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News Release

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FOR IMMEDIATE RELEASE

Bank of Fincastle Announces 2nd Quarter Profit and \$14 Million Private Placement of Common Stock

FINCASTLE, Va. (July 31, 2017) — The Bank of Fincastle (the “Bank”) (OTC Pink: “BFTL”) announced today that it has returned a profit in the 2nd quarter of \$17,683, its first profitable quarter since the 1st quarter of 2015. The Bank has been focused on a return to profitability and 2nd quarter results demonstrate a positive response to its efforts to ensure the Bank’s long-term viability. The Bank continues to make progress with its problem assets, and the ongoing execution of its strategic plan is restoring the health of the financial institution.

The Bank also successfully completed a \$14.3 million private placement of common stock. The Bank issued 7,718,084 shares of common stock at \$1.85 per share to institutional and accredited investors. Net proceeds from the offering are estimated to be approximately \$13.3 million and will be reflected in the Bank’s 3rd quarter financial statements.

Net proceeds from the private placement of common stock have restored the Bank’s capital levels to the standards required by federal banking regulations, while providing additional capital to encourage future growth and support general corporate purposes.

Scott Steele, President and Chief Executive Officer, commented, “We are pleased with the results of the Bank’s strategic decisions made over the past year, our return to profitability and the response to our capital raise. The successful offering was a vote of confidence by the investment community showing strong support for our Bank. This new capital will allow the Bank to continue to grow organically and will support the capital needs for our future.”

The Bank engaged the investment banking firm of FIG Partners, LLC to act as its sole placement agent to assist with the common stock offering. Grady & Associates acted as Placement Agent counsel. The law firm of Cowan Perry, PC acted as Bank legal counsel.

About The Bank of Fincastle:

The Bank of Fincastle, headquartered in Fincastle, Virginia since 1875, is a leading financial services provider for consumers and small businesses. Member FDIC. Equal Housing Lender.

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Forward-Looking Statements:

Certain statements in this press release may be “forward-looking statements.” Forward-looking statements are statements that include projections, predictions, expectations or beliefs about future events or results that are not statements of historical fact and that involve significant risks and uncertainties. Although the Bank believes that its expectations with regard to forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual results will not differ materially from any future results implied by the forward-looking statements. Actual results may be materially different from past or anticipated results because of many factors, some of which may include changes in economic conditions, the interest rate environment, legislative and regulatory requirements, new products, competition, changes in the stock and bond markets and technology. The Bank does not update any forward-looking statements that it may make.