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Board of Governors of the Federal Reserve System

FRB RICHMOND

Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Howard F. Pisons
Name of the Holding Company Director and Official

President, Chief Executive Officer and Director
Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Howard Pisons
Signature of Holding Company Director and Official

03/30/2018
Date of Signature

For holding companies not registered with the SEC–
Indicate status of Annual Report to Shareholders:

- [x] is included with the FR Y-6 report
- [ ] will be sent under separate cover
- [ ] is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3848632
C.I.

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2017
Month / Day / Year

None
Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

CBB Financial Corp.
Legal Title of Holding Company

P.O. Box 268
(Mailing Address of the Holding Company) Street / P.O. Box

Midlothian	VA	23113
City	State	Zip Code

2601 Promenade Parkway, Midlothian, VA 23113
Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Stephen R. Kinnier	Senior Vice President
Name	Title

804-794-5885 x127
Area Code / Phone Number / Extension

804-378-2856
Area Code / FAX Number

skinnier@cbbonline.com
E-mail Address

N/A
Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? .... 0=No 1=Yes **0**

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report .... ☐
2. a letter justifying this request has been provided separately ... ☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

CBB Financial Corp.
2017 Form FR Y-6

Item 1: Annual Report to Shareholders

CBB Financial Corp. is a private corporation not subject to jurisdiction by the Securities and Exchange Commission.

The 2017 audited financial statements are attached.

Item 2a: Organization Chart

CBB Financial Corp. has one 100%-owned subsidiary named Community Bankers' Bank. Community Bankers' Bank has one 100%-owned subsidiary named CB Consulting Services, Inc. See attached organizational chart.

Both subsidiary corporations use the same legal address as CBB Financial Corp., as follows:

Mailing address:	P.O. Box 268 Midlothian, VA 23113-0268
Physical address:	2601 Promenade Parkway Midlothian, VA 23113

Note: Community Bankers' Bank is also the 100% owner of RECOSOL, LLC, a Virginia limited-liability company currently has no assets. As 100% owner, CBB is the managing member. This company is currently inactive but is intended to hold future foreclosed assets only.

Item 2b: Domestic Branch Listing

Community Bankers' Bank has no branch offices. The Depository Institution Branch Data Verification provided by the Federal Reserve Bank of Richmond was reviewed online on March 30, 2018. The report does not need to be filed electronically for Form FR Y-10 purposes as no Change, Close, Delete or Add Data Action modifications are needed. A copy of the report is attached.

Item 3(1): Securities Holders at End of Year

CBB Financial Corp. had 26,560 common shares outstanding at December 31, 2017, compared to 26,260 at December 31, 2016 (the number of shares outstanding increased by 300 in 2016). One shareholder owned more than 5% of CBB Financial

Corp. common shares on December 31, 2017 and December 31, 2016. See attached report.

United Bank owned 2,100 shares (7.90% of outstanding shares) at December 31, 2017, compared to 1,550 shares (5.90% of outstanding shares) at December 31, 2016. CBB Financial Corp. did not sell any shares to United Bank during 2017. However, United bank acquired 550 shares of CBB Financial Corp. stock in its merger with Cardinal Bank.

Item 3(2): Securities Holders During the Year

One shareholder (United Bank) owned more than 5% of CBB Financial Corp. common shares at any time during 2017. No other class of stock was outstanding at any time during 2017. No options, warrants or other securities or rights were outstanding at any time during 2017.

Item 4: Insiders

See attached listing of the four Executive Officers and eight elected Outside Directors of CBB Financial Corp.

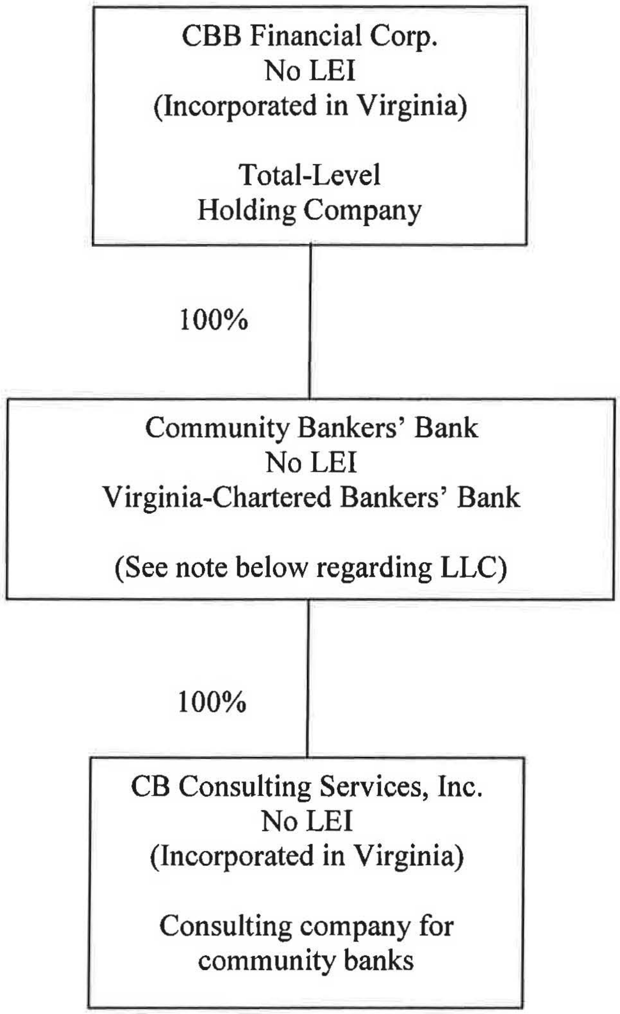
All outstanding shares of common stock of CBB Financial Corp. were owned by community banks and holding companies of community banks based in the Fifth Federal Reserve District at December 31, 2017.

None of the corporation's Executive Officers or Outside Directors personally owned any shares of common stock of the corporation on that date. Also, none of the corporation's Executive Officers or Outside Directors personally owned any options, warrants or other securities or rights to acquire any shares of common stock of the corporation on that date.

Note – Seven Outside Directors were directors and/or executive officers of community banks or community bank holding companies which owned common stock of the corporation at December 31, 2017.

2017 Form FR Y-6

CBB Financial Corp. and Subsidiaries
Organizational Chart



Note: Community Bankers' Bank is also the owner of interests in one limited liability companies:

> CBB is a 100% owner of RECOSOL, LLC (No LEI), a Virginia limited-liability company currently has no assets. As 100% owner, CBB is the managing member. This company is currently inactive but is intended to hold future foreclosed assets only.

Version March 30, 2018

Board of Governors of the Federal Reserve System

FR Y-6 Depository Institution Branch Data Verification

Home | Federal Reserve Contact List | Detailed Instructions | FAQ

All Branches for Selected Holding Company

Back To Head Office List | Back to Search Results

A list of branches for your holding company: CBB FINANCIAL CORP. (3848632) of MIDLOTHIAN, VA.
The data are as of 12/31/2017.

Save a copy of this list by clicking the download button below. **When asked if you would like to open or save this file, choose the 'Save' button.** Make corrections to your saved copy and then send it to your FRB contact. See the detailed instructions (linked above) for more information.

Download List to Excel

Institutions: 1 to 1 of 1

Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*
Full Service (Head Office)	77422	COMMUNITY BANKERS' BANK	2601 PROMENADE PARKWAY	MIDLOTHIAN	VA	23113	CHESTERFIELD	UNITED STATES	Not Required	Not Required	COMMUNITY BANKERS' BANK	77422

*FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Form FR Y-6

CBB Financial Corp.

