cbb Bancorp



1Q 2021
Overview and Covid-19 Updates

Forward Looking Statements & Additional Disclosures

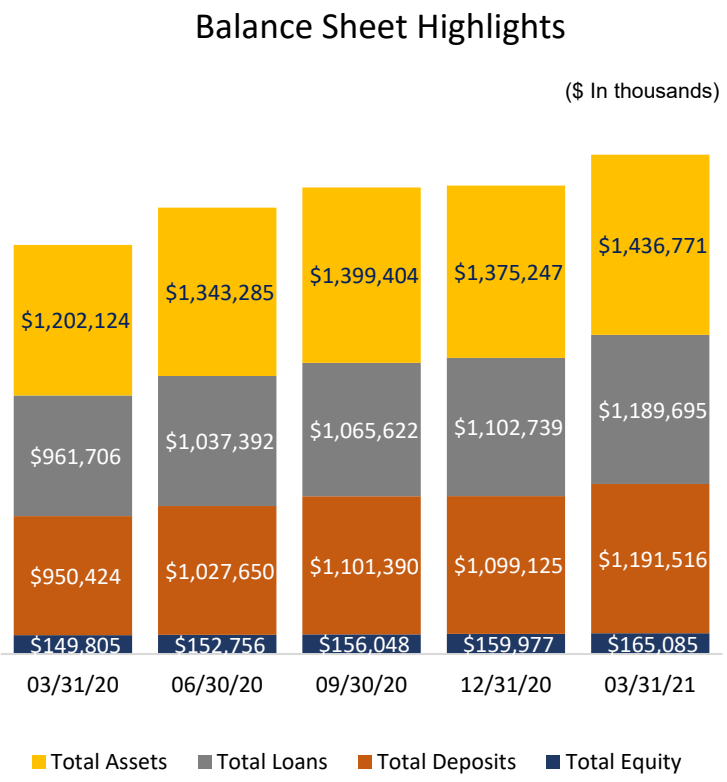
This news release contains a number of forward-looking statements. These statements may be identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "likely," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would" and similar terms and phrases, including references to assumptions. Forward-looking statements are based upon various assumptions and analyses made by the Company in light of management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. These statements are not guaranties of future performance and are subject to risks, uncertainties and other factors (many of which are beyond the Company's control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. You should not place undue reliance on such statements. Factors that could affect our results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Company's control; increases in competitive pressure among financial institutions or from non-financial institutions may occur; changes in the interest rate environment may reduce interest margins; changes in deposit flows, loan demand or real estate values may adversely affect the business of the Company and the Bank; significant increases in loan losses may occur; the possibility that changes in accounting principles, policies or guidelines may cause the Company's financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Company's financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Company conducts business, the effects of the COVID-19 pandemic, and of other widespread outbreaks of disease or pandemics, together with related impacts on general economic conditions, including adverse impacts on our customers' ability to make timely payments on their loans from us, reduced fee income due to reduced loan origination activity, reductions in or absence of gains on loan sales due to uncertainty in the loan sale market, and increased operating expense due to required changes in how we conduct our business may adversely affect us; conditions in the securities markets or the banking industry may be less favorable than the Company currently anticipates; legislation or regulatory changes may adversely affect the Company's business; technological changes may be more difficult or expensive to implement or accommodate than the Company anticipates; there may be failures or breaches of information technology security systems; success or consummation of new business initiatives may be more difficult or expensive than the Company anticipates; or litigation or matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Company anticipates. The Company undertakes no obligation to revise any forward-looking statement contained herein to reflect any future events or circumstances, except to the extent required by law.

Balance Sheet Highlights

($ In thousands)

