



FOR IMMEDIATE RELEASE

Oak View National Bank Announces Financial Results for 2020 and the Declaration of a Dividend

Warrenton, VA., February 8, 2021 – Oak View National Bank (OTC Pink: OAKV) Oak View National Bank (OTC Pink: OAKV) reported net income for the year ended December 31, 2020 of \$2,016,948, or \$0.70 basic and \$0.69 diluted earnings per share compared to \$2,044,749 or \$0.71 basic earnings per share and \$0.70 diluted earnings per share for the year ended December 31, 2019. Return on average assets (ROAA) was 0.71% and return on average equity (ROAE) was 7.99% for the year ended December 31, 2020 compared to 0.82% and 8.84% respectively for the year ended December 31, 2019.

On January 21, 2021, the Board of Directors of the Bank declared an annual dividend of \$0.04 per share. This dividend was declared for shareholders of record as of the close of business on February 8, 2021 and will be payable on February 16, 2021. Michael Ewing, Vice Chairman of the Board and CEO said, “In spite of the extraordinary circumstances the Bank faced in 2020, we are pleased that the financial results for 2020 were strong. This allowed the Bank to initiate payment of a dividend.”

At December 31, 2020, total assets were \$284.7 million, an increase of \$20.9 million or 7.9% over total assets from the prior year. Gross loans increased 22% to \$246.0 million at the end of 2020 and included \$26.3 million Payroll Protection Program loans, compared to \$201.6 million at December 31, 2019. Total deposits ended the year at \$239.9 million, representing an increase of 15.1% compared to \$208.4 million at December 31, 2019.

Credit quality remained outstanding as the bank only had one non-performing loan at December 31, 2020 totaling \$24,825. The year ending December 31, 2020 had a loan loss provision of \$469,052 compared to a loan loss recovery of \$97,843 for the year ending December 31, 2019. The allowance for loan losses was \$2.17 million or 0.884% of total loans at December 31, 2020 compared to \$1.70 million or 0.845% of total loans at December 31, 2019. As of December 31, 2020, the bank had zero past due loans. Throughout the year, the bank processed payment deferrals on 94 loans, with just six loans remaining on deferral at year end. The bank had one non-performing loan at December 31, 2020 totaling \$24,825.

For the fourth quarter of 2020, the Bank reported net income of \$585,715 or \$0.20 per share basic and diluted versus \$532,195 or \$0.19 per share basic and \$0.18 diluted reported for the fourth quarter of 2019. Net operating income before tax for the quarter ending December 31, 2020 was \$726,994 compared to net operating income before tax of \$636,116 for the quarter ending December 31, 2019 an increase of \$90,878 or 14.3%. The higher income was a result of increased levels of non-interest income which were partially offset by volume related increases in data processing costs and marketing expenses.

The quarter ending December 31, 2020 had a loan loss provision of \$96,793 compared to a loan loss recovery of \$85,632 for the quarter ending December 31, 2019.

The net interest margin fell to 3.32% for the quarter ended December 31, 2020 compared to 3.36% for the quarter ending December 31, 2019. The average yield on earning assets decreased 46 basis points to 3.93% in the quarter ending December 31, 2020 and the cost of funds decreased by 47 basis points to 0.88% from the fourth quarter of 2019. The ratio of average interest earning assets to interest bearing liabilities increased to 144.8% in the December 2020 quarter from 132.0% in the December 2019 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 is headquartered in Warrenton, Virginia serving 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, 2020 and 2019

