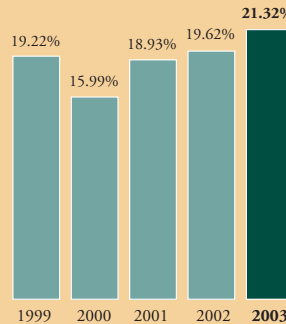


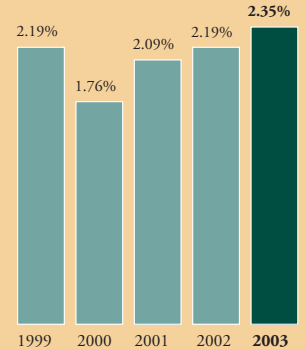
2003 FINANCIAL HIGHLIGHTS

C&F Financial Corporation is a one-bank holding company with administrative offices in West Point, Virginia. Its wholly-owned subsidiary, Citizens and Farmers Bank, offers quality banking services to individuals, professionals, and small businesses through twelve branch offices serving the surrounding towns and counties. Citizens & Commerce Bank, which operates as a division of Citizens and Farmers Bank, offers quality banking services in the Richmond market and has two branch offices. Citizens and Farmers Bank has six wholly-owned subsidiaries. C&F Mortgage Corporation originates and sells residential mortgages. These mortgage services are provided through ten offices in Virginia, three offices in Maryland and one in Delaware. Moore Loans, Inc., acquired in 2002, specializes in new and used automobile lending in the Richmond, Hampton Roads and Roanoke markets, as well as portions of eastern Tennessee. Brokerage services are offered through C&F Investment Services, Inc. C&F Title Agency, Inc. offers title insurance services. Insurance services are offered through C&F Insurance Services, Inc. Hometown Settlement Services LLC offers real estate loan settlement services.

Return on Average Equity

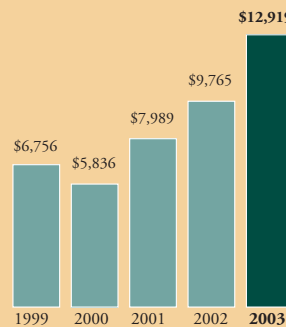


Return on Average Assets



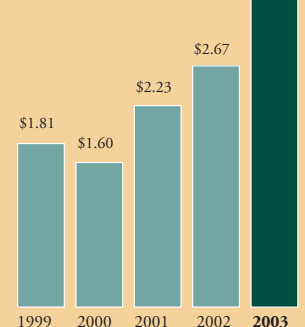
Net Income

(dollars in thousands)



Earnings Per Share

(assuming dilution)



C&F FINANCIAL CORPORATION



OFFICE LOCATIONS

LETTER FROM THE PRESIDENT

DEAR FELLOW SHAREHOLDERS:



Many times I have mentioned in this letter that we are willing to make investments that sacrifice short-term earnings in order to achieve higher results in the long-term. This philosophy still holds true and we are excited about some of the investments for the future that we are making today.

Larry G. Dillon
Chairman, President and
Chief Executive Officer

In recent years, our annual reports have proudly pointed to annual achievement records, particularly for 2001 and 2002, when net income increased 36.9% and 22.2%, respectively, and new records were established in basically every financial category for each of those years. Such banner years are difficult to improve upon.

We are pleased to report that 2003 represented another year of achievement for C&F Financial Corporation. Net income was \$12.9 million, an increase of \$3.2 million over 2002's record results, which resulted in a return on average assets of 2.35% (the highest ever achieved by your company) vs. 2.19% in 2002. The Company's return on average equity was 21.3% vs. 19.6% in 2002. This growth in net income was primarily the result of increased earnings at C&F Mortgage due to \$1.1 billion in loan production, a growth of 38% over 2002, and a full year's earnings at Moore Loans.

These results continue to place us in the top tier of our peer group both in Virginia and the nation. Both our returns on average equity (21.3%) and assets (2.35%) far exceed the peer group averages of 12.6% and 1.12%, respectively, and put us in the top 10% of all financial institutions nationwide.