Fiscal Year Ending December 31, 2017

Report Item 3: Securities Holders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12/31/2017			Securities holders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12/31/2017		
(1)(a) Name, City, State, Country	(1)(b) Country of Citizenship or Incorporation	(1((c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name, City, State, Country	(2)(b) Country of Citizenship or Incorporation	(2((c) Number and Percentage of Each Class of Voting Securities
United Bankshares, Inc. Charleston, West Virginia	USA	2,100 - 7.90% common stock	N/A		

CBB Financial Corp.
Executive Officers and Outside Directors

(1) Name, City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position With Bank Holding Company	(3)(b) Title & Position with Subsidiaries (includes names of subsidiaries)	(3)(c) Title & Position with Other Businesses (includes names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Howard F. Pisons Midlothian, VA, USA	Director, President and Chief Executive Officer of Community Bankers' Bank	President and Chief Executive Officer, and Director	Director, President and Chief Executive Officer of Community Bankers' Bank; Director and President of CB Consulting Services, Inc.	Not applicable	None	None	None	None
Stephen R. Kinnier Glen Allen, VA, USA	Senior VP, Secretary and Chief Financial Officer of Community Bankers' Bank	Senior VP, Secretary and Chief Financial Officer	Senior VP, Secretary and Chief Financial Officer of Community Bankers' Bank; Director and Secretary of CB Consulting Services, Inc.	Not applicable	None	None	None	None
Nancy S. Sullivan Midlothian, VA, USA	Senior VP and Senior Credit Officer of Community Bankers' Bank	Senior VP and Assistant Secretary	Senior VP and Chief Credit Officer of Community Bankers' Bank	Not applicable	None	None	None	None
Wendy C. Wright Midlothian, VA, USA	Senior Vice President of IT and Operations, Community Bankers' Bank	Senior VP and Assistant Secretary	Senior Vice President of IT and Operations, Community Bankers' Bank	Not applicable	None	None	None	None

CBB Financial Corp.
Executive Officers and Outside Directors

(1) Name, City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position With Bank Holding Company	(3)(b) Title & Position with Subsidiaries (includes names of subsidiaries)	(3)(c) Title & Position with Other Businesses (includes names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Tom R. Rasmussen Taneytown, MD, USA	Executive Vice President, ACNB Bank	Director	Director of Community Bankers' Bank	Executive Vice President, ACNB Bank	None	None	None	None
Thomas F. Whaling St. Mary's, WV, USA	President, West Union Bank, West Union, WV	Director and Board Chair	Director of Community Bankers' Bank	President, West Union Bank	None	None	None	None
Earl W. Worley, Jr. Smithfield, NC USA	EVP/Chief Operating Officer KS Bank, Inc. Smithfield, NC	Director	Director of Community Bankers' Bank	EVP/Chief Operating Officer KS Bank, Inc. Smithfield, NC	None	None	None	None
Scott C. Harvard, Strasburg, VA	Chief Executive Officer, First Bank Strasburg, VA	Director	Director of Community Bankers' Bank	Chief Executive Officer, First Bank Strasburg, VA	None	None	None	None

CBB Financial Corp.
Executive Officers and Outside Directors

(1) Name, City, State, Country	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position With Bank Holding Company	(3)(b) Title & Position with Subsidiaries (includes names of subsidiaries)	(3)(c) Title & Position with Other Businesses (includes names of other businesses)	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)
Curtis A. Tyner, Sr. Hartsville, SC, USA	President and CEO Heritage Community Bank, Hartsville, SC	Director and Board Vice-Chair	Director of Community Bankers' Bank	President and CEO Heritage Community Bank, Hartsville, SC	None	None	None	None
William H. McFaddin Richmond VA, USA	Retired	Director	Advisory Director of Community Bankers' Bank	N/A	None	None	None	None
Jerri D. Cowan Richmond, VA, USA	Attorney At Law Human Resource Consultants, Richmond, VA	Director	Advisory Director of Community Bankers' Bank	Attorney at Law, Human Resource Consultants	None	None	None	None
Joe A. Shearin Tappahannock, VA, USA	President and CEO SonaBank, Glen Allen, VA	Director	Director of Community Bankers' Bank	President and CEO SonaBank, Glen Allen, VA	None	None	None	None
T. Clay Davis Lynchburg, VA	President and Chief Financial Officer Select Bank, Lynchburg, VA	Director	Director of Community Bankers' Bank	President and Chief Financial Officer Select Bank, Lynchburg, VA	None	None	None	None

CBB FINANCIAL CORP.
AND SUBSIDIARIES

Midlothian, Virginia

Consolidated Financial Statements
Years Ended December 31, 2017 and 2016

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

BDO

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BDO

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300 Arboretum Place, Suite 520
Richmond, VA 23236

INDEPENDENT AUDITOR'S REPORT

Board of Directors
CBB Financial Corp.
Midlothian, Virginia

We have audited the accompanying consolidated financial statements of CBB Financial Corp. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CBB Financial Corp. and Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

March 23, 2018

CBB FINANCIAL CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2017 and 2016

	2017	2016
Assets		
Cash and due from banks	$ 2,790	$ 3,065
Interest-bearing deposits in other banks	2,585,531	9,998,746
Federal funds sold	11,363,000	3,318,000
	13,951,321	13,319,811
Securities available for sale, at fair value	23,581,316	23,991,322
Restricted stock	815,450	934,350
Loans, net of allowance for loan losses of $1,751,973 in 2017 and $1,908,973 in 2016	76,320,718	76,122,723
Bank premises and equipment, net	1,014,500	1,097,751
Accrued interest receivable	411,732	411,056
Bank-owned life insurance	4,130,013	4,035,188
Deferred tax asset	671,303	1,037,720
Prepaid expenses and other assets	3,950,961	3,529,330
Total assets	$ 124,847,314	$ 124,479,251
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing demand deposits	$ 55,245,759	$ 57,861,833
Interest-bearing time deposits	32,236,860	32,194,216
	87,482,619	90,056,049
Other short-term borrowings	7,000,000	4,000,000
Borrowings from the Federal Home Loan Bank of Atlanta	10,000,000	10,000,000
Other liabilities	2,348,171	2,271,818
Total liabilities	106,830,790	106,327,867
Commitments and Contingent Liabilities (Note 5)		
Stockholders' Equity		
Capital stock, common, par value $100 per share; authorized 50,000 shares:		
Issued and outstanding, 26,560 shares and 26,260 shares at December 31, 2017 and 2016, respectively	2,656,000	2,626,000
Subscribed for but not paid for and not issued, 50 shares and 50 shares at December 31, 2017 and 2016, respectively	5,000	5,000
	2,661,000	2,631,000
Additional paid-in capital	7,514,555	7,335,155
Less subscriptions receivable	(19,300)	(19,300)
Retained earnings	8,035,674	8,368,533
Accumulated other comprehensive loss, net	(175,405)	(164,004)
Total stockholders' equity	18,016,524	18,151,384
Total liabilities and stockholders' equity	$ 124,847,314	$ 124,479,251

See Notes to Consolidated Financial Statements.

CBB FINANCIAL CORP. AND SUBSIDIARIES

Consolidated Statements of Operations

Years Ended December 31, 2017 and 2016

	2017	2016
Interest and Dividend Income		
Interest and fees on loans	$ 3,583,029	$ 3,541,504
Interest and dividends on securities available for sale:		
Obligations of U.S. Government agencies	283,722	347,232
Dividends	16,701	16,531
Interest on federal funds sold	25,552	18,718
Interest on deposits in other financial institutions	194,757	117,648
Total interest and dividend income	4,103,761	4,041,633
Interest Expense		
Interest on deposits	470,525	425,145
Interest on federal funds purchased	43,465	8,913
Interest on other borrowings	127,828	91,232
Total interest expense	641,818	525,290
Net interest income	3,461,943	3,516,343
Recovery of Loan Losses	(262,320)	(108,625)
Net interest income after recovery of loan losses	3,724,263	3,624,968
Noninterest Income		
Service charges on deposit accounts	1,374,497	1,714,774
Federal fund agency fees	236,162	215,775
Other	677,355	926,365
Total noninterest income	2,288,014	2,856,914
Noninterest Expenses		
Salaries and wages	2,216,132	2,246,411
Pensions and other employee benefits	796,891	755,068
Occupancy expense	84,932	86,861
Furniture and equipment expense	310,462	315,220
Check processing charges	1,074,914	1,146,606
Other operating expenses	1,535,216	1,582,151
Total noninterest expenses	6,018,547	6,132,317
Income (loss) before income taxes	(6,270)	349,565
Income Tax Expense	355,453	18,312
Net income (loss)	$ (361,723)	$ 331,253
Earnings (Loss) Per Share, basic	$ (13.73)	$ 12.66
Earnings (Loss) Per Share, diluted	$ (13.73)	$ 12.65

See Notes to Consolidated Financial Statements.

