

## Bank of McKenney (OTC Pink: BOMK) and CCB Bankshares, Inc. (OTC Pink: CZYB) jointly announce the signing of a definitive agreement to combine in a strategic merger

**Deal Value: Approximately \$19.0 Million**

Sandler O'Neill served as financial advisor to Bank of McKenney and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 131<sup>st</sup> bank or thrift transaction nationwide since January 1, 2015, representing \$42 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 44 bank or thrift transactions in the Southeast region for an aggregate transaction value of \$13.7 billion, more than any other investment bank during that time period.<sup>1</sup>

**McKenney, Va. and South Hill, Va., June 28, 2017** – Bank of McKenney (OTC Pink: BOMK) (“McKenney”) and CCB Bankshares, Inc. (OTC Pink: CZYB) (“CCB”), parent company of Citizens Community Bank, jointly announce the signing of a definitive agreement to combine in a strategic merger. In the transaction, CCB and its subsidiary bank will merge into McKenney to create a combined entity with approximately \$447 million in assets, \$344 million in loans, and \$390 million in deposits, based on reported financial information as of March 31, 2017.

The combined bank will be headquartered in Prince George County, Virginia, with 13 full-service offices and 1 loan production office across Chesterfield, Dinwiddie, Prince George, Brunswick and Mecklenburg counties in Virginia, and Franklin, Halifax and Vance counties in North Carolina.

Under the terms of the merger agreement, which was unanimously approved by the Boards of Directors of both entities, CCB shareholders will receive a fixed exchange ratio of 0.935 of McKenney shares in exchange for each share of CCB common stock. Based on the closing price of McKenney common stock on June 27, 2017, the transaction represents a value of \$12.52 per share of CCB common stock, or \$19.0 million in aggregate. McKenney shareholders will own 57.6 percent of the combined entity and CCB shareholders will own 42.4 percent. The all-stock transaction is intended to qualify as a tax-free reorganization for CCB shareholders. The transaction is expected to be immediately accretive to earnings per share, with a tangible book value dilution payback of approximately 3 years. Further, it is anticipated that the combined bank's pro forma capital ratios will exceed regulatory well-capitalized guidelines. The transaction is expected to be completed in the fourth quarter of 2017.

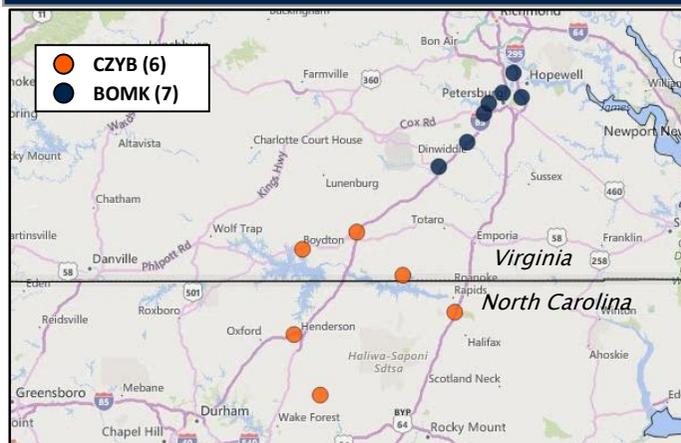
Following completion of the transaction, James R. Black will serve as President and Chief Executive Officer and a member of the Board of Directors while Mr. Liles will serve as Executive Chairman. The combined bank Board of Directors will reflect the pro forma ownership of the respective institutions with 8 members from McKenney, including Mr. Liles who will become Chairman, and 6 members from CCB, including Norman D. Wagstaff, Jr. who will become Vice Chairman. W.D. Allen, III, current Chairman of McKenney, will remain on the Board following the merger.

### Financial Highlights

(Dollars in Thousands)	BOMK	CZYB
Total Assets	\$230,916	\$216,089
Total Net Loans	\$164,368	\$175,593
Total Deposits	\$202,222	\$187,835
Total Shareholder's Equity	\$26,230	\$19,155
TCE / TA	11.33%	8.86%

(1) Excludes terminated transactions and self-advisory roles  
Note: Financial data as of March 31, 2017; Source: Company Earnings Release

### Pro Forma Branch Map



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