| Assets | 2020 (Unaudited) | 2019 |
|---|----------------------------|-----------------------|
| Cash and due from banks | \$ 3,640,065 | \$ 2,756,799 |
| Federal funds sold | 7,261,000 | 26,964,000 |
| Interest-bearing deposits in other banks | 12,579,174 | 16,312,202 |
| Securities held to maturity, at cost | 3,149,392 | 2,649,352 |
| Restricted stock, at cost | 1,725,605 | 2,209,219 |
| Loans, net of allowance for loan losses of \$2,173,910 and \$1,704,545 for 2020 and 2019, respectively | 243,585,780 | 200,196,821 |
| Premises and equipment, net | 5,470,408 | 5,636,635 |
| Accrued interest receivable | 889,704 | 599,818 |
| Bank Owned Life Insurance | 5,204,850 | 5,095,143 |
| Deferred tax asset | 660,299 | 483,249 |
| Other real estate owned | -- | 253,875 |
| Other assets | 505,926 | 578,132 |
| Total assets | <u>\$ 284,672,203</u> | <u>\$ 263,735,245</u> |
| Liabilities and Shareholders' Equity | | |
| Liabilities | | |
| Deposits: | | |
| Noninterest bearing | \$ 66,056,128 | \$ 44,830,841 |
| Savings, interest-bearing checking and money market accounts | 97,972,610 | 79,990,910 |
| Time, \$250,000 and over | 10,847,544 | 12,479,557 |
| Other time | 65,009,409 | 71,115,222 |
| Total deposits | \$ 239,885,691 | \$ 208,416,530 |
| Federal Home Loan Bank advances | 16,900,000 | 29,800,000 |
| Accrued expenses and other liabilities | 1,572,864 | 1,355,681 |
| Total liabilities | <u>\$ 258,358,555</u> | <u>\$ 239,572,211</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, 2,896,502 shares issued and outstanding 12-31-2020 2,873,456 shares issued and outstanding 12-31-2019 | \$ 2,896,502 | \$ 2,873,456 |
| Additional paid-in capital | 17,538,003 | 17,427,382 |
| Retained earnings | 5,879,143 | 3,862,196 |
| Accumulated other comprehensive income | -- | -- |
| Total shareholders' equity | <u>\$ 26,313,648</u> | <u>\$ 24,163,034</u> |
| Total liabilities and shareholders' equity | <u>\$ 284,672,203</u> | <u>\$ 263,735,245</u> |