CBB FINANCIAL CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2017 and 2016

	2017	2016
Net Income (Loss)	$ (361,723)	$ 331,253
Other Comprehensive Income (Loss)		
Unrealized gains (losses) on securities		
Unrealized holding gains (losses) arising during period	26,459	(72,393)
Tax effect	(8,996)	24,614
Net of tax amount	17,463	(47,779)
Comprehensive Income (Loss)	$ (344,260)	$ 283,474

See Notes to Consolidated Financial Statements.

CBB FINANCIAL CORP. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2017 and 2016

	Capital Stock	Additional Paid-In Capital	Subscriptions Receivable	Retained Earnings	Accumulated Other Compre-hensive Income (Loss)	Total
Balance, December 31, 2015	$ 2,611,000	$ 7,220,155	$ (19,300)	$ 8,037,280	$ (116,225)	$ 17,732,910
Net income	--	--	--	331,253	--	331,253
Change in unrealized gain (loss) on securities available for sale (net of tax, $24,614)	--	--	--	--	(47,779)	(47,779)
Issuance of 200 shares of common stock	20,000	115,000	--	--	--	135,000
Balance, December 31, 2016	2,631,000	7,335,155	(19,300)	8,368,533	(164,004)	18,151,384
Net loss	--	--	--	(361,723)	--	(361,723)
Change in unrealized gain (loss) on securities available for sale (net of tax, $8,996)	--	--	--	--	17,463	17,463
Reclassification of AOCI due to Tax Cut and Jobs Act	--	--	--	28,864	(28,864)	--
Issuance of 300 shares of common stock	30,000	179,400	--	--	--	209,400
Balance, December 31, 2017	$ 2,661,000	$ 7,514,555	$ (19,300)	$ 8,035,674	$ (175,405)	$ 18,016,524

See Notes to Consolidated Financial Statements.

CBB FINANCIAL CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Net income (loss)	$ (361,723)	$ 331,253
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	134,270	126,826
Recovery of loan losses	(262,320)	(108,625)
Deferred income taxes	355,453	6,842
Accretion of investment securities, net	(3,364)	(13,283)
Increase in cash value of life insurance	(94,825)	(96,503)
Changes in assets and liabilities:		
Decrease (increase) in accrued interest receivable	(677)	44,995
Increase in prepaid expenses and other assets	(419,664)	(22,573)
Increase (decrease) in other liabilities	76,354	(587,237)
Net cash used in operating activities	(576,496)	(318,305)
Cash Flows from Investing Activities		
Proceeds from maturities and principal payments on securities available for sale	20,000,000	46,500,000
Proceeds from maturities of securities available for sale	434,605	584,211
Proceeds from sales of restricted stock	118,900	- -
Purchases of securities available for sale	(19,994,776)	(38,496,287)
Purchases of restricted stock		(113,200)
Net decrease in loans	64,325	1,358,177
Proceeds from sale of property and equipment	12,500	- -
Purchases of property and equipment	(63,519)	(88,522)
Net cash provided by investing activities	572,035	9,744,379
Cash Flows from Financing Activities		
Net decrease in demand deposits	(2,450,563)	(6,670,733)
Net decrease in time deposits	(122,867)	(15,329,337)
Net increase (decrease) in other borrowings	3,000,000	(15,600,000)
Net proceeds from issuance of capital stock	209,400	135,000
Net cash provided by (used in) financing activities	635,970	(37,465,070)

Consolidated Statements of Cash Flows
(Continued)
Years Ended December 31, 2017 and 2016

	2017	2016
Net increase (decrease) in cash and cash equivalents	$ 631,510	$ (28,038,996)
Cash and Cash Equivalents		
Beginning of year	13,319,811	41,358,807
End of year	$ 13,951,321	$ 13,319,811
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	$ 635,750	$ 532,656
Income taxes	$ - -	$ - -

See Notes to Consolidated Financial Statements.

Note 1. Summary of Significant Accounting Policies

CBB Financial Corp. (the "Company") is the one-bank holding company for Community Bankers' Bank (the "Bank"). The Bank is a state-chartered member of the Federal Reserve Bank that participates in commercial, consumer, commercial real estate and residential real estate loans with other financial institutions throughout the Fifth Federal Reserve District and makes direct loans to officers, directors and principal shareholders of financial institutions. The loan portfolio is generally collateralized by assets of the customers.

These consolidated financial statements also include CB Consulting Services, Inc, a wholly-owned subsidiary of the Bank which conducts the Bank's audit and consulting services. All material intercompany balances are eliminated in consolidation.

The accounting and reporting policies of CBB Financial Corp. and Subsidiaries conform to accounting principles generally accepted in the United States of America and general practices within the banking industry. The following is a description of the more significant of those policies:

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses and deferred tax assets.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and federal funds sold.

Note 1. Summary of Significant Accounting Policies, continued

Securities

Debt securities that management has the positive intent and ability to hold to maturity are classified as "held to maturity" and recorded at amortized cost. Securities not classified as held to maturity, including equity securities with readily determinable fair values, are classified as "available for sale" and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income. All securities held by the Company were classified as available for sale at December 31, 2017 and 2016.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of held to maturity and available for sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. There were no securities at December 31, 2017 and 2016 for which the losses were considered other than temporary. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Restricted securities include the Bank's investments in Federal Reserve Bank stock and Federal Home Loan Bank stock and are carried at cost.

Loans

Loans are expected to be repaid from cash flow or proceeds from the sale of selected assets of the borrower. A substantial portion of the Bank's loan portfolio is concentrated in the real estate industry. Therefore, its debtors' ability to honor their contracts is dependent upon the real estate sector of the economy.

The loans receivable portfolio is segmented into the following:

> Construction and land development loans generally carry greater credit risk as payment expectations are dependent upon the successful and timely completion of the construction, sales of the subject property and the operation of the related business. As a result, such loans may be subject to a greater extent to adverse conditions in the real estate market and the general economy.
>
> Loans secured by farmland and 1-4 family residential properties have risks depending on the underlying purpose. Loans for consumer purposes are dependent on the credit worthiness of the individual borrower. Loans for a commercial purposes may be dependent on the borrower's ability to generate a sufficient level of occupancy to produce sufficient rental income or may be dependent on the successful operation of the borrower's business.

Note 1. Summary of Significant Accounting Policies, continued

Commercial real estate loans secured by non-farm, non-residential real estate can be owner or non-owner occupied. Commercial estate state loans generally have a credit risk as they typically involve larger loan balances concentrated with single borrowers or groups of related borrowers. Multi-family and nonowner-occupied share similar risk characteristics as repayment is based on occupancy levels and cash flows. Owner-occupied non-farm, non-residential real estate is dependent on the successful operation of the borrower's business.

Commercial and industrial loans may be secured or unsecured. Collateral often includes accounts receivable, inventory and equipment. Repayment is dependent on the successful operation of the borrower's business and is often susceptible to higher risk during an economic downturn. Commercial loans generally have greater risk compared to residential real estate and consumer loans, as they typically involve larger loan balances concentrated with single borrowers or groups of related borrowers.