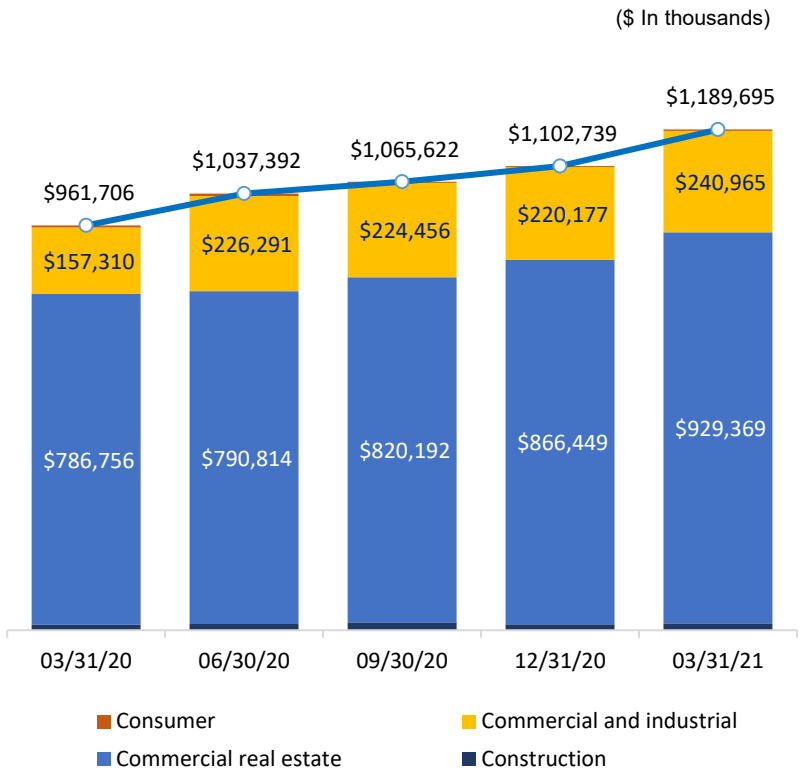
	03/31/20	06/30/20	09/30/20	12/31/20	03/31/21
Total Assets	$1,202,124	$1,343,285	$1,399,404	$1,375,247	$1,436,771
Loans Receivable[1]	961,706	1,037,392	1,065,622	1,102,739	1,189,695
Core Deposits	685,778	797,915	884,941	879,444	952,160
Total Deposits	950,424	1,027,650	1,101,390	1,099,125	1,191,516
Total Equity	149,805	152,756	156,048	159,977	165,085
TE/Tangible Assets	12.46%	11.37%	11.15%	11.63%	11.49%
Total RBC Ratio	16.01%	16.48%	16.50%	16.26%	16.25%

