



News Release

Community Bankers' Bank and CBB Financial Corp. Announce Third Quarter 2011 Operating Results

Midlothian, Virginia, November 16, 2011: Net income of \$414,000 was recorded for the nine-month period ended September 30, 2011, compared to net income of \$46,000 for the nine-month period ended September 30, 2010. Net income of \$231,000 was recorded for the three-month period ended September 30, 2011, compared to a net loss of \$54,000 for the three-month period ended September 30, 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 9.94% at September 30, 2011 compared to 9.88% at December 31, 2010 and 9.14% at September 30, 2010. The Bank's Risk Based Capital Ratio equaled 16.32% at September 30, 2011 compared to 15.72% at December 31, 2010 and 15.80% at September 30, 2010.

The Bank's non-performing assets were \$4.3 million at September 30, 2011, which was \$2.0 million less than one year earlier and \$1.4 million less than the year-end 2010 balance. The Bank's non-accrual loans were 2.3% of total gross loans at September 30, 2011. The loan loss allowance is adequate at 4.48% of gross loans.

William H. McFaddin, President and Chief Executive Officer stated, "The Company's net income figures for the three-month and nine-month periods ended September 30, 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 first three quarters of 2011 have been \$76.7 million, \$81.1 million and \$82.0 million, respectively. We are nevertheless encouraged by our expanding loan pipeline and are optimistic that our loan portfolio will grow steadily in 2012.

"We are more optimistic about the economy in 2012, but we continue to believe that commercial real estate and residential housing will not show much improvement in most markets. Our budgeting for 2012 will remain conservative and we intend to 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 have grown with eight new client bank accounts so far 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 during 2011. We have gained four new shareholders, and through September 30, 2011 we have increased contributed equity capital by \$215,625."

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.

For further information, please contact:

William H. McFaddin
President & CEO
wmcfaddin@CBBonline.com
2601 Promenade Pkwy
Midlothian, VA 23113
Phone: 804-794-5885 x 114
Fax: 804-378-2856

Or Stephen R. Kinnier
Senior Vice President & CFO
skinnier@CBBonline.com
2601 Promenade Pkwy
Midlothian, VA 23113
Phone: 804-794-5885 x 127
Fax: 804-378-2856

For Correspondent Services Information, contact:

North Carolina & South Carolina:

Henderson Duke, Vice President
Correspondent Relationship Manager
hduke@CBBonline.com
Phone: 800-210-8492

Virginia & West Virginia:

Jo Ellen Archer, Vice President
Correspondent Relationship Manager
jarcher@CBBonline.com
Phone: 804-239-0452

Northern Virginia & Maryland:

Cheri Heidel, Vice President
Correspondent Relationship Manager
cheidel@CBBonline.com
Phone: 866-356-4876

Main Office:

Kathleen Mojica, Vice President
Correspondent Services Manager
kmojica@CBBonline.com
Phone: 804-794-5885 x. 126

Wendy Wright, Vice President
Operations & IT
wcwright@CBBonline.com
Phone: 804-794-5885 x 119

**CBB Financial Corp and
Community Bankers' Bank
Summary Consolidated Financial Data**

**Financial Highlights
(Dollars in thousands)**

Except per share data)	Three Months Ended September 30, 2011 (Unaudited)	Three Months Ended September 30, 2010 (Unaudited)	Nine Months Ended September 30, 2011 (Unaudited)	Nine Months Ended September 30, 2010 (Unaudited)
Description				

Earnings Summary

Interest income	\$ 1,412	\$ 1,281	\$ 3,963	\$ 4,113
Interest expense	182	200	545	592
Net interest income	1,230	1,081	3,418	3,521
Provision for loan losses	300	244	835	1,206
Noninterest income	800	582	2,211	2,303
Noninterest expense	1,397	1,519	4,212	4,601
Income before income taxes	333	(100)	582	17
Income tax expense	102	(46)	168	(29)
Net income (loss)	<u>\$ 231</u>	<u>\$ (54)</u>	<u>\$ 414</u>	<u>\$ 46</u>

Average Balances:

Assets

Cash and due from banks	\$ 39,225	\$ 49,573	\$ 40,648	\$ 36,345
Fed funds sold	5,163	4,849	5,842	7,356
Investment portfolio	16,482	15,855	19,633	17,530
Loans, net of allowance	78,664	76,401	76,718	80,495
Other assets	9,226	8,205	9,551	8,437
Total assets	<u>\$ 148,760</u>	<u>\$ 154,883</u>	<u>\$ 152,392</u>	<u>\$ 150,163</u>

Liabilities and Equity

Noninterest-bearing deposits	\$ 66,168	\$ 64,155	\$ 72,407	\$ 61,369
Interest-bearing deposits	58,110	54,781	56,269	50,920
Fed funds purchased	8,216	20,576	7,830	22,571
Other liabilities	2,631	2,382	2,513	2,425
Total liabilities	135,125	141,894	139,019	137,285
Stockholders' equity	13,635	12,989	13,373	12,878
Total liabilities and equity	<u>\$ 148,760</u>	<u>\$ 154,883</u>	<u>\$ 152,392</u>	<u>\$ 150,163</u>

**CBB Financial Corp and
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Summary Consolidated Financial Data**

	September 30, 2011	December 31, 2010	September 30, 2010
	(Unaudited)	(Unaudited)	(Unaudited)
CBBFC Common Share Data:			
Number of shares outstanding at period-end	23,300	22,935	22,835
Book value per share	\$ 615	\$ 581	\$ 594
 Bank-Level Capital Ratios:			
Tier 1 leverage ratio	9.94%	9.88%	9.14%
Tier 1 risk-based capital ratio	16.32%	15.72%	15.80%
Total risk-based capital ratio	17.60%	16.99%	17.08%
 Asset Quality:			
Nonaccrual loans	\$ 1,792	\$ 3,245	\$ 5,408
Foreclosed real estate (OREO)	2,486	2,421	905
Total non-performing assets	\$ 4,278	\$ 5,666	\$ 6,313

Note - The final net income for 2010 is \$116,713 lower than what we reported in our News Release dated February 4, 2011, as it was later determined that 2010 amortization expense related to the prepaid FDIC insurance had been understated. The 2010 financial statement audit report, which was recently mailed to shareholders, reflects this adjustment, which is a one-time expense (net of tax) timing difference that has fully reversed in 2011. The quarterly and year-to-date net income figures and other statistics presented in this News Release have been recalculated to reflect the 2010 adjustment and the 2011 reversal.

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