

COMMUNITY BANK OF BERGEN COUNTY, NJ REPORTS THIRD QUARTER 2017 NET INCOME OF \$0.16 PER SHARE

MAYWOOD, N.J., October 30, 2017 – Community Bank of Bergen County, NJ (OTCPink: CMTB) reported net income for the third quarter of 2017 of \$316,000, or \$0.16 per diluted share, down from \$469,000, or \$0.24 per diluted share, recorded during the third quarter of 2016. The decrease was attributed to increased non-interest expense due to the pending merger with Sussex Bank, and lower non-interest income.

Net interest income and total interest income for the third quarter of 2017 increased over the third quarter of 2016 by \$18,000 and \$91,000, respectively. The increase in interest income is largely the result of higher interest and dividends on securities. Interest expense on deposits increased by \$59,000 due to significantly higher average interest bearing deposits (\$243,268,000 for the third quarter of 2017 vs. \$230,928,000 for the third quarter of 2016). Interest and fee income from loans decreased by \$8,000 over the third quarter of 2016, but this was more than offset by an additional \$97,000 in interest and dividends for securities related to significant growth in average investments year-on-year (\$80,770,000 for the third quarter 2017 vs. \$66,280,000 for the third quarter of 2016). Higher average outstanding loan balances (\$238,393,000 for the third quarter of 2017 vs. \$230,084,000 for the same period in 2016) were offset by lower yields on outstanding loans. Additionally, average non-interest bearing deposits grew to \$63,234,000 this quarter from \$61,376,000 reported the same period last year.

Non-interest income was \$43,000 lower in the third quarter of 2017 over the third quarter of 2016, largely the result of a legal settlement in the Bank's favor in July of 2016 for \$76,000. This was partially offset by a gain in the third quarter of 2017 of \$40,000 on the sale of an other real estate owned (OREO) property. The Bank did not sell any OREO in the third quarter of 2016. Other non-interest expense for the third quarter of 2017 was up by \$180,000 which is the direct result of expenses related to the Bank's pending merger with Sussex Bank.

The Bank's net income for the nine months ended September 30, 2017, was \$1,058,000, a \$286,000 decrease from net income of \$1,344,000 reported for the same period last year. A decrease in net interest income and an increase in non-interest expense were only partially offset by an increase in non-interest income and a decrease in the provision for loan losses.

Net interest income was down \$170,000 from the prior nine-month period, as total interest income for the current year-to-date was down by \$22,000 and interest expense rose by \$148,000. The decrease in total interest income is largely the result of lower yields on outstanding loans, despite slightly higher average outstanding balances during the comparative periods (\$236,382,000 for the year-to-date 2017 vs. \$232,523,000 for the same time last year). The \$148,000 increase in interest expense was due to higher average interest bearing deposits (\$250,667,000 for the year through September 30, 2017, vs. \$232,741,000 for the same period in 2016). A \$405,000 decrease in interest and fee income from loans due to lower yields on outstanding loans was partially offset by an increase of \$342,000 in interest and dividends from securities. This increase is attributed to significant growth in average investments year-on-year (\$82,003,000 for the first nine months of 2017 vs. \$65,893,000 for the same period in 2016). Additionally, average non-interest bearing deposits grew this year to \$63,281,000 over \$59,413,000 reported for the same period in 2016.

Non-interest income of \$642,000 was notably higher (by \$123,000) in the nine months ended September 30, 2017, versus the same period in 2016, a result of \$140,000 in revenue generated from legal settlements this year over \$76,000 in legal settlements in 2016, and a reduction in losses from the sale of OREO. During the first nine months of 2016, the Bank disposed of two OREO properties (generating losses of \$49,000), but it acquired three new OREO properties valued at \$1,083,000. In 2017, for the same period, the Bank disposed of three OREO properties (generating net losses of \$23,000) and it acquired one new OREO property valued at \$155,000. While the Bank's outstanding OREO balance currently shows a reduction from year end, management feels the value of these properties are sufficient to minimize future losses upon their sale. In addition, the Bank continues to mitigate its

high level of problem loans with a diligent work out process. During the first nine months of 2017, total delinquent loans dropped from \$7.4 million at year end 2016 to \$7.2 million at September 30, 2017.

Other non-interest expense for the nine months of 2017 of \$6.97 million was also up significantly (\$361,000) and was the result of \$391,000 in costs related to the pending merger with Sussex Bank.

The Bank's total assets at September 30, 2017, rose by \$8.6 million from December 31, 2016, due mainly to increases in loans outstanding of \$10.0 million which were funded by \$6.0 million in additional borrowings.

"Merger related costs drove net income down compared to the same quarter last year; however, core operating earnings remain stable," said Peter A. Michelotti, the Bank's President & CEO.

