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Bancorp 34, Inc. Announces Pricing and Closing of \$25,000,000 of Subordinated Notes in a Private Placement

ALAMOGORDO, NEW MEXICO - June 29, 2021 – Bancorp 34, Inc. (OTCQB: BCTF), the parent company of Bank 34 (together, the “Company”), today announced the completion of a private placement (the “Offering”) of \$25.0 million of fixed-to-floating rate subordinated notes (the “Notes”).

The Notes will initially bear interest at 4.00% per annum for five years, floating quarterly thereafter. The ten-year notes will mature on July 15, 2031, and will be callable at the Company’s option after five years.

Jim Crotty, President, CEO and Director of Bancorp 34, Inc. stated, “We are excited to announce the successful completion of our subordinated debt offering on attractive terms. The new capital that we downstream to our Bank is leverageable Tier 1 capital, which will support the continued growth of our organization and will enable us to enhance the sense of community and personal service we strive to provide for our customers.”

Performance Trust Capital Partners served as sole-lead placement agent in the Offering and MJC Partners LLC served as co-placement agent. Luse Gorman, PC served as the Company’s legal counsel in the Offering and Hunton Andrews Kurth LLP served as legal counsel to Performance Trust Capital Partners.

About Bancorp 34, Inc. and Bank 34

Bank 34 is a wholly-owned subsidiary of Bancorp 34, Inc. Bank 34 operates with four offices located in New Mexico (2) and Arizona (2). We aspire to be the preferred provider of financial services in our communities based on solid client relationships resulting in client loyalty, increased shareholder value, and employee satisfaction.

Standing the test of time and change since 1934, we have stood by clients who share the passion of individualism and innovation. Our genuine brand of client care has been shaped by our own lessons learned from what it takes to remain independent and authentic in a world of large banks. The way you choose to bank with us may be changing at the speed of technology, but rest assured whatever choices you make, Bank 34 will always be true to the highest level of personal service.

No Offer or Solicitation

This press release does not constitute an offer to sell, a solicitation of an offer to sell or the solicitation of an offer to buy any securities. There will be no sale of securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, predictions, projections, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. Forward-looking statements are typically, but not exclusively, identified by the use of forward-looking terminology such as “believes,” “expects,” “could,” “may,” “will,” “should,” “seeks,” “likely,” “intends” “plans,” “pro forma,” “projects,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: business and economic conditions generally and in the bank and non-bank financial services industries, nationally and within our local market areas; our ability to mitigate our risk exposures; our ability to maintain our historical earnings trends; our ability to successfully identify and address the risks associated with any possible future acquisitions, including risks related to integration; changes in management personnel; interest rate risk; credit risk associated with our loan portfolio; deteriorating asset quality and higher loan charge-offs; time and effort necessary to resolve nonperforming assets; inaccuracy of the assumptions and estimates we make in establishing reserves for probable loan losses and other estimates and projections; lack of liquidity; fluctuations in the fair value and liquidity of the securities we hold for sale; impairment of investment securities, goodwill, other intangible assets or deferred tax assets; our risk management strategies; increased competition in the bank and non-bank financial services industries, nationally, regionally or locally, which may adversely affect pricing and terms; the accuracy of our financial statements and related disclosures; system failures or failures to prevent breaches of our network security; the institution and outcome of litigation and other legal proceedings against us or to which we become subject; changes in federal tax law or policy; the impact of recent and future legislative and regulatory changes, including changes in banking, securities and tax laws and regulations, and their application by our regulators; governmental monetary and fiscal policies; and increases in our capital requirements.

While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. All forward-looking statements are necessarily only estimates of future results. Accordingly, actual results may differ materially from those expressed in or contemplated by the particular forward-looking statement, and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or circumstances, except as required by applicable law.