



COMMUNITY BANKERS
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News Release

Community Bankers' Bank and CBB Financial Corp. Announce First Quarter 2010 Operating Results

Midlothian, Virginia, May 6, 2010: Net income of \$120,000 was recorded for the three-month period ended March 31, 2010, compared to a net loss of \$224,000 for the three-month period ended December 31, 2009 and net income of \$90,000 for the three-month period ended March 31, 2009. Community Bankers' Bank ("CBB" or "the Bank") and CBB Financial Corp. ("CBBFC") report on a consolidated basis.

- The Bank's Tier 1 leverage ratio improved to 9.33% at March 31, 2010 compared to 8.86% at December 31, 2009. This was due to the combination of the first quarter net profit and the reduction in average total assets. Average total assets were reduced by 4.1% during the first quarter of 2010, as management continues to pursue its strategy to minimize fed funds asset/liability balance gross-ups and improve the Bank's regulatory capital ratios.
- The Bank's allowance for loan losses was increased by \$665,000 during the first quarter of 2010, with recoveries of prior charge-offs of \$165,000 and a loan loss provision of \$500,000. The allowance represents 4.1% of gross loans at March 31, 2010.
- CBBFC added two new shareholders during the first quarter of 2010: Crescent State Bank of Cary, North Carolina, and River Community Bank, N.A of Martinsville, Virginia

William H. McFaddin, President and Chief Executive Officer stated, "We are pleased to report our return to profitability after a difficult 2009, when additional loan loss provisions were required against problem commercial real estate loans and required write-downs on the carrying values of foreclosed properties.

"Looking ahead to the second quarter of 2010, we expect to continue to be able to report profitable operations. We believe that our allowance for loan losses currently provides adequate coverage. However, additional loan loss provisions may be needed due to the uncertainties existing in the commercial real estate area. Our staff continues to work very hard managing our non-performing assets and we anticipate a reduction by as much as \$2.5 million during the second quarter subject to the settlement/closing of agreed upon contracts and plans.

"We are very pleased that our client banks have continued to support their bankers' bank. We welcome our two new shareholders and express appreciation to existing shareholders that have purchased additional shares through our Legacy Shareholder Program. We now have 94 shareholder banks doing business with us, which represents nearly two-thirds of our client base.

"We are pleased that the Federal Deposit Insurance Corporation "FDIC" has extended its Transaction Account Guarantee ("TAG") program for the remainder of 2010. CBB has been participating in TAG, under which all demand deposit balances of our client banks are 100% insured by the FDIC, regardless of the amounts held on deposit at CBB. We also intend to support a decision by the FDIC to extend TAG into 2011 and we will also be working through the Bankers' Bank Council to make TAG permanent through the legislative process.

“Finally, we invite all of our shareholder banks to attend our Annual Meeting. The meeting is being held at 10:30 a.m. on Wednesday, May 12, 2010 at Farmington Country Club in Charlottesville, Virginia.”

Community Bankers' Bank is the only bankers' bank headquartered in the Fifth Federal Reserve District and provides correspondent banking services, loan participations, consulting and investment services to community banks throughout the Fifth Federal Reserve District.

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**CBB Financial Corp and
Community Bankers' Bank**

**Summary Consolidated Financial Data
(Dollars in thousands, except per share data)**

Description	Three Months Ended March 31, 2010 (Unaudited)	Three Months Ended December 31, 2009 (Unaudited)	Three Months Ended March 31, 2009 (Unaudited)
Earnings Summary			
Interest income	\$ 1,474	\$ 1,522	\$ 1,587
Interest expense	201	251	462
Net interest income	1,273	1,271	1,125
Provision for loan losses	500	300	350
Noninterest income	884	87	653
Noninterest expense	1,492	1,417	1,308
Income (loss) before income taxes	165	(359)	120
Income tax expense (benefit)	45	(135)	29
Net income (loss)	<u>\$ 120</u>	<u>\$ (224)</u>	<u>\$ 91</u>
Bank-Level Capital Ratios:			
Tier 1 leverage ratio	9.33%	8.86%	6.01%
Tier 1 risk-based capital ratio	14.70%	13.58%	12.24%
Total risk-based capital ratio	15.98%	14.85%	13.50%
CBBFC Common Share Data:			
Period-end shares outstanding	21,935	21,805	21,025
Book value per share	\$ 593	\$ 581	\$ 620
Average Balances:			
Assets			
Cash and due from banks	\$ 26,441	\$ 28,953	\$ 72,171
Fed funds sold	8,259	7,764	13,004
Investment portfolio	21,149	24,197	27,181
Loans, net of allowance	85,735	87,215	93,377
Other assets	8,669	8,494	7,884
Total assets	<u>\$ 150,253</u>	<u>\$ 156,623</u>	<u>\$ 213,617</u>

Liabilities and Equity

Noninterest-bearing deposits	\$ 60,661	\$ 61,974	\$ 43,936
Interest-bearing deposits	49,791	56,541	54,961
Fed funds purchased	24,464	22,724	81,983
Other liabilities	2,506	2,259	19,453
Total liabilities	<u>137,422</u>	<u>143,498</u>	<u>200,333</u>
Stockholders' equity	<u>12,831</u>	<u>13,125</u>	<u>13,284</u>
Total liabilities and equity	<u>\$ 150,253</u>	<u>\$ 156,623</u>	<u>\$ 213,617</u>

Loan Portfolio (period-end):

Gross loans	\$ 85,149	\$ 90,669	\$ 93,278
Allowance for loan losses	3,505	2,840	2,001
Allowance as percent of gross loans	4.11%	3.13%	2.15%

Asset Quality:

Nonaccrual loans	\$ 6,242	\$ 6,450	\$ 1,942
Foreclosed real estate (OREO)	<u>1,418</u>	<u>1,418</u>	<u>1,516</u>
Total non-performing assets	<u>\$ 7,660</u>	<u>\$ 7,868</u>	<u>\$ 3,458</u>

**Total Assets Under Management
and Safekeeping Assets
(at period-end):**

Total assets	\$ 147,520	\$ 152,794	\$ 193,663
Participation loans sold to banks	117,164	116,821	100,855
Fed funds agency pool balances	159,300	87,362	461,572
Excess Balance Account (Note)	518,282	341,381	--
Public Funds CDs	<u>63,836</u>	<u>58,480</u>	<u>122,837</u>
Total assets under management	<u>1,006,102</u>	<u>756,838</u>	<u>878,927</u>
Safekeeping assets	<u>741,536</u>	<u>700,450</u>	<u>518,717</u>
Total assets under management and safekeeping assets	<u>\$ 1,747,638</u>	<u>\$ 1,457,288</u>	<u>\$ 1,397,644</u>

Note - EBA started July 20, 2009.