



FARMERS BANKSHARES, INC.

www.farmersbankva.com

April 25, 2022

VOTE THE WHITE PROXY CARD TODAY!

Dear Fellow Shareholders,

We are writing today to set the record straight ahead of Farmers Bankshares' 2022 Annual Meeting at 4:00 PM on May 12, 2022. As an investor, you need the facts in order to appropriately vote your shares. Recently, you received information from the Holland brothers, Dick and Greg. It is important to know that the data they presented is at best misleading and fails to reflect our strong performance.

The Hollands' financial metrics are misleading. The enclosed flyer shows the actual results we achieved in 2021. The figures provided by the Hollands leave out important parts of our revenue mix, such as the Manry Rawls insurance business and the Tidewater Home Funding mortgage business. Omitting these revenue streams from our results masks the fact that we had record results in 2021, driven by diversified income streams that position us to succeed in today's low-margin environment and a variety of economic conditions. Even excluding the sale of real estate that occurred in 2021, we achieved strong results, consistent with or better than our peers. Please see the attached information.

The Hollands' letter also suggests that the Board removed Dick Holland as Chairman of the Board to punish him, instead of listening to what our shareholders have to say. This is inaccurate. While we appreciate Dick's significant role in our past success, we believe that his unacceptable behaviors after he retired as CEO were inconsistent with the high standards to which we hold our Board members, undermined management and, if continued, would threaten the value of your investment.



In January 2022, the Holland brothers indicated that they were interested in exiting their investment in Farmers Bankshares and proposed in writing to the Board that Farmers Bankshares repurchase shares held by them, certain members of their family, and others with whom they have "personal relationships," at a price per share of approximately 1.9 times Farmers Bankshares' tangible book value (approximately 200% of the then-current trading price). Shortly after the Board communicated to Dick that such a price was not justifiable or in the best interests of all shareholders, Dick used his then-position as Chairman, without any prior discussion or approval by the Board, to call a special meeting of shareholders to consider a proposal to maximize shareholder value (in other words, sell the Bank).

In the Board's view, Dick's actions reflected a self-interested and inappropriate abuse of the Chairman position, and the Board made the difficult decision to remove Dick as a last, but necessary, resort. That the Holland brothers are now choosing to conduct a public campaign against the Board based on a harmful, misleading portrayal of the Bank's performance validates these concerns.

DON'T BE FOOLED BY THE HOLLANDS' MISLEADING AND SELF-INTERESTED PROPAGANDA

The Holland brothers are now publicly advocating for a sale or merger of the Bank. However, painting a misleadingly poor picture of the Bank's performance is harmful to the Bank's business prospects and ability to recruit, motivate and retain employees and is ultimately counterproductive to any potential sale or merger process. Indeed, it is the Hollands' misleading propaganda that could lower the value of your investment.

The Hollands Using Misleading Numbers to Paint 2021 Performance as Bad

	 FARMERS BANK <small>SERVING THE COMMUNITY SINCE 1919</small> (GAAP)	 FARMERS BANK <small>SERVING THE COMMUNITY SINCE 1919</small> (Non-GAAP, excludes one-time real estate sale)	Mr. Holland's Misleading Numbers (Non-GAAP)
Return on Assets	1.44%	1.02%	0.50%
Return on Equity	12.41%	8.61%	4.50%
Efficiency Ratio	63.17%	69.48%	74%

The Hollands' letter to shareholders omits investment gains, Tidewater Home Funding (mortgage) revenue, Manry Rawls (insurance) revenue, real estate gain and PPP fees.

Not calculated in accordance with generally accepted accounting principles (GAAP) or consistent with industry practice.



FARMERS BANK

SERVING THE COMMUNITY SINCE 1919



While a sale or merger is always an option, we would only consider a transaction that is in the best interest of shareholders and our community. The decision to sell or merge is one of the most important decisions that a board can make, and not one that the Board will take lightly or on a timeframe—in the Bank's 100+ year history—simply to accommodate the Hollands' personal desires to exit their investment. Our recent performance is strong and our outlook is bright. We have diversified our revenue streams and positioned our business for the long run. There is a viable path to remain a strong, independent, community bank, but we will consider all options to drive shareholder value. As part of any potential transaction, all shareholder interests are served by being clear on what our results have been. **You can support the Board and your Bank to so serve those interests through your affirmative vote on May 12.**

We understand that these recent communications are out of the ordinary and may seem confusing. As your Board and management team, we have a responsibility to ensure that our results are reported accurately and reflect the true value of your investment in our bank. We have a duty to make sure the facts are known and to make the right decisions to drive shareholder value. We are available to answer your questions and urge you to contact Vernon Towler directly at 757-242-9312 if we can provide any further information.

We encourage you to vote now by signing, dating, and returning the enclosed WHITE proxy card in the postage paid envelope provided. Please discard any blue proxy cards you receive from the Holland brothers and vote the WHITE proxy card today. If you like the course we are on and value your dividend, support your active Board members and ratify our qualified and experienced auditor. In doing so, you will allow us to continue our important work to drive strong results for the Bank.

If you have previously voted using a proxy card sent to you by the Holland brothers, you can subsequently revoke it by signing, dating and returning the WHITE proxy card in the postage paid envelope provided. Remember, only your last dated proxy will count – any proxy may be revoked at any time prior to its exercise at the Annual Meeting as described in the Proxy Statement.

If you have any questions or need assistance in voting your shares, please contact our proxy solicitor Georgeson LLC at the number below.

Georgeson

1290 Avenue of the Americas, 9th Floor

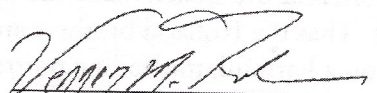
New York, NY

Call Toll Free: (866) 695-6078

Sincerely,



William A. Gwaltney, Jr.
Chairman, Board of Directors



Vernon M. Towler
President and CEO
Member, Board of Directors