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## **Oak View National Bank Announces Third Quarter 2013 Earnings**

Warrenton, VA., October 30, 2013--Oak View National Bank (OTC: OAKV) reported net income for the quarter ended September 30, 2013 of \$131,632, compared to net income of \$293,457 for the third quarter of 2012. Basic and diluted earnings per share for the second quarter of 2013 were \$0.05 compared with \$0.14 per share in the third quarter of 2012. Return on average assets (ROAA) was .37% and return on average equity (ROAE) was 3.70% for the third quarter of 2013 compared to .92% and 10.12% respectively for the third quarter of 2012.

Michael Ewing, President and CEO said, "The primary difference between the third quarter of 2013 and the third quarter of 2012 was a lower income tax benefit of \$1,197 for the quarter ending September 30, 2013 compared to an income tax benefit of \$157,819 for the quarter ending September 30, 2012. Net operating income before tax for the quarter ending September 30, 2013 was \$130,435 compared to net operating income before tax of \$135,639 for the quarter ending September 30, 2012 a decrease of \$5,204 or 3.8%. The lower pre-tax income was a result of the expenses incurred to open our new branch in Culpeper, Virginia"

The net interest margin improved to 3.61% for the quarter ended September 30, 2013 from 3.60% for the quarter ending September, 30 2012. Although the average yield on earning assets declined 11 basis points to 4.44% in the quarter ending September 30, 2013, the cost of funds declined by 17 basis points to .99% from the third quarter of 2012. The ratio of average interest earning assets to interest bearing liabilities also declined to 120.5% in the September 2013 quarter from 122.1% in the September 2012 quarter.

Loans, net of unearned interest and deferred costs, increased 8.1% to \$116.7 million at the end of the third quarter 2013 compared to \$107.9 million at September 30, 2012. Credit quality remained sound as the bank had no non-performing assets at September 30, 2013. The quarter ending September 30, 2013 benefited from a recapture of loan loss provision of \$13,441 compared to an increase in loan loss provision of \$83,665 for the quarter ending September 30, 2012. Allowance for loan losses was \$1.40 million or 1.19% of total loans at September 30, 2013 compared to \$1.36 million or 1.25% of total loans at September 30, 2012.

Total deposits ended the quarter at \$118.4 million, representing an increase of 11.6% compared to \$106.1 million at the end of the third quarter of 2012. Total bank assets ended the quarter at \$146.4 million, representing an annual growth rate of 8.9% compared to the same period last year.

Noninterest income increased by \$5,701 or 9.9% to \$63,287 for the quarter ending September 30, 2013 primarily due to rental income received for space leased in the Bank's Marshall building, which the Bank purchased in December 2012, and increased fees from debit cards which were partially offset by a reduction in fees received from mortgage loans originated for the secondary market.

Noninterest expenses increased by \$212,142 or 21.6% for the quarter ending September 30, 2013 compared to the same quarter in 2012, the majority of which was attributable to the opening of the Bank's new branch in Culpeper, Virginia which increased personnel costs due to the staffing required, higher occupancy expenses from the purchase of the buildings in Marshall and Culpeper, higher promotional and marketing expenses from increased marketing efforts, and higher other operating expenses primarily from increased insurance and office supply costs.

CEO Ewing commented further, "We are very pleased with the positive reception we have received from the Culpeper community after opening our new branch in August. Although it is obviously very early, we are excited about the potential of this market and the impact it could have on the Bank's future growth.

