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CB FINANCIAL CORPORATION REPORTS THIRD QUARTER 2016 EARNINGS

Continued solid financial performance results in net income of \$94,000.

(See accompanying financials.)

Wilson, NC . . . CB Financial Corporation (“CB”), the holding company for Cornerstone Bank (“Cornerstone”), reported net income of \$94,000 for the quarter ended September 30, 2016, compared to net income of \$131,000 for the quarter ended September 30, 2015.

For the nine-month period ended September 30, 2016, CB reported net income of \$2.8 million. Year-to-date earnings were positively affected by the reversal of a deferred tax asset (“DTA”) valuation allowance in the second quarter. The reversal resulted in a one-time tax benefit of \$2.4 million. Net income of \$402,000 was reported for the nine months ended September 30, 2015. As of September 30, 2016, CB reported total assets of \$109.9 million, total loans of \$72.0 million and total deposits of \$90.3 million.

“With these results, CB is reporting its twelfth consecutive quarter of profitable operations,” said Mark A. Holmes, president and CEO of both CB and Cornerstone. “While we were pleased to get the \$2.4 million benefit of the DTA valuation allowance reversal in June, we are most proud of our continued, consistent, positive financial performance. Our loan portfolio is growing and credit quality metrics continue to improve. Capital ratios exceed all regulatory guidelines for a well-capitalized bank.”

In July, Cornerstone introduced two new checking accounts, CashBack Rewards and Interest Rewards. Both products have been well-received by both new and existing customers. “We’ve had customers open a new, additional account with us because of this, and we’ve had new customers open accounts who have not banked with us previously,” Holmes said. “Offering great products such as this is a long-term strategy, as this is not a promotional product, and we look forward to continued customer and deposit growth as a result.”

Cornerstone opened its doors in 2000 to serve the community banking needs of the City of Wilson, Wilson County, and the surrounding area. Cornerstone operates from a main office location at 3710 Nash Street North in Wilson.

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The information as of and for the quarter ended September 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) September 30,

	<u>2016</u>	<u>2015</u>
	(Dollars in thousands)	
Assets		
Cash and due from banks	\$ 4,331	\$ 3,973
Interest-earning deposits with banks	8,160	4,844
<u>Total cash and cash equivalents</u>	<u>12,491</u>	<u>8,817</u>
Investment securities available for sale, at fair value	15,321	26,456
Loans receivable	71,961	64,126
Allowance for loan losses	965	1,167
<u>Net loans receivable</u>	<u>70,996</u>	<u>62,959</u>
Bank premises & equipment, net	2,264	2,356
Other assets	8,821	6,922
<u>Total assets</u>	<u>\$ 109,893</u>	<u>\$ 107,510</u>
Liabilities and Shareholders' Equity		
Deposits:		
Demand deposits	\$ 15,119	\$ 12,828
Savings, Money market & NOW	39,970	39,138
Time deposits	35,257	39,067
<u>Total deposits</u>	<u>90,346</u>	<u>91,033</u>
Other borrowed money	11,205	11,387
Accrued interest payable and other liabilities	355	272
<u>Total liabilities</u>	<u>101,906</u>	<u>102,692</u>
<u>Total shareholders' equity</u>	<u>7,987</u>	<u>4,818</u>
<u>Total liabilities and shareholders' equity</u>	<u>\$ 109,893</u>	<u>\$ 107,510</u>

CB Financial Corporation and Subsidiary
Statement of Operations (unaudited)

Nine Months Ended, Sept. 30,
2016 2015
(Dollars in thousands, except per share data)

Interest Income	2,747	2,822
Interest Expense	460	491
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Net Interest Income	2,287	2,331
Provision for loan losses	-	(300)
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Net Interest Income after provision	2,287	2,631
Service charges on deposit accounts	111	121
Mortgage banking operations	85	39
Other	255	273
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Total noninterest Income	451	433
Personnel costs	1,216	1,386
Occupancy and equipment	174	186
Data processing fees	344	293
Other	569	797
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Total noninterest expense	2,303	2,662
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Net Income before income taxes	435	402
Income taxes	(2,316)	-
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Net Income	2,751	402
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Net income per common share	\$ 0.06	\$ 0.01

CB Financial Corporation and Subsidiary
Statement of Operations (unaudited)

Three Months Ended, Sept. 30,

2016 **2015**

(Dollars in thousands, except per share data)

Interest Income	928	914
Interest Expense	153	155
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Net Interest Income	775	759
Provision for loan losses	-	(100)
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Net Interest Income after provision	775	859
Service charges on deposit accounts	36	43
Mortgage banking operations	47	4
Other	49	44
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Total noninterest Income	132	91
Personnel costs	416	412
Occupancy and equipment	55	60
Data processing fees	119	103
Other	181	244
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Total noninterest expense	771	819
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Net Income before income taxes	136	131
Income taxes	42	-
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Net Income	94	131