

Cindy Bailey  
Marketing Director  
540-966-0248  
cindy.bailey@bankoffincastle.com



---

## NEWS RELEASE

October 31, 2017

FOR IMMEDIATE RELEASE

### The Bank of Fincastle Third Quarter Results Demonstrate Strategic Plan Success; Community Overwhelmingly Supports 31<sup>st</sup> Annual Fall Run

**Fincastle, Va.** - The Bank of Fincastle (OTCPK: BFTL) has announced third quarter financial results for the period ended September 30, 2017. Included in the third quarter 2017 financials are the results from the Bank's successful capital raise during the second quarter of 2017 and highlights of a significant year-over-year improvement in position for the Bank.

Capital has increased from \$12.7 million in the second quarter of 2017 to \$26 million at the end of the third quarter, a 49 percent increase. The Bank's total risk-based capital increased from 8.49 percent to 16.97 percent, which is significantly above regulatory levels to be considered a well-capitalized financial institution. With the success of the capital raise and the new capital position, The Bank of Fincastle was able to increase lending, having the strongest quarter-over-quarter increase in lending in the Bank's 142 year history. The Bank reported an increase in total loans from \$120.8 million in second quarter 2017 to \$131.9 million at the end of the third quarter 2017, representing a 9.2 percent increase. The quarterly financials show a decrease in net losses before taxes to \$91 thousand, down from \$2.2 million in losses for the third quarter 2016. Higher operating costs, noninterest expenses and write downs of problem loans have impacted the quarterly results; however progress is positive as the Bank remains diligent in its strategic plan to improve asset quality.

"Our third quarter performance includes the success of our \$14 million capital fundraising campaign, which solidifies the Bank for future growth," said Scott Steele, President and CEO. "We remain focused on executing our strategy to further enhance profitability, and I am thankful to have such a dedicated and talented staff of bankers who have shown tremendous commitment to our customers and our goal of moving the bank toward additional growth and prosperity."

In addition, the Bank continues to have a positive impact on the community as evidenced by the completion of its 31<sup>st</sup> Annual Bank of Fincastle Fall 5K and 10K Run held in the historic Town of

Fincastle, Virginia on October 21<sup>st</sup> of this year. “With a field of more than 600 runners, our Fall Run continues to be the largest single-day athletic event in Botetourt County,” said Steele. “More than half of the runners are students from elementary through high school who train for several months to participate in The Bank of Fincastle Fall Run with their schoolmates.”

### **About The Bank of Fincastle**

The Bank of Fincastle has been a leading financial services provider for consumers and small businesses since 1875, and offers a full range of banking, lending and investment products. Headquartered in Fincastle, Virginia, the bank has six full-service branches, thirteen ATM locations, three 7 am to 7 pm drive through locations and offers easy- to-use online banking, 24/7 telephone banking and a mobile app for banking on your mobile device. To reach one of our professionals visit [www.bankoffincastle.com](http://www.bankoffincastle.com) or call 540-473-2761. The Bank of Fincastle is a Member FDIC, Equal Housing Lender and Equal Opportunity Employer.

###