



COMMUNITY BANKERS' BANK

News Release

Community Bankers' Bank & CBB Financial Corp. Announce First Quarter 2024 Operating Results

Midlothian, Virginia, May 7, 2024: CBB Financial Corp. reported net income of \$48,000 for the three-month period ended March 31, 2024, compared to net income of \$19,000 for the three-month period ended December 31, 2023, and net income of \$47,000 in the three-month period ended March 31, 2023. CBB and CBBFC report on a consolidated basis.

The Company started 2024 with strong financial performance despite the challenges of persistently high interest rates and macroeconomic uncertainty. Highlights include:

- a. Net loan balances are up 12% year over year.
- b. Increased funding cost in 2023 resulted in flat year-over-year Net Interest Income, but Net Interest Income improved quarter over quarter.
- c. Non-interest income for the First Quarter of 2024 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 12.85% at March 31, 2024, compared to 13.04% at December 31, 2024.

Gary R. Shook, President and Chief Executive Officer of CBB Financial Corp. and Community Bankers' Bank, commented, "Pleased to be off to a strong start for 2024. The historic rise in interest rates, especially impacting our cost of funds, has been a headwind for all banks, including CBB. With the greatest of those impacts behind us, we anticipate continually enhancing performance moving forward. We are especially pleased with the number of new accounts and consulting opportunities afforded us as we begin the new year. CBB's affiliation with First Bankers' Bank Securities continues to grow. I ask that each of our shareholders and clients seek ways to do your bond trading business with FBBS, our core consulting, check printing consulting, and all of the Alliance Partners. Also, should you have any FedNow® Service questions, please feel free to reach out to us. Finally, as we quickly push into June and the summer season, the CBB team looks forward to connecting with each of you throughout our travels."

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

Financial Highlights
(Dollars in thousands)

	Three Months	Three Months	Three Months
	Ended	Ended	Ended
	March 31	December 31	March 31
	2024	2023	2023
Description	(Unaudited)	(Unaudited)	(Unaudited)
Earnings Summary			
Interest income	\$ 1,842	\$ 1,798	\$ 1,609
Interest expense	846	830	575
Net interest income	996	968	1,034
Provision for loan losses	0	0	(112)
Noninterest income	628	556	578
Noninterest expense	1,572	1,508	1,675
Income before income taxes	52	16	49
Income tax expense	4	(3)	2
Net income	<u>\$ 48</u>	<u>\$ 19</u>	<u>\$ 47</u>

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Financial Highlights
(Dollars in thousands)

	March 31	December 31	March 31
	2024	2023	2023
Description	(Unaudited)	(Unaudited)	(Unaudited)
Ending Balances:			
Assets			
Cash and due from banks	\$ 7,914	\$ 11,248	\$ 8,883
Fed funds sold	3,373	0	505
Investment portfolio	20,211	21,064	24,555
Loans, net of allowance	112,004	111,987	99,123
Other assets	10,349	9,841	10,068
Total assets	\$ 153,851	\$ 154,140	\$ 143,134
Liabilities and Equity			
Noninterest-bearing deposits	\$ 52,883	\$ 50,416	\$ 53,276
Interest-bearing deposits	66,417	60,692	55,668
Fed funds purchased	6,000	13,732	6,000
FHLB borrowings	8,000	9,000	8,000
Other liabilities	2,414	2,112	2,113
Total liabilities	135,714	135,952	125,057
Stockholders' equity	18,137	18,188	18,077
Total liabilities and equity	\$ 153,851	\$ 154,140	\$ 143,134

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Financial Highlights
(Dollars in thousands)

	Three Months Ended March 31 2024	Three Months Ended December 31 2023	Three Months Ended March 31 2023
Description	(Unaudited)	(Unaudited)	(Unaudited)
Average Balances:			
Assets			
Cash and due from banks	\$ 8,304	\$ 8,770	\$ 8,732
Fed funds sold	1,862	2,049	3,009
Investment portfolio	20,637	21,283	23,073
Loans, net of allowance	112,504	107,549	105,263
Other assets	10,127	10,469	10,237
Total assets	\$ 153,434	\$ 150,120	\$ 150,314
Liabilities and Equity			
Noninterest-bearing deposits	\$ 52,707	\$ 51,591	\$ 53,090
Interest-bearing deposits	63,310	61,724	57,976
Fed funds purchased	8,632	8,093	10,295
FHLB borrowings	8,484	9,098	9,110
Other liabilities	2,218	2,062	2,065
Total liabilities	135,351	132,568	132,536
Stockholders' equity	18,083	17,552	17,778
Total liabilities and equity	\$ 153,434	\$ 150,120	\$ 150,314

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Summary Consolidated Financial Data

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

	March 31	December 31	March 31
	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)
CBBFC Common Share Data:			
Number of shares outstanding	25,460	25,460	25,460
Book Value per Share	\$ 712	\$ 714	\$ 710
Bank Level Capital Ratios:			
Community Bank Leverage Ratio	12.85%	13.04%	12.96%
Asset Quality:			
Nonaccrual Loans	\$ -	\$ -	\$ -
Foreclosed Real Estate (OREO)	-	-	-
Total Non-performing assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