[1] Includes loans held-for-sale

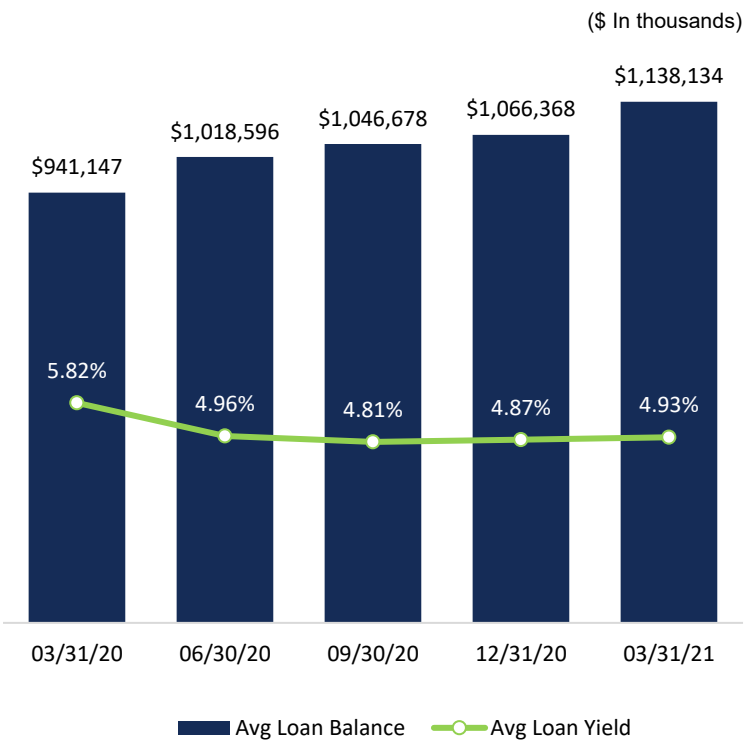


Loan Trends

Loan Composition

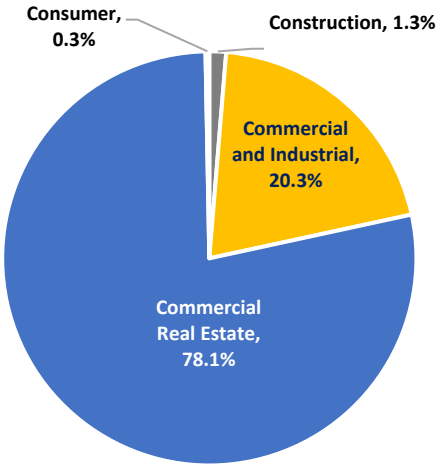


Average Loan Balance & Average Loan Yield

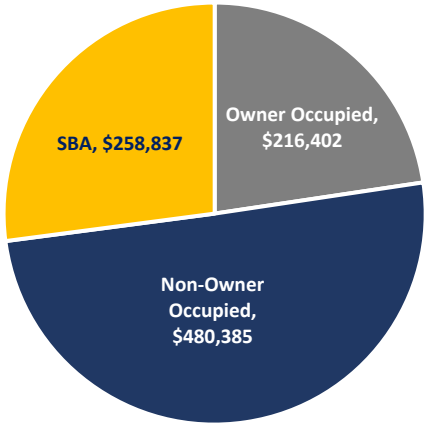


Loan Composition

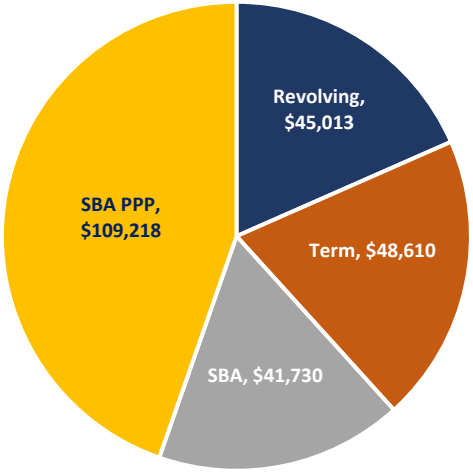
Total Gross Loan Composition



Total CRE Loan Composition



Total C&I Loan Composition

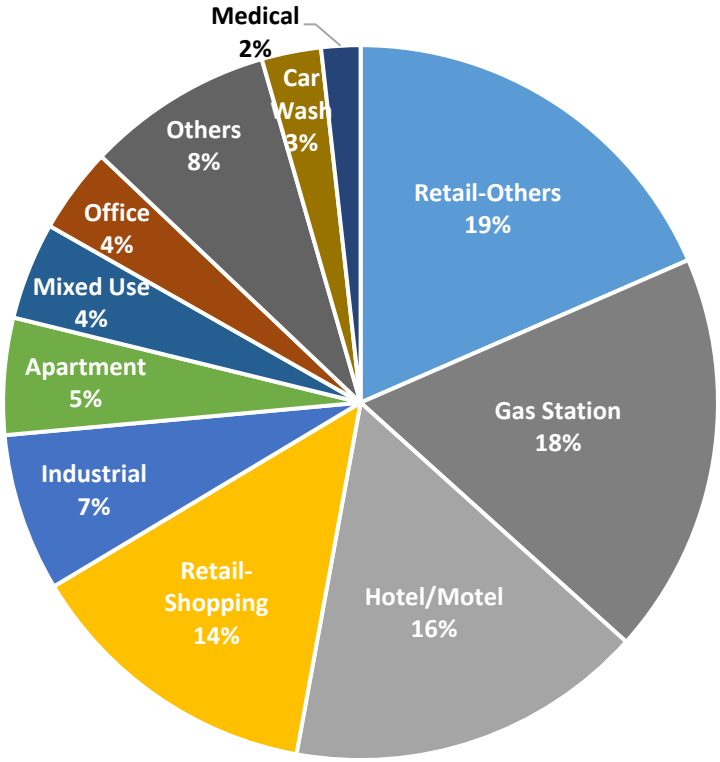


cbb Bancorp

* Based on collateral type

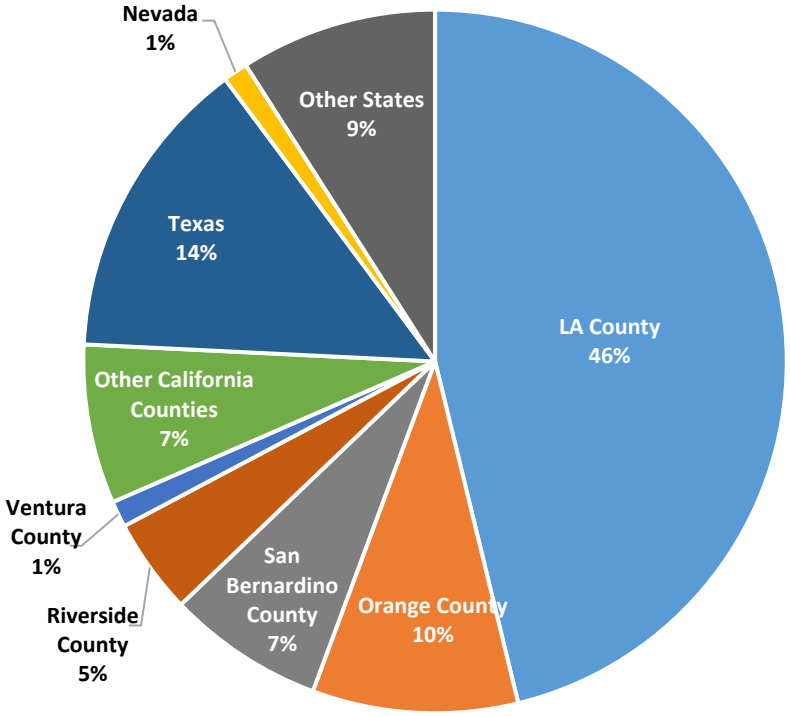
