



FOR IMMEDIATE RELEASE

Oak View National Bank Announces an Increase to Income of 35.3% in Second Quarter 2019 Earnings

Warrenton, VA., July 25, 2019 --Oak View National Bank (OTC Pink: OAKV) reported net income for the quarter ended June 30, 2019 increased 35.3% to \$506,002 compared to the second quarter of 2018 and increased 27.7% to \$943,809 for the six months ended June 30, 2019 from \$739,270 for the six months ended June 30, 2018. Basic and diluted earnings per share for the second quarter of 2019 were \$0.18 compared with \$0.13 per share in the second quarter of 2018 and \$.33 for the six months ended June 30, 2019 compared to \$.26 for the six months ended June 30, 2018.

Return on average assets (ROAA) was .82% for the second quarter of 2019 compared to .64% for the second quarter of 2018 and increased to .78% for the six months ended June 30, 2019 from .65% for the six months ended June 30, 2018.

Return on average equity (ROAE) was 8.90% for the second quarter of 2019 compared to 7.14% for the second quarter of 2018 and increased to 8.43% for the six months ended June 30, 2019 from 7.16% for the six months ended June 30, 2018.

Michael Ewing, Vice Chairman of the Board and CEO said, "The Bank continues to enjoy outstanding credit quality. During the current quarter the Bank received a significant curtailment on one of its few substandard loans which contributed to a reduction in the level of the allowance for loan and lease losses required for the loan portfolio resulting in a recovery in the current quarter of \$12,682. Increases in short term rates and local competition have driven our cost of funds higher, however, we are beginning to see some moderation of the pressure to raise deposit rates. Although the environment is challenging, we are managing our asset growth, continuing to increase revenues faster than non-interest expenses, and focusing on increasing our levels of non-interest income as we seek to improve our overall profitability."

Net interest income increased by 5.21% in the quarter ended June 30, 2019 to \$2.10 million from \$1.99 million for the quarter ended June 30, 2018. The net interest margin decreased slightly to 3.61% for the quarter ended June 30, 2019 compared to 3.63% for the quarter ending June 30, 2018. The average yield on earning assets increased 19 basis points to 4.68% for the quarter ending June 30, 2019 from 4.49% for the quarter ending June 30, 2018. However, the cost of funds increased by 31 basis points to 1.40% in the second quarter of 2019 from 1.09% for second quarter of 2018. The ratio of average interest-earning assets to average interest bearing liabilities increased to 130.5% for the quarter ending June 30, 2019 from 126.8% for the quarter ending June 30, 2018.

Loans, net of unearned interest and deferred costs, increased 3.8% to \$208.6 million at the end of the second quarter 2019 compared to \$199.1 million at June 30, 2018. The bank had two non-performing

loans as of June 30, 2019 totaling \$57,690 and for the quarter ending June 30, 2019 there was a loan loss recovery of \$12,682 compared to a loan loss provision of \$56,345 for the quarter ending June 30, 2018. The allowance for loan losses was \$1.81 million or .87% of total loans at June 30, 2019 compared to \$1.84 million or .91% of total loans at June 30, 2018.

Total deposits ended the quarter at \$200.6 million, representing an increase of 3.7% compared to \$193.4 million at the end of the second quarter of 2018. Total bank assets ended the quarter at \$250.5 million, representing an annual growth rate of 3.9% compared to the same period last year.

Noninterest income increased by \$59,023 or 33.0% to \$237,915 for the quarter ending June 30, 2019 compared to the quarter ending June 30, 2018 primarily due to higher levels of debit card fee income and fees on mortgage loans originated for the secondary market.

Noninterest expenses increased by \$64,700 or 3.9% for the quarter ending June 30, 2019, compared to the quarter ending June 30, 2018 the majority of which was attributable to higher personnel expense, higher volume driven data processing costs, higher shareholder expense and employee training expense.

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. 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**

June 30, 2019 and 2018

	(Unaudited)	
	<u>2019</u>	<u>2018</u>
Assets		
Cash and due from banks	\$ 3,516,391	\$ 3,255,250
Federal funds sold	7,110,000	6,095,000
Interest-bearing deposits in other banks	15,990,961	15,832,002
Securities held to maturity, at cost	2,649,286	2,649,949
Restricted stock, at cost	2,039,219	1,987,450
Loans, net of allowance for loan losses of \$1,805,492 and \$1,835,421 for 2019 and 2018, respectively	206,769,726	199,132,680
Premises and equipment, net	5,675,176	5,772,228
Accrued interest receivable	658,274	581,700
BOLI investment	5,036,719	4,919,847
Deferred tax asset	547,590	529,200
Other assets	551,801	425,449
Total assets	<u>\$ 250,545,144</u>	<u>\$ 241,180,755</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing	\$ 44,229,975	\$ 40,369,905
Savings, interest-bearing checking and money market accounts	76,057,646	74,329,710
Time deposits	80,272,034	78,678,730
Total deposits	\$ 200,559,655	\$ 193,378,345
Federal Home Loan Bank advances	25,800,000	25,800,000
Accrued expenses and other liabilities	1,123,395	875,999
Total liabilities	<u>\$ 227,483,050</u>	<u>\$ 220,054,344</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 at 6-30-2019; and 6-30-2018	\$ 2,873,456	\$ 2,873,456
Additional paid-in capital	17,427,382	17,427,382
Retained earnings (deficit)	2,761,256	825,573
Accumulated other comprehensive income	- -	- -
Total shareholders' equity	<u>\$ 23,062,094</u>	<u>\$ 21,126,411</u>
Total liabilities and shareholders' equity	<u>\$ 250,545,144</u>	<u>\$ 241,180,755</u>