The Company's performance has been reflected in your investment. The Board of Directors increased dividends twice during 2003, from \$.16 per quarter to \$.20, resulting in a 25% increase in our dividend rate. The market value of your stock also increased, in part due to the stock's inclusion in the Russell 2000, going from \$25 per share at year-end 2002 to \$40 per share at year-end 2003.

Asset and deposit growth at the Company were also very good. Net loans increased \$21.5 million at the Company, going from \$328.6 million to \$350.2 million. Deposits continued their strong growth in

2003, going from \$383.5 million to \$427.6 million, an 11.5% increase. This growth extended across all of the markets we serve and is the result of the emphasis we place on giving our customers personalized service. We put much effort into the training and development of our

staff members to assure that we offer our customers exceptional service. This is an on-going process and based on the positive feedback we get from customer surveys as well as their unsolicited comments, it appears that our efforts are paying off.

As you review this report, you will probably notice that our numbers are not as easy to interpret as they may have been several years ago. The fact is that we have diversified our earnings over the last decade to take advantage of opportunities that add to our bottom line. Because of the investment in and growth of our different lines of business, comparisons to other financial companies our size, especially banks, have become more difficult because most other financial organizations do not share our level of diversification.

C&F Investment Services offers personalized service combined with a full array of investment products to meet all of your financial needs.

DeAnn Rinehart
C&F Investment Services



At C&F Bank, we strive to deliver exceptional personalized service. We also realize convenience is important to our customers, therefore, we offer extended drive-thru hours, ATMs at most locations and 24-hour a day internet banking at www.cffc.com.

Andre Jones
C&F Bank

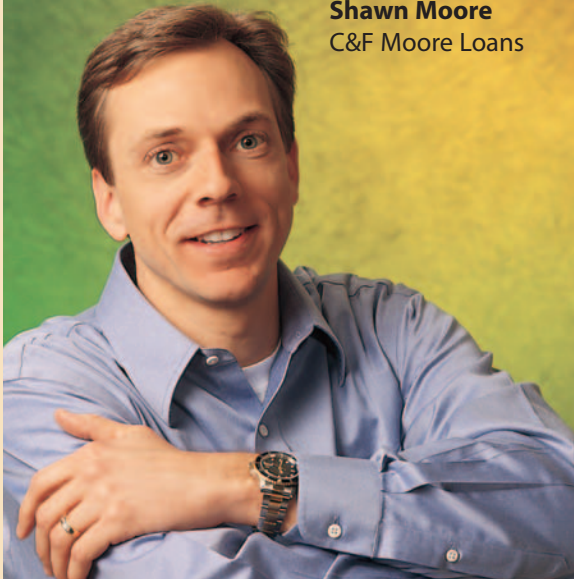


We have experienced tremendous financial success the last several years; however, we realize that returns that we have been able to achieve (almost twice the average bank) are going to be more difficult to duplicate in the future. Many times I have mentioned in this letter that we are willing to make investments that sacrifice short-term earnings in order to achieve higher results in the long-term. This philosophy still holds true and we are excited about some of the investments for the future that we are making today.

As an example, when we purchased Moore Loans in 2002, we had two major concerns:

C&F Moore Loans has created a unique relationship with our automobile dealers. Through exceptional service and enhanced technology, we are improving our efficiencies daily.

Shawn Moore
C&F Moore Loans



management succession and utilization of technology to make the company more efficient. Over the past year, we have added several new members to the management team and we have great confidence that they will be able to carry the company forward both profitably and safely.

We have also begun the process of greatly enhancing the technology at Moore Loans. Within the next several months we will have fully integrated them into the Bank's primary

data processing structures which will provide greater service capabilities as well as better disaster contingencies and backup. In addition, we are in the process of implementing new systems that will allow us to receive applications via the internet from the auto dealers that we serve. These systems will allow us to provide much faster service while at the same time increasing our efficiencies resulting in our being able to improve both our loan quality and volume. While these initiatives are going to add to our expenses, they will lead to a better and more profitable company.

