



# News Release

## **Community Bankers' Bank and CBB Financial Corp. Announce First Quarter 2011 Operating Results**

**Midlothian, Virginia, June 2, 2011:** Net income of \$39,000 was recorded for the three-month period ended March 31, 2011, compared to net income of \$179,000 for the three-month period ended December 31, 2010 and net income of \$120,000 for the three-month period ended March 31, 2010. Community Bankers' Bank ("CBB" or "the Bank") and CBB Financial Corp. ("CBBFC") report on a consolidated basis.

- **Capital Ratios:** The Bank's Tier 1 leverage ratio equaled 9.71% at March 31, 2011, compared to 9.96% at December 31, 2010 and 9.33% at March 31, 2010. The 25 basis point decline in the leverage ratio during the first quarter of 2011 is attributed to the 3.0% increase in average total assets during the quarter. The Bank's Risk Based Capital Ratio was 16.63% at March 31, 2011, compared to 17.12% at December 31, 2010 and 15.98% at March 31, 2010.
- **Asset Quality:** Non-performing assets were \$6.1 million at March 31, 2011, which was \$1.6 million less than one year earlier, but represented an increase of \$430,000 over the year-end 2010 balance. The Bank's non-accrual loans were 4.5 % of total gross loans at March 31, 2011. There were no charge-offs during the quarter, and the loan loss allowance remains adequate at 3.9% of gross loans.

William H. McFaddin, President and Chief Executive Officer stated, "We are pleased to report positive earnings into the new year. The first quarter's net income of \$39,000 was on target with our budget for this period. The low level of loan growth in the past year has reduced the Bank's interest income. The average balance of net loans during the first quarter of 2011 was 14.1% lower than in the first quarter of 2010. Recent increases in loan production are expected to improve interest income and net earnings in future quarters.

"Deposits have grown with new client accounts. Funds managed for our client banks through our Fed Funds Program, including the Excess Balance Account, remain strong as clients maintain a high level of liquidity and are comfortable using CBB to manage these funds. We remain committed to our shareholder/clients and continue to work with them for both special and routine services."

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)**

<u>Description</u>	<u>Three Months Ended March 31, 2011 (Unaudited)</u>	<u>Three Months Ended December 31, 2010 (Unaudited)</u>	<u>Three Months Ended March 31, 2010 (Unaudited)</u>
<b>Earnings Summary</b>			
Interest income	\$ 1,238	\$ 1,283	\$ 1,474
Interest expense	181	194	201
Net interest income	1,057	1,089	1,273
Provision for loan losses	260	375	500
Noninterest income	720	973	884
Noninterest expense	1,473	1,435	1,492
Income before income taxes	44	252	165
Income tax expense	5	73	45
Net income	<u>\$ 39</u>	<u>\$ 179</u>	<u>\$ 120</u>
<b>Average Balances:</b>			
<b>Assets</b>			
Cash and due from banks	\$ 37,212	\$ 37,742	\$ 26,441
Fed funds sold	7,024	5,354	8,259
Investment portfolio	21,494	19,735	21,149
Loans, net of allowance	73,620	73,698	85,735
Other assets	10,099	8,598	8,669
Total assets	<u>\$ 149,449</u>	<u>\$ 145,127</u>	<u>\$ 150,253</u>
<b>Liabilities and Equity</b>			
Noninterest-bearing deposits	\$ 72,197	\$ 65,139	\$ 60,661
Interest-bearing deposits	54,869	55,250	49,791
Fed funds purchased	6,819	8,881	24,464
Other liabilities	2,416	2,515	2,506
Total liabilities	136,301	131,785	137,422
Stockholders' equity	13,148	13,342	12,831
Total liabilities and equity	<u>\$ 149,449</u>	<u>\$ 145,127</u>	<u>\$ 150,253</u>

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<b>CBBFC Common Share Data:</b>			
Period-end shares outstanding	22,935	22,935	21,935
Book value per share	\$ 589	\$ 586	\$ 593
<b>Bank-Level Capital Ratios:</b>			
Tier 1 leverage ratio	9.71%	9.96%	9.33%
Tier 1 risk-based capital ratio	15.36%	15.85%	14.70%
Total risk-based capital ratio	16.63%	17.12%	15.98%
<b>Asset Quality:</b>			
Non-accrual loans	\$ 3,675	\$ 3,245	\$ 6,242
Foreclosed real estate (OREO)	2,421	2,421	1,418
Total non-performing assets	<u>\$ 6,096</u>	<u>\$ 5,666</u>	<u>\$ 7,660</u>