Other loans may be secured or unsecured. Collateral may include marketable or non-marketable securities. Such loans generally have smaller balances and are dependent on the credit worthiness of the borrower and their personal financial stability.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at the outstanding unpaid principal balances adjusted for charge-offs and the allowance for loan losses. Interest on loans is calculated by using the simple interest method of daily balances of the principal amount outstanding.

The accrual of interest on loans is discontinued at the time the loan is 90-days delinquent unless the credit is well-secured and in process of collection. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. The interest on these loans is accounted for on the cash-basis, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Loan origination and commitment fees and certain direct loan origination costs are being recognized as incurred. The use of this method of recognition does not produce results that are materially different from results which would have been produced if such costs and fees were deferred and amortized as an adjustment of the loan yield over the life of the related loan.

Note 1. Summary of Significant Accounting Policies, continued

Allowance for Loan Losses

The allowance for loan losses is an amount management believes will be adequate to absorb losses on existing loans that may become uncollectible. Management determines the adequacy of the allowance based upon reviews of individual credits, delinquencies, current economic conditions, the risk characteristics of the various categories of loans, recent loan loss experience and other pertinent factors. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance for loan losses based on their judgments about information available at the time of the examination.

A loan is considered impaired when, based on current financial information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. Large groups of smaller balance homogenous loans are collectively evaluated for impairment.

Other Real Estate Owned

Real estate acquired through, or in lieu of, loan foreclosure is recorded at fair market value less estimated selling cost. Subsequent to foreclosure, valuations are periodically performed by management and assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net expenses from foreclosed assets. The Bank had no real estate owned properties on the books at December 31, 2017 and 2016.

Bank Premises and Equipment

Land is carried at cost. Bank premises and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on either the straight-line or declining balance method and is charged to income over the estimated useful lives of the assets ranging from 3 to 40 years. The costs of major renewals and improvements are capitalized while the costs of ordinary maintenance and repairs are charged to expense as incurred.

Note 1. Summary of Significant Accounting Policies, continued

Income Taxes

Income tax expense is the total of the current year income tax due or refundable, the change in deferred tax assets and liabilities, and any adjustments related to unrecognized tax benefits. Deferred income tax assets and liabilities are determined using the balance sheet method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between the book and tax bases of the various balance sheet assets and liabilities and gives current recognition to changes in tax rates and laws. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company evaluated current tax positions and determined no additional disclosures or adjustments to the financial statements needed.

Subscriptions Receivable

The Bank enters into subscription agreements with other financial institutions to purchase shares of the Bank's common stock. The stock subscriptions do not share in dividends until the subscription amount is paid and are considered the equivalent of warrants and included in the diluted earnings per share calculation. Total subscriptions receivable for 50 shares were outstanding at both December 31, 2017 and 2016.

Other Short-Term Borrowed Funds

Federal funds purchased generally mature within one to four days from the transaction date.

Federal Funds Agency Transactions

The Bank serves as agent for the federal funds purchased and sold by and for other financial institutions. The Bank did not use its own (principal) funds in the fed funds agency transactions. Under the Bank's agency federal funds program, the other financial institutions do not have any recourse to the Bank for these transactions. As of December 31, 2017 and 2016, the following transactions had been entered into as an agent for other institutions:

	2017	2016
Federal funds purchased as agent	$ 36,960,000	$ 28,529,000
Federal funds sold as agent	36,960,000	28,529,000

The Bank also sold its own (principal) fed funds to other financial institutions in the amounts of $11,363,000 and $3,318,000 as of December 31, 2017 and 2016, respectively.

Note 1. Summary of Significant Accounting Policies, continued

Comprehensive Income

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

Reclassification of Financial Statement Presentation

Certain amounts of the prior year have been reclassified or restated to conform to the current presentation. Such reclassifications are immaterial to the financial statements.

Note 2. Securities

The following is a comparison of carrying values and approximate fair values of securities available for sale at December 31, 2017 and 2016:

	December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
U.S. Government Agencies	$ 22,498,962	$ -	$ (214,383)	$ 22,284,579
Mortgage-backed securities	1,304,386	12,769	(20,418)	1,296,737
	$ 23,803,348	$ 12,769	$ (234,801)	$ 23,581,316

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
U.S. Government Agencies	$ 22,499,102	$ -	$ (239,914)	$ 22,259,188
Mortgage-backed securities	1,740,712	22,503	(31,081)	1,732,134
	$ 24,239,814	$ 22,503	$ (270,995)	$ 23,991,322

The amortized cost and fair value of securities available for sale as of December 31, 2017 by contractual maturities, are shown below. Maturities may differ from contractual maturities because the securities may be called or prepaid without any penalties.

	Amortized Cost	Fair Value
U.S. Government Agencies:		
Due in one year	$ 9,999,386	$ 9,970,242
Due after one through five years	12,499,576	12,314,337
Mortgage-backed securities	1,304,386	1,296,737
	$ 23,803,348	$ 23,581,316

The Bank did not sell any securities during 2017 or 2016.

Note 2. Securities, continued

The fair value of securities pledged to the Federal Home Loan Bank of Atlanta at December 31, 2017 and 2016 under a secured borrowing facility totaled $10,894,309 and $10,899,085, respectively.

No securities were pledged under a secured federal funds line of credit as of December 31, 2017 and 2016, and no balances were outstanding on the secured federal funds line of credit as of December 31, 2017 and 2016.

Securities in an unrealized loss position at December 31, 2017 and 2016, by duration of the unrealized loss, are shown below. No impairment has been recognized on any securities in an unrealized loss position because management does not have the intent to sell any of the securities classified as available for sale and which have unrealized losses, and believes that it is more likely than not that the Company will not have to sell any securities before a recovery of cost. The unrealized losses in the portfolio at December 31, 2017 and 2016 were considered to be temporary.

	Less than 12 months		More than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
December 31, 2017:						
U.S. Government Agencies	$ 1,988,032	$ 11,968	$ 20,296,547	$ 202,415	$ 22,284,579	$ 214,383
Mortgage-backed securities	186,622	2,086	608,339	18,332	794,961	20,418
	$ 2,174,654	$ 14,054	$ 20,904,886	$ 220,747	$ 23,079,540	$ 234,801
December 31, 2016:						
U.S. Government Agencies	$ 20,269,113	$ 229,988	$ 990,074	$ 9,926	$ 21,259,187	$ 239,914
Mortgage-backed securities	--	--	742,914	31,081	742,914	31,081
	$ 20,269,113	$ 229,988	$ 1,732,988	$ 41,007	$ 22,002,101	$ 270,995

Note 3. Loans

The following is a summary of loans by type at December 31, 2017 and 2016:

	2017	2016
Construction and land development	$ 13,283,542	$ 7,887,079
Secured by 1-4 family residential properties	5,252,054	4,794,222
Secured by multifamily residential properties	2,746,435	2,724,983
Secured by non-farm, non-residential properties	39,357,229	42,144,312
Commercial and industrial	7,217,874	10,361,901
Other	10,215,557	10,119,199
Total gross loans	78,072,691	78,031,696
Less:		
Allowance for possible loan losses	(1,751,973)	(1,908,973)
	$ 76,320,718	$ 76,122,723

The Bank has pledged a significant portion of the present loan portfolio to the Federal Reserve Bank of Richmond's Borrower-In-Custody (BIC) program to be able to borrow additional funds. Principal loan amounts pledged at December 31, 2017 include commercial and agricultural, 1-4 family residential mortgage and commercial real estate loans totaling $62,319,523. The lendable value of these pledged loans amounted to $38,019,801 at December 31, 2017 of which none had been drawn.

The following is a summary of the activity in the allowance for loan losses:

	2017	2016
Balance at beginning of year	$ 1,908,973	$ 2,087,314
Provision for (recovery of) loan losses	(262,320)	(108,625)
Charge-offs	(82,000)	(178,341)
Recoveries	187,320	108,625
Balance at end of year	$ 1,751,973	$ 1,908,973

Charge-offs are taken when a loan is identified as uncollectible.