CRE Loan Stratification

Composition By Property Type



* Based on collateral type

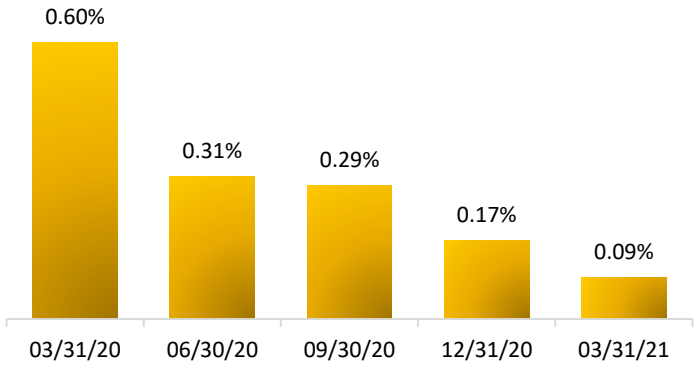
Composition By Location



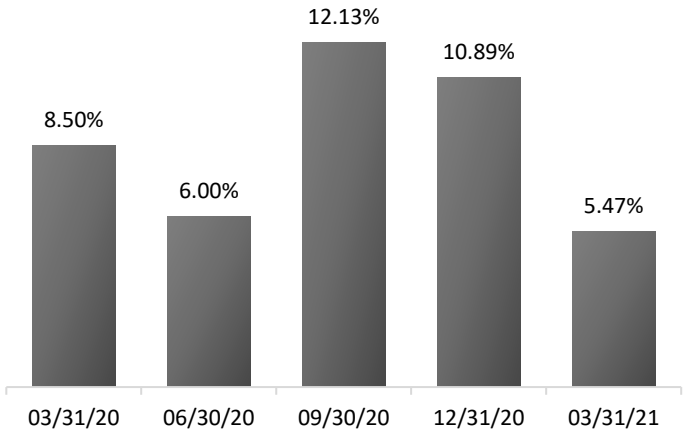
* Based on collateral type

Asset Quality Trends

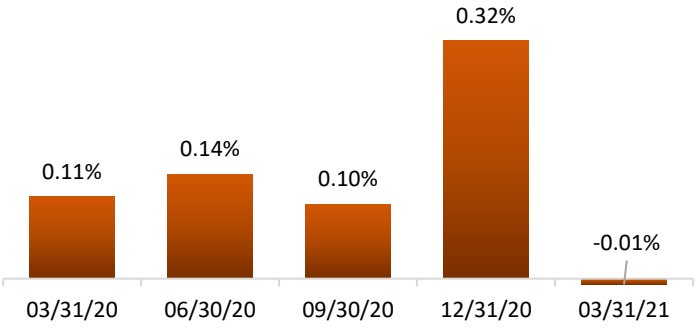
Nonperforming Assets[1] / Total Assets



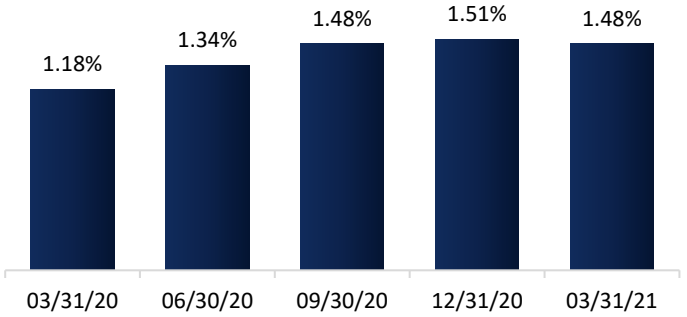
Classified Assets[1] / Capital



Net Charge-Offs / Avg Loans



Allowance for Loan Loss / Gross Loans[1 & 2]