OAK VIEW NATIONAL BANK						
Statements of Operations						
For the Three and Six Months Ended June 30, 2019 and 2018						
	Three Months ending June 30,			Six Months ending June 30,		
	2019	2018	% Change	2019	2018	% Change
	(Unaudited)			(Unaudited)		
Interest and Dividend Income						
Interest and fees on loans	\$ 2,544,570	\$ 2,316,243	9.86%	\$ 4,981,463	\$ 4,516,990	10.28%
Interest on held to maturity securities	30,545	29,670	2.95%	60,175	59,326	1.43%
Dividends on restricted stock	28,879	26,736	8.02%	59,192	52,416	12.93%
Interest on interest-bearing deposits in other banks	92,100	72,081	27.77%	182,226	142,921	27.50%
Interest on federal funds sold	22,246	18,554	19.90%	44,867	27,966	60.43%
Total interest and dividend income	<u>\$ 2,718,340</u>	<u>\$ 2,463,284</u>	10.35%	<u>\$ 5,327,923</u>	<u>\$ 4,799,619</u>	11.01%
Interest Expense						
Interest on deposits	\$ 493,112	\$ 359,660	37.10%	\$ 941,103	\$ 656,282	43.40%
Interest on Federal Home Loan Bank advances	126,813	110,713	14.54%	244,893	189,726	29.08%
Interest on federal funds purchased	1,712.27	-	0.00%	1,712	816	109.83%
Total interest expense	<u>\$ 621,637</u>	<u>\$ 470,373</u>	32.16%	<u>\$ 1,187,708</u>	<u>\$ 846,824</u>	40.25%
Net Interest Income	\$ 2,096,703	\$ 1,992,911	5.21%	\$ 4,140,215	\$ 3,952,795	4.74%
Provision for Loan Losses	(12,682)	56,345	-122.51%	3,489	133,781	-97.39%
Net interest income after provision for loan losses	<u>\$ 2,109,386</u>	<u>\$ 1,936,566</u>	8.92%	<u>\$ 4,136,726</u>	<u>\$ 3,819,014</u>	8.32%
Noninterest Income						
Service charges on deposit accounts	\$ 28,524	\$ 27,676	3.06%	\$ 57,779	\$ 53,364	8.27%
Card Fee Income	78,479	67,643	16.02%	143,281	122,231	17.22%
Income on BOLI	28,699	29,529	-2.81%	56,923	58,771	-3.14%
Other income	102,213	54,044	89.13%	178,386	119,311	49.51%
Total Noninterest Income	<u>\$ 237,915</u>	<u>\$ 178,892</u>	32.99%	<u>\$ 436,370</u>	<u>\$ 353,677</u>	23.38%
Noninterest Expenses						
Salaries and employee benefits	\$ 990,931	\$ 967,824	2.39%	\$ 1,996,379	\$ 1,965,004	1.60%
Occupancy and equipment expense	136,488	128,195	6.47%	271,370	257,696	5.31%
Professional services	100,490	97,563	3.00%	186,923	182,452	2.45%
Data processing	252,763	226,614	11.54%	492,019	440,002	11.82%
Promotional and marketing	51,762	70,444	-26.52%	92,039	100,331	-8.26%
Other operating expenses	174,412	151,505	15.12%	339,722	291,421	16.57%
Total noninterest expenses	<u>\$ 1,706,845</u>	<u>\$ 1,642,145</u>	3.94%	<u>\$ 3,378,454</u>	<u>\$ 3,236,906</u>	4.37%
Net Income Before Tax	\$ 640,456	\$ 473,313	35.31%	\$ 1,194,642	\$ 935,785	27.66%
Income tax expense	134,454	99,396	35.27%	250,833	196,515	27.64%
Net income	<u>\$ 506,002</u>	<u>\$ 373,917</u>	35.32%	<u>\$ 943,809</u>	<u>\$ 739,270</u>	27.67%
Earnings per Share, basic and diluted	<u>\$ 0.18</u>	<u>\$ 0.13</u>	35.32%	<u>\$ 0.33</u>	<u>\$ 0.26</u>	27.67%