The methodology by which the Bank systematically determines the amount of the allowance is set forth by the Board of Directors in the Loan Policy and implemented by Management. The results of the analysis are documented, reviewed and approved by the Board of Directors no less than quarterly.

Note 3. Loans, continued

The level of the allowance for loan losses is determined by management through an ongoing, detailed analysis of historical loss rates and risk characteristics. During each quarter, management evaluates the collectability of all loans in the portfolio and ensures an accurate risk rating is assigned to each loan. The risk rating scale and definitions commonly adopted by the Federal Banking Agencies is contained within the framework prescribed by the Bank's Loan Policy. Any loan that is deemed to have potential or well-defined weaknesses that may jeopardize collection in full is then analyzed to ascertain its level of weakness. If appropriate, the loan may be charged-off or a specific reserve may be assigned if the loan is deemed to be impaired.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the agreement. On these loans, management analyzes the potential impairment of the individual loan and may set aside a specific reserve. Any amounts deemed uncollectible during that analysis are charged-off.

For the remaining loans in each segment, the bank calculates the probability of loss as a group using the risk rating for each of the following loan types: Construction and land development, secured by 1-4 family residential properties, secured by multifamily properties, secured by non-farm, non-residential properties, commercial and industrial, and other. Management calculates the historical loss rate in each group by risk rating using a period of three years. This historical loss rate may then be adjusted based on management's assessment of internal and external environmental factors. This adjustment is meant to account for changes between the historical economic environment and current conditions, and for changes in the ongoing management of the portfolio which affects the loans' potential loss.

Once complete, management compares the condition of the portfolio using several different characteristics, as well as its experience, to the experience of other banks in its peer group. Based on that analysis, management aggregates the probabilities of loss of the remaining portfolio based on the specific and general allowances and may provide additional amounts to the allowance for loan losses as needed. Since this process involves estimates, the allowance for loan losses may also contain an amount that is non-material which is not allocated to a specific loan or to a group of loans but is deemed necessary to absorb additional losses in the portfolio.

Note 3. Loans, continued

The following provides detailed information about the allowance for loan losses as of and for the years ended December 31, 2017 and 2016.

Allowance for Loan Losses and Recorded Investment in Loans

Year Ended December 31, 2017	Construction and land development	Secured by 1-4 family residential properties	Secured by multifamily residential properties	Secured by non-farm, non-residential properties	Commercial and industrial	Other	Total
				(In Thousands)			
Allowance for credit losses:							
Beginning Balance	$ 104	$ 66	$ 2	$ 766	$ 68	$ 903	$ 1,909
Charge-offs	--	--	--	(82)	--	--	(82)
Recoveries	--	--	--	152	--	35	187
Provisions (credits)	85	31	9	(330)	(25)	(32)	(262)
Ending balance	$ 189	$ 97	$ 11	$ 506	$ 43	$ 906	$ 1,752
Ending balance: individually evaluated for impairment	$ --	$ --	$ --	$ 82	$ --	$ --	$ 82
Ending balance: collectively evaluated for impairment	$ 189	$ 97	$ 11	$ 424	$ 43	$ 906	$ 1,670
Loans:							
Ending balance	$ 13,284	$ 5,252	$ 2,746	$ 39,357	$ 7,218	$ 10,216	$ 78,073
Ending balance: individually evaluated for impairment	$ --	$ --	$ --	$ 364	$ --	$ --	$ 364
Ending balance: collectively evaluated for impairment	$ 13,284	$ 5,252	$ 2,746	$ 38,993	$ 7,218	$ 20,216	$ 77,709

Allowance for Loan Losses and Recorded Investment in Loans

Year Ended December 31, 2016	Construction and land development	Secured by 1-4 family residential properties	Secured by multifamily residential properties	Secured by non-farm, non-residential properties	Commercial and industrial	Other	Total
				(In Thousands)			
Allowance for credit losses:							
Beginning Balance	$ 104	$ 20	$ 4	$ 1,000	$ 47	$ 912	$ 2,087
Charge-offs	--	--	--	(178)	--	--	(178)
Recoveries	--	--	--	71	--	38	109
Provisions (credits)	--	46	(2)	(127)	21	(47)	(109)
Ending balance	$ 104	$ 66	$ 2	$ 766	$ 68	$ 903	$ 1,909
Ending balance: individually evaluated for impairment	$ --	$ --	$ --	$ 139	$ --	$ --	$ 139
Ending balance: collectively evaluated for impairment	$ 104	$ 66	$ 2	$ 627	$ 68	$ 903	$ 1,170
Loans:							
Ending balance	$ 7,887	$ 4,794	$ 2,725	$ 42,144	$ 10,362	$ 10,120	$ 78,032
Ending balance: individually evaluated for impairment	$ --	$ --	$ --	$ 464	$ --	$ --	$ 464
Ending balance: collectively evaluated for impairment	$ 7,887	$ 4,794	$ 2,725	$ 41,680	$ 10,362	$ 10,120	$ 77,568

Note 3. Loans, continued

Identifying and Classifying Portfolio Risks by Risk Rating

Management generally follows regulatory definitions in assigning criticized ratings to loans, including substandard, doubtful or loss. Substandard loans are classified as they have a well-defined weakness, or weaknesses that jeopardize liquidation of the debt. These loans are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. Substandard loans include loans that management has determined not to be impaired, as well as loans considered to be impaired. A doubtful loan has the same weaknesses as a substandard loan, however, collection or liquidation of principal in full is questionable and improbable. A doubtful loan is considered to be impaired; loss is present, but may not be determined until specific factors occur. Loss assets are considered uncollectible, as the underlying borrowers are often in bankruptcy, have suspended debt repayments, or ceased business operations. Once a loan is classified as Loss, there is little prospect of collecting the loan's principal or interest and it is generally written off.

The Bank did not have any loans classified as loss at December 31, 2017 or 2016. It is the Bank's policy to charge-off any loan or portion of a loan once the risk-rating is classified as loss.

The profile of the portfolio, as indicated by risk rating, as of December 31, 2017 and 2016 is shown below.

Credit Quality Indicators

Years Ended December 31, 2017 and 2016

Credit Risk Profile by Regulatory Risk Rating

	Construction and land development		Secured by 1-4 family residential properties		Secured by multifamily residential properties		Secured by non-farm non-residential properties		Commercial and industrial		Other		Totals	
	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16
	(In Thousands)													
Pass	$ 13,284	$ 7,887	$ 5,147	$ 4,665	$ 2,746	$ 2,725	$ 38,877	$ 41,142	$ 7,218	$ 10,362	$ 9,761	$ 9,201	$ 77,034	$ 75,982
Special mention	--	--	--	--	--	--	--	--	--	--	--	60	--	60
Substandard	--	--	105	129	--	--	480	1,002	--	--	454	859	1,039	1,990
Doubtful	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Loss	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Unearned income	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	$ 13,284	$ 7,887	$ 5,252	$ 4,794	$ 2,746	$ 2,725	$ 39,357	$ 42,144	$ 7,218	$ 10,362	$ 10,215	$ 10,120	$ 78,073	$ 78,032

Loans listed as non-performing are also placed on non-accrual status. The accrual of interest is discontinued at the time a loan is 90-days delinquent or when the credit deteriorates and there is doubt that the credit will be paid as agreed, unless the credit is well-secured and in process of collection. Once the loan is on non-accrual status, all accrued but unpaid interest is also charged-off, and all payments are used to reduce the principal balance. Once the principal balance is repaid in full, additional payments are taken into income. A loan may be returned to accrual status if the borrower shows renewed willingness and ability to repay under the term of the loan agreement.

Note 3. Loans, continued

The risk profile based upon payment activity is shown below.

