



Bank of The James Expands Presence In Central Virginia Markets **Targets Growth, Opportunities in Charlottesville, Appomattox and Roanoke**

Lynchburg, VA., December 23, 2013 - Bank of the James Financial Group, Inc. (NASDAQ: BOTJ), the parent company of Bank of the James, a full-service commercial and retail bank serving the Greater Lynchburg metropolitan statistical area (MSA), commonly known as "Region 2000," and other markets in Central Virginia, today announced new locations and expanded market focus.

The company is broadening its service to the following markets:

- *North to the four-county Charlottesville, VA MSA, where the bank will open a loan processing office immediately outside the city limits of the City of Charlottesville in early January, 2014.*
- *West to Roanoke, VA, where the bank has recently opened a lending office.*
- *East towards Richmond to Appomattox County, part of the Lynchburg SMA.*

Robert R. Chapman III, President and CEO, said: "We are excited about the prospect of growing our presence in these areas, where we are already doing some business. We anticipate that these areas will provide a greater opportunity for growth with an expanded commitment. During the past several years, we have invested in products, services, technology, and operational capabilities that position us to efficiently serve a larger region.

"We believe that the success of an expansion hinges on quality people, and we have brought on board several proven, experienced individuals to anchor our lending and business development in these markets. Like Region 2000, which is anchored by the City of Lynchburg, Charlottesville, Appomattox and Roanoke are hubs of larger regions. We feel our tested approach of serving a geographically large and diverse region as a community is an excellent fit for these markets."

He noted, for instance, that the City of Lynchburg's population is approximately 78,000, while the Lynchburg MSA, which includes Appomattox County, has a population base of more than 255,000 according to the US Census Bureau estimates. The Roanoke MSA has an estimated population of approximately 310,000, while the four-county Charlottesville SMA has a population of approximately 223,000. "Viewed as a whole, these markets offer residential and business diversity, and plenty of size to support increased banking business," Chapman explained.

Bank of the James will open a loan production office (LPO) immediately outside the city limits of Charlottesville in the "Pantops" area on January 13, 2014, headed by a veteran commercial lender and mortgage lenders to serve the city and four-county Charlottesville MSA. The bank has established an LPO in Roanoke, VA, which Chapman says will focus on mortgage lending, commercial lending, and residential construction lending to residential homebuilders. Bank of the James continues to serve the Appomattox area from its current offices, but has purchased land in a prime location with the eventual goal of opening, subject to regulatory approval, a full-service banking office.

The company reported its highest quarterly and nine-month earnings in Bank of the James' 14-year history for the quarter and nine months ended September 30, 2013.

About the Company

Bank of the James, a wholly owned subsidiary of Bank of the James Financial Group, Inc., serves the greater Lynchburg, Virginia MSA, often referred to as Region 2000, which was ranked by Forbes magazine among the top 50 places in the United States for business and careers, and other markets in Central Virginia. The bank operates nine full service locations and one limited service location as well as mortgage origination offices in Forest and Roanoke, Virginia and an investment services division in downtown Lynchburg. The company celebrated its 14th anniversary in July of 2013. Bank of the James Financial Group, Inc. common stock is listed under the symbol "BOTJ" on the NASDAQ Stock Market, LLC.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "estimate," "expect," "intend," "anticipate," "plan" and similar expressions and variations thereof identify certain of such forward-looking statements which speak only as of the dates on which they were made. Bank of the James Financial Group (the "Company") undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Such factors include, but are not limited to competition, general economic conditions, potential changes in interest rates, and changes in the value of real estate securing loans made by Bank of the James (the "Bank"), a subsidiary of Bank of the James Financial Group, Inc. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the Company's filings with the Securities and Exchange Commission and previously filed by the Bank (as predecessor of the Company) with the Federal Reserve Board.

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