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### For release:

July 25, 2016

## CB FINANCIAL CORPORATION ANNOUNCES REVERSAL OF DEFERRED TAX ASSET VALUATION ALLOWANCE AND OTHER SECOND QUARTER EVENTS

(See accompanying financials.)

**Wilson, NC** . . . CB Financial Corporation (“CB”), the holding company for Cornerstone Bank (“Cornerstone”), announced today that it reversed its deferred tax asset (“DTA”) valuation allowance in the second quarter. The reversal resulted in a one-time tax benefit of \$2.4 million or \$0.05 per common share. Many factors, including positive core earnings, dramatically improved asset quality and positive expectations regarding CB’s ability to produce future taxable income, combined to facilitate the recovery of the DTA valuation reserve.

CB posted net income of \$2.7 million for the six months ended June 30, 2016, compared to net income of \$271,000 for the six months ended June 30, 2015. As of June 30, 2015, CB reported total assets of \$109.4 million, total loans of \$70.4 million and total deposits of \$90.1 million.

“CB is reporting its eleventh consecutive quarter of profitable operations,” said Mark A. Holmes, President and CEO of CB and Cornerstone. “We were profitable in the second quarter before the \$2.4 million tax benefit of the DTA valuation reversal. Our loan portfolio is growing and credit quality continues to improve. Our capital ratios exceed all regulatory guidelines for a well-capitalized bank.

“In June, Buzz Wilkinson joined Cornerstone Bank as area executive for Wilson. In early third quarter, we introduced two new checking products and further enhanced the rest of our deposit product line. These are just two examples of how we are focused on our mission: meeting the community banking needs of the people who call Wilson and the surrounding area home.”

Cornerstone opened its doors in 2000 and operates from a main office location at 3710 Nash Street North in Wilson.

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### **[thecornerstonebank.com](http://thecornerstonebank.com)**

*The information as of and for the quarter ended June 30, 2016, as presented, is unaudited. This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, (i) statements regarding certain of our goals and expectations with respect to earnings, earnings per share, revenue, expenses and the growth rate in such items, as well as other measures of economic performance, including statements relating to estimates of credit quality trends, and (ii) statements preceded by, followed by or that include the words “may,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “projects,” “outlook” or similar expressions. The actual results might differ materially from those projected in the forward-looking statements for various reasons, including, but not limited to, our ability to manage growth, changes in financial markets, regulatory changes, changes in interest rates, loss of deposits and loan demand to other savings and financial institutions, and changes in real estate values and the real estate market. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the Company’s SEC filings, including its periodic reports under the Securities Exchange Act of 1934, as amended, copies of which are available upon request from the Company.*

**CB Financial Corporation and Subsidiary**  
**Balance Sheets (unaudited) June 30,**

	<b>2016</b>	<b>2015</b>
	(Dollars in thousands)	
<b>Assets</b>		
Cash and due from banks	\$ 3,918	\$ 5,982
Interest-earning deposits with banks	11,967	8,821
<b>Total cash and cash equivalents</b>	<b>15,885</b>	14,803
Investment securities available for sale, at fair value	13,074	24,843
Loans receivable	70,441	60,124
Allowance for loan losses	1,168	1,310
<b>Net loans receivable</b>	<b>69,273</b>	58,814
Bank premises & equipment, net	2,275	2,386
Other assets	8,850	7,463
<b>Total assets</b>	<b>\$ 109,357</b>	<b>\$ 108,309</b>
<b>Liabilities and Shareholders' Equity</b>		
Deposits:		
Demand deposits	\$ 14,826	\$ 13,007
Savings, Money market & NOW	38,561	39,587
Time deposits	36,707	39,978
<b>Total deposits</b>	<b>90,094</b>	92,572
Other borrowed money	11,045	11,078
Accrued interest payable and other liabilities	305	310
<b>Total liabilities</b>	<b>101,444</b>	103,960
<b>Total shareholders' equity</b>	<b>7,913</b>	4,349
<b>Total liabilities and shareholders' equity</b>	<b>\$ 109,357</b>	<b>\$ 108,309</b>

**CB Financial Corporation and Subsidiary**  
**Statement of Operations (unaudited)**

Six Months Ended, June 30,

2016      2015

(Dollars in thousands, except per share data)

Interest Income	<b>1,819</b>	1,908
Interest Expense	<b>307</b>	336
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Net Interest Income	<b>1,512</b>	1,572
Provision for loan losses	-	(200)
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Net Interest Income after provision	<b>1,512</b>	1,772
Service charges on deposit accounts	<b>75</b>	78
Mortgage banking operations	<b>38</b>	35
Other	<b>206</b>	229
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Total noninterest Income	<b>319</b>	342
Personnel costs	<b>801</b>	874
Occupancy and equipment	<b>119</b>	126
Data processing fees	<b>225</b>	190
Other	<b>387</b>	653
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Total noninterest expense	<b>1,532</b>	1,843
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Net Income before income taxes	<b>299</b>	271
Income taxes	<b>(2,358)</b>	-
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<b>Net Income</b>	<b>2,657</b>	271
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Net income per common share	<b>\$ 0.06</b>	\$ 0.01

**CB Financial Corporation and Subsidiary**  
**Statement of Operations (unaudited)**

**Three Months Ended, June 30,**

**2016**      **2015**

(Dollars in thousands, except per share data)

Interest Income	<b>905</b>	882
Interest Expense	<b>153</b>	174
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Net Interest Income	<b>752</b>	708
Provision for loan losses	-	(200)
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Net Interest Income after provision	<b>752</b>	908
Service charges on deposit accounts	<b>36</b>	43
Mortgage banking operations	<b>17</b>	26
Other	<b>131</b>	74
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Total noninterest Income	<b>184</b>	143
Personnel costs	<b>402</b>	427
Occupancy and equipment	<b>60</b>	59
Data processing fees	<b>126</b>	98
Other	<b>206</b>	299
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Total noninterest expense	<b>794</b>	883
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Net Income before income taxes	<b>142</b>	168
Income taxes	<b>(2,358)</b>	-
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<b>Net Income</b>	<b>2,500</b>	168