



COMMUNITY BANKERS' BANK

News Release

Community Bankers' Bank & CBB Financial Corp. Announce Second Quarter 2023 Operating Results

Midlothian, Virginia, August 15, 2023: CBB Financial Corp. reported net income of \$46,000 for the three-month period ended June 30, 2023, compared to net income of \$47,000 for the three-month period ended March 31, 2023. Net income of \$92,000 was recorded for the six-month period ended June 30, 2023, compared to net income of \$415,000 for the six-month period ended June 30, 2022. CBB and CBBFC report on a consolidated basis.

The Company continues 2023 with strong financial performance despite the challenges of the rapid rise in interest rates and macroeconomic turbulence within the banking industry:

- a. After a slow first quarter, loan demand picked up, resulting in strong growth in net loan balances in the Second Quarter of 2023. Loans year over year are up 4%.
- b. The increase in rates has helped net interest income improve 3% year over year.
- c. Non-interest income increased quarter over quarter. The increase was driven by income from alliance partnerships helping our clients improve their productivity.

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 13.29% at June 30, 2023, compared to 12.99% at December 31, 2022.

Gary R. Shook, President and Chief Executive Officer of CBB Financial Corp. and Community Bankers' Bank commented, "The unprecedented rise in interest rates has hampered our earnings momentum in 2023 as well as the final quarter of 2022. With that said, CBB continues to push forward with loan growth, adding new investment clients and account-holding banks. This all bodes well as we move toward a more normalized rate environment in 2024 and beyond. Through CBB's partnership with Pidgin, a certified FedNowSM Service Provider, we are pleased to offer FedNow Settlement and Liquidity Agent services. The CBB team is ready to assist your Bank with FedNow implementation. As we continue to push forward, we seek shareholder input via a Survey sent your way at the end of last week. Having relevant information from each of CBB's shareholder banks and other clients will help determine capital needs and other services going forward. Please take a couple of minutes to complete the survey."

For further information, please contact:

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

Financial Highlights
(Dollars in thousands)

	Three Months	Three Months	Six Months	Six Months
	Ended	Ended	Ended	Ended
	June 30	March 31	June 30	June 30
	2023	2023	2023	2022
Description	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings Summary				
Interest income	\$ 1,673	\$ 1,609	\$ 3,282	\$ 2,202
Interest expense	666	575	1,242	227
Net interest income	1,007	1,034	2,040	1,975
Provision for loan losses	0	(112)	(112)	0
Noninterest income	603	578	1,181	1,637
Noninterest expense	1,560	1,675	3,235	3,111
Income before income taxes	50	49	98	501
Income tax expense	4	2	6	86
Net income	<u>\$ 46</u>	<u>\$ 47</u>	<u>\$ 92</u>	<u>\$ 415</u>

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Financial Highlights
(Dollars in thousands)

	June 30	December 31	June 30
	2023	2022	2022
Description	(Unaudited)	(Unaudited)	(Unaudited)
Ending Balances:			
Assets			
Cash and due from banks	\$ 8,465	\$ 9,012	\$ 10,005
Fed funds sold	725	14,400	5,094
Investment portfolio	23,125	24,430	25,677
Loans, net of allowance	108,444	104,303	95,544
Other assets	9,937	9,922	10,253
Total assets	\$ 150,696	\$ 162,067	\$ 146,573
Liabilities and Equity			
Noninterest-bearing deposits	\$ 51,040	\$ 59,553	\$ 63,795
Interest-bearing deposits	60,631	54,616	45,635
Fed funds purchased	9,000	20,000	9,000
FHLB borrowings	10,000	8,000	8,000
Other liabilities	2,120	2,137	2,054
Total liabilities	132,791	144,306	128,484
Stockholders' equity	17,905	17,761	18,089
Total liabilities and equity	\$ 150,696	\$ 162,067	\$ 146,573

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Financial Highlights
(Dollars in thousands)

	Three Months	Three Months	Six Months	Six Months
	Ended	Ended	Ended	Ended
	June 30	March 31	June 30	June 30
	2023	2023	2022	2021
Description	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Average Balances:				
Assets				
Cash and due from banks	\$ 8,409	\$ 8,783	\$ 8,595	\$ 17,714
Fed funds sold	3,716	5,038	4,373	4,982
Investment portfolio	23,670	24,445	24,055	26,425
Loans, net of allowance	101,444	102,662	102,049	92,772
Other assets	10,131	10,009	10,070	9,378
Total assets	\$ 147,370	\$ 150,937	\$ 149,142	\$ 151,271
Liabilities and Equity				
Noninterest-bearing deposits	\$ 52,993	\$ 57,474	\$ 55,221	\$ 68,789
Interest-bearing deposits	54,382	55,523	54,950	47,025
Fed funds purchased	10,646	9,987	10,319	6,223
FHLB borrowings	9,319	8,000	8,663	8,227
Other liabilities	2,051	2,072	2,062	1,991
Total liabilities	129,391	133,056	131,215	132,255
Stockholders' equity	17,979	17,881	17,927	19,016
Total liabilities and equity	\$ 147,370	\$ 150,937	\$ 149,142	\$ 151,271

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Summary Consolidated Financial Data

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

	June 30		December		June 30
	2023		2022		2022
	(Unaudited)		(Unaudited)		(Unaudited)
CBBFC Common Share Data:					
Number of shares outstanding	25,460		25,460		25,460
Book Value per Share	\$ 703		\$ 698		\$ 710
Bank Level Capital Ratios:					
Community Bank Leverage Ratio	13.29%		12.99%		13.17%
Asset Quality:					
Nonaccrual Loans	\$ -		\$ -		\$ -
Foreclosed Real Estate (OREO)	-		-		-
Total Non-performing assets	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