[1] Net of SBA guaranty [2] Exclude SBA PPP loans

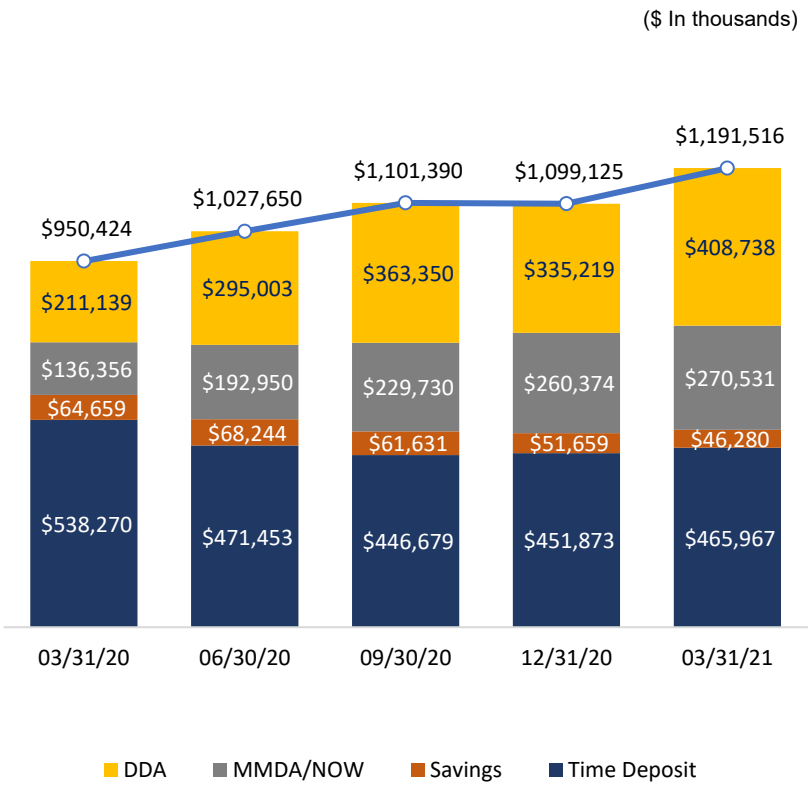
Loan Modifications Related to COVID-19

Type of Industry	Total Gross Loans	1st Time Mod	# of Loans	% Loans	2nd Time Mod	# of Loans	% Loans	3rd Time Mod	# of Loans	% Loans	Loans Currently on Pmt. Mod as of March 31, 2021	# of Loans	% Loans
Retail	$279,990	$139,124	53	50%	13,175	6	5%	0	0	0%	$12,984	5	5%
Hotel/Motel	$154,856	$45,078	13	29%	$34,180	7	22%	$14,453	1	9%	$30,253	3	5%
Gas Station	$173,840	$23,224	16	13%	0	0	0%	0	0	0%	0	0	0%
Office	$36,943	$12,967	3	34%	0	0	0%	0	0	0%	0	0	0%
Restaurants and Food Services	$132,689	$4,476	8	3%	0	0	0%	0	0	0%	0	0	0%
Others	$429,246	$46,833	33	11%	$9,229	4	2%	0	0	0%	$7,201	2	2%
TOTAL	$1,207,564	$271,431	126	22%	$56,584	17	5%	$14,453	1	1%	$50,438	10	4%

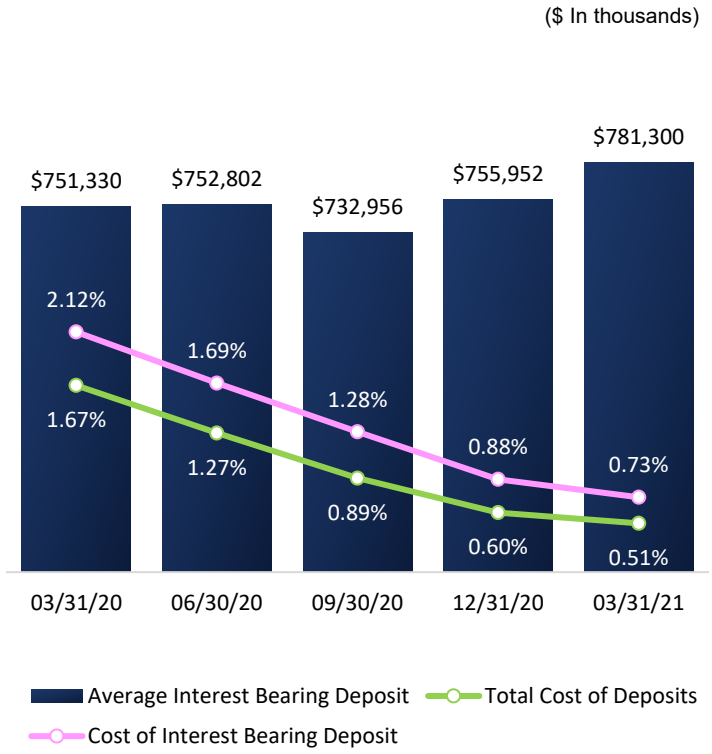
- The majority of 1st modification occurred in April 2020 for three months of P&I payment deferment.
- Majority of the loans are now back to normal payment schedule, except 10 loans that are on second or third payment modification.

