



News Release

Community Bankers' Bank and CBB Financial Corp. Announce Fourth Quarter 2011 Operating Results and Announce 2012 as the Silver Anniversary Year of CBB

Midlothian, Virginia, February 15, 2012: Net income of \$476,000 was recorded for the year ended December 31, 2011, compared to net income of \$205,000 for the year ended December 31, 2010. Net income of \$62,000 was recorded for the three-month period ended December 31, 2011, compared to net income of \$159,000 for the three-month period ended December 31, 2010. Community Bankers' Bank ("CBB" or "the Bank") and CBB Financial Corp. ("CBBFC") report on a consolidated basis.

The Bank's regulatory capital position remains strong, with the Tier 1 leverage ratio being 10.22% at December 31, 2011 compared to 9.88% at December 31, 2010. The Bank's Tier 1 Risk Based Capital Ratio equaled 15.69% at December 31, 2011 compared to 15.72% at December 31, 2010.

The Bank's non-performing assets were \$4.0 million at December 31, 2011, which was \$1.7 million less than one year earlier. The Bank's non-accrual loans were 2.4% of total gross loans at December 31, 2011. The loan loss allowance is adequate at 3.73% of gross loans.

William H. McFaddin, President and Chief Executive Officer stated, "The Company's net income figures for the three-month and twelve-month periods ended December 31, 2011 were on target with our budgets for these periods. The moderate net growth of the Bank's loan portfolio in 2011 has mirrored the experiences of our shareholder and customer banks, as new loan production is mostly offset by paydowns and payoffs. The average balances of our gross loan portfolio during the four quarters of 2011 were \$76.7 million, \$81.1 million, \$82.0 million, and \$82.6 million, respectively. We are encouraged by the continued expansion of our loan pipeline and we are optimistic that our loan portfolio will grow steadily in 2012.

"We are more positive about the overall economy in 2012; however, we continue to believe that commercial real estate and residential housing will experience only limited improvement in most markets. Accordingly, our budgeting for 2012 is conservative and we will continue to contribute generously to our reserves. We anticipate that by the end of 2012 community bank balance sheets will begin to take on a more historically normal view in regard to non-performing assets.

"Deposits grew with twelve new client bank accounts in 2011. 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. As always, we are committed to our shareholders and client banks and continue to work with them for both special and routine services."

"We appreciate the continuing support of our shareholder base. We gained seven new shareholders during 2011 and increased contributed equity capital by \$355,000."

Mr. McFaddin also announced that “2012 is the Silver Anniversary year for Community Bankers’ Bank. We opened in 1987 for the purpose of establishing a bank for banks and bankers. We are committed to exclusively serving community financial institutions as a partner, never a competitor and for 25 years we have remained true to that mission. Community Bankers’ Bank is the only bankers’ bank headquartered in and conducting business throughout the Fifth Federal Reserve District.”

“This is a challenging time for our industry,” he said. “Community Bankers’ Bank is fortunate to have loyal shareholders and clients that value what we do and maintaining these strong relationships is important to us. We look forward to another 25 years and more as your Bankers’ Bank.”

Community Bankers’ Bank 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**

**Financial Highlights
(Dollars in thousands)**

Except per share data)	Three Months Ended December 31, 2011 (Unaudited)	Three Months Ended December 31, 2010 (Unaudited)	Twelve Months Ended December 31, 2011 (Unaudited)	Twelve Months Ended December 31, 2010 (Unaudited)
Description				

Earnings Summary

Interest income	\$ 1,326	\$ 1,317	\$ 5,374	\$ 5,516
Interest expense	169	194	714	786
Net interest income	1,157	1,123	4,660	4,730
Provision for loan losses	350	375	1,185	1,581
Noninterest income	589	938	2,715	3,156
Noninterest expense	1,322	1,465	5,534	6,066
Income before income taxes	74	221	656	239
Income tax expense	12	62	180	34
Net income (loss)	<u>\$ 62</u>	<u>\$ 159</u>	<u>\$ 476</u>	<u>\$ 205</u>

Average Balances:

Assets

Cash and due from banks	\$ 29,815	\$ 37,742	\$ 37,918	\$ 36,697
Fed funds sold	7,310	5,354	6,212	6,851
Investment portfolio	20,273	19,735	19,794	18,086
Loans, net of allowance	79,004	73,698	77,295	78,781
Other assets	9,103	8,481	9,437	8,449
Total assets	<u>\$ 145,505</u>	<u>\$ 145,010</u>	<u>\$ 150,656</u>	<u>\$ 148,864</u>

Liabilities and Equity

Noninterest-bearing deposits	\$ 66,286	\$ 65,139	\$ 70,864	\$ 62,319
Interest-bearing deposits	54,816	55,142	55,903	51,984
Fed funds purchased	7,920	8,881	7,853	19,120
Other liabilities	2,754	2,515	2,574	2,448
Total liabilities	131,776	131,677	137,194	135,871
Stockholders' equity	13,729	13,333	13,462	12,993
Total liabilities and equity	<u>\$ 145,505</u>	<u>\$ 145,010</u>	<u>\$ 150,656</u>	<u>\$ 148,864</u>

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	December 31, 2011	December 31, 2010	
	(Unaudited)	(Unaudited)	
CBBFC Common Share Data:			
Number of shares outstanding at period-end	23,530	22,935	
Book value per share	\$ 616	\$ 581	

Bank-Level Capital Ratios:

Tier 1 leverage ratio	10.22%	9.88%	
Tier 1 risk-based capital ratio	15.69%	15.72%	
Total risk-based capital ratio	16.96%	16.99%	

Asset Quality:

Nonaccrual loans	\$ 1,988	\$ 3,245	
Foreclosed real estate (OREO)	1,970	2,421	
Total non-performing assets	\$ 3,956	\$ 5,666	

Note - The quarterly and year-to-date net income figures and other statistics presented in this News Release for 2011 and 2010 have been recalculated to reflect certain adjustments made in the 2010 year-end audited financial statements.

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*This email was sent to you by Community Bankers' Bank, PO Box 268, Midlothian, VA 23113.
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