**OAK VIEW NATIONAL BANK****Balance Sheets**

September 30, 2013 and 2012

(Unaudited)

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash and due from banks	\$ 1,283,324	\$ 629,352
Interest-bearing deposits in other banks	19,445,510	19,755,430
Securities held to maturity, at cost	1,000,206	1,000,738
Restricted stock, at cost	1,293,080	1,134,320
Loans, net of allowance for loan losses of \$1,400,476.05 and \$1,363,760.77 for 2013 and 2012, respectively	116,711,456	107,991,032
Premises and equipment, net	5,762,560	2,956,424
Accrued interest receivable	342,484	315,820
Deferred tax asset	308,999	422,498
Other assets	202,996	211,016
Total assets	<u>\$ 146,350,615</u>	<u>\$ 134,416,630</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest bearing	\$ 15,182,563	\$ 13,459,783
Savings, interest-bearing checking and money market accounts	54,045,032	44,942,242
Time, \$100,000 and over	27,269,687	26,381,374
Other time	21,911,288	21,323,980
Total deposits	\$ 118,408,570	\$ 106,107,379
Federal Home Loan Bank advances	12,900,000	13,900,000
Accrued expenses and other liabilities	575,975	518,809
Total liabilities	<u>\$ 131,884,545</u>	<u>\$ 120,526,188</u>
Commitments and Contingent Liabilities	<u>\$ --</u>	<u>\$ --</u>
<b>Shareholders' Equity</b>		
Preferred stock		
\$ 5 par value, authorized 2,000,000 shares, None issued and outstanding	--	--
Common stock		
\$ 1 par value, authorized 10,000,000 shares, 2,618,456 shares issued and outstanding 2012		
2,623,456 shares issued and outstanding 2013	\$ 2,623,456	\$ 2,618,456
Additional paid-in capital	16,344,480	16,355,644
Retained (deficit)	(4,501,866)	(5,083,658)
Accumulated other comprehensive income	--	--
Total shareholders' equity	<u>\$ 14,466,070</u>	<u>\$ 13,890,442</u>
Total liabilities and shareholders' equity	<u>\$ 146,350,615</u>	<u>\$ 134,416,630</u>

**OAK VIEW NATIONAL BANK**  
**Statements of Operations**  
For the Quarters Ended Sept 30, 2013 and 2012  
(Unaudited)

	<u>2013</u>	<u>2012</u>
<b>Interest and Dividend Income</b>		
Interest and fees on loans	\$ 1,481,487	\$ 1,399,049
Interest on held to maturity securities	1,752	2,425
Dividends on restricted stock	11,244	9,637
Interest on interest-bearing deposits in other banks	32,492	29,459
Interest on federal funds sold	3,251	2,569
Total interest and dividend income	<u>\$ 1,530,226</u>	<u>\$ 1,443,139</u>
<b>Interest Expense</b>		
Interest on deposits	\$ 238,524	\$ 257,575
Interest on Federal Home Loan Bank advances	45,501	43,452
Interest on federal funds purchased	-	42
Total interest expense	<u>\$ 284,025</u>	<u>\$ 301,069</u>
<b>Net Interest Income</b>	<u>\$ 1,246,201</u>	<u>\$ 1,142,070</u>
<b>Provision for Loan Losses</b>	<u>(13,441)</u>	<u>83,665</u>
Net interest income after provision for loan losses	<u>\$ 1,259,642</u>	<u>\$ 1,058,405</u>
<b>Noninterest Income</b>		
Service charges on deposit accounts	\$ 1,763	\$ 1,763
Other income	61,524	55,823
Total Noninterest Income	<u>\$ 63,287</u>	<u>\$ 57,586</u>
<b>Noninterest Expenses</b>		
Salaries and employee benefits	\$ 733,775	\$ 546,137
Stock based compensation	-	-
Occupancy and equipment expense	110,584	88,942
Professional services	82,982	75,408
Data processing	136,707	144,052
Promotional and marketing	35,501	24,934
Other operating expenses	92,946	100,880
Total noninterest expenses	<u>\$ 1,192,495</u>	<u>\$ 980,353</u>
Net Income Before Tax	<u>\$ 130,435</u>	<u>\$ 135,639</u>
Income tax expense (benefit)	<u>(1,197)</u>	<u>(157,819)</u>
Net income	<u>\$ 131,632</u>	<u>\$ 293,457</u>
<b>Earnings per Share, basic and diluted</b>	<u>\$ 0.05</u>	<u>\$ 0.14</u>
<b>Weighted Average Shares Outstanding, basic and diluted</b>	<u>2,623,456</u>	<u>2,065,521</u>