| OAK VIEW NATIONAL BANK | | | | | | |
|---|----------------------------------|---------------------|----------|--------------------------|----------------------|----------|
| Statements of Operations | | | | | | |
| For the Three Months and Years Ended December 31, 2020 and 2019 | | | | | | |
| | Three Months ending December 31, | | | Year Ending December 31, | | |
| | 2020 | 2019 | % Change | 2020 | 2019 | % Change |
| | (Unaudited) | | | (Unaudited) | | |
| Interest and Dividend Income | | | | | | |
| Interest and fees on loans | \$ 2,572,773 | \$ 2,481,031 | 3.70% | \$ 9,971,797 | \$ 10,013,813 | -0.42% |
| Interest on held to maturity securities | 32,028 | 30,577 | 4.74% | 123,114 | 121,328 | 1.47% |
| Dividends on restricted stock | 32,444 | 33,301 | -2.57% | 110,300 | 126,838 | -13.04% |
| Interest on interest-bearing deposits in other banks | 62,991 | 95,466 | -34.02% | 318,781 | 370,531 | -13.97% |
| Interest on federal funds sold | 2,230 | 65,112 | -96.58% | 76,670 | 153,506 | -50.05% |
| Total interest and dividend income | <u>\$ 2,702,467</u> | <u>\$ 2,705,487</u> | -0.11% | <u>\$ 10,600,662</u> | <u>\$ 10,786,017</u> | -1.72% |
| Interest Expense | | | | | | |
| Interest on deposits | \$ 353,440 | \$ 506,842 | -30.27% | \$ 1,684,708 | \$ 1,957,024 | -13.91% |
| Interest on Federal Home Loan Bank advances | 64,045 | 124,639 | -48.62% | 346,410 | 500,539 | -30.79% |
| Interest on federal funds purchased | 0 | 0 | - - | 1,114 | 1,712 | -34.97% |
| Total interest expense | <u>\$ 417,485</u> | <u>\$ 631,481</u> | -33.89% | <u>\$ 2,032,232</u> | <u>\$ 2,459,275</u> | -17.36% |
| Net Interest Income | <u>\$ 2,284,982</u> | <u>\$ 2,074,006</u> | 10.17% | <u>\$ 8,568,430</u> | <u>\$ 8,326,741</u> | 2.90% |
| Provision for Loan Losses | <u>96,793</u> | <u>(85,632)</u> | -213.03% | <u>469,052</u> | <u>(97,843)</u> | -579.39% |
| Net interest income after provision for loan losses | <u>\$ 2,188,189</u> | <u>\$ 2,159,639</u> | 1.32% | <u>\$ 8,099,378</u> | <u>\$ 8,424,585</u> | -3.86% |
| Noninterest Income | | | | | | |
| Service charges on deposit accounts | \$ 19,866 | \$ 26,403 | -24.76% | \$ 80,433 | \$ 110,970 | -27.52% |
| Card Fee Income | 94,454 | 81,985 | 15.21% | 345,269 | 308,051 | 12.08% |
| Income on BOLI | 27,595 | 29,079 | -5.10% | 109,707 | 115,348 | -4.89% |
| Other income | 262,114 | 127,305 | 105.89% | 656,592 | 416,582 | 57.61% |
| Total Noninterest Income | <u>\$ 404,029</u> | <u>\$ 264,772</u> | 52.60% | <u>\$ 1,192,001</u> | <u>\$ 950,951</u> | 25.35% |
| Noninterest Expenses | | | | | | |
| Salaries and employee benefits | \$ 1,033,326 | \$ 1,066,999 | -3.16% | \$ 3,804,430 | \$ 4,057,990 | -6.25% |
| Occupancy and equipment expense | 144,133 | 146,053 | -1.31% | 577,536 | 561,704 | 2.82% |
| Professional services | 76,836 | 70,336 | 9.24% | 381,576 | 319,734 | 19.34% |
| Data processing | 384,102 | 270,646 | 41.92% | 1,180,529 | 1,020,559 | 15.67% |
| Promotional and marketing | 44,550 | 35,424 | 25.76% | 147,740 | 168,901 | -12.53% |
| Other operating expenses | 182,278 | 198,837 | -8.33% | 660,669 | 695,935 | -5.07% |
| Total noninterest expenses | <u>\$ 1,865,224</u> | <u>\$ 1,788,295</u> | 4.30% | <u>\$ 6,752,480</u> | <u>\$ 6,824,823</u> | -1.06% |
| Net Income Before Tax | <u>\$ 726,994</u> | <u>\$ 636,116</u> | 14.29% | <u>\$ 2,538,899</u> | <u>\$ 2,550,712</u> | -0.46% |
| Income tax expense | <u>141,279</u> | <u>103,921</u> | 35.95% | <u>521,951</u> | <u>505,962</u> | 3.16% |
| Net income | <u>\$ 585,715</u> | <u>\$ 532,195</u> | 10.06% | <u>\$ 2,016,948</u> | <u>\$ 2,044,749</u> | -0.46% |
| Earnings per Share, basic | <u>\$ 0.20</u> | <u>\$ 0.19</u> | | <u>\$ 0.70</u> | <u>\$ 0.71</u> | |
| Earnings per Share, diluted | <u>\$ 0.20</u> | <u>\$ 0.18</u> | | <u>\$ 0.69</u> | <u>\$ 0.70</u> | |
| Weighted Average Shares Outstanding, basic | <u>2,896,502</u> | <u>2,873,456</u> | | <u>2,891,519</u> | <u>2,873,456</u> | |
| Weighted Average Shares Outstanding, assuming dilution | <u>2,913,796</u> | <u>2,938,194</u> | | <u>2,915,300</u> | <u>2,929,137</u> | |