Deposit Trends

Deposit Composition

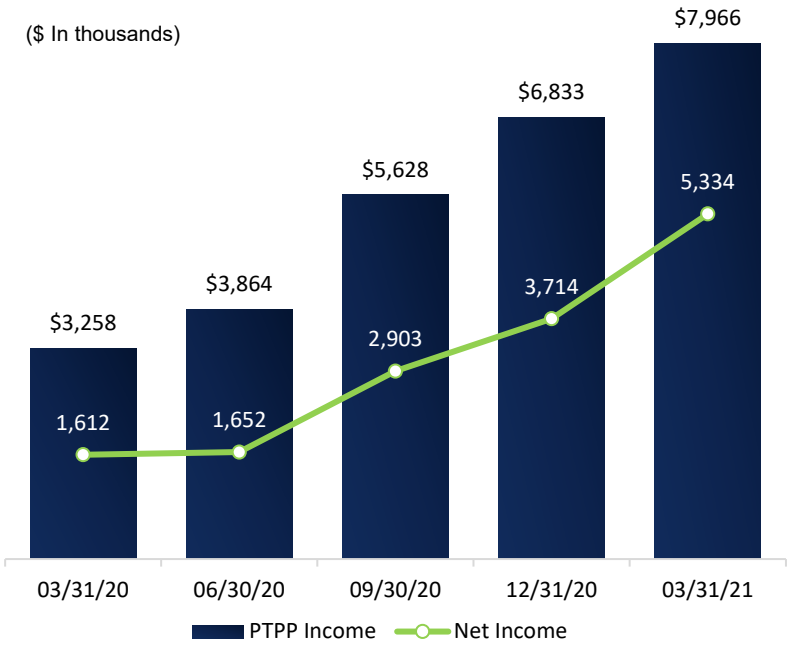


Average Interest Bearing Deposits & Cost of Deposits



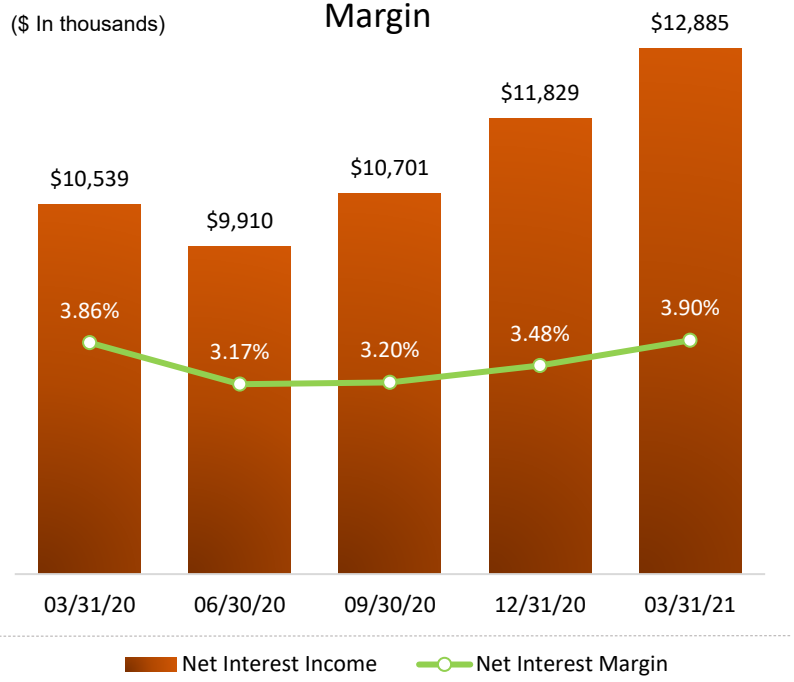
Pre-Tax Pre-Provision (PTPP) Income, Net Income, NII, and NIM

PTPP Income & Net Income



❖ PTPP income and Net Income continue to increase Q-o-Q

Net Interest Income[1] & Net Interest Margin



❖ 1Q21 net interest margin increased 42 bps Q-o-Q reflecting.

