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**FOR IMMEDIATE RELEASE**

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## **Providence Bank and CB Financial Corporation Announce Signing of Strategic Merger Agreement**

***Providence Bank and CB Financial, the holding company for Wilson's Cornerstone Bank, to form \$400 million in assets company with five full-service offices in eastern North Carolina.***

**Rocky Mount, NC and Wilson, NC, August 1, 2017** – Providence Bank (“Providence”) and CB Financial Corporation (“CB”, **OTC-QB: CBFA**), parent company of Cornerstone Bank (“Cornerstone”), jointly announce the signing of a definitive strategic merger agreement. In the transaction, CB will merge into PB Financial Corporation, Providence’s to-be-formed holding company, and Cornerstone will merge into Providence, creating a community banking company with approximately \$400 million in assets, \$311 million in loans, and \$332 million in deposits based on publicly reported financial information as of June 30, 2017. Under the terms of the agreement, which was unanimously approved by the Boards of Directors of both entities, CB shareholders will receive 23.5 cents of cash for each share of CB common stock. The transaction is valued at \$11.2 million, is expected to be completed in the first quarter of 2018, and is subject to required shareholder and regulatory approvals and other customary closing conditions.

The combined bank will be headquartered in Rocky Mount, North Carolina, and will have five full-service offices serving the eastern North Carolina communities of Rocky Mount, Nashville, Tarboro and Wilson. The merger will create a stronger bank with a significantly higher lending limit, expanded product offerings and access to new markets. Both management teams anticipate the enhanced scale and efficiency of the resulting bank will create meaningful opportunities for further growth and profitability, as well as long-term value creation, for customers, employees and shareholders.

Ted E. Whitehurst, president and chief executive officer of Providence, said, *“We are excited about this opportunity, as we will be positioned even better to meet the banking needs of these communities. As community bankers, we know the individuals and businesses here and what they are looking for and that is exactly what we offer: decisions made right here by people they know and trust, local people who are involved in the community, and a company culture based on service. We also believe the merger will provide financial benefit for our shareholders.”*

Mark A. Holmes, president and chief financial officer of CB, remarked, *“This merger represents the coming together of two banks that share a similar culture and philosophy. Both banks are led by seasoned teams of community bankers who live, work and believe in the potential of this area. We believe this merger will allow us to better provide quality banking services to our customers, a rewarding workplace for our employees and superior value to our shareholders.”*

Following completion of the transaction, Ted E. Whitehurst will continue to serve as president and chief executive officer of Providence, as well as president and chief executive officer of PB Financial Corporation. The current Board of Directors of CB will be members of the newly-formed Providence Bank Wilson Advisory Board.

The transaction is expected to be immediately accretive to earnings per share. Further, it is anticipated that the combined bank's pro forma capital ratios will exceed regulatory well-capitalized guidelines. Providence expects to raise capital prior to the closing of the merger to help fund the cash consideration and to support future growth.

FIG Partners, LLC served as Providence's financial advisor and Wyrick Robbins Yates & Ponton LLP served as legal counsel to Providence. Smith Capital, Inc. served as CB's financial advisor and Brooks, Pierce, McLendon, Humphrey & Leonard, LLP served as legal counsel to CB.

#### **About Providence Bank.**

Providence Bank is a North Carolina state-chartered community bank headquartered at 450 North Winstead Avenue in Rocky Mount, North Carolina, with two branches in Rocky Mount, one in Tarboro and one in Nashville, North Carolina. The bank has been dedicated to serving its communities for more than ten years and offers a full suite of banking services to individuals and businesses. For more information and additional financial data, please visit [pbknc.com](http://pbknc.com)

#### **About CB Financial Corporation.**

CB Financial Corporation is a North Carolina state-chartered bank holding company headquartered in Wilson, North Carolina and is the parent company of Cornerstone Bank. Cornerstone opened in 2000 to serve the community banking needs of the City of Wilson, Wilson County, and the surrounding area. Cornerstone operates from a main office location at 3710 Nash Street North in Wilson. For more information and additional financial data, please visit [thecornerstonebank.com](http://thecornerstonebank.com)

#### **Additional Information and Where to Find It**

In connection with the proposed merger, CB will deliver a proxy statement to its shareholders seeking approval of the merger and related matters. Investors and shareholders of CB are urged to read the proxy statement when it becomes available because it will contain important information about Providence, CB and the proposed transaction. Free copies of the proxy statement, when available, may be obtained by directing a request by telephone or email to Mark A. Holmes, president and chief financial officer of CB at the contact information listed above. The information on Providence's and CB's websites is not, and shall not be deemed to be, a part of this release.

#### **Forward-Looking Statements**

Statements made in this release, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this release 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, the ability of Providence to raise additional capital, as well as other statements of expectations regarding the merger and any other statements regarding future results or expectations. Each of Providence and CB 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 are 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, is inherently uncertain. Factors which could have a material effect on the operations and future prospects of each of Providence and CB, and the resulting company, include but are not limited to: the businesses of Providence and CB 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. Providence and CB undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.