

Bancorp 34, Inc., Announces Completion of \$14.0 Million Private Placement

SCOTTSDALE, AZ, UNITED STATES,
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On December 30, 2022, Bancorp 34, Inc. (OTCQB: BCTF) (the "Company"), the holding company of Bank 34, completed the closing of a \$14.0

million private placement of common stock and non-voting preferred stock to certain qualified institutional investors, led by Castle Creek Capital. The shares were issued at a price of \$14.00 per share, and were accompanied by 100,315 warrants to purchase additional shares at \$14.00 per share. There were 511,408 common shares and 521,849 preferred shares issued as a part of

The logo for Bancorp 34, featuring the word "BANCORP" in a dark serif font and the number "34" in a large, bold, orange sans-serif font.

the offering. The preferred shares can be converted to non-voting common shares in the future, subject to required regulatory and shareholder approvals.

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We are excited to complete this capital raise as it further positions us to execute on our growth strategy.”

*Jim Crotty, President and CEO
of Bancorp 34, Inc.*

The Company will use the net proceeds of the equity offering to fund organic growth, transact on potential acquisition opportunities, enter complementary new business lines, and to enhance capital ratios. The Company anticipates completing a second round of

financing of up to an additional \$14.0 million in the first quarter of 2023, with shares to be sold and warrants to be issued at the same \$14.00 per share.

Jim Crotty, President and CEO of Bancorp 34 stated, “We are excited to complete this capital raise as it further positions us to execute on our growth strategy. This capital will support our ability to pursue potential market and growth opportunities while bolstering our balance sheet as we continue to anticipate and prepare for uncertain economic conditions.”

MJC Partners, LLC, served as the exclusive placement agent in connection with the offering. Luse Gorman, PC acted as legal counsel to BCTF.

About Bancorp 34, Inc.

Bank 34 is a wholly owned subsidiary of Bancorp 34, Inc. Shares of Bancorp, 34, Inc. common stock trade on the OTCQB market under the symbol "BCTF" with headquarters in Scottsdale,

Arizona. We are a community bank founded in 1934 with locations in Scottsdale, Arizona and Alamogordo and Las Cruces, New Mexico. Our customers desire a refreshing and more intimate alternative to the large banks, coupled with a more proven track record than the newer small banks. We offer true relationship banking and do more to earn your business.

About MJC Partners

MJC Partners, LLC is a leading Los Angeles-based boutique investment banking and advisory firm providing a full range of strategic, transactional, and valuation-related services to clients across multiple industry groups with a focus on financial services and financial technology.

Note Regarding Forward Looking Statements

This news release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts, and generally include the words "believes," "plans," "intends," "expects," "opportunity," "anticipates," "targeted," "continue," "remain," "will," "should," "may," or words of similar meaning. While we believe that our forward-looking statements and the assumptions underlying them are based, such statements and assumptions, are, by their nature subject to risks and uncertainties, and thus could later prove to be inaccurate or incorrect.

Accordingly, actual results could materially differ from forward-looking statements for a variety of reasons, including, but not limited to the impact of the Covid-19 pandemic and governmental responses thereto; local, regional, national and international economic conditions and events and the impact they may have on us and our customers, and in particular in our market areas; ability to attract deposits and other sources of liquidity; oversupply of property inventory and deterioration in values of Arizona or New Mexico real estate, both residential and commercial; premature payoffs in our loan portfolio; a prolonged slowdown or decline in construction activity; changes in the financial performance and/or condition of our borrowers; changes in the level of non-performing assets and charge-offs; the cost or effect of acquisitions we may make; the effect of changes in laws and regulations (including laws, regulations and judicial decisions concerning financial reform, capital requirements, taxes, banking, securities, employment, executive compensation, insurance, and information security) with which we and our subsidiaries must comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; ability to adequately underwrite for our asset-based and corporate finance lending business lines; inflation, interest rates, securities market and monetary fluctuations; cyber-security threats including loss of system functionality, or theft, or loss of data; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, or the effects of pandemic flu; destabilization in international economies; the timely development and acceptance of new banking products and services and perceived overall value of these products and services by users; changes in consumer spending, borrowing and savings habits;

technological changes; the ability to increase market share, retain customers and control expenses; ability to attract and retain key management and personnel; changes in the competitive environment among financial and bank holding companies and other financial service providers; volatility in the credit and equity markets and its effect on the general economy; changes in interest rates; the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our management team; the costs and effects of legal and regulatory developments including the resolution of legal proceedings, or regulatory, or other governmental inquiries and the results of regulatory examinations or reviews; our success at managing the risks involved in the foregoing items.

The Company does not undertake, and specifically disclaims any obligation to update any forward-looking statements to reflect occurrences or unanticipated events, or circumstances after the date of such statements except as required by law. We do not undertake, and specifically disclaim any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law.

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