Another example is the Bank's recent expansion into the Peninsula market of Virginia. We have been able to put together an excellent and experienced management team and anticipate great success in this market. In January, we opened our first location in temporary space and anticipate opening several permanent branches within the next two years. Once these facilities are open, we feel we will be able to cross-sell banking services with the services already offered by Moore Loans and C&F Mortgage, which have served this region for many years. Again, this type of growth will impact short-term earnings with the anticipation that long-term earnings will be improved.

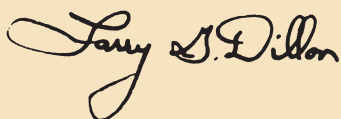
Another example is the Bank's recent expansion into the Peninsula market of Virginia. We have been able to put together an excellent and experienced management team and anticipate great success in this market. In January, we opened our first location in temporary space and anticipate opening several permanent branches within the next two years.

In addition to the Peninsula expansion, we also anticipate further expansion by all three of our primary business segments over the next year. Both C&F Mortgage and Moore Loans are currently attracting talented new recruits in areas not currently being served and the Bank continues to look for new opportunities in the Richmond market, such as the recently opened Mechanicsville office. These growth opportunities point to exciting years ahead for your Company.

Recently, we engaged a firm to conduct a market study to determine the proper “branding” for our entire company. This study has shown that there is some confusion in the market regarding the various names we use with our various business entities. A major recommendation coming out of this study is that we better capitalize on the “C&F” name recognition throughout all of the markets we serve. The branding process will allow all lines of business to be easily recognized as part of the same corporate family by utilizing “C&F” in all of our subsidiaries’ names.

There is much activity in the “C&F” family of businesses and we are excited about the future. We may not be able to attain the same level of returns in the near future as we have seen the last several years, but the long-term looks very bright for your Company.

We could not have achieved these extraordinary results nor have such high expectations for the future were it not for the dedication and hard work of our exceptional staff and the insight and direction of our Boards of Directors. We thank them and also express our gratitude to you for your continued support and patronage.



Larry G. Dillon
Chairman, President, and Chief Executive Officer

We can offer our clients a veritable “candy store” of mortgage products – rates and terms for just about anyone’s needs. At C&F Mortgage we want to make the path to homeownership a pleasant experience.

Kathy Burley
C&F Mortgage



DIRECTORS AND OFFICERS



Citizens and Farmers Bank — (Front, left to right) Barry R. Chernack, Audrey D. Holmes, Larry G. Dillon, and William E. O'Connell Jr. (Back, left to right) Thomas B. Whitmore Jr., Paul C. Robinson, Bryan E. McKernon, James H. Hudson III, J. P. Causey Jr., C. Elis Olsson, and Joshua H. Lawson

C&F FINANCIAL CORPORATION/ CITIZENS AND FARMERS BANK

J. P. Causey Jr.*+

Executive Vice President, Secretary & General Counsel
Chesapeake Corporation

Barry R. Chernack*+

Retired Partner
PricewaterhouseCoopers LLP

Larry G. Dillon *+

Chairman, President & CEO
C&F Financial Corporation
Citizens and Farmers Bank

Audrey D. Holmes+

Attorney-at-Law
Audrey D. Holmes, Attorney-at-Law

James H. Hudson III*+

Attorney-at-Law
Hudson & Bondurant, P.C.

Joshua H. Lawson*+

President
Thrift Insurance Corporation

Bryan E. McKernon+

President & CEO
C&F Mortgage Corporation

William E. O'Connell Jr.*+

Chesie Professor of Business
The College of William and Mary

C. Elis Olsson+

Director of Operations
Martinair, Inc.

Paul C. Robinson*+

Owner & President
Francisco, Robinson & Associates, Realtors

Thomas B. Whitmore Jr.+

Retired President
Whitmore Chevrolet, Oldsmobile,
Pontiac Co., Inc.

CITIZENS & COMMERCE BANK

Frank Bell III

President
Citizens & Commerce Bank

Jeffery W. Jones

Chairman & CEO
WFofR, Incorporated

S. Craig Lane

President
Lane & Hamner, P.C.

William E. O'Connell Jr.