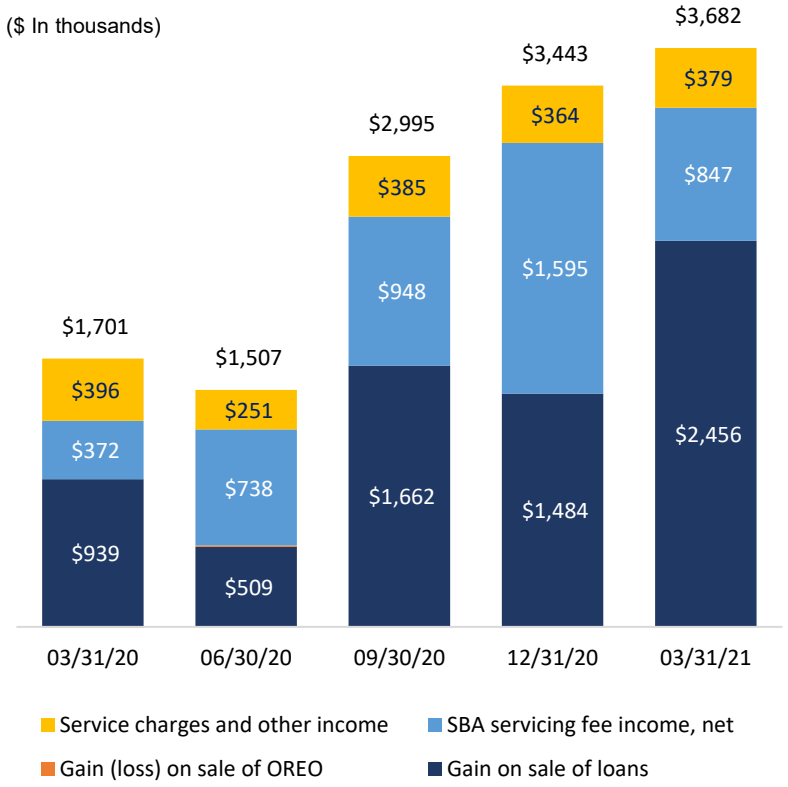
❖ Costs of funds decreased 8 bps Q-o-Q.

❖ NIM stability continues in 1Q21 with stable loan yields and continued effort to reduce the cost of deposits.

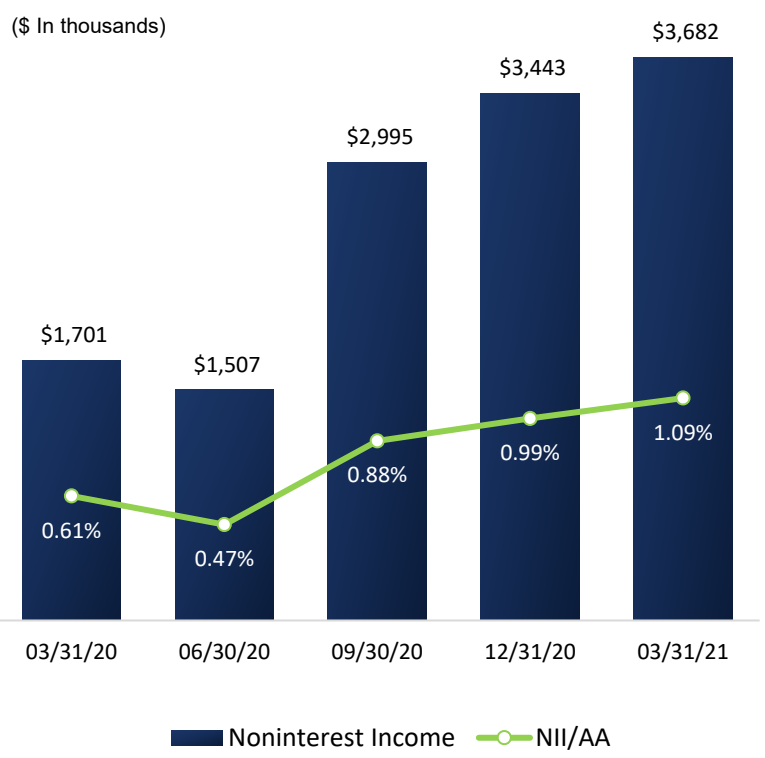
[1] Amounts calculated on a fully taxable equivalent basis using the current statutory tax rate

Noninterest Income and NII/AA

Noninterest Income Breakdown



Noninterest Income & NII/AA[1]