Credit Risk Profile Based on Payment Activity

	Construction and land development		Secured by 1-4 family residential properties		Secured by multifamily residential properties		Secured by non-farm, non-residential properties		Commercial and industrial		Other		Totals	
	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17 (In Thousands)	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16	12/31/17	12/31/16
Performing	$ 13,284	$ 7,887	$ 5,147	$ 4,665	$ 2,746	$ 2,725	$ 38,877	$ 42,144	$ 7,218	$ 10,362	$ 10,216	$ 9,818	$ 77,488	$ 77,601
Non-performing	--	--	105	129	--	--	480	--	--	--	--	302	585	431
Total	$ 13,284	$ 7,887	$ 5,252	$ 4,794	$ 2,746	$ 2,725	$ 39,357	$ 42,144	$ 7,218	$ 10,362	$ 10,216	$ 10,120	$ 78,073	$ 78,032

Loans are considered past due if a contractual payment is not made by the calendar day after the payment is due. For reporting purposes, however, loans past due 1 to 29 days are excluded. The delinquency status of the loans in the portfolio is shown below as of December 31, 2017 and 2016. Loans that were on non-accrual status are not included in any past due amounts.

Note 3. Loans, continued

Age Analysis of Past Due Loans

Year Ended December 31, 2017

	30-59 Days past due	60-89 Days past due	Greater than 90 days	Total past due	Non-accrual loans	Current loans	Total loans
				(In Thousands)			
Construction and land development	$ --	$ --	$ --	$ --	$ --	$ 13,284	$ 13,284
Secured by 1-4 family residential properties	--	--	--	--	105	5,147	5,252
Secured by multi-family residential properties	--	--	--	--	--	2,746	2,746
Secured by non-farm, non-residential properties	--	--	--	--	480	38,877	39,357
Commercial and industrial	--	--	--	--	--	7,218	7,218
Other	--	--	--	--	--	10,216	10,216
Total	$ --	$ --	$ --	$ --	$ 585	$ 77,488	$ 78,073

Age Analysis of Past Due Loans

Year Ended December 31, 2016

	30-59 Days past due	60-89 Days past due	Greater than 90 days	Total past due	Non-accrual loans	Current loans	Total loans
				(In Thousands)			
Construction and land development	$ --	$ --	$ --	$ --	$ --	$ 7,887	$ 7,887
Secured by 1-4 family residential properties	--	--	--	--	129	4,665	4,794
Secured by multi-family residential properties	--	--	--	--	--	2,725	2,725
Secured by non-farm, non-residential properties	--	--	--	--	--	42,144	42,144
Commercial and industrial	--	--	--	--	--	10,362	10,362
Other	--	--	--	--	302	9,818	10,120
Total	$ --	$ --	$ --	$ --	$ 431	$ 77,601	$ 78,032

Impaired Loans

A loan is classified as impaired when it is deemed probable by management's analysis that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement, or the recorded investment in the impaired loan is greater than the present value of expected future cash flows, discounted at the loan's effective interest rate. In the case of an impaired loan, management conducts an analysis which identifies if a quantifiable potential loss exists, and takes the necessary steps to record that loss when it has been identified as uncollectible.

Note 3. Loans, continued

The table below shows the results of management's analysis of impaired loans for the years ended December 31, 2017 and 2016.

	Impaired Loans Year Ended December 31, 2017				
	Recorded investment	Unpaid principal balance	Related allowance	Average recorded investment	Interest income recognized
			(In Thousands)		
With no specific related allowance recorded:					
Construction and land development	$ --	$ --	$ --	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--
Secured by non-farm, non-residential properties	--	--	--	--	--
Commercial and industrial	--	--	--	--	--
Other	--	--	--	--	--
Total	$ --	$ --	$ --	$ --	$ --
With a specific related allowance recorded:					
Construction and land development	$ --	$ --	$ --	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--
Secured by non-farm, non-residential properties	364	446	82	414	23
Commercial and industrial	--	--	--	--	--
Other	--	--	--	--	--
Total	$ 364	$ 446	$ 82	$ 414	$ 23
Total:					
Construction and land development	$ --	$ --	$ --	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--
Secured by non-farm, non-residential properties	364	446	82	414	23
Commercial and industrial	--	--	--	--	--
Other	--	--	--	--	--
	$ 364	$ 446	$ 82	$ 414	$ 23

Note 3. Loans, continued

Impaired Loans
Year Ended December 31, 2016

	Recorded investment	Unpaid principal balance	Related allowance	Average recorded investment	Interest income recognized
			(In Thousands)		
With no specific related allowance recorded:					
Construction and land development	$ --	$ --	$ --	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--
Secured by non-farm, non-residential properties	--	--	--	--	--
Commercial and industrial	--	--	--	--	--
Other	--	--	--	--	--
Total	$ --	$ --	$ --	$ --	$ --
With a specific related allowance recorded:					
Construction and land development	$ --	$ --	$ --	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--
Secured by non-farm, non-residential properties	464	464	139	467	22
Commercial and industrial	--	--	--	--	--
Other	--	--	--	--	--
Total	$ 464	$ 464	$ 139	$ 467	$ 22
Total:					
Construction and land development	$ --	$ --	$ --	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--
Secured by non-farm, non-residential properties	464	464	139	467	22
Commercial and industrial	--	--	--	--	--
Other	--	--	--	--	--
	$ 464	$ 464	$ 139	$ 467	$ 22

As of the dates presented, all loans classified as impaired were also non-performing, or non-accrual.

Note 3. Loans, continued

Troubled Debt Restructurings

A troubled debt restructuring ("TDR") is a formal restructure of a loan when the Bank, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to a borrower. The Bank classifies these transactions as a TDR if the transaction meets the following conditions: an existing credit agreement must be formally renewed, extended and/or modified; the borrower must be experiencing financial difficulty; and the Bank has granted a concession that it would not otherwise consider.

Once identified as TDRs, a loan is considered to be impaired, and an impairment analysis is performed for the loan individually, rather than under a general loss allowance based on the loan type and risk rating. Any resulting shortfall is charged off.

Note 3. Loans, continued

Loans identified as a TDR are placed on non-accrual status. The loans are considered non-performing until sufficient history of timely collection or payment has occurred that allows them to return to performing status.

Troubled Debt Restructurings
Year Ended December 31,

	2017			2016		
	Number of loans	Outstanding Balance	Recorded investment	Number of loans	Outstanding balance	Recorded investment
			(In Thousands)			
Performing						
Construction and land development	--	$ --	$ --	--	$ --	$ --
Secured by 1-4 family residential properties	--	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--	--
Secured by non-farm, non-residential properties	--	--	--	1	464	464
Commercial and industrial	--	--	--	--	--	--
Other	--	--	--	--	--	--
Non-Performing						
Construction and land development	--	--	--	--	--	--
Secured by 1-4 family residential properties	--	--	--	--	--	--
Secured by multifamily residential properties	--	--	--	--	--	--
Secured by non-farm, non-residential properties	1	446	364	--	--	--
Commercial and industrial	--	--	--	--	--	--
Other	--	--	--	--	--	--
Total	1	$ 446	$ 364	1	$ 464	$ 464

During the year ended December 31, 2017, one loan classified as TDR subsequently defaulted.

Note 3. Loans, continued

The following table summarizes non-performing assets.

Non-Performing Assets and Accruing Loans Past Due 90 Days or More

	Year Ended December 31, 2017	Year Ended December 31, 2016
	(In Thousands)	
Non-accrual loans:		
Construction and land development	$ --	$ --
Secured by 1-4 family residential properties	105	129
Secured by multifamily residential properties	--	--
Secured by non-farm, non-residential properties	480	--
Commercial and industrial	--	--
Other	--	302
Total non-accrual loans	$ 585	$ 431
Restructured loans included above in non-accrual loans	$ 364	$ --
Accruing past due loans:		
90 or more days past due	$ --	$ --

Non-accrual loans amounted to $584,443 at December 31, 2017 and $430,659 at December 31, 2016. Had non-accrual loans performed in accordance with their original contract terms, the Corporation would have recognized additional interest income of approximately $20,283 in the year ended December 31, 2016; none in the year ended December 31, 2017.