Chairman of the Board
Chesie Professor of Business
The College of William and Mary

Meade A. Spotts

President
Spotts, Fain, Chappell & Anderson, P.C.

Scott E. Strickler

Treasurer
Robins Insurance Agency, Inc.

Katherine K. Wagner

Senior Vice President
Commercial Lending
Citizens & Commerce Bank

C&F MORTGAGE CORPORATION

J. P. Causey Jr.

Executive Vice President,
Secretary & General Counsel
Chesapeake Corporation

Larry G. Dillon

Chairman of the Board

James H. Hudson III

Attorney-at-Law
Hudson & Bondurant, P.C.

Bryan E. McKernon

President & CEO
C&F Mortgage Corporation

William E. O'Connell Jr.

Chesie Professor of Business
The College of William and Mary

Paul C. Robinson

Owner & President
Francisco, Robinson & Associates,
Realtors

INDEPENDENT PUBLIC ACCOUNTANTS

Yount, Hyde & Barbour, P.C.
Winchester, VA

CORPORATE COUNSEL

Hudson & Bondurant, P.C.
West Point, VA

SANDSTON/VARINA ADVISORY BOARD

Robert A. Canfield

Attorney-at-Law
Canfield, Shapiro, Baer, Heller & Johnston

E. Ray Jernigan

Business Owner
Citizens Machine Shop

S. Floyd Mays

Insurance Agent/Owner
Floyd Mays Insurance

James M. Mehfood

Pharmacist/Business Owner
Sandston Pharmacy

Robert F. Nelson Jr.

Professional Engineer
Engineering Design Associates

John G. Ragsdale II

Business Owner
Sandston Cleaners

Phil T. Rutledge Jr.

Retired Deputy County Manager
County of Henrico

Sandra W. Seelmann

Real Estate Broker/Owner
Varina & Seelmann Realty



Citizens & Commerce Bank Board — (Front, left to right) William E. O'Connell Jr., Frank Bell III, and Katherine K. Wagner (Back, left to right) Scott E. Strickler, S. Craig Lane, Jeffery W. Jones and Meade A. Spotts

* C&F Financial Corporation Board Member
+ Citizens and Farmers Bank Board Member

OFFICERS AND LOCATIONS

CITIZENS AND FARMERS BANK

ADMINISTRATIVE OFFICE
802 Main Street
West Point, Virginia 23181
(804) 843-2360

Larry G. Dillon *
Chairman, President & CEO

Maria E. Campbell
Senior Vice President, Retail

Thomas F. Cherry *
Senior Vice President, CFO & Secretary

Ronald P. Espy
Senior Vice President & Senior Lending Officer

William B. Littreal
Senior Vice President, Information Systems

Laura H. Shreaves
Senior Vice President & Director of Human Resources

Gari B. Sullivan
Senior Vice President

Leslie A. Campbell
Vice President, Loan Administration

E. Turner Coggin
Vice President, Senior Loan Underwriter

Sandra S. Fryer
Vice President, Special Projects Leader

Jeffrey G. Hall
Vice President, Information Technology

Deborah R. Nichols
Vice President, Quality Control

Mary-Jo Rawson
Vice President & Controller

Evelyn Townsend
Vice President, Operations

Michael K. Wilson
Vice President

* Officers of C&F Financial Corporation

WEST POINT – MAIN OFFICE

802 Main Street
West Point, Virginia 23181
(804) 843-2360

Rancee Blanton-Clifford
Branch Manager

JAMESTOWN ROAD
1167 Jamestown Road
Williamsburg, Virginia 23185
(757) 220-3293

Alec J. Nuttall
Assistant Vice President & Branch Manager

Deborah H. Linkenauger
Vice President, Commercial Lending
(757) 220-6656

LONGHILL ROAD
4780 Longhill Road
Williamsburg, Virginia 23188
(757) 565-0593

Sandra C. St. Clair
Assistant Vice President & Branch Manager

MECHANICSVILLE
7021 Mechanicsville Turnpike
Mechanicsville, Virginia 23111
(804) 569-9776