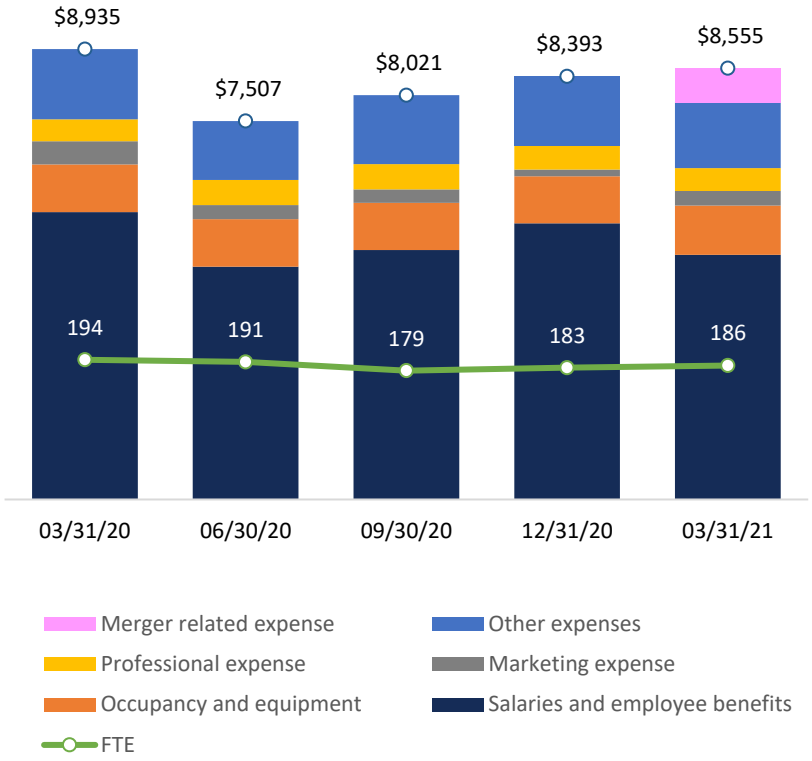


[1] NII/AA = Noninterest income as a percentage of average assets

Noninterest Expense and NIE/AA

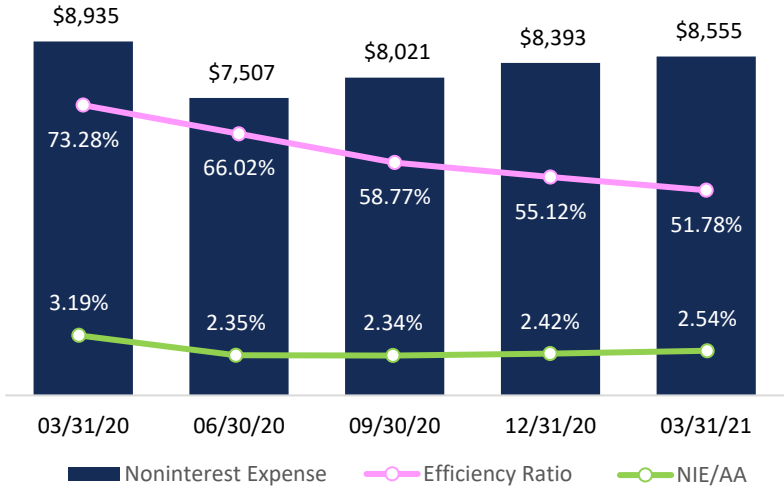
Noninterest Expense & FTE

($ In thousands)



Noninterest Expense, Efficiency Ratio & NIE/AA[1]

($ In thousands)



- Noninterest expense increased to $8.6 million in 1Q21 from $8.4 million in 4Q20, primarily driven by an increase in merger-related expenses, which was offset in part by a decrease in salaries and employee benefits as higher loan originations resulted in an increase in the amount of compensation deferred as loan origination costs.

[1] NIE/AA = Noninterest expense as a percentage of average assets

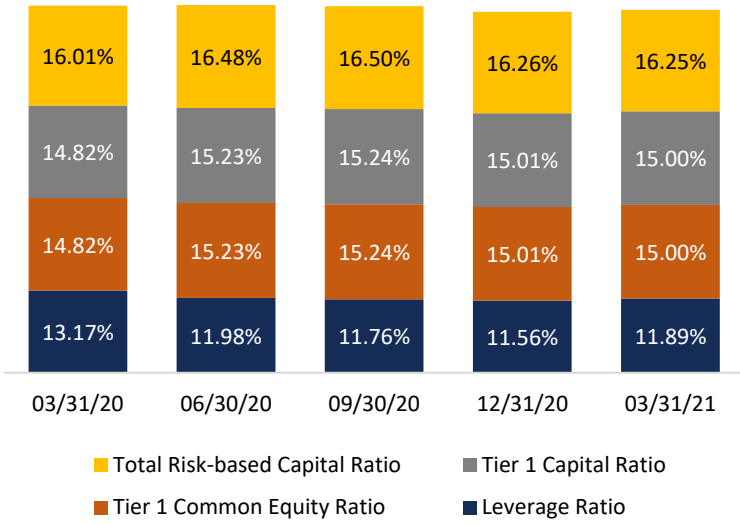
Strong Capital & Liquidity Positions

Liquidity Sources

($ In thousands)

03/31/2021	Available Borrowing Capacity
FHLB Remaining Capacity	$ 178,965
FRB Discount Window	48,268
FRB PPPLF	109,218
Unsecured lines with other banks	75,000
Total Borrowing Capacity	**$ 411,451**
Brokered Deposit Availability (internal policy limit 20% of Total Assets)	$ 287,344

Capital Ratios



- The primary sources of liquidity continues to stabilize in 1Q21 since the COVID-19 Pandemic

- Growing equity with Book Value per share of $16.11, up $0.50, or 3.2% Q-o-Q and $1.48, or 10.1% Y-o-Y