100.0%  |
| Provision for Loan Losses                     | \$0                             | \$0                                | 0%  | \$0                             | 0%   |
| Allowance for Loan Losses as % of Total Loans | 1.46%                           | 1.47%                              | -1.1%   | 1.61%                           | -9.3%  |