



FOR IMMEDIATE RELEASE

Oak View National Bank Announces Net Income of \$186,545 for the First Quarter of 2020 and Participation in the Payroll Protection Program

Warrenton, VA., May 8, 2020 –Oak View National Bank (OTC Pink: OAKV) reported net income for the quarter ended March 31, 2020 of \$186,545, compared to net income of \$437,808 for the first quarter of 2019, a decrease of 57.4%. Basic and diluted earnings per share for the first quarter of 2020 were \$0.06 compared with \$0.15 per share in the first quarter of 2019. Return on average assets (ROAA) was .29% and return on average equity (ROAE) was 3.10% for the first quarter of 2020 compared to .74% and 7.94% respectively for the first quarter of 2019.

“Like all businesses, Oak View was impacted by the events surrounding the COVID-19 pandemic at the end of the first quarter,” Michael Ewing, Vice Chairman and CEO said. “From the very beginning of this crisis, our management team has focused on maintaining the health and safety of our customers and our team. This has included an increased emphasis on our digital channels and drive through transactions as we enforced social distancing best practices. Our overall goal has been to continue to serve our customers, although it may look a little different than it has in the past. We are dedicated to ensuring business continuity and availability of all of our banking services to our customers, now and in the future.” He continued, “Even though the Bank only had one past due and one non-performing loan as of March 31, 2020, adjustments to the environmental factors in our loan loss reserve calculation resulted in an increase of 10 basis points to the loan loss reserve percentage compared to the fourth quarter 2019 calculation and a total provision of \$263,458 for the quarter. At the same time, we reached out to our loan customers who had been impacted by the economic shutdown to offer our assistance in the form of loan forbearances; which resulted in 55 loan deferrals totaling \$18.6 million or 9% of our loan portfolio receiving payment deferrals. More recent developments included Oak View’s participation in the SBA Payroll Protection Program which allowed us to help over 300 small businesses to be approved for in excess of \$24 million in forgivable loans under this government program. The full economic impact of the COVID-19 crisis will not be measurable until later in the year, however, we believe the Bank is well positioned to respond to the crisis and assist our customers in weathering the economic stress created by this pandemic.”

“We are hearing from businesses in the community that are having difficulties in applying for the SBA Paycheck Protection Program (PPP). We understand that these business owners are very anxious to establish their application because this second round of funding will likely be the final opportunity to participate in this very popular program. Oak View National Bank is committed to helping small businesses navigate the SBA PPP. We recognize that this is a chance for us, as a community bank, to help people in their time of need. For us, it isn't a distant transaction from which we can remain detached; it's about helping small businesses in our community gain access to government funding to keep their employees employed during the worst of the Pandemic,” Ewing stated regarding the SBA Paycheck Protection Program.

He continued, “We have completed the approval process for all of the applications that we have received to date. **We are still accepting new applications, even if they are not from a current Oak View customer.** Feel free to email us at SBA-PPP@OakViewBank.com and one of our loan officers will respond to begin the application process. As of May 7, there is an abundance of funding still available, however,

we cannot predict how quickly the funds will be exhausted. We will take each application on a first-come, first-served basis and keep working until everyone is accommodated or the funds run out.”

The net interest margin was 3.26% for the quarter ended March 31, 2020 compared to 3.64% for the quarter ending March 31, 2019. The average yield on earning assets decreased by 37 basis points to 4.28% for the quarter ended March 31, 2020, due in part to increased levels of short term investments, resulting from unusually high loan prepayments in the fourth quarter of 2019 compared to 4.65% for the quarter ending March 31, 2019. The cost of funds increased by 3 basis points to 1.33% in the first quarter of 2020 from 1.30% for first quarter of 2019.

Loans, net of unearned interest, deferred costs and allowance for loan losses, increased 1.43% to \$205.7 million at the end of the first quarter 2020 compared to \$202.8 million at March 31, 2019. Credit quality remained outstanding as the bank had just one non-performing asset at March 31, 2020 totaling \$28,675. For the quarter ending March 31, 2020 there was a loan loss provision of \$263,458 compared to a loan loss provision of \$16,171 for the quarter ending March 31, 2019. The allowance for loan losses was \$1.968 million or .949% of total loans at March 31, 2020 compared to \$1.822 million or .892% of total loans at March 31, 2019.

Total deposits ended the quarter at \$209.5 million, representing an increase of 6.23% compared to \$197.2 million at the end of the first quarter of 2019. Total bank assets ended the quarter at \$262.0 million, representing an annual growth rate of 7.03% compared to the same period last year.

Noninterest income increased by \$29,834 or 15.0% to \$228,288 for the quarter ending March 31, 2020 primarily from higher levels of card fee income and mortgage loan fee income.

