

COMMUNITY FIRST BANCORPORATION, INC.
ANNUAL MINUTES
OF THE SHAREHOLDERS MEETING
April 23, 2024

Chairman Adams called the eighteenth annual Community First Bancorporation Inc. annual shareholders meeting to order at 3:00 p.m. on April 23, 2024. The meeting was held at 8131 W. Grandridge Ave., Kennewick, Washington and virtually.

Present:

- Lee Adams, Chairman of the Board
- Bruce Ratchford, Board Member
- Ty Haberling, Board Member
- Darrick Dietrich, Board Member
- Nicole Berg, Board Member
- Eric Pearson, Board Member & President/Chief Executive Officer
- Jim Arneson, Chief Operating Officer
- Matt Backlund, Chief Lending Officer
- Will Wang, Managing Director HFG Trust
- Cherie Stubbs, Executive Administrator for the Chief Executive Officer

Shareholders Attending & via Conference Call: Forrest Alexander, Melissa Callaway, Jamin Clark, Mercedes Haberling, Nick Haberling, Bob Lagonegro, Ben Messinger, Staci LeDuc, Lyle Reiboldt, Cam Stephens, Mike Tallman, Shelby Simmelink, and David

Introduction of Officer & Directors in Attendance

Chairman Adams welcomed shareholders attending both in person and virtually, with introductions to the Board of Directors and Bancorp Officers. The following Directors were presented for appointment until the 2025 annual meeting or until successors are elected and qualified:

Lee Adams, Bruce Ratchford, Ty Haberling, Eric Pearson, Darrick Dietrich, Ryan Ratchford, and Nicole Berg

2023 Review and 2024 Preview

CEO Pearson provided a summary recap of 2022 and first quarter 2023. A core net income comparison between 2021 and 2022 was provided noting the lack of PPP revenue in 2022. 2022 was an excellent year for core net income, earnings per share were similar for both years. A key metrics review was provided which included total assets, deposits, portfolio loans and the mortgage portfolio, HFG Trust AUM was up 22.7%. ROA and ROE were similar year-over-year. Net interest income was up 22.3%, noting strong growth in both volume and rate driven environments. Mortgage revenue was down due to rates, and in other revenue a trading account saw approximately \$1 million in losses. A capital update was provided noting Tier 1 Capital increased from 8.8% to 9.6%. Holding Company leverage was used to retain earnings in late 2021 into 2022,

with use of Holding Company loan down streamed to the bank. Liquidity pressures may pose challenges to growth.

A 2024 forecasting update on the business lines of wealth management, banking and mortgage which were positive. In summary, asset quality remains strong, positioning the company to deal with the potential economic impacts.

Operations & Banking Update

Chief Operating Officer (COO) Arneson provided an update on deposit growth. He noted costs were nearing inflation points. An update on the 2023 projects was provided which included the CRM system Sales Force. The project is expected to be completed by late 2024.

Lending Update

Chief Lending Officer (CLO) Backlund provided some highlights from 2023, which included good loan growth and an overall good year. Credit risk remains strong with early and often communications being had with clients. The commercial pipeline remains robust. The mortgage team added production opportunities from new purchases and custom construction loans. Several large projects were rolled out including moving to the CECL WARM calculations replacing the old ALLL calculations. Sageworks, the new loan origination system was also implemented. CLO Backlund highlighted first quarter 2024 priorities including Sageworks training to branch staff.

HFG Trust Update

ECO Pearson provided a wealth management update for 2023 and first quarter 2024. Growth has been from new AUM, markets generating returns, and the Income Fund. An update on retaining young talent was also provided.

Q&A

Chairman Adams called for questions, noting no questions for the board.

Approval of Minutes

Director B. Ratchford called for a motion to forgo reading of minutes. Director Dietrich seconded the motion. Director Haberling made a motion to approve the April 25, 2023, annual shareholder minutes. Director Pearson seconded the motion. The motions carried unanimously. A copy of the 2023 minutes was provided in the annual packet to shareholders.

Results of Votes


As required by Corporate By-Laws a quorum is present for transacting business. There were 595,400 shares of Community First Bank stock voting either by proxy or by ballot as of the record date March 31, 2024.

Voting for Directors

There were 498,899 votes cast in favor of the Directors nominated representing 83.8%. No votes against or withheld were received. The motion has passed; the Directors presented were nominated for a one-year term by the majority.

Call for New Business

Chairman Adams called for new business, with no further business to conduct, Director Dietrich made a motion to adjourn the meeting. Director N. Berg seconded the motion. The motion carried unanimously. The meeting was adjourned at 3:11 p.m.

X 

Cherie' L. Stubbs
Corporate Secretary