Note 4. Bank Premises and Equipment

The following is a summary of bank premises and equipment at December 31, 2017 and 2016:

	2017	2016
Cost:		
Buildings	$ 1,025,088	$ 1,025,088
Land	180,000	180,000
Furniture and office equipment	98,633	98,633
Computer equipment	206,095	210,895
Automobiles	132,609	127,573
	1,642,425	1,642,189
Less accumulated depreciation:	(627,925)	(544,438)
	$ 1,014,500	$ 1,097,751

Depreciation and amortization charged to expense for the years ended December 31, 2017 and 2016 amounted to $134,270 and $126,826, respectively.

Note 5. Commitments and Contingent Liabilities

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities, which are not reflected in the accompanying statements. The Company does not anticipate losses as a result of these transactions (see Note 13).

Note 6 - Borrowings

At December 31, 2017, borrowings from the Federal Home Loan Bank of Atlanta ("FHLB Atlanta") mature as follows:

		Interest Rate
2018	$ 5,000,000	1.34%
2019	2,000,000	1.33
2020	--	--
2021	3,000,000	1.59
	$ 10,000,000	1.41%

There were borrowings of $10,000,000 from FHLB Atlanta at December 31, 2017 and 2016. The total fair value of securities pledged to FHLB Atlanta at December 31, 2017 and 2016 totaled $10,894,309 and $10,899,085, respectively.

At December 31, 2017, the Company had a $1,800,000 unsecured revolving line of credit from a group of three shareholder banks. There were no balances on the line outstanding at December 31, 2017 or 2016, respectively. The line of credit matures September 22, 2018, with quarterly interest payments at the Prime rate with a floor rate of 5% and a ceiling rate of 9%. The rate in effect at December 31, 2017 was 5.00%.

The Company has a $10,000,000 secured fed funds line of credit provided by a correspondent bank. No securities were pledged as collateral at December 31, 2017 and 2016, respectively. No balance was outstanding on the secured fed funds line as of December 31, 2017 and 2016, respectively.

The Company has a $10,000,000 unsecured fed funds lines of credit provided by two correspondent banks. A balance of $3,000,000 was outstanding on one of the unsecured fed funds lines at December 31, 2017; no balances were outstanding on the unsecured fed funds lines as of December 31, 2016.

The Company had $4,000,000 outstanding of unsecured fed funds provided by community banks at December 31, 2017 and December 31, 2016.

See Note 13 with respect to financial instruments with off-balance-sheet risk.

Note 7. Income Taxes

Tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 2017 and 2016 are summarized below:

	2017	2016
Deferred tax assets:		
Allowance for possible loan losses	$ 132,113	$ 303,085
Salary continuation plan/non-qualified deferred compensation plan	426,039	620,721
Unrealized loss on securities available for sale	46,627	84,487
Charitable contributions	756	850
Interest accrual	4,705	20,851
Partnership book-tax differences	--	39,886
Net operating loss carryforward	78,848	--
	689,088	1,069,880
Deferred tax liabilities:		
Bank premises and equipment	17,785	32,160
	17,785	32,160
Net deferred tax assets	$ 671,303	$ 1,037,720

The provision for income taxes for the years ended December 31, 2017 and 2016 consisted of the following:

	2017	2016
Current tax expense	$ --	$ 11,470
Deferred tax expense	355,453	6,842
	$ 355,453	$ 18,312

The difference between the expected tax rate and the recorded tax expense for 2017 and 2016 is primarily the result of the increases in the cash surrender value of the bank owned life insurance and tax-exempt interest income on certain municipal loan transactions. In 2017, the Company also recorded a $489,700 deferred tax expense resulting from the change in the federal corporate income tax rate from 34% to 21% under the Tax Cut and Jobs Act enacted December 22, 2017. The Company does not need to record a valuation allowance on its net deferred tax assets.

No interest or penalties were included income tax expense for the years ended December 31, 2017 and 2016. The Company's federal income tax returns for 2013 through 2014 have been audited and the tax years 2015, 2016 and 2017 remain subject to review by federal tax authorities.

Note 8. Time Deposits

At December 31, 2017, time deposits mature as follows:

2018	$ 23,762,826
2019	1,851,034
2020	2,645,000
2021	1,984,000
2022	1,994,000
	$ 32,236,860

There was one time deposit totaling $266,640 in a denomination of $250,000 or more at December 31, 2017, and two time deposits totaling $900,000 in denominations of $250,000 or more at December 31, 2016.

Note 9. Bank-Owned Life Insurance

The Bank is owner and designated beneficiary on life insurance policies with a total death benefit of $7,286,067 at December 31, 2017 covering certain of its executive officers. The earnings from these policies are used to offset expenses related to retirement plans.

Note 10. Employee Benefit Plans

The Bank maintains a defined contribution retirement plan under code Section 401(k) of the Internal Revenue Service covering employees who have completed one year of service and who are at least 21 years of age. Under the Plan a participant may contribute an amount up to 15% of their covered compensation for the year, subject to certain limitations. For each year the employee makes a contribution to the Plan, the Bank will make a matching contribution of 50% of the employee contribution, up to a limit of 4% of covered compensation in 2017 and 3% of covered compensation in 2016. The Bank's matching contribution expense for the plan for the years ended December 31, 2017 and 2016 was $52,161 and $36,262, respectively. The Bank may also make, but is not required to make, a discretionary contribution for each participant out of its current or accumulated net profits. The amount of this contribution, if any, is determined on an annual basis by the Board of Directors. There were no profit-sharing contributions for the years ended December 31, 2017 and 2016.

The Bank has a money purchase pension plan requiring an employer contribution, under a fixed percentage formula of 3% of compensation to all eligible participants for 2017 and 5% of compensation to all eligible participants for 2016. The Bank's contribution expense for the plan for the years ended December 31, 2017 and 2016 was $56,479 and $91,797, respectively.

Note 11. Supplemental Executive Retirement Plan

The Bank established the 2007 Supplemental Executive Retirement Plan (the "SERP") to provide supplemental retirement income to certain executive officers as designated by the Board of Directors. The SERP is an unfunded employee pension plan under the provisions of ERISA. Three current executive officers and one retired executive officer participate in the SERP. The retirement benefit to be received by a participant is determined by the Board of Directors and is payable in equal monthly installments over a 15-year period, commencing on the first day of the month following a participant's retirement or termination of employment, provided the participant has been employed by the Bank for a minimum of 10 years. The costs associated with this plan are offset by earnings attributable to the Bank's purchase of Bank-Owned Life Insurance ("BOLI") on the lives of the participants. At December 31, 2017, the Bank's liability under the SERP was $1,996,474, and expense for the year ended December 31, 2017 was $320,952. At December 31, 2016, the Bank's liability under the SERP was $1,794,306, and expense for the year ended December 31, 2016 was $256,532.

Note 12. Dividend Restrictions

The Bank is subject to certain regulatory restrictions pertaining to the amounts of dividends that it may pay. The Federal Reserve restricts, without prior approval, the total dividend payment of a member bank in any calendar year to the bank's net income of that year, as defined, combined with its retained net income of the preceding two calendar years, less any required transfer to surplus. At December 31, 2017, retained earnings which are free of such restrictions amount to approximately $723,000.

Note 13. Financial Instruments with Off-Balance-Sheet Risk

The Bank is party to credit related financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet. The contract or notional amounts of those instruments reflect the extent of involvement the Bank has in particular classes of financial instruments.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

The following is a summary of the contract or notional amount of the Bank's exposure to off-balance-sheet risk as of December 31, 2017 and 2016:

Note 13. Financial Instruments with Off-Balance-Sheet Risk, continued

	2017	2016
Financial instrument whose contract amounts represent credit risk, commitments to extend credit	$ 16,291,702	$ 18,884,143

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income-producing commercial properties.

