



FOR IMMEDIATE RELEASE

Oak View National Bank Announces an Increase of 18.2% in Earnings for 2019 Compared to 2018

Warrenton, VA., February 3, 2020 –Oak View National Bank (OTC Pink: OAKV) reported net income for the year ended December 31, 2019 of \$2,044,749, or \$0.71 basic earnings per share and \$0.70 diluted earnings per share compared to \$1,731,144 or \$0.60 basic earnings per share and \$0.59 diluted earnings per share for the year ended December 31, 2018. Return on average assets (ROAA) was .82% and return on average equity (ROAE) was 8.84% for the year ended December 31, 2019 compared to .73% and 8.14% respectively for the year ended December 31, 2018.

Michael Ewing, Vice Chairman of the Board and CEO said, “We are very pleased with the full year results for 2019, as well as the opening of our loan production office in Washington, Virginia in the fourth quarter which will expand our loan origination capacity. At the same time, however, the Bank experienced an unusually high level of loan prepayments in the fourth quarter which resulted in the loan portfolio decreasing by over \$10MM for the quarter. The short term impact was a reduction in our net interest margin as the funds were reinvested in lower yielding short term investments.”

At December 31, 2019, total assets were \$263.7 million, an increase of \$25.5 million or 10.7% over total assets from the prior year. Gross loans increased .8% to \$201.6 million at the end of 2019 compared to \$200.1 million at December 31, 2018. Total deposits ended the year at \$208.4 million, representing an increase of 9.0% compared to \$191.2 million at December 31, 2018.

Credit quality remained outstanding as the bank only had one non-performing loan at December 31, 2019 totaling \$29,425. The year ending December 31, 2019 had a loan loss recovery of \$97,843 compared to a loan loss provision of \$198,355 for the year ending December 31, 2018. The allowance for loan losses was \$1.70 million or .845% of total loans at December 31, 2019 compared to \$1.81 million or .905% of total loans at December 31, 2018.

For the fourth quarter of 2019, the Bank reported net income of \$532,195 or \$0.19 per share basic and \$0.18 per share diluted versus \$499,729 or \$0.17 per share basic and diluted reported for the fourth quarter of 2018. Net operating income before tax for the quarter ending December 31, 2019 was \$636,116 compared to net operating income before tax of \$598,368 for the quarter ending December 31, 2018, an increase of \$37,748 or 6.3%. The higher income was a result of the loan loss recovery and higher levels of non-interest income which were partially offset by volume related increases in data processing cost, higher personnel costs from additional staffing, and higher other operating expenses from a valuation adjustment to the Bank’s only piece of other real estate owned.

The quarter ending December 31, 2019 had a loan loss recovery of \$85,632 compared to a loan loss provision of \$40,964 for the quarter ending December 31, 2018.

The net interest margin fell to 3.36% for the quarter ended December 31, 2019 compared to 3.57% for the quarter ending December 31, 2018. The average yield on earning assets decreased 12 basis points to 4.39% in the quarter ending December 31, 2019 and the cost of funds increased by 15 basis points to

1.35% from the fourth quarter of 2018. The ratio of average interest earning assets to interest bearing liabilities increased to 132% in the December 2019 quarter from 127.9% in the December 2018 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, 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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OAK VIEW NATIONAL BANK**Balance Sheets**

December 31, 2019 and 2018

	2019	2018
	(Unaudited)	
Assets		
Cash and due from banks	\$ 2,756,799	\$ 3,316,159
Federal funds sold	26,964,000	3,126,000
Interest-bearing deposits in other banks	16,312,202	16,241,844
Securities held to maturity, at cost	2,649,352	2,649,816
Restricted stock, at cost	2,209,219	1,987,450
Loans, net of allowance for loan losses of \$1,704,545 and \$1,810,450 for 2019 and 2018, respectively	200,196,821	198,461,963
Premises and equipment, net	5,636,635	5,702,669
Accrued interest receivable	599,818	570,768
Bank Owned Life Insurance	5,095,143	4,979,796
Deferred tax asset	483,249	547,590
Other real estate owned	253,875	284,083
Other assets	578,132	318,065
Total assets	<u>\$ 263,735,245</u>	<u>\$ 238,186,203</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing	\$ 44,830,841	\$ 40,049,798
Savings, interest-bearing checking and money market accounts	79,990,910	72,457,999
Time, \$250,000 and over	12,479,557	9,454,893
Other time	71,115,222	69,230,113
Total deposits	\$ 208,416,530	\$ 191,192,803
Federal Home Loan Bank advances	29,800,000	23,800,000
Accrued expenses and other liabilities	1,355,681	1,075,116
Total liabilities	<u>\$ 239,572,211</u>	<u>\$ 216,067,919</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, 2,873,456 shares issued and outstanding	\$ 2,873,456	\$ 2,873,456
Additional paid-in capital	17,427,382	17,427,382
Retained earnings	3,862,196	1,817,446
Accumulated other comprehensive income	--	--
Total shareholders' equity	<u>\$ 24,163,034</u>	<u>\$ 22,118,284</u>
Total liabilities and shareholders' equity	<u>\$ 263,735,245</u>	<u>\$ 238,186,203</u>

