

Peoples Bankshares, Incorporated (OTC Pink: PBVA; Montross, VA) has agreed to merge with C&F Financial Corporation (NASDAQ: CFFI; Toano, VA)

Deal Value: Approximately \$21.4 Million

Sandler O'Neill served as financial advisor and provided a fairness opinion to Peoples Bankshares, Incorporated in this transaction.

This transaction represents Sandler O'Neill's 232nd bank or thrift transaction since January 1, 2015, representing approximately \$68.2 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

Since January 1, 2015, Sandler has advised on 72 deals involving banks and thrifts based in the Southeast, which is more than any other investment bank during that time period.¹

Since January 1, 2015, Sandler has advised on 15 deals involving banks and thrifts based in Virginia, which is more than any other investment bank during that time period and represents 95% of the total deal value in Virginia.¹

TOANO, VA and MONTROSS, VA, August 13, 2019 – C&F Financial Corporation (Nasdaq: CFFI) ("C&F") today announced the agreement to acquire Peoples Bankshares, Incorporated (OTC Pink: PBVA) and its subsidiary Peoples Community Bank (collectively "Peoples") for stock and cash valued at approximately \$21.4 million. C&F, parent of Citizens and Farmers Bank, will enter the counties of Westmoreland, King George, Richmond and Stafford via the merger. At June 30, 2019, Peoples had \$194 million in total assets.

Founded in 1913, Peoples serves the Northern Neck, Middle Peninsula and the cities of Fredericksburg and Richmond, Virginia. The company serves individuals and small businesses in these communities.

Thomas F. (Tom) Cherry, President & Chief Executive Officer of C&F, remarked, "Both of our banks have a similar background of dedication to their customers, employees and communities. This is an exciting opportunity for two community-focused banks to come together and we are thrilled for our future together as we continue to serve our markets."

Robert (Bob) Bailey, President, Chief Executive Officer & Director of Peoples, stated, "All of us here at Peoples are enthusiastic about the partnership with C&F and the future with our combined company. Coming together with C&F will give Peoples' customers a more robust set of offerings while still maintaining the personal relationships that we enjoy."

Mr. Cherry furthered, "This partnership is a strong step for our company. The addition of Peoples to our recently announced plans to open three new financial centers in Charlottesville, Richmond and Williamsburg creates a better opportunity to service our customers."

The merger agreement has been unanimously approved by each of the board of directors of C&F and Peoples. Completion of the merger is subject to customary closing conditions, including receipt of required regulatory approvals and the approval by the shareholders of Peoples. The transaction is expected to close in early 2020.

Financial Highlights

(Dollars in millions)

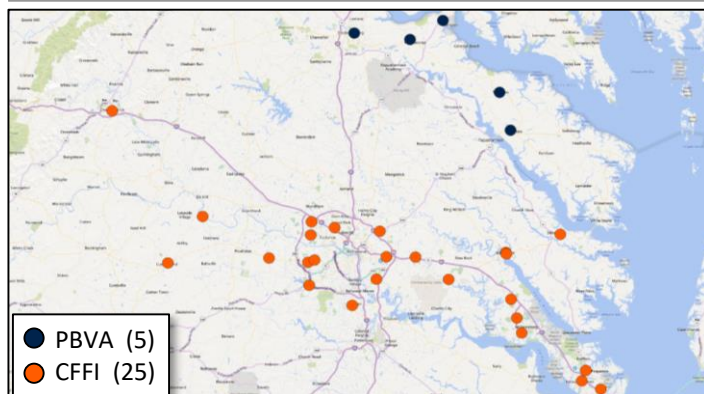
	CFFI	PBVA
Total Assets	\$1,568	\$194
Total Net Loans	\$1,146	\$144
Total Deposits	\$1,210	\$172
TCE / TA	9.24%	8.13%

Note: Financial data as of June 30, 2019

(1) Majority and Minority transactions; Excludes terminated transactions and self-advisory roles

Source: S&P Global Market Intelligence, Company documents

Pro Forma Branch Map



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