Unfunded commitments under commercial lines-of-credit are commitments for possible future extensions of credit to existing customers. These lines of credit are uncollateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Bank is committed.

Note 14. Regulatory Requirements and Restrictions

The Bank is subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes that, as of December 31, 2017 and 2016, the Bank meets all capital adequacy requirements to which it is subject. The December 31, 2017 ratios reflect changes to capital and asset risk-weighting in accordance with BASEL III, which became effective January 1, 2016. BASEL III introduced the common equity tier 1 ratio (as defined).

Note 14. Regulatory Requirements and Restrictions, continued

The new rules:

Establish new qualifying criteria for regulatory capital, including new limitations on the inclusion of deferred tax assets and mortgage servicing rights;

Require a minimum ratio of common equity Tier 1 capital ("CETI") to risk-weighted assets of 4.5%;

Increase the minimum Tier 1 capital to risk-weighted assets ratio requirements from 4% to 6%;

Implement a new capital conservation buffer requirement for a banking organization to maintain a CETI capital ratio more than 2.5% above the minimum CETI capital, Tier 1 capital and total risk-based capital ratios in order to avoid limitations on capital distributions, including dividend payments, and certain discretionary bonus payments to executive officers, with the buffer to be phased in beginning on January 1, 2016 at 0.625% and increasing annually until fully phased-in at 2.5% by January 1, 2019. A banking organization with a buffer of less than the required amount would be subject to increasingly stringent limitations on certain distributions and payments as the buffer approaches zero; and

Increase capital requirements for past-due loans, high volatility commercial real estate exposures, and certain short-term commitments and securitization exposures.

As of December 31, 2017, the most recent notification from the Federal Reserve Bank categorized the Bank as well capitalized under the framework for prompt corrective action. To be categorized as well capitalized, an institution must maintain minimum total risk-based, Tier 1 risk-based, and Tier 1 leverage ratios as set forth in the table.

The Bank's actual capital amounts and ratios as of December 31, 2017 and 2016 are also presented in the table.

	Actual		Capital Requirement		Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Amount in Thousands)			
As of December 31, 2017:						
Total Capital						
(to Risk-Weighted Assets)	$ 18,724	19.51%	$ 7,677	8.00%	$ 9,596	10.00%
Common Equity Tier 1 Capital						
(to Risk-Weighted Assets)	17,518	18.26%	4,318	4.50%	5,757	6.00%
Tier 1 Capital						
(to Risk-Weighted Assets)	17,518	18.26%	4,318	4.50%	5,757	6.00%
Tier 1 Leverage						
(to Average Assets)	17,518	14.06%	6,229	5.00%	6,229	5.00%
As of December 31, 2016:						
Total Capital						
(to Risk-Weighted Assets)	$ 19,030	20.34%	$ 7,485	8.00%	$ 9,357	10.00%
Common Equity Tier 1 Capital						
(to Risk-Weighted Assets)	17,851	19.08%	4,211	4.50%	5,614	6.00%
Tier 1 Capital						
(to Risk-Weighted Assets)	17,851	19.08%	4,211	4.50%	5,614	6.00%
Tier 1 Leverage						
(to Average Assets)	17,851	14.21%	6,283	5.00%	6,283	5.00%

Note 15. Fair Value Measurements

Effective January 1, 2008, the Bank implemented FASB ASC 820 relating to financial assets and liabilities. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. The price of the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

ASC 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that we have the ability to access as of the measurement date.

Level 2. Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data by correlation or other means.

Level 3. Significant unobservable inputs that reflect our own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The following is a description of our valuation methodologies used to measure and disclose the fair values of our financial assets and liabilities on a recurring or nonrecurring basis:

Securities Available for Sale

Securities available for sale are recorded at fair value on a recurring basis. Fair value measurement is based on quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models. Level 2 securities include U.S. Government Agency bonds and mortgage-backed securities issued or guaranteed by U.S. Government Agencies. At December 31, 2017 and 2016, the Bank had no Level 1 or Level 3 securities.

Impaired Loans

Impaired loans are valued using independent appraisals of the underlying collateral including adjustments made for qualitative factors such as liquidation expenses and discounts for appraisals greater than one year old (Level 3).

Other Real Estate Owned

The fair value of other real estate owned, which consists of real estate that has been foreclosed, is recorded at the lower of fair value less selling expenses or the book balance prior to foreclosure. The real estate is valued using independent appraisals of the underlying collateral including adjustments made for qualitative factors such as liquidation expenses and discounts for appraisals greater than one year old. Write downs are provided for subsequent declines in value and are recorded in other noninterest expense (Level 3).

Note 15. Fair Value Measurements, continued

Assets and Liabilities Measured at Fair Value

The balances of assets and liabilities measured at fair value on a recurring and non-recurring basis as of December 31, 2017 and 2016 are as follows:

December 31, 2017	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets - Recurring				
Securities available for sale	$23,581,316	$ --	$23,581,316	$ --
Financial Assets – Non-Recurring				
Impaired loans	$ 364,338	$ --	$ --	$ 364,338

December 31, 2016	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets - Recurring				
Securities available for sale	$23,991,322	$ --	$23,991,322	$ --
Financial Assets – Non-Recurring				
Impaired loans	$ 464,381	$ --	$ --	$ 464,381

One impaired loan was included in Significant Unobservable Inputs (Level 3) at December 31, 2017 and 2016. The valuation technique was a collateral appraisal by an independent appraiser. Significant unobservable inputs were an appraisal discount of 10% and estimated costs to sell the property of 8.75%.

Note 16. Earnings (Loss) Per Share

The following shows the weighted average number of shares used in computing earnings per share and the effect on weighted average number of shares of diluted potential common stock. Potential dilutive common stock has no effect on income available to common shareholders.

	2017			2016		
	Net Income (Loss)	Shares	Per Share Amount	Net Income (Loss)	Shares	Per Share Amount
Basic earnings (loss) per share	$ (361,723)	26,339	$ (13.73)	$ 331,253	26,169	$ 12.66
Effect of dilutive securities:						
Subscriptions receivable		--			21	
Diluted earnings (loss) per share	$ (361,723)	26,339	$ (13.73)	$ 331,253	26,190	$ 12.65

Note 17. Subsequent Events

The Company evaluates events that have occurred subsequent to the financial statement date for required recognition and disclosure if necessary. Subsequent events were considered through March 23, 2018, the date the financial statements were available for issue.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
CBB Financial Corp.
Midlothian, Virginia

Our audits of the basic consolidated financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

BDO USA, LLP

March 23, 2018
Richmond, Virginia

CBB FINANCIAL CORP. AND SUBSIDIARIES

Schedule of Other Operating Expenses
Years Ended December 31, 2017 and 2016

	2017	2016
Auditing and accounting fees	$ 56,850	$ 44,187
Bank franchise tax	147,492	148,489
Bank insurance	49,484	66,688
Board of Directors' fees	53,900	52,450
Bond safekeeping and accounting expense	110,220	120,800
Computer service bureau	314,423	332,459
Consulting services	212,622	134,776
Data lines	74,850	74,118
Disaster recovery service	23,365	24,518
Donations	1,100	2,500
Dues and memberships	33,050	29,136
FDIC assessment	30,994	115,655
Foreign service expense	55,449	51,185
Internal audit expense	74,723	24,846
Legal	8,929	24,151
Marketing	24,806	53,010
Meetings and conventions	107,190	105,377
Miscellaneous	26,372	27,434
Office supplies	23,994	33,016
Postage	7,430	8,592
Publications and subscriptions	1,915	1,130
State bank assessment fee	28,943	30,503
Telephone	30,270	32,595
Travel and entertainment	36,845	44,536
	$ 1,535,216	$ 1,582,151

See Independent Auditor's Report on Supplementary Information