The Bank's capital closed this quarter at \$30,430,000, up from the \$28,689,000 reported year end 2016, with book value per share at \$15.86 as compared to \$14.96 at December 31, 2016. The Bank remains "well capitalized" as defined under all regulatory guidance.

COMMUNITY BANK OF BERGEN COUNTY, NJ AND SUBSIDIARIES
SUMMARY FINANCIAL HIGHLIGHTS
(in Thousands, Except Percentages and Per Share Data)

Financial Highlights:

Symbol CMTB 52 week range \$12.00-\$25.00

Financial Data - Year to date

	Unaudited At September 30, 2017	Unaudited At December 31, 2016
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Balance Sheet Highlights

Total securities	\$78,232	\$79,108
Total loans	\$239,340	\$229,267
Allowance for loan losses	\$2,777	\$3,130
Total assets	\$350,858	\$342,222
Total deposits	\$308,391	\$307,905
Total liabilities	\$320,428	\$313,533
Total shareholders' equity	\$30,430	\$28,689

	Unaudited For the nine months ended September 30, 2017	Unaudited For the nine months ended September 30, 2016
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Financial data -Year to date

Net Interest income	\$7,924	\$8,094
Provision for loan losses	\$0	\$100
Loss on sale of OREO	(\$23)	(\$49)
Total other income	\$665	\$568
Total other expenses	\$6,970	\$6,609
Income before provision for income taxes	\$1,596	\$1,905
Provision for income taxes	\$538	\$561
Net income after tax	\$1,058	\$1,344

Other Earnings Information

Earnings per share	\$0.55	\$0.70
Return on Assets	0.40%	0.52%

Share Information

	At September 30, 2017	At December 31, 2016
Market price per share	\$22.55	\$13.50
Book Value per common share	\$15.86	\$14.96
Outstanding Shares -period ending	1,918,144	1,918,144
Price to Earnings ratio*	30.66	19.27

Capital ratios

Total equity to total assets	8.67%	8.38%
Tier 1 leverage ratio	8.57%	8.45%
Common equity tier 1 capital ratio	14.50%	14.43%
Tier 1 capital ratio	14.50%	14.43%
Total capital ratio	15.75%	15.69%

Asset Quality and Ratios

Other Real Estate Owned (OREO)	\$392	\$1,521
Non-accrual loans	\$5,815	\$4,694
Troubled debt restructured loans ("TDRs")	\$2,258	\$2,610
Non-performing loans/total loans	3.14%	3.21%
Allowance for loan loss/total loans	1.16%	1.36%
Allowance for loan loss/non-accrual loans	48%	66%

* Calculated by dividing the market price of a share of the Bank's common stock for the period of the year in question by the Bank's annualized earning per share for that period.

COMMUNITY BANK OF BERGEN COUNTY, NJ AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	September 30, 2017 (Unaudited)	December 31, 2016 (Unaudited)
	Dollars in Thousands	Dollars in Thousands
Assets		
Cash and balances due from depository institutions:		
Non-interest-bearing balances and currency and coin.....	\$ 3,248	\$ 2,908
Interest-bearing balances.....	12,163	13,422
Securities		
Available-for-sale securities.....	78,232	79,108
Loans and lease financing receivables:		
Loans and leases, net of unearned income.....	\$ 239,340	\$ 229,267
LESS: Allowance for loan and lease losses.....	2,777	3,130
Loans and leases, net of allowance.....	236,563	226,137
Premises and fixed assets (including capitalized leases).....	6,955	5,759
Other Real Estate Owned.....	362	1,521
Other assets.....	13,335	13,367
Total Assets.....	<u>\$ 350,858</u>	<u>\$ 342,222</u>
Liabilities		
Deposits:		
Interest-bearing.....	\$ 244,098	\$ 243,805
Non-interest-bearing.....	64,293	64,100
Total deposits.....	308,391	307,905
Borrowed funds.....	10,000	4,000
Other liabilities.....	2,037	1,628
Total Liabilities.....	<u>320,428</u>	<u>313,533</u>
Equity Capital		
Common Stock*: par value \$5.00; 5,000,000 authorized; 1,918,144 shares issued and outstanding, respectively	9,591	9,591
Surplus.....	5,239	5,239
Retained earnings.....	15,599	14,541
Accumulated other comprehensive income.....	1	(682)
Total Equity Capital.....	<u>30,430</u>	<u>28,689</u>
Total Liabilities, and Equity Capital.....	<u>\$ 350,858</u>	<u>\$ 342,222</u>
Capital Ratios:		
Capital to Asset ratio	8.67%	8.38%
Tier 1 leverage ratio	8.57%	8.45%
Common equity tier 1 capital ratio	14.50%	14.43%
Tier 1 risk-based capital ratio	14.50%	14.43%
Total risk-based capital ratio	15.75%	15.69%

COMMUNITY BANK OF BERGEN COUNTY, NJ AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

