

# Blue Ridge Bankshares, Inc. To Acquire River Bancorp, Inc.



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**Blue Ridge Bankshares, Inc. →**

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LURAY, Va. and MARTINSVILLE, Va., March 31, 2016 /PRNewswire/ -- Blue Ridge Bankshares, Inc. (OTC: BRBS) ("Blue Ridge"), the parent holding company of Blue Ridge Bank, and River Bancorp, Inc. ("River"), the parent holding company of River Community Bank, NA, today jointly announced the signing of a definitive merger agreement pursuant to which Blue Ridge will acquire River in a 70% stock, 30% cash, transaction valued at approximately \$12.4 million, based on the 30-day volume weighted average price of Blue Ridge common stock.

River operates four branches in and surrounding Martinsville, Virginia and will add approximately \$115 million in assets, \$100 million in loans, and \$98 million in deposits to Blue Ridge. Upon completion of this transaction, Blue Ridge will have approximately \$384 million in assets, \$296 million in loans (plus an additional \$21 million in mortgage loans held for sale), and \$294 million in deposits, based on financials reported as of December 31, 2015.

Under the terms of the merger agreement, River shareholders will have the right to receive either \$16.57 in cash or 0.9821 shares of Blue Ridge common stock for each share of River common stock they hold. If the 30-day volume weighted average price of Blue Ridge common stock two trading days prior to the closing of the merger ("VWAP") is greater than or equal to \$18.00, then the stock exchange ratio will be adjusted so that the River shareholders who elect to receive stock will receive \$17.68 worth of Blue Ridge common stock for each share of River

common stock. If the VWAP is less than or equal to \$16.00, then the stock exchange ratio will be adjusted so that the River shareholders who elect to receive stock will receive \$15.71 worth of Blue Ridge common stock for each share of River common stock. Shareholder elections are subject to adjustment so that the overall mix of consideration to be paid to River shareholders consists of approximately 70% Blue Ridge common stock and 30% cash.

Commenting on the announcement, Brian K. Plum, President and Chief Executive Officer of Blue Ridge, said, "We are excited to announce the combination of Blue Ridge and River. This transaction affords us the opportunity to partner with an excellent financial institution with similar values and the same rigorous commitment to serving our communities. Our partnership with River furthers our strategy of organic growth and selective expansion while seeking acquisitions with significant earnings accretion and reasonable earn back periods. We see River as a natural complement to our existing footprint in the Shenandoah Valley and Piedmont and look forward to welcoming our new customers, employees, and community members."

Ronald D. Haley, President and Chief Executive Officer of River, added, "We are delighted to combine forces with a bank that has been the financial foundation of its communities for over 120 years. Leadership of both banks share the same vision for the combined bank: one that remains customer centric and committed to our communities. Customers of both banks will benefit by an increase in products and services. River Community and Blue Ridge know their customers and their families. Decisions will continue to be made locally by bankers with a vested interest in the community."

The transaction, which is expected to close in the third quarter of 2016, has been unanimously approved by the Boards of Directors of both companies and is subject to customary closing conditions, including regulatory approvals, and approval from the shareholders of Blue Ridge and River.

Blue Ridge's Board of Directors will appoint three River directors to join the Blue Ridge Board. After the merger, Mr. Plum will continue to serve as President and Chief Executive Officer of Blue Ridge and Mr. Haley will serve as President and Chief Operating Officer of the combined bank and as a director on the Blue Ridge Board.

In consideration of the merger, extensive due diligence was performed by both companies. Blue Ridge expects the transaction to be more than 30% accretive to earnings per share with an estimated earn-back period for book value dilution of less than two years.

Blue Ridge was advised in the transaction by Sandler O'Neill + Partners, L.P. as financial advisor and LeClairRyan, A Professional Corporation as legal counsel. River was advised in the transaction by Banks Street Partners, LLC as financial advisor and Woods Rogers PLC and Bryan Cave LLP as legal counsel.

### **About Blue Ridge Bankshares, Inc.**

Blue Ridge Bankshares, Inc. is a single-bank holding company headquartered in Luray, Virginia. Chartered in 1893 as the Page Valley Bank of Virginia, today Blue Ridge Bank has additional branches in Shenandoah, McGaheysville, Charlottesville, and Harrisonburg, Virginia. Celebrating 123 years as a locally owned, independent community bank, Blue Ridge Bank provides a wide range of financial services. Visit [www.mybrb.com](http://www.mybrb.com) for more information.

