



**FOR IMMEDIATE RELEASE**

## **Oak View National Bank Announces 2017 Earnings**

**Warrenton, VA., January 30, 2018--Oak View National Bank (OTC Pink: OAKV)** reported net income for the year ended December 31, 2017 of \$837,388, or \$0.29 per share. Income tax expense increased significantly for 2017 as a result of the enactment of H.R.1 Tax Cuts and Jobs Act on December 22, 2017, that lowered the corporate Federal income tax rate from 34% to 21% effective January 1, 2018. The Act had a big impact on bank earnings for 2017 as it necessitated a recalculation of the Deferred Tax Asset (DTA recognizes the timing difference between taxable income and GAAP reporting) which resulted in a downward adjustment of net deferred tax assets in the amount of \$327,600 or \$.11 per share, recorded in the fourth quarter. Without this adjustment net income for the year would have been \$1,164,988 or \$0.41 per share. Return on average assets (ROAA) was .40% and return on average equity (ROAE) was 4.16% for the year ended December 31, 2017 compared to .56% and 5.62% respectively for the year ended December 31, 2016. Without the tax adjustment return on average assets for the year ended December 31, 2017 would have been .56% and return on average equity would have been 5.79%.

Michael Ewing, Vice Chairman of the Board and CEO said, "Although the Tax Cuts and Jobs Act had an initial negative impact on the Bank we expect to see the positive benefits from the lower tax rate beginning in 2018 and continuing for the foreseeable future."

At December 31, 2017, total assets were \$218.3 million, an increase of \$18.4 million or 9.2% over total assets from the prior year. Gross loans increased 14.3% to \$183.3 million at the end of 2017 compared to \$160.4 million at December 31, 2016. Total deposits ended the year at \$176.1 million, representing an increase of 9.0% compared to \$161.7 million at December 31, 2016.

Credit quality remained outstanding as the bank had only two non-performing loans at December 31, 2017 totaling just \$79,490. The year ending December 31, 2017 had a loan loss provision of \$98,335 compared to a loan loss provision of \$155,472 for the year ending December 31, 2016. The allowance for loan losses was \$1.74 million or .95% of total loans at December 31, 2017 compared to \$1.64 million or 1.02% of total loans at December 31, 2016.

For the fourth quarter of 2017, the Bank reported net income of \$42,465 versus \$235,102 reported for the fourth quarter of 2016, a decrease of \$192,637, or 81.9%. Without the Federal income tax adjustment net income for the fourth quarter would have been \$370,065, an increase of \$134,963 or 57.4%. Net operating income before tax for the quarter ending December 31, 2017 was \$490,562 compared to net operating income before tax of \$397,116 for the quarter ending December 31, 2016, an increase of \$93,446 or 23.5%. The higher pre-tax income was a result of increased net interest income from the higher loan outstandings and higher levels of non-interest income which were partially offset by higher personnel expense, volume related increases in data processing cost and higher professional services expense.

The quarter ending December 31, 2017 had a loan loss provision of \$28,293 compared to a loan loss provision of \$36,282 for the quarter ending December 31, 2016.

The net interest margin remained at 3.76% for the quarter ended December 31, 2017 compared to 3.76% for the quarter ending December 31, 2016. The average yield on earning assets increased 13 basis points to 4.44% in the quarter ending December 31, 2017 and the cost of funds increased by 16 basis points to .87% from the fourth quarter of 2016. The ratio of average interest earning assets to interest bearing liabilities decreased to 128.2% in the December 2017 quarter from 130.1% in the December 2016 quarter.

**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 and surrounding counties with offices in Warrenton, Marshall and Culpeper. Visit us at [www.oakviewbank.com](http://www.oakviewbank.com). Member FDIC.

**Oak View National Bank** was awarded a 5-star rating by BauerFinancial in January 2016, and as such is recognized as one of the strongest financial institutions in the country. BauerFinancial, Inc. is the nation's leading independent bank and credit union rating firm. [www.bauerfinancial.com](http://www.bauerfinancial.com) 800.388.6686.