Noninterest expenses increased by \$55,532 or 3.32% for the quarter ending March 31, 2020, the majority of the increase was attributable to volume driven increases in data processing costs and higher personnel and occupancy costs due to the opening of our new loan production office in Washington, Virginia.

Oak View National Bank is a locally owned and managed community bank offering a full range of financial services for commercial and retail customers, as well as not-for-profit entities. Oak View National Bank serves Fauquier, Culpeper, Rappahannock and surrounding counties with full-service offices in Warrenton, Marshall and Culpeper and a loan production office in Washington, Virginia. Visit us at www.oakviewbank.com. Member FDIC.

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For additional information, contact Jennifer Knighting, Senior Vice President/Director of Sales & Marketing, Oak View National Bank, at 540-825-2570.

OAK VIEW NATIONAL BANK

Balance Sheets

March 31, 2020 and 2019

	Unaudited 2020	2019
Assets		
Cash and due from banks	\$ 2,337,467	\$ 3,062,774
Federal funds sold	20,897,000	5,644,000
Interest-bearing deposits in other banks	16,079,922	16,171,865
Securities held to maturity, at cost	2,649,386	2,649,744
Restricted stock, at cost	2,105,805	2,005,250
Loans, net of allowance for loan losses of \$1,968,564 and \$1,822,675 for 2020 and 2019, respectively	205,712,735	202,804,688
Premises and equipment, net	5,585,406	5,664,397
Bank Owned Life Insurance	5,122,436	5,008,020
Accrued interest receivable	648,577	656,574
Deferred tax asset	483,249	547,590
Other real estate owned	--	284,083
Other assets	411,236	326,988
	<u>\$ 262,033,219</u>	<u>\$ 244,825,973</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing	\$ 48,175,433	\$ 42,938,078
Savings, interest-bearing checking and money market accounts	77,416,190	73,200,656
Time deposits	83,917,693	81,080,963
Total deposits	\$ 209,509,316	\$ 197,219,697
Federal Home Loan Bank advances	26,800,000	23,800,000
Accrued expenses and other liabilities	1,260,957	1,250,184
Total liabilities	<u>\$ 237,570,273</u>	<u>\$ 222,269,881</u>
Commitments and Contingent Liabilities	<u>\$ --</u>	<u>\$ --</u>
Shareholders' Equity		
Preferred stock		
\$ 5 par value, authorized 2,000,000 shares, None issued and outstanding	--	--
Common stock		
\$ 1 par value, authorized 10,000,000 shares, 2,893,002 shares issued and outstanding as of March 31, 2020 and 2,873,456 issued and outstanding as of March 31, 2019.	\$ 2,893,002	\$ 2,873,456
Additional paid-in capital	17,521,203	17,427,382
Retained earnings	4,048,741	2,255,254
Total shareholders' equity	<u>\$ 24,462,946</u>	<u>\$ 22,556,092</u>
Total liabilities and shareholders' equity	<u>\$ 262,033,219</u>	<u>\$ 244,825,973</u>

OAK VIEW NATIONAL BANK

Statements of Income

For the Quarters Ended March 31, 2020 and 2019

	Unaudited 2020	2019
Interest and Dividend Income		
Interest and fees on loans	\$ 2,400,041	\$ 2,436,893
Interest on held to maturity securities	30,546	29,630
Dividends on restricted stock	31,913	30,312
Interest on interest-bearing deposits in other banks	94,983	90,126
Interest on federal funds sold	65,104	22,622
Total interest and dividend income	\$ 2,622,587	\$ 2,609,583
Interest Expense		
Interest on deposits	\$ 501,300	\$ 447,991
Interest on Federal Home Loan Bank advances	122,845	118,080
Interest on federal funds purchased	-	-
Total interest expense	\$ 624,145	\$ 566,071
Net Interest Income	\$ 1,998,442	\$ 2,043,512
Provision for Loan Losses	263,458	16,171
Net interest income after provision for loan losses	\$ 1,734,984	\$ 2,027,340
Noninterest Income		
Service charges on deposit accounts	\$ 28,264	\$ 29,255
Card Fee Income	77,415	64,802
Income on Bank owned life insurance	27,293	28,224
Other income	95,316	76,173
Total Noninterest Income	\$ 228,288	\$ 198,454
Noninterest Expenses		
Salaries and employee benefits	\$ 1,028,764	\$ 1,005,449
Occupancy and equipment expense	146,268	134,882
Professional services	81,284	86,433
Data processing	283,515	239,256
Promotional and marketing	32,271	40,278
Other operating expenses	155,037	165,310
Total noninterest expenses	\$ 1,727,139	\$ 1,671,608
Net Income Before Tax	\$ 236,133	\$ 554,187
Income tax expense	49,588	116,379
Net income	\$ 186,545	\$ 437,808
Earnings per Share, basic and diluted	\$ 0.06	\$ 0.15