### **About River Bancorp, Inc.**

River Bancorp, Inc. is the parent holding company of River Community Bank, N.A., which provides personal and business banking services through its banking offices in Martinsville, Stuart, Stanleytown, Drakes Branch, Virginia and a loan production office in Greensboro, North Carolina. River Community Bank also has mortgage production offices located in Cary, Raleigh, Greensboro, Eden, Kernersville, Wilmington and Whiteville North Carolina and Martinsville, Virginia. For further information, visit [www.rcbna.com](http://www.rcbna.com).

### **Additional Information About the Merger and Where to Find It**

*In connection with the proposed merger, Blue Ridge intends to file with the Securities and Exchange Commission (the "SEC") an Offering Statement on Form 1-A (the "Offering Statement") to qualify the shares of Blue Ridge common stock to be issued to shareholders of River in connection with the transaction. The Offering Statement will include a Proxy Statement of Blue Ridge and a Proxy Statement of River (together, the "Joint Proxy Statement") and an Offering Circular of Blue Ridge, as well as other relevant materials*

regarding the proposed merger transaction involving Blue Ridge and River. A definitive Joint Proxy Statement/Offering Circular will be mailed to shareholders of both Blue Ridge and River. SECURITY HOLDERS OF BLUE RIDGE AND RIVER ARE ADVISED TO READ THE JOINT PROXY STATEMENT/OFFERING CIRCULAR WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS INCORPORATED BY REFERENCE IN THE JOINT PROXY STATEMENT/OFFERING CIRCULAR BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION REGARDING BLUE RIDGE, RIVER AND THE PROPOSED MERGER TRANSACTION. Security holders may obtain free copies of these documents, once they are filed, and other documents filed with the SEC on the SEC's website at <http://www.sec.gov>.

*This release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or proxy in favor of the merger, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any such solicitations or offers will be made through the Joint Proxy Statement/Offering Circular following the qualification of the Offering Statement with the SEC and under any state securities law requirement. Any proxy or offer to sell or buy any securities provided in response to this release will not be accepted.*

### **Forward-Looking Statements**

*This release contains forward-looking statements regarding Blue Ridge, River and the proposed merger. Forward-looking statements are typically identified by words such as "believe," "expect", "anticipate", "intend", "target", "estimate", "continue", "positions", "prospects", "potential" "would", "should", "could" "will" or "may". These statements include, without limitation, Blue Ridge's and River's expectations regarding the combined bank's increased products and services, the benefit from expanding the business footprint, the quality and financial standing of the respective banks, the strategic benefit of the merger, the quality, quantity and timing of earnings accretion, the vision and decision-making of management, the future financial performance of the merged entity and the timing of the closing of the merger. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time, and these statements may not be realized. The following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the possibility that certain regulatory approvals and other conditions to the merger of Blue Ridge and River are not received or*

*satisfied on a timely basis or at all; the receipt and timing of shareholder approvals; delays in closing the merger and the merger of the parties' bank subsidiaries; difficulties, delays and unanticipated costs in integrating the merging organizations' businesses or realizing expected cost savings and other benefits; business disruptions as a result of the integration of the merging organizations, including possible loss of customers; diversion of management time to address transaction related issues; changes in asset quality and credit risk as a result of the merger and otherwise; changes in customer borrowing, repayment, investment and deposit behaviors and practices; changes in interest rates, capital markets, and local economic and national economic conditions; the timing and success of new business initiatives; competitive conditions; and regulatory conditions. For additional information concerning factors that could cause actual conditions, events or results to materially differ from those described in the forward-looking statements, please refer to the factors set forth under the headings "Risk Factors" in the Offering Statement when filed, which will be available online at [www.sec.gov](http://www.sec.gov). No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of Blue Ridge or River. Forward-looking statements are made only as of the date of this communication, and neither Blue Ridge nor River undertakes any obligation to update any forward-looking statements contained herein to reflect events or conditions after the date hereof.*

**Blue Ridge Bankshares, Inc.**

Brian K. Plum

President and Chief Executive Officer

(540) 743-6521

**River Bancorp, Inc.**

Ronald D. Haley

President and Chief Executive Officer

(276) 638-3600

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