



OAK RIDGE
FINANCIAL SERVICES

P.O. Box 2
Oak Ridge, NC 27310

FOR IMMEDIATE RELEASE

**Contact: Tom Wayne, Chief Executive Officer and
Chief Financial Officer**

Phone: 336-644-9944

OAK RIDGE FINANCIAL SERVICES, INC. ANNOUNCES SUBORDINATED NOTES OFFERING

Oak Ridge, North Carolina (June 4, 2020) -- Oak Ridge Financial Services, Inc. (OTCPK: BKOR) (the “Company”), the holding company for Bank of Oak Ridge, today announced that it has completed a private placement of \$10 million in aggregate principal amount of subordinated notes to certain qualified institutional and other accredited investors. The Company intends to use the net proceeds of the notes offering general corporate purposes, including possible repayment of the currently outstanding subordinated debt callable in 2021.

The notes will initially bear interest at a rate of 6.25% per annum from and including June 4, 2020, to but excluding June 4, 2025, with interest during this period payable semi-annually in arrears. From and including June 4, 2025 to but excluding the maturity date or earlier redemption date, the interest rate will reset quarterly to an annual floating rate equal to the three-month LIBOR, or an alternative rate determined in accordance with the terms of the notes if the three-month LIBOR cannot be determined, plus 5.87%, with interest during this period payable quarterly in arrears. The Company may redeem the notes, in whole or in part, on or after June 4, 2025 or, in whole but not in part, under certain limited circumstances set forth in the notes. The notes are not subject to redemption at the option of the holders. The notes are structured to qualify as tier 2 capital for regulatory capital purposes.

Janney Montgomery Scott LLC served as sole placement agent for the private offering, and Brooks, Pierce, McLendon, Humphrey & Leonard LLP served as the Company’s legal counsel. Grady & Associates provided legal counsel to the placement agent in connection with the offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities. The notes offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration, or an applicable exemption from registration under the Securities Act and applicable state securities laws.

Oak Ridge Financial Services, Inc. (OTCPink: BKOR) is the holding company for Bank of Oak Ridge. Bank of Oak Ridge delivers personal attention and convenience for every client. Substantially all of the Bank's employees are stockholders in Oak Ridge Financial Services, Inc. through their participation in the Bank's Employee Stock Ownership Plan. We are proud of our many accolades and awards, including seven "Best Bank in the Triad" wins, "Triad's Top Workplace" finalist, "Triad's Healthiest Employer" winner and a 2016 Better Business Bureau "Torch Award" winner. We offer a complete range of banking services for individuals and businesses. Bank of Oak Ridge is a member of the FDIC and an Equal Housing Lender.

Banking Services | ATM Usage Worldwide | Mobile Banking | Online Billpay | Remote and Mobile Deposit | Checking | Savings | Mortgage | Insurance | Lending | Wealth Management

Visit Us | To learn more, visit us during our extended weekday and Saturday hours at one of our convenient locations in Greensboro, Summerfield and Oak Ridge, North Carolina, or call 336.644.9944, or online at www.BankofOakRidge.com.

Forward-looking Information

This information release contains certain forward-looking statements with respect to the business of the Company. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of the Company and on the information available to management at the time that the information was prepared. These statements can be identified by the use of words like "expect," "anticipate," "estimate" and "believe," variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual events to differ materially from those in the forward-looking statements. Factors that could cause actual events to differ materially include, but are not limited to, (1) competition in the Company's markets, (2) changes in the interest rate environment, (3) general national, regional or local economic conditions may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and the possible impairment of collectability of loans, (4) legislative or regulatory changes, including changes in accounting standards, (5) significant changes in the federal and state legal and regulatory environment and tax laws, and (6) the impact of changes in monetary and fiscal policies, laws, rules and regulations, and (7) the ongoing effects of the COVID-19 pandemic. The Company undertakes no obligation to update any forward-looking statements.