OAK VIEW NATIONAL BANK						
Statements of Operations						
For the Three Months and Years Ended December 31, 2019 and 2018						
	Three Months ending December 31,			Year Ending December 31,		
	2019	2018	% Change	2019	2018	% Change
	(Unaudited)			(Unaudited)		
Interest and Dividend Income						
Interest and fees on loans	\$ 2,481,031	\$ 2,397,867	3.47%	\$ 10,013,813	\$ 9,299,093	7.69%
Interest on held to maturity securities	30,577	29,695	2.97%	121,328	118,720	2.20%
Dividends on restricted stock	33,301	34,315	-2.95%	126,838	120,411	5.34%
Interest on interest-bearing deposits in other banks	95,466	88,240	8.19%	370,531	312,719	18.49%
Interest on federal funds sold	65,112	56,495	15.25%	153,506	130,193	17.91%
Total interest and dividend income	<u>\$ 2,705,487</u>	<u>\$ 2,606,612</u>	3.79%	<u>\$ 10,786,017</u>	<u>\$ 9,981,136</u>	8.06%
Interest Expense						
Interest on deposits	\$ 506,842	\$ 421,259	20.32%	\$ 1,957,024	\$ 1,478,312	32.38%
Interest on Federal Home Loan Bank advances	124,639	120,704	3.26%	500,539	434,356	15.24%
Interest on federal funds purchased	0	-	--	1,712	816	109.80%
Total interest expense	<u>\$ 631,481</u>	<u>\$ 541,963</u>	16.52%	<u>\$ 2,459,275</u>	<u>\$ 1,913,483</u>	28.52%
Net Interest Income	\$ 2,074,006	\$ 2,064,649	0.45%	\$ 8,326,741	\$ 8,067,653	3.21%
Provision for Loan Losses	(85,632)	40,964	-309.04%	(97,843)	198,355	-149.33%
Net interest income after provision for loan losses	<u>\$ 2,159,639</u>	<u>\$ 2,023,685</u>	6.72%	<u>\$ 8,424,585</u>	<u>\$ 7,869,298</u>	7.06%
Noninterest Income						
Service charges on deposit accounts	\$ 26,403	\$ 27,251	-3.11%	\$ 110,970	\$ 110,465	0.46%
Card Fee Income	81,985	68,551	19.60%	308,051	259,682	18.63%
Income on BOLI	29,079	29,894	-2.73%	115,348	118,720	-2.84%
Other income	127,305	64,247	98.15%	416,582	230,079	81.06%
Total Noninterest Income	<u>\$ 264,772</u>	<u>\$ 189,943</u>	39.40%	<u>\$ 950,951</u>	<u>\$ 718,945</u>	32.27%
Noninterest Expenses						
Salaries and employee benefits	\$ 1,066,999	\$ 965,614	10.50%	\$ 4,057,990	\$ 3,869,989	4.86%
Occupancy and equipment expense	146,053	133,929	9.05%	561,704	527,863	6.41%
Professional services	70,336	83,872	-16.14%	319,734	373,060	-14.29%
Data processing	270,646	236,898	14.25%	1,020,559	913,152	11.76%
Promotional and marketing	35,424	33,025	7.27%	168,901	194,588	-13.20%
Other operating expenses	198,837	161,922	22.80%	695,935	552,469	25.97%
Total noninterest expenses	<u>\$ 1,788,295</u>	<u>\$ 1,615,260</u>	10.71%	<u>\$ 6,824,823</u>	<u>\$ 6,431,122</u>	6.12%
Net Income Before Tax	\$ 636,116	\$ 598,368	6.31%	\$ 2,550,712	\$ 2,157,121	18.25%
Income tax expense	103,921	98,639	5.35%	505,962	425,977	18.78%
Net income	<u>\$ 532,195</u>	<u>\$ 499,729</u>	6.50%	<u>\$ 2,044,749</u>	<u>\$ 1,731,144</u>	18.25%
Earnings per Share, basic	<u>\$ 0.19</u>	<u>\$ 0.17</u>		<u>\$ 0.71</u>	<u>\$ 0.60</u>	
Earnings per Share, diluted	<u>\$ 0.18</u>	<u>\$ 0.17</u>		<u>\$ 0.70</u>	<u>\$ 0.59</u>	
Weighted Average Shares Outstanding, basic	<u>2,873,456</u>	<u>2,873,456</u>		<u>2,873,456</u>	<u>2,873,456</u>	
Weighted Average Shares Outstanding, assuming dilution	<u>2,938,194</u>	<u>2,922,189</u>		<u>2,929,137</u>	<u>2,926,974</u>	