Jesse M. Morris
Assistant Vice President & Branch Manager

MIDDLESEX
Route 33 at Route 641
Saluda, Virginia 23149
(804) 758-3641

Elizabeth B. Faudree
Assistant Vice President & Branch Manager

NORGE
7534 Richmond Road
Norge, Virginia 23127
(757) 564-8114

Robert J. Unangst
Branch Manager

PROVIDENCE FORGE
3501 N. Courthouse Road
Providence Forge, Virginia 23140
(804) 966-2264

James D. W. King
Vice President & Branch Manager

QUINTON
2580 New Kent Highway
Quinton, Virginia 23141
(804) 932-4383
Mary T. "Joy" Whitley
Assistant Vice President & Branch Manager

SANDSTON
100 East Williamsburg Road
Sandston, Virginia 23150
(804) 737-7005

Katherine P. Buckner
Assistant Vice President & Branch Manager

VARINA
Route 5 at Strath Road
Richmond, Virginia 23231
(804) 795-7000

Susan M. Terry
Branch Manager

Tracy E. Pendleton
Vice President & Area Credit Manager
(804) 795-7706

WEST POINT – 14TH STREET
415 Fourteenth Street
West Point, Virginia 23181
(804) 843-2708

Karen T. Richardson
Assistant Vice President & Branch Manager

CONSTRUCTION LENDING OFFICE

C&F Center
1400 Alverser Drive
Midlothian, Virginia 23113
(804) 858-8351
Terrence C. Gates
Vice President, Real Estate Construction

CITIZENS & COMMERCE BANK

ADMINISTRATIVE OFFICE
C&F Center
1400 Alverser Drive
Midlothian, Virginia 23113
(804) 378-0332

Frank Bell III
President

Katherine K. Wagner
Senior Vice President
Commercial Lending

MIDLOTHIAN
C&F Center
1400 Alverser Drive
Midlothian, Virginia 23113
(804) 378-0332

Jesse E. Bullard
Assistant Vice President & Branch Manager

RICHMOND
8001 West Broad Street
Richmond, Virginia 23294
(804) 290-0402
Kevin L. Ford
Assistant Vice President & Branch Manager

C&F BANK PENINSULA
ADMINISTRATIVE OFFICE
City Center
698 Town Center Drive
Newport News, Virginia 23606
(757) 596-4775

Vern E. Lockwood II
President

Bonnie S. Smith
Vice President, Real Estate Lending

NEWPORT NEWS – CITY CENTER
698 Town Center Drive
Newport News, Virginia 23606
(757) 596-4775

Joycelyn Y. Spight
Assistant Vice President & Branch Manager

C&F TITLE AGENCY, INC.

C&F Center
1400 Alverser Drive
Midlothian, VA 23113
(804) 858-8399
Eileen A. Cherry
Vice President & Title Insurance Underwriter

C&F INVESTMENT SERVICES, INC.

417 Fourteenth Street
West Point, Virginia 23181
(804) 843-4584 (800) 583-3863

Eric F. Nost
President

C&F Center
1400 Alverser Drive
Midlothian, Virginia 23113
(804) 378-7296 (888) 435-2033

Douglas L. Hartz
Assistant Vice President

1167 Jamestown Road
Williamsburg, Virginia 23185
(757) 229-5629

Douglas L. Cash Jr.
Branch Manager

OFFICERS AND LOCATIONS

C&F MORTGAGE CORPORATION

ADMINISTRATIVE OFFICE
C&F Center
1400 Alverser Drive
Midlothian, VA 23113
(804) 858-8300

Bryan E. McKernon
President & Chief Executive Officer

Mark A. Fox
*Executive Vice President &
Chief Financial Officer*

Donna G. Jarratt
Senior Vice President & Project Manager

Kevin A. McCann
Senior Vice President & Controller

Tracy L. Bishop
Vice President & Human Resources Manager

M. Kathy Burley
Vice President & Closing Manager

Susan L. Driver
Vice President & Underwriting Manager

H. Daniel Salomonsky
Vice President & Appraisal Manager

RICHMOND, VIRGINIA
C&F Center
1400 Alverser Drive
Midlothian, VA 23113
(804) 858-8300

