



# COMMUNITY BANKERS' BANK

## News Release

### Community Bankers' Bank and CBB Financial Corp. Announce Second Quarter 2021 Operating Results

**Midlothian, Virginia, July 28, 2021:** CBB Financial Corp. reported net income of \$145,000 for the three-month period ended June 30, 2021, compared to net income of \$157,000 for the three-month period ended June 30, 2020. Net income of \$249,000 was recorded for the six-month period ended June 30, 2021, compared to net income of \$255,000 for the six-month period ended June 30, 2020. CBB and CBBFC report on a consolidated basis.

In the first half of 2021, the Company reported strong financial performance despite the challenges of the continuing COVID-19 pandemic and unprecedented liquidity in the community banking industry:

- a. Non-interest income for the second quarter of 2021 was 25% higher than the comparable period in 2020. The increase was driven in part by interest-sensitive fee income that rises when market rates fall. Additionally, a higher volume of securities transactions were generated in the second quarter of 2021, which produced a 15% increase in CBB's brokerage revenues compared to the same period in 2020.
- b. Gross loan balances increased by 1.5% in the second quarter of 2021, as balances refinanced by other institutions nearly offset funding of new loans.
- c. In the second quarter of 2021, the Bank took \$30,000 of the allowance for loan and lease losses into income, representing cash recoveries on loans charged off in previous years. In the second quarter of 2020, the Bank had provided \$50,000 to its allowance for loan losses as a precautionary measure against potential deterioration of asset quality in certain loan segments, including those with payment modifications as a result of the COVID-19 pandemic; however, no charge-offs were recorded in the second quarter of 2020.

The Bank continues to maintain a strong capital position that exceeds all regulatory requirements to be classified as "well-capitalized," with a Community Bank Leverage Ratio of 11.51% at June 30, 2021, compared to 11.24% at December 31, 2020 and 11.43% at June 30, 2020.

Gary R. Shook, President and Chief Executive Officer of CBB Financial Corp. and Community Bankers' Bank, commented, "Once again, the Company saw strong growth in fee income during

second quarter 2021, including fixed income security transactions through CBB's trading partnership. These additional fees helped offset continued headwinds in the growth of our loan portfolio, resulting from record levels of liquidity in the private sector, and the banking system. With that said, I am pleased to report that overall earnings continue to track CBB's strong performance in 2020. Additionally, as of July 1, Jeff Culver assumed the reins as CBB's CFO/COO following the retirement of Steve Kinnier. Jeff's extensive knowledge of finance, technology, and process improvement will position us well for the future. Moreover, with CBB's focus on expanding fee income lines and developing a consultancy practice, Jeff adds unique skills to advance these pursuits more quickly. While reflecting upon my first year as your CEO, I am pleased and gratified by the reception I have received and continue to enjoy as I travel our markets visiting with bankers. Community banks and their bankers are integral parts of our economic system, and it is certainly Community Bankers' Bank's focus to assist our clients and shareholders in fulfilling their mission."

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**CBB Financial Corp and  
Community Bankers' Bank  
Summary Consolidated Financial Data**

**Financial Highlights**  
(Dollars in thousands)

<u>Description</u>	<b>Three Months Ended June 30, 2021</b>	<b>Three Months Ended June 30, 2020</b>	<b>Six Months Ended June 30, 2021</b>	<b>Six Months Ended June 30, 2020</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Earnings Summary</b>				
Interest income	\$ 1,093	\$ 1,250	\$ 2,196	\$ 2,682
Interest expense	<u>198</u>	<u>331</u>	<u>416</u>	<u>725</u>
Net interest income	895	919	1,780	1,957
Provision for loan losses	(30)	50	(30)	150
Noninterest income	800	642	1,501	1,202
Noninterest expense	<u>1,552</u>	<u>1,325</u>	<u>3,017</u>	<u>2,709</u>
Income before income taxes	173	186	294	300
Income tax expense	<u>28</u>	<u>29</u>	<u>45</u>	<u>45</u>
Net income	<u><u>\$ 145</u></u>	<u><u>\$ 157</u></u>	<u><u>\$ 249</u></u>	<u><u>\$ 255</u></u>