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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**

December 31, 2017 and 2016

<b>Assets</b>	<b>2017</b>	<b>2016</b>
	(Unaudited)	
Cash and due from banks	\$ 2,794,095	\$ 1,817,226
Interest-bearing deposits in other banks	17,557,742	22,956,364
Securities held to maturity, at cost	2,650,083	2,650,353
Restricted stock, at cost	1,756,750	1,572,750
Loans, net of allowance for loan losses of \$1,741,644 and \$1,643,486 for 2017 and 2016, respectively	181,597,454	158,774,952
Premises and equipment, net	5,729,289	5,852,914
Accrued interest receivable	553,165	433,882
Bank Owned Life Insurance	4,861,076	4,735,056
Deferred tax asset	529,200	793,812
Other assets	318,562	385,013
Total assets	<u>\$ 218,347,416</u>	<u>\$ 199,972,322</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest bearing	\$ 37,379,508	\$ 39,560,231
Savings, interest-bearing checking and money market accounts	67,528,050	67,395,421
Time, \$250,000 and over	7,281,063	5,382,894
Other time	63,945,565	49,329,867
Total deposits	\$ 176,134,186	\$ 161,668,413
Federal Home Loan Bank advances	20,900,000	17,900,000
Accrued expenses and other liabilities	926,089	923,782
Total liabilities	<u>\$ 197,960,275</u>	<u>\$ 180,492,195</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, 2,873,456 shares issued and outstanding	\$ 2,873,456	\$ 2,873,456
Additional paid-in capital	17,427,382	17,427,382
Retained earnings (deficit)	86,303	(820,711)
Accumulated other comprehensive income	- -	- -
Total shareholders' equity	<u>\$ 20,387,141</u>	<u>\$ 19,480,127</u>
Total liabilities and shareholders' equity	<u>\$ 218,347,416</u>	<u>\$ 199,972,322</u>

**OAK VIEW NATIONAL BANK**  
**Statements of Operations**  
For the Quarters Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Interest and Dividend Income</b>	(Unaudited)	
Interest and fees on loans	\$ 2,115,704	\$ 1,874,593
Interest on held to maturity securities	38,305	18,724
Dividends on restricted stock	28,408	27,944
Interest on interest-bearing deposits in other banks	60,195	61,507
Interest on federal funds sold	5,906	4,915
Total interest and dividend income	<u>\$ 2,248,518</u>	<u>\$ 1,987,683</u>
<b>Interest Expense</b>		
Interest on deposits	\$ 259,009	\$ 199,353
Interest on Federal Home Loan Bank advances	83,092	54,090
Interest on federal funds purchased	428	14
Total interest expense	<u>\$ 342,529</u>	<u>\$ 253,457</u>
<b>Net Interest Income</b>	\$ 1,905,989	\$ 1,734,226
<b>Provision for Loan Losses</b>	<u>28,293</u>	<u>36,282</u>
Net interest income after provision for loan losses	<u>\$ 1,877,696</u>	<u>\$ 1,697,944</u>
<b>Noninterest Income</b>		
Service charges on deposit accounts	\$ 23,403	\$ 16,950
Card fee income	59,042	49,401
Income on BOLI	31,466	34,056
Other income	50,228	45,538
Total Noninterest Income	<u>\$ 164,139</u>	<u>\$ 145,945</u>
<b>Noninterest Expenses</b>		
Salaries and employee benefits	\$ 944,698	\$ 836,479
Occupancy and equipment expense	124,824	132,728
Professional services	103,596	63,372
Data processing	208,777	181,324
Promotional and marketing	35,348	32,121
Other operating expenses	134,030	200,749
Total noninterest expenses	<u>\$ 1,551,273</u>	<u>\$ 1,446,773</u>
Net Income Before Tax	\$ 490,562	\$ 397,116
Income tax expense (benefit)	<u>448,097</u>	<u>162,014</u>
Net income	<u>\$ 42,465</u>	<u>\$ 235,102</u>
<b>Earnings per Share</b> , basic and diluted	<u>\$ 0.01</u>	<u>\$ 0.08</u>