Donald R. Jordan
Vice President & Branch Manager

Daniel J. Murphy
Vice President & Production Manager

Susan P. Burkett
Vice President & Operations Manager

RICHMOND, VIRGINIA
7231 Forest Avenue, Suite 202
Richmond, Virginia 23226
(804) 673-2150

Page C. Yonce
Vice President & Branch Manager

RICHMOND, VIRGINIA
6200 B Lakeside Avenue
Richmond, Virginia 23228
(804) 673-3453

Constance Bachman-Hamilton
Vice President & Branch Manager

CHESTER, VIRGINIA
4517 West Hundred Road
Chester, Virginia 23831
(804) 748-2900

Stephen L. Fuller
Vice President & Branch Manager

CHARLOTTESVILLE, VIRGINIA
1420 Greenbrier Place
Charlottesville, Virginia 22901
(434) 974-1450

WAYNESBORO, VIRGINIA
40 Stoneridge Drive, Suite 101
Waynesboro, Virginia 22980
(540) 949-0260

William E. Hamrick
Vice President & Branch Manager

Philip N. Mahone
Vice President & Branch Manager

FREDERICKSBURG, VIRGINIA
1340 Central Park Boulevard, Suite 206
Fredericksburg, Virginia 22401
(540) 548-8855

Brian F. Whetzel
Branch Manager

R. W. Edmondson III
Branch Manager

NEWPORT NEWS, VIRGINIA
703 Thimble Shoals Boulevard, Suite C4
Newport News, Virginia 23606
(757) 873-8200

Linda H. Gaskins
Vice President & Branch Manager

WILLIAMSBURG, VIRGINIA
1167-A Jamestown Road
Williamsburg, Virginia 23185
(757) 259-1200

Irving E. "Ed" Jenkins
Vice President & Branch Manager

LYNCHBURG, VIRGINIA
17835 Forest Road, Suite B
Forest, Virginia 24551
(434) 385-0700

J. Garnett Atkins
Vice President & Branch Manager

CROFTON, MARYLAND
2191 Defense Highway, Suite 200
Crofton, Maryland 21114
(410) 721-6770

Michael J. Mazzola
Senior Vice President & Maryland Area Manager

ANNAPOLIS, MARYLAND
705 Melvin Avenue, Suite 104
Annapolis, Maryland 21401
(410) 263-9229

William J. Regan
Vice President & Branch Manager

ELLICOTT CITY, MARYLAND
5052 Dorsey Hall Drive, Suite 202
Ellicott City, MD 21042
(410) 964-9223

NEWARK, DELAWARE
220 Continental Drive, Suite 404
Newark, DE 19713
(302) 607-0030

Scott B. Segrist
Branch Manager

Robert G. Menton
Branch Manager

HOMETOWN SETTLEMENT SERVICES

1463 Greenbrier Place
Charlottesville, VA 22901
(434) 220-1046

Donna L. West
Settlement Manager

C&F MOORE LOANS

ADMINISTRATIVE OFFICE
316 E. Grace Street
Richmond, VA 23219
(804) 643-8479

Abby W. Moore
President

C. Norwood Ashworth
Senior Vice President

Thomas W. Fee
Vice President

C. Shawn Moore
Vice President

COLLECTION CENTER
403 E. Grace Street
Richmond, VA 23219
(804) 644-0363

H. Lee Shifflett
Manager

FREDERICKSBURG REGION
Kara Jones Carr
Area Manager

NORTHERN VIRGINIA REGION
Paul M. Martin
Area Manager

HAMPTON, VIRGINIA
2017 Cunningham Drive, Suite 208
Hampton, VA 23666
(757) 826-5660

Daniel P. Taylor
Manager

RICHMOND, VIRGINIA
316 E. Grace Street
Richmond, VA 23219
(804) 643-8479

R.E. "Skip" Baumgardner
Manager

ROANOKE, VIRGINIA
5115 Bernard Drive, Suite 111
Roanoke, VA 24018
(540) 776-0938

Livia P. Woodford
Manager

TENNESSEE
Mike G. Fraysier
Business Development Manager