



COMMUNITY BANKERS' BANK

News Release

Community Bankers' Bank & CBB Financial Corp. Announce Third Quarter 2022 Operating Results

Midlothian, Virginia, November 4, 2022: CBB Financial Corp. reported net income of \$111,000 for the three-month period ended September 30, 2022, compared to net income of \$262,000 for the three-month period ended September 30, 2021. Net income of \$525,000 was recorded for the nine-month period ended September 30, 2022, compared to net income of \$510,000 for the nine-month period ended September 30, 2021. CBB and CBBFC report on a consolidated basis.

The Company reported strong financial performance primarily due to loan growth, expense management, and a continued focus on non-interest revenue.

- a. Net loan balances are up 4% year over year.
- b. Recent rate increases have improved asset yields and the net interest margin; however, upcoming funding maturities are expected to put pressure on the margin going forward.
- c. Rising interest rates also affect earnings credits, resulting in lower service fee income.
- d. Other non-interest income continues to improve as CBB's alliance partnerships help create 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 13.36% at September 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 certainly pleased with CBB's performance thus far in 2022. Many of our strategic focal points are bearing fruit. Loan growth has been strong, especially given the increased pace of pay-offs witnessed in the first half of the year, and fee income from alliance partnerships remains robust. September brought the addition of Darrell Rogers as the Regional Manager for the Carolinas and Georgia, with the 4th Quarter bringing in new credit and portfolio management team members as well. While the cost of funds continues to be a focus, we are gratified that the pace of new loans at current market rates along with the variable rate nature of the existing portfolio, have CBB currently running ahead of budget as to net interest income.

Additionally, CBB's focus on growing investment business and consulting partnerships continue to add value for our shareholders and clients while adding reasonable income to the bottom line."

Mr. Shook continued, "Looking forward to 2023, CBB will continue to emphasize net interest income growth and increasing non-interest income derived from multiple revenue streams. Management continues its mission of growing CBB while serving our shareholders and clients."

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

Financial Highlights
(Dollars in thousands)

	Three Months	Three Months	Nine Months	Nine Months
	Ended	Ended	Ended	Ended
	September 30	September 30	September 30	September 30
	2022	2021	2022	2021
Description	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings Summary				
Interest income	\$ 1,296	\$ 1,094	\$ 3,498	\$ 3,290
Interest expense	236	152	464	568
Net interest income	1,060	942	3,034	2,722
Provision for loan losses	(40)	0	(40)	(30)
Noninterest income	563	910	2,199	2,411
Noninterest expense	1,533	1,533	4,643	4,550
Income before income taxes	130	319	630	613
Income tax expense	19	57	105	103
Net income	<u>\$ 111</u>	<u>\$ 262</u>	<u>\$ 525</u>	<u>\$ 510</u>

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Financial Highlights
(Dollars in thousands)

	September 30	Dec. 31,	September 30
	2022	2021	2021
Description	(Unaudited)	(Unaudited)	(Unaudited)
Ending Balances:			
Assets			
Cash and due from banks	\$ 7,770	\$ 15,365	\$ 11,483
Fed funds sold	11,308	11,006	10,161
Investment portfolio	24,906	26,819	28,946
Loans, net of allowance	98,431	94,351	95,096
Other assets	10,251	9,203	9,756
Total assets	\$ 152,666	\$ 156,744	\$ 155,442
Liabilities and Equity			
Noninterest-bearing deposits	\$ 64,279	\$ 69,619	\$ 69,303
Interest-bearing deposits	46,783	50,215	48,730
Fed funds purchased	14,000	6,000	6,000
FHLB borrowings	8,000	9,000	9,000
Other liabilities	2,052	2,195	2,729
Total liabilities	135,114	137,029	135,762
Stockholders' equity	17,552	19,715	19,680
Total liabilities and equity	\$ 152,666	\$ 156,744	\$ 155,442

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Financial Highlights
(Dollars in thousands)

	Three Months	Three Months	Nine Months	Nine Months
	Ended	Ended	Ended	Ended
	September 30	September 30	September 30	September 30
	2022	2021	2022	2021
Description	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Average Balances:				
Assets				
Cash and due from banks	\$ 9,624	\$ 28,369	\$ 14,988	\$ 35,943
Fed funds sold	5,363	2,526	5,110	2,452
Investment portfolio	25,944	28,684	26,263	27,763
Loans, net of allowance	95,436	92,430	93,670	92,117
Other assets	9,900	9,622	9,557	9,581
Total assets	<u>\$ 146,267</u>	<u>\$ 161,631</u>	<u>\$ 149,588</u>	<u>\$ 167,856</u>
Liabilities and Equity				
Noninterest-bearing deposits	\$ 64,090	\$ 71,809	\$ 67,206	\$ 71,088
Interest-bearing deposits	45,087	48,590	46,366	54,207
Fed funds purchased	8,880	9,881	7,119	8,495
FHLB borrowings	7,978	9,016	8,143	11,864
Other liabilities	1,932	2,631	1,972	2,633
Total liabilities	<u>127,967</u>	<u>141,927</u>	<u>130,806</u>	<u>148,287</u>
Stockholders' equity	18,300	19,704	18,782	19,569
Total liabilities and equity	<u>\$ 146,267</u>	<u>\$ 161,631</u>	<u>\$ 149,588</u>	<u>\$ 167,856</u>

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

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

	September 30		Dec. 31,		September 30
	2022		2021		2021
	(Unaudited)		(Unaudited)		(Unaudited)
CBBFC Common Share Data:					
Number of shares outstanding	25,460		25,460		25,460
Book Value per Share	\$ 689		\$ 774		\$ 773
Bank Level Capital Ratios:					
Community Bank Leverage Ratio	13.36%		12.20%		11.85%
Asset Quality:					
Nonaccrual Loans	\$ -		\$ -		\$ -
Foreclosed Real Estate (OREO)	-		-		-
Total Non-performing assets	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
