



COMMUNITY BANKERS' BANK

News Release

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

Midlothian, Virginia, November 1, 2021: CBB Financial Corp. reported net income of \$263,000 for the three-month period ended September 30, 2021, compared to net income of \$210,000 for the three-month period ended September 30, 2020. Net income of \$511,000 was recorded for the nine-month period ended September 30, 2021, compared to net income of \$465,000 for the nine-month period ended September 30, 2020. CBB and CBBFC report on a consolidated basis.

In the first nine months 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 Third Quarter of 2021 was 23% 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 was generated in the Third Quarter of 2021, which produced a 14% increase in CBB's brokerage revenues compared to the same period in 2020.
- b. Gross loan balances increased by 3.9% in the Third Quarter of 2021, as balances re-financed by other institutions were more than offset by funding of new loans.

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 11.85% at September 30, 2021, compared to 11.24% at December 31, 2020, and 11.48% at September 30, 2020.

Gary R. Shook, President and Chief Executive Officer of CBB Financial Corp. and Community Bankers' Bank, commented, "The Third Quarter brought a continuation of improving results in all areas of the Company. We were particularly pleased with the addition of two Cash Letter Settlement Banks, along with the broadening of revenue coming from several of our new alliance partnerships. CBB is no different from every community bank in that we need to continue to enhance Balance Sheet income with additional sources of fee income. The Third Quarter brought new sources of fee income with additional sources coming on line during the 4th Quarter and into 2022. Moreover, the CBB team continues to review existing partnerships and look at additional opportunities based upon suggestions from our shareholders and clients. CBB exists to serve the growing needs of our shareholders and clients; thus, we value your input into the process. As CBB

enters into its 35th year of operation in 2022, be on the lookout for additional ways to connect with us as we look to add value to your Company and enhance your ownership benefits."

For further information, please contact:

Gary R. Shook
President & CEO
gshook@CBBonline.com
2601 Promenade Pkwy
Midlothian, VA 23113
Phone: 804-256-0530
Fax: 804-378-2856

Or Jeffrey H. Culver
Executive Vice President, CFO & COO
jculver@CBBonline.com
2601 Promenade Pkwy
Midlothian, VA 23113
Phone: 804-494-3739
Fax: 804-378-2856

For Correspondent Services Information, contact:

Virginia, West Virginia, and the
District of Columbia:

Jo Ellen McKinley, Senior Vice President
Investment Officer and Regional Manager
jmckinley@CBBonline.com,
clientservices@CBBonline.com
Phone: 804-239-0452

Maryland:

Tommy Bourque, Senior Vice President
Chief Lending Officer
tbourque@cbbonline.com
clientservices@cbbonline.com
Phone: 804-256-0533

North Carolina and South Carolina:

Rose J. Washofsky, Senior Vice President
Regional Manager
rwashofsky@CBBonline.com,
clientservices@CBBonline.com
Phone: 919-368-0217

Main Office:

Wendy C. Wright, Executive Vice
President
Operations & IT
wwright@CBBonline.com
Phone: 804-794-5885 x 119

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

Financial Highlights
(Dollars in thousands)

<u>Description</u>	<u>Three Months Ended September 30, 2021</u> (Unaudited)	<u>Three Months Ended September 30, 2020</u> (Unaudited)	<u>Nine Months Ended September 30, 2021</u> (Unaudited)	<u>Nine Months Ended September 30, 2020</u> (Unaudited)
Earnings Summary				
Interest income	\$ 1,094	\$ 1,269	\$ 3,290	\$ 3,951
Interest expense	<u>152</u>	<u>292</u>	<u>568</u>	<u>1,017</u>
Net interest income	942	977	2,722	2,934
Provision for loan losses	--	50	(30)	200
Non-interest income	910	739	2,411	1,941
Non-interest expense	<u>1,532</u>	<u>1,415</u>	<u>4,549</u>	<u>4,124</u>
Income before income taxes	320	251	614	551
Income tax expense	<u>57</u>	<u>41</u>	<u>103</u>	<u>86</u>
Net income	<u>\$ 263</u>	<u>\$ 210</u>	<u>\$ 511</u>	<u>\$ 465</u>

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

**Financial Highlights
(Dollars in thousands)**

Description	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)
Ending Balances:			
Assets			
Cash and due from banks	\$ 11,483	\$ 36,054	\$ 41,410
Fed funds sold	10,161	2,827	--
Investment portfolio	28,867	23,132	21,041
Loans, net of allowance	95,096	96,981	96,066
Other assets	9,834	10,177	10,290
Total assets	<u>\$ 155,441</u>	<u>\$ 169,171</u>	<u>\$ 168,807</u>
Liabilities and Equity			
Noninterest-bearing deposits	\$ 69,303	\$ 52,370	\$ 69,714
Interest-bearing deposits	48,730	73,841	52,238
Fed funds purchased	6,000	6,000	10,187
FHLB borrowings	9,000	14,500	14,500
Other liabilities	2,729	2,887	2,640
Total liabilities	135,762	149,598	149,279
Stockholders' equity	19,679	19,573	19,528
Total liabilities and equity	<u>\$ 155,441</u>	<u>\$ 169,171</u>	<u>\$ 168,807</u>

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

**Financial Highlights
(Dollars in thousands)**

<u>Description</u>	Three Months Ended September 30, 2021 (Unaudited)	Three Months Ended September 30, 2020 (Unaudited)	Nine Months Ended September 30, 2021 (Unaudited)	Nine Months Ended September 30, 2020 (Unaudited)
Average Balances:				
Assets				
Cash and due from banks	\$ 28,369	\$ 36,992	\$ 35,943	\$ 27,576
Fed funds sold	2,526	2,062	2,452	1,741
Investment portfolio	28,684	20,245	27,763	22,691
Loans, net of allowance	92,431	92,748	92,117	93,349
Other assets	9,621	9,702	9,583	9,772
Total assets	<u>\$ 161,631</u>	<u>\$ 161,749</u>	<u>\$ 167,858</u>	<u>\$ 155,129</u>
Liabilities and Equity				
Noninterest-bearing deposits	\$ 71,809	\$ 50,965	\$ 71,088	\$ 60,544
Interest-bearing deposits	48,589	68,111	54,207	50,558
Fed funds purchased	9,881	6,046	8,495	6,015
FHLB borrowings	9,016	14,516	11,865	16,123
Other liabilities	2,631	2,563	2,633	2,555
Total liabilities	141,926	142,201	148,288	135,795
Stockholders' equity	19,705	19,548	19,570	19,334
Total liabilities and equity	<u>\$ 161,631</u>	<u>\$ 161,749</u>	<u>\$ 167,858</u>	<u>\$ 155,129</u>

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

Financial Highlights

(Dollars in thousands
Except per share data)

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
	(Unaudited)	(Unaudited)	(Unaudited)
CBBFC Common Share Data:			
Number of shares outstanding at period-end	25,460	25,460	25,460
Book value per share	\$ 773	\$ 769	\$ 767
Bank-Level Capital Ratios:			
Community Bank Leverage Ratio	11.85%	11.24%	11.48%
Asset Quality:			
Nonaccrual loans	\$ --	\$ --	\$ --
Foreclosed real estate (OREO)	<u>--</u>	<u>--</u>	<u>--</u>
Total non-performing assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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