	Quarters Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	(Unaudited)		(Unaudited)	
Income Statement	Dollars in Thousands		Dollars in Thousands	
Interest and fee income:				
Interest and fee income on loans.....	\$ 2,777	\$ 2,785	\$ 8,272	\$ 8,677
Interest income on balances due from depository institution	20	18	90	50
Interest and dividend income on securities.....	364	267	1,110	768
Other interest income.....	14	14	46	45
Total Interest and fee income.....	<u>3,175</u>	<u>3,084</u>	<u>9,518</u>	<u>9,540</u>
Interest Expense:				
Interest on deposits.....	519	460	1,544	1,400
Interest on borrowed funds.....	26	12	50	46
Total Interest expense.....	<u>545</u>	<u>472</u>	<u>1,594</u>	<u>1,446</u>
Net Interest Income.....	<u>2,630</u>	<u>2,612</u>	<u>7,924</u>	<u>8,094</u>
Provision for Loan Losses.....	0	0	0	100
Non-Interest Income:				
Service charges on deposit accounts.....	56	48	172	149
Net gain (loss) on sale of real estate owned.....	40	0	(23)	(49)
Income on bank owned life insurance.....	48	49	144	147
Other non-interest income.....	65	155	349	272
Total non-interest income.....	<u>209</u>	<u>252</u>	<u>642</u>	<u>519</u>
Realized gains on securities.....	0	0	0	1
Non-interest expenses				
Salaries and employee benefits.....	1,215	1,140	3,527	3,455
Expenses on premises and fixed assets.....	232	200	659	617
Other non-interest expenses.....	920	847	2,784	2,537
Total non-interest expenses.....	<u>2,367</u>	<u>2,187</u>	<u>6,970</u>	<u>6,609</u>
Income before Income taxes:.....	472	677	1,596	1,905
Income taxes	156	208	538	561
Net Income.....	<u>\$ 316</u>	<u>\$ 469</u>	<u>\$ 1,058</u>	<u>\$ 1,344</u>
Earnings per share *.....	<u>\$ 0.16</u>	<u>\$ 0.24</u>	<u>\$ 0.55</u>	<u>\$ 0.70</u>

*Earnings per share has been restated to reflect the 10% stock dividend granted in April of 2016

About Community Bank of Bergen County

Established in 1928, Community Bank of Bergen County, NJ (CBBC) serves the northern New Jersey community with three locations in Rochelle Park, Maywood and Fair Lawn. Dedicated to superior service, the bank offers a range of customized personal and business banking products and the convenience of 24-hour ATMs and online banking. With lending decisions made locally, and a responsive management team, Community Bank of Bergen County is committed to providing an exceptional banking experience. On April 10, 2017, the Bank entered into a definitive agreement with Sussex Bancorp and Sussex Bank pursuant to which Sussex Bancorp will acquire the Bank in an all-stock transaction. The transaction is expected to be completed during the first quarter of 2018, subject to approval by each company's shareholders, as well as regulatory approvals and other customary closing conditions.

CBBC is a member of the Federal Deposit Insurance Corporation (FDIC) and an Equal Housing Lender. CBBC makes loans without regard to race, color, religion, national origin, sex, handicap, or familial status.

For more information, visit the Bank's web site at www.cbbcnj.com, and to view CBBC's 2016 Audited Financial Statements, visit: <http://www.cbbcnj.com/home/about-us/investor>

Forward-Looking Statements

This press release and other statements made from time to time by Community Bank of Bergen County's management contain express and implied statements relating to our future financial condition, results of operations, credit quality, corporate objectives, capital, liquidity and other financial and business matters, which are considered forward-looking statements. These forward-looking statements are necessarily speculative and speak only as of the date made, and are subject to numerous assumptions, risks and uncertainties, all of which may change over time. Actual results could differ materially from those expected or implied by such forward-looking statements. The words "feels", "may", "could", "should", "would", "will", "project", "continue", "believe", "anticipate", "expect", "intend", "plan", and similar expressions are intended to identify forward-looking statements. All such statements are made in good faith by the Bank pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Risks and uncertainties which could cause our actual results to differ materially and adversely from such forward-looking statements include the current economy, both nationally and locally, and how it is affecting the financial industry specifically; volatility in interest rates and the shape of the yield curve; increased credit risks and risks associated with the real estate market; the potential for increased non-performing loans; operating, legal, and regulatory risk; economic, political, and competitive forces affecting the Bank's lines of business; the extent and timing of actions of the Federal Reserve Board; customer acceptance of our products and services; the inability to resolve our problem loans as expected; and other risks and uncertainties. Any statements made that are not historical facts should be considered to be forward-looking statements. You should not place undue reliance on any forward-looking statements. We undertake no obligation to update forward-looking statements or to make any public announcement when we consider forward-looking statements to no longer be accurate, whether as a result of new information or the occurrence of future events, except as may be required by applicable law or regulation.

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