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Community Bankers' Bank  
Summary Consolidated Financial Data**

**Financial Highlights**  
(Dollars in thousands)

Description	June 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	June 30, 2020 (Unaudited)
<b>Ending Balances:</b>			
<b>Assets</b>			
Cash and due from banks	\$ 17,137	\$ 36,054	\$ 32,796
Fed funds sold	7,080	2,827	3,603
Investment portfolio	28,587	23,132	21,146
Loans, net of allowance	91,474	96,981	93,446
Other assets	9,968	10,177	10,452
Total assets	<u>\$ 154,246</u>	<u>\$ 169,171</u>	<u>\$ 161,443</u>
<b>Liabilities and Equity</b>			
Noninterest-bearing deposits	\$ 43,219	\$ 52,370	\$ 66,346
Interest-bearing deposits	71,852	73,841	51,030
Fed funds purchased	6,000	6,000	6,000
FHLB borrowings	10,500	14,500	16,000
Other liabilities	3,144	2,887	2,617
Total liabilities	134,715	149,598	141,993
Stockholders' equity	19,531	19,573	19,450
Total liabilities and equity	<u>\$ 154,246</u>	<u>\$ 169,171</u>	<u>\$ 161,443</u>

**CBB Financial Corp and  
Community Bankers' Bank  
Summary Consolidated Financial Data**

**Financial Highlights  
(Dollars in thousands)**

Description	Three Months Ended June 30, 2021 (Unaudited)	Three Months Ended June 30, 2020 (Unaudited)	Six Months Ended June 30, 2021 (Unaudited)	Six Months Ended June 30, 2020 (Unaudited)
<b>Average Balances:</b>				
<b>Assets</b>				
Cash and due from banks	\$ 31,211	\$ 32,204	\$ 39,792	\$ 22,803
Fed funds sold	3,013	1,747	2,414	1,580
Investment portfolio	29,186	22,598	27,294	23,928
Loans, net of allowance	91,043	94,195	92,958	93,653
Other assets	9,575	9,781	9,565	9,819
Total assets	<u>\$ 164,028</u>	<u>\$ 160,525</u>	<u>\$ 171,023</u>	<u>\$ 151,783</u>
<b>Liabilities and Equity</b>				
Noninterest-bearing deposits	\$ 71,139	\$ 49,521	\$ 57,062	\$ 50,352
Interest-bearing deposits	51,692	66,239	70,721	56,719
Fed funds purchased	6,063	6,000	7,790	6,000
FHLB borrowings	13,016	16,868	13,312	16,934
Other liabilities	2,649	2,518	2,636	2,552
Total liabilities	144,559	141,146	151,521	132,557
Stockholders' equity	19,469	19,379	19,502	19,226
Total liabilities and equity	<u>\$ 164,028</u>	<u>\$ 160,525</u>	<u>\$ 171,023</u>	<u>\$ 151,783</u>

**CBB Financial Corp and  
Community Bankers' Bank  
Summary Consolidated Financial Data**

**Financial Highlights**

(Dollars in thousands  
Except per share data)

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
	(Unaudited)	(Unaudited)	(Unaudited)
<b>CBBFC Common Share Data:</b>			
Number of shares outstanding at period-end	25,460	25,460	26,210
Book value per share	\$ 767	\$ 769	\$ 742
 <b>Bank-Level Capital Ratios:</b>			
Community Bank Leverage Ratio	11.51%	11.24%	11.43%
 <b>Asset Quality:</b>			
Nonaccrual loans	\$ --	\$ --	\$ --
Foreclosed real estate (OREO)	--	--	--
Total non-performing assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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