



FOR IMMEDIATE RELEASE

Oak View National Bank Announces a 31.4% Increase in Second Quarter 2017 Earnings

Warrenton, VA., August 1, 2017--Oak View National Bank (OTC Pink: OAKV) reported net income for the quarter ended June 30, 2017 of \$342,492, compared to net income of \$260,721 for the second quarter of 2017, an increase of 31.4%. Basic and diluted earnings per share for the second quarter of 2017 were \$0.12 compared with \$0.09 per share in the second quarter of 2016. Return on average assets (ROAA) was .67% and return on average equity (ROAE) was 6.89% for the second quarter of 2017 compared to .57% and 5.66% respectively for the second quarter of 2016.

Michael Ewing, Vice Chairman of the Board and CEO said, "Our outstanding credit quality has allowed us to realize the benefit of lower loan loss reserve requirements in the second quarter which positively impacted net income. We are pleased to report higher earnings for the quarter and believe that based upon the previously reported changes we made at the end of last year we are well positioned to increase our growth over the remainder of the year."

Net interest income increased by 8.2% in the quarter ended June 30, 2017 to \$1.78 million from \$1.65 million for the quarter ended June 30, 2016. The net interest margin decreased to 3.75% for the quarter ended June 30, 2017 compared to 3.83% for the quarter ending June 30, 2016. The average yield on earning assets decreased to 4.35% for the quarter ending June 30, 2017 from 4.40% for the quarter ending June 30, 2016 and the cost of funds increased by 5 basis points to .77% in the second quarter of 2017 from .72% for second quarter of 2016. The ratio of average interest-earning assets to interest bearing liabilities increased to 128.8% for the quarter ending June 30, 2017 from 126.8% for the quarter ending June 30, 2016.

Loans, net of unearned interest and deferred costs, increased 8.7% to \$168.4 million at the end of the second quarter 2017 compared to \$154.7 million at June 30, 2016. Credit quality remained sound as the bank only had two non-performing loans as of June 30, 2017 totaling \$85,490. For the quarter ending June 30, 2017, there was a loan loss provision recovery of \$45,959 compared to a loan loss provision of \$49,070 for the quarter ending June 30, 2016. The allowance for loan losses was \$1.66 million or .99% of total loans at June 30, 2017 compared to \$1.58 million or 1.02% of total loans at June 30, 2016.

Total deposits ended the quarter at \$162.9 million, representing an increase of 8.1% compared to \$150.7 million at the end of the second quarter of 2016. Total bank assets ended the quarter at \$204.5 million, representing an annual growth rate of 5.9% compared to the same period last year.

Noninterest income decreased by \$3,298 or 2.2% to \$145,259 for the quarter ending June 30, 2017 compared to the quarter ending June 30, 2016 due to lower levels of income received on mortgage

loans originated for the secondary market, rental income and BOLI income partially offset by higher debit card fee income and service charges on deposit accounts.

Noninterest expenses increased by \$150,995 or 11.2% for the quarter ending June 30, 2017, compared to the quarter ending June 30, 2016 the majority of which was attributable to higher salaries and benefits from increased staffing levels, higher volume driven data processing costs, and marketing expense partially offset by lower professional service costs and occupancy and equipment 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.

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 800.388.6686.

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OAK VIEW NATIONAL BANK**Balance Sheets**

June 30, 2017 and 2016

	(Unaudited)	
	<u>2017</u>	<u>2016</u>
Assets		
Cash and due from banks	\$ 2,268,271	\$ 2,483,014
Interest-bearing deposits in other banks	19,165,586	21,967,731
Securities held to maturity, at cost	2,650,219	1,652,316
Restricted stock, at cost	1,738,000	1,770,450
Loans, net of allowance for loan losses of \$1,660,973 and \$1,578,850 for 2017 and 2016, respectively	166,439,915	153,073,139
Premises and equipment, net	5,768,239	5,934,228
Accrued interest receivable	442,921	426,080
BOLI investment	4,797,627	4,665,827
Deferred tax asset	837,785	944,615
Other assets	<u>522,977</u>	<u>172,379</u>
Total assets	<u>\$ 204,631,540</u>	<u>\$ 193,089,778</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing	\$ 35,199,013	\$ 32,479,815
Savings, interest-bearing checking and money market accounts	66,455,806	61,486,646
Time deposits	<u>61,244,349</u>	<u>56,750,570</u>
Total deposits	\$ 162,899,168	\$ 150,717,031
Federal Home Loan Bank advances	20,900,000	22,900,000
Accrued expenses and other liabilities	<u>728,354</u>	<u>642,448</u>
Total liabilities	<u>\$ 184,527,522</u>	<u>\$ 174,259,479</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 6-30-2017; and 6-30-2016	\$ 2,873,456	\$ 2,873,456
Additional paid-in capital	17,427,382	17,347,988
Retained (deficit)	(196,820)	(1,391,145)
Accumulated other comprehensive income	--	--
Total shareholders' equity	<u>\$ 20,104,018</u>	<u>\$ 18,830,299</u>
Total liabilities and shareholders' equity	<u>\$ 204,631,540</u>	<u>\$ 193,089,778</u>

OAK VIEW NATIONAL BANK

Statements of Income

For the Quarters Ended June 30, 2017 and 2016

(Unaudited)

	<u>2017</u>	<u>2016</u>
Interest and Dividend Income		
Interest and fees on loans	\$ 1,941,306	\$ 1,790,732
Interest on held to maturity securities	29,669	14,275
Dividends on restricted stock	22,130	20,634
Interest on interest-bearing deposits in other banks	62,926	62,599
Interest on federal funds sold	8,583	1,242
Total interest and dividend income	<u>\$ 2,064,614</u>	<u>\$ 1,889,482</u>
Interest Expense		
Interest on deposits	\$ 219,780	\$ 193,112
Interest on Federal Home Loan Bank advances	64,093	49,394
Interest on federal funds purchased	152.23	944.17
Total interest expense	<u>\$ 284,025</u>	<u>\$ 243,451</u>
Net Interest Income	\$ 1,780,589	\$ 1,646,032
Provision for Loan Losses	<u>(45,959)</u>	<u>49,070</u>
Net interest income after provision for loan losses	<u>\$ 1,826,548</u>	<u>\$ 1,596,961</u>
Noninterest Income		
Service charges on deposit accounts	\$ 18,737	\$ 13,882
Card fee income	52,088	45,695
Income on BOLI	31,383	34,512
Other income	43,051	54,468
Total Noninterest Income	<u>\$ 145,259</u>	<u>\$ 148,557</u>
Noninterest Expenses		
Salaries and employee benefits	\$ 928,878	\$ 808,753
Occupancy and equipment expense	124,913	135,161
Professional services	68,619	73,992
Data processing	197,521	179,776
Promotional and marketing	39,340	27,881
Other operating expenses	142,210	124,924
Total noninterest expenses	<u>\$ 1,501,481</u>	<u>\$ 1,350,486</u>
Net Income Before Tax	\$ 470,326	\$ 395,032
Income tax expense	<u>127,834</u>	<u>134,311</u>
Net income	<u>\$ 342,492</u>	<u>\$ 260,722</u>
Earnings per Share , basic and diluted	<u>\$ 0.12</u>	<u>\$ 0.09</u>