



August 2017

To Our Shareholders:

As you know, CCB Bankshares, Inc., parent company of Citizens Community Bank, and Bank of McKenney, headquartered in McKenney, Virginia, recently announced a strategic merger of equals. This exciting union of two fiscally strong financial institutions will result in an even stronger independent community bank with 13 full-service branches, 1 loan office and combined assets of approximately \$450 million, serving customers in central and southern Virginia and northern North Carolina.

We believe the merger will offer many benefits to our customers and to you, our shareholders. Our combined bank will have a significantly higher lending limit, expanded product offerings and increased access to new markets for future growth. These enhanced opportunities and operating efficiencies should enhance both profitability and long-term shareholder value.

Our banks will join forces under a new name and a new brand that align with our promise to provide exceptional service. We look forward to sharing news about those developments in the coming weeks. One thing will never change, and that is our unwavering commitment to community banking with a team of experienced, local bankers whom you have come to know and trust.

The merger is expected to take place by year-end, subject to customary regulatory and shareholder approvals. A shareholder's meeting is being planned for the fourth quarter of 2017 at which time you will be invited to vote for the merger and related corporate actions. We will provide you with a complete proxy package which details information about the merger transaction, and notice of the date, time and location of the meeting as well as voting instructions, at the appropriate time. In addition, you can stay updated by contacting me directly at (434) 447-2265.

As always, we appreciate your support throughout this transformative journey for CCB and Bank of McKenney. We are excited about what the future holds as we move forward together.

Best regards,

A handwritten signature in black ink, appearing to read "James R. Black".

James R. Black, CFA
President and Chief Executive Officer

Additional Information and Where to Find It

In connection with the proposed merger, CCB Bankshares, Inc. (“CCB”) and Bank of McKenney (“McKenney”) will each deliver a definitive joint proxy statement/prospectus to their respective shareholders seeking approval of the merger and related matters. Investors and shareholders of both companies are urged to read the definitive joint proxy statement/prospectus when it becomes available because it will contain important information about CCB, McKenney, and the proposed transaction. Free copies of the definitive joint proxy statement/prospectus, when available, may be obtained by directing a request by mail or telephone to CCB Bankshares, Inc., 800 North Mecklenburg Avenue, South Hill, Virginia 23970, (434) 447-2265, or by accessing the document at CCB’s website: <https://www.mycCb.bank> under “Investor Relations”, or Bank of McKenney, P.O. Box 370, McKenney, Virginia 23872, (804) 478-4484, or by accessing the document at McKenney’s website: <http://www.bankofmckenney.com> under “Investor Relations”. The information on CCB’s and McKenney’s websites is not, and shall not be deemed to be, a part of this communication.

Forward-Looking Statements

Statements made in this communication, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this communication and are based on current expectations and involve a number of assumptions. These include statements as to the anticipated benefits of the merger, including future financial and operating results, cost savings and enhanced revenues that may be realized from the merger as well as other statements of expectations regarding the merger and any other statements regarding future results or expectations. Each of CCB and McKenney intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and is including this statement for purposes of these safe harbor provisions. The companies’ respective abilities to predict results, or the actual effect of future plans or strategies, are inherently uncertain. Factors which could have a material effect on the operations and future prospects of each of CCB and McKenney, and the resulting company, include but are not limited to: the businesses of CCB and McKenney may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected timeframe; revenues following the merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the merger; the ability to obtain required regulatory and shareholder approvals, and the ability to complete the merger on the expected timeframe may be more difficult, time-consuming or costly than expected; changes in interest rates, general economic and business conditions; legislative/regulatory changes; the monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve; the quality and composition of the loan and securities portfolios; demand for loan products; deposit flows; competition; demand for financial services in the companies’ respective market areas; the companies’ respective implementation of new technologies and their ability to develop and maintain secure and reliable electronic systems; changes in the securities markets; and changes in accounting principles, policies and guidelines. CCB and McKenney undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise. ###