

CAPITAL MARKETS ANNOUNCEMENT

Virginia Heritage Bank (OTCBB: VGBK; Tysons Corner, VA) Closes \$20.7 Million Public Offering of Common Stock

Sandler O'Neill + Partners L.P. served as the sole book-running manager for this offering.

This transaction represents the 134th public offering or private placement of common stock for a bank or thrift since January 1, 2009 for which Sandler O'Neill acted as book-runner, co-manager or placement agent, more than any other investment bank during that period. These transactions have raised approximately \$46.0 billion for our clients.¹

About the Offering:

On June 21, 2013, Virginia Heritage Bank announced the closing of its underwritten public offering of common stock. Virginia Heritage sold a total of 1,450,000 shares of its common stock to the public at \$14.25 per share.

Total net proceeds from the public offering to Virginia Heritage were approximately \$19.1 million, after deducting the underwriting discount and estimated offering expenses.

The Company intends to use the net proceeds for general corporate purposes, including the funding of organic loan growth, investment in securities and the potential pursuit of strategic acquisition opportunities.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Virginia Heritage Bank is a commercial bank incorporated in and chartered by the Commonwealth of Virginia. The Bank is a member of the Federal Reserve System and its deposits are insured by the Federal Deposit Insurance Corporation. The Bank is headquartered in Tysons Corner, Virginia and has five full service offices in Fairfax City, Chantilly, Gainesville, Tysons Corner and Dulles, Virginia. The Bank also has a mortgage division located in Chantilly, Virginia.

(1) Does not combine the results of advisors which have merged until the date such merger was completed

Source: SNL Financial

June 21, 2013

Common Stock

\$20.7 Million



Sole Book-Running Manager

SANDLER O'NEILL + PARTNERS

Financial Highlights

(Dollars in thousands)

| | |
|----------------|-----------|
| Total Assets | \$804,829 |
| Gross Loans | 603,104 |
| Total Deposits | 696,091 |
| Total Equity | 70,860 |
| ROACE | 14.60% |
| ROAA | 1.05% |
| TCE / TA | 6.90% |

Financial data as of 3/31/13

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