



# COMMUNITY BANKERS' BANK

## News Release

### **Community Bankers' Bank & CBB Financial Corp. Announce Second Quarter 2022 Operating Results**

**Midlothian, Virginia, August 3, 2022:** CBB Financial Corp. reported net income of \$204,000 for the three-month period ended June 30, 2022, compared to net income of \$144,000 for the three-month period ended June 30, 2021. Net income of \$415,000 was recorded for the six-month period ended June 30, 2022, compared to net income of \$248,000 for the six-month period ended June 30, 2021. CBB and CBBFC report on a consolidated basis.

In the first half of 2022, the Company reported strong financial performance primarily due to loan growth, interest, and non-interest expense management, and continued improvement of non-interest revenue.

- a. Net loan balances increased 4% year over year.
- b. A combination of improved liquidity and a lower rate environment at the end of 2021 allowed for a 45% decrease in interest expense during the first six months of 2022 compared to the first six months of 2021.
- c. Non-interest income for the first six months of 2022 was 9% higher than the comparable period in 2021. The increase was driven by income from alliance partnerships which help facilitate efficiencies and improve productivity for our client banks.

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 13.17% at June 30, 2022, compared to 12.20% at December 31, 2021.

Gary R. Shook, President and Chief Executive Officer of CBB Financial Corp. and Community Bankers' Bank, commented, "We are very pleased with CBB's record performance for the first half of 2022. At this point, the second half of 2022 presents a more challenging scenario. The headwinds of rising interest rates on potential loan demand, funding costs, and related fee income will all impact the bottom line. We can offset some of those factors by encouraging our client banks to engage our partner, FBBS Securities, for investment transactions. CBB stands ready to assist with loan participation purchases to alleviate concentration issues or expand lending limits. Our Executive Loan Program remains an attractive and confidential resource as well. We appreciate our client's open door philosophy when it comes to meeting with members of the CBB team to discuss cash management, instant payments, FedNow, and other efficiency

opportunities for your banks. Moreover, CBB's Alliance Partners offer consulting services for negotiating your check printing and core contracts and have brought significant savings opportunities to our shareholders and clients. CBB's expansion into eastern Tennessee continues to move forward. Many thanks to our clients and shareholders in Southwest Virginia for assisting our team with those efforts."

Mr. Shook continued, "It's been great connecting with so many of you during the summer convention season. The CBB team continues to focus on assisting our shareholders, clients, and prospects in building community banks for the future. We sincerely appreciate your support to expand our relationships."

For further information, please contact:

Gary R. Shook  
President & CEO  
[gshook@cbbonline.com](mailto: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](mailto:jculver@cbbonline.com)  
2601 Promenade Pkwy  
Midlothian, VA 23113  
Phone: 804-494-3739  
Fax: 804-378-2856

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

**Financial Highlights**  
**(Dollars in thousands)**

	<b>Three Months</b>	<b>Three Months</b>	<b>Six Months</b>	<b>Six Months</b>
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Description</b>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Earnings Summary</b>				
Interest income	\$ 1,139	\$ 1,093	\$ 2,202	\$ 2,196
Interest expense	130	198	227	416
Net interest income	1,009	895	1,975	1,780
Provision for loan losses	0	(30)	0	(30)
Non-interest income	833	800	1,637	1,501
Non-interest expense	1,596	1,552	3,111	3,017
Income before income taxes	246	173	501	294
Income tax expense	42	29	86	46
Net income	\$ 204	\$ 144	\$ 415	\$ 248

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**(Dollars in thousands)**

	<b>June 30</b>	<b>Dec. 31,</b>	<b>June 30</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>Description</b>	(Unaudited)	(Unaudited)	(Unaudited)
<b>Ending Balances:</b>			
<b>Assets</b>			
Cash and due from banks	\$ 10,005	\$ 15,365	\$ 17,137
Fed funds sold	5,094	11,006	7,080
Investment portfolio	25,677	26,819	28,810
Loans, net of allowance	95,544	94,351	91,475
Other assets	10,252	9,203	9,743
<b>Total assets</b>	<b>\$ 146,572</b>	<b>\$ 156,744</b>	<b>\$ 154,245</b>
<b>Liabilities and Equity</b>			
Noninterest-bearing deposits	\$ 63,795	\$ 69,619	\$ 71,852
Interest-bearing deposits	45,635	50,215	43,219
Fed funds purchased	9,000	6,000	6,000
FHLB borrowings	8,000	9,000	10,500
Other liabilities	2,054	2,195	3,142
<b>Total liabilities</b>	<b>128,484</b>	<b>137,029</b>	<b>134,713</b>
Stockholders' equity	18,088	19,715	19,532
<b>Total liabilities and equity</b>	<b>\$ 146,572</b>	<b>\$ 156,744</b>	<b>\$ 154,245</b>

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**Summary Consolidated Financial Data**

**Financial Highlights**  
**(Dollars in thousands)**

	<b>Three Months</b>	<b>Three Months</b>	<b>Six Months</b>	<b>Six Months</b>
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>	<b>June 30</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Description</b>	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Average Balances:</b>				
<b>Assets</b>				
Cash and due from banks	\$ 14,610	\$ 31,211	\$ 17,714	\$ 39,792
Fed funds sold	5,136	3,013	4,982	2,414
Investment portfolio	26,196	29,186	26,425	27,294
Loans, net of allowance	92,440	91,043	92,772	91,958
Other assets	9,553	9,576	9,378	9,564
<b>Total assets</b>	<b>\$ 147,935</b>	<b>\$ 164,029</b>	<b>\$ 151,271</b>	<b>\$ 171,022</b>
<b>Liabilities and Equity</b>				
Noninterest-bearing deposits	\$ 66,462	\$ 71,139	\$ 68,789	\$ 70,721
Interest-bearing deposits	46,617	51,692	47,025	57,063
Fed funds purchased	6,407	6,063	6,223	7,790
FHLB borrowings	8,000	13,016	8,227	13,312
Other liabilities	1,944	2,649	1,991	2,635
<b>Total liabilities</b>	<b>129,430</b>	<b>144,559</b>	<b>132,255</b>	<b>151,521</b>
Stockholders' equity	18,505	19,470	19,016	19,501
<b>Total liabilities and equity</b>	<b>\$ 147,935</b>	<b>\$ 164,029</b>	<b>\$ 151,271</b>	<b>\$ 171,022</b>

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

**Financial Highlights**  
**(Dollars in thousands)**  
**(Except per share data)**

	<b>June 30</b>	<b>Dec. 31,</b>	<b>June 30</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
	(Unaudited)	(Unaudited)	(Unaudited)
<b>CBBFC Common Share Data:</b>			
Number of shares outstanding	25,460	25,460	25,460
Book Value per Share	\$ 710	\$ 774	\$ 767
<b>Bank Level Capital Ratios:</b>			
Community Bank Leverage Ratio	13.17%	12.20%	11.51%
<b>Asset Quality:</b>			
Nonaccrual Loans	\$ -	\$ -	\$ -
Foreclosed Real Estate (OREO)	-	-	-
Total Non-performing assets	\$ -	\$ -	\$ -

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