



## **Oak View Bankshares, Inc. Announces Record Earnings for 2022 and Doubles the Dividend**

**Warrenton, VA, January 25, 2023 - Oak View Bankshares, Inc. (the “Company”)** (OTC Pink: OAKV), parent company of Oak View National Bank (the “Bank”), reported net income of \$1.20 million for the quarter ended December 31, 2022, compared to net income of \$868,000 for the quarter ended December 31, 2021, an increase of 38.68%. Basic and diluted earnings per share for the fourth quarter were \$0.41 compared to \$0.29 per share for the fourth quarter of 2021.

Net income for the twelve months ended December 31, 2022, was \$3.06 million, compared to \$2.47 million for the twelve months ended December 31, 2021, an increase of 23.71%. Basic and diluted earnings per share for the twelve months ended December 31, 2022, were \$1.03 compared to \$0.84 for the twelve months ended December 31, 2021.

On January 19, 2023, the Board of Directors of the Company declared an annual dividend of \$0.10 per share to shareholders of record as of the close of business on January 30, 2023, payable on February 6, 2023.

### **Selected Highlights:**

- Return on average assets was 1.02% and return on average equity was 17.64% for the quarter ended December 31, 2022, compared to 1.01% and 12.19%, respectively, for the quarter ended December 31, 2021. Return on average assets was 0.75% and 0.78% and return on average equity was 11.73% and 8.98% for the twelve months ended December 31, 2022, and 2021, respectively.
- Total assets were \$497.89 million on December 31, 2022, compared to \$345.13 million on December 31, 2021.
- Total loans were \$273.87 million on December 31, 2022, compared to \$251.19 million on December 31, 2021.
- The investment portfolio increased to \$193.31 million on December 31, 2022, compared to \$24.94 million on December 31, 2021.
- Total deposits were \$422.90 million on December 31, 2022, compared to \$300.31 million on December 31, 2021.
- Credit quality continues to be outstanding. There were no nonperforming loans as of December 31, 2022.
- Regulatory capital remains strong with ratios exceeding the “well capitalized” thresholds in all categories.

Michael Ewing, CEO and Chairman of the Board said, “This was a phenomenal year for our Company. We began the year by finalizing a proactive subordinated debt issuance which fortified our capital foundation, allowing us to pursue

increased deposit market share. Deposits were deployed into loans and securities, with a greater proportion in securities as demand for well-priced and well-structured loans tempered.” Mr. Ewing continued, “Management constantly evaluates the most efficient way to deploy the capital entrusted to it, with the aim of striking the optimal balance among safety and soundness, profitability and growth. Our strong liquidity and capital profiles will allow us to continue building franchise value.”

Mr. Ewing concluded, “We are very happy to share our success with shareholders by doubling the annual dividend over the prior year, while retaining an appropriate capital cushion to support our strategic objectives.”

### **Net Interest Income**

The net interest margin was 3.10% for the quarter ended December 31, 2022, compared to 3.35% for the fourth quarter of 2021, respectively. Year to date net interest margin was 3.29%, compared to 3.37% for the twelve months ended December 31, 2021.

Net interest income was \$3.45 million for the quarter ended December 31, 2022, compared to \$2.77 million for the quarter ended December 31, 2021. Net interest income was \$12.08 million and \$10.26 million for the twelve months ended December 31, 2022, and 2021, respectively.

Interest income increased \$2.01 million and \$3.51 million for the quarter and twelve months ended December 31, 2022, respectively, as a result of increased investment opportunities to deploy capital into investments with attractive risk and return characteristics and increased loan income due primarily to the higher interest rate environment.

Interest expense increased \$1.32 million and \$1.69 million for the quarter and twelve months ended December 31, 2022, respectively. Increases in interest expense are primarily attributable to interest expense related to the issuance of subordinated debt in February 2022, interest expense paid on deposits resulting from increases in volume and in interest rates and interest expense paid on FHLB advances and other borrowings due to higher balances needed to deploy capital into higher yielding investment opportunities.

### **Noninterest Income**

Noninterest income was \$476,000 for the quarter ended December 31, 2022, compared to \$373,000 for the quarter ended December 31, 2021. Debit card interchange fee income and mortgage loan fee income were the largest contributors of noninterest income. Debit card interchange fee income was \$175,000 for the quarter, compared to \$150,000 for the fourth quarter 2021. Mortgage loan fee income was \$126,000 for the quarter, compared to \$113,000 for the fourth quarter of 2021.

Year to date noninterest income was \$1.19 million, compared to \$1.48 million for the twelve months ended December 31, 2021. Debit card interchange fee income was \$663,000 and \$527,000 for the twelve months ended December 31, 2022, and 2021, respectively. Mortgage loan fee income was \$295,000 and \$564,000 for the twelve months ended December 31, 2022, and 2021, respectively.

During the third and fourth quarters, management sold investment securities and redeployed the proceeds into assets with more attractive risk and return characteristics. As part of the portfolio repositioning, the Company incurred year to date net losses on sales of securities of \$250,000.

**Noninterest Expense**

Noninterest expense was \$2.45 million for the quarter ended December 31, 2022, compared to \$2.07 million for the fourth quarter of 2021. Year to date noninterest expense was \$9.28 million, compared to \$8.71 million for the twelve months ended December 31, 2021.

Salaries and employee benefits were the largest category of noninterest expense. Fourth quarter expenses related to salaries and benefits were \$1.48 million for the quarter, compared to \$1.25 million for the fourth quarter of 2021. Year to date salary and employee benefit expenses were \$5.58 million compared to \$4.77 million for the twelve months ended December 31, 2021. Salaries and employee benefits increased primarily related to newly added positions and taking advantage of growth opportunities in our markets.

**Asset Quality**

On December 31, 2022, the allowance for loan losses was \$2.31 million or 0.84% of outstanding loans, net of unearned income, compared to \$2.13 million or 0.85% of outstanding loans, net of unearned income, on December 31, 2021.

The provision for loan losses was \$27,000 for the quarter ended December 31, 2022, compared to a recovery in the provision for loan losses of \$2,000 for the quarter ended December 31, 2021. The provision for loan losses was \$189,000 for the twelve months ended December 31, 2022, compared to a recovery in the provision for loan losses of \$60,000 for the twelve months ended December 31, 2021.

**Shareholders' Equity**

Shareholders' equity was \$27.02 million on December 31, 2022, compared to \$28.63 million on December 31, 2021. Increases in retained earnings of \$2.91 million were offset by the increase in unrealized losses in the available-for-sale investment portfolio of \$4.52 million. The increase in unrealized losses on the available-for-sale investment portfolio was due to mark-to-market adjustments resulting from rising interest rates.

As of December 31, 2022, the Bank's regulatory capital ratios were 14.25% in Common Equity Tier 1 and Tier 1 Capital, 15.06% in Total Capital and 8.65% in Leverage Ratio. These ratios exceeded the "well capitalized" thresholds for the period.

**About Oak View Bankshares, Inc. and Oak View National Bank**

Oak View Bankshares, Inc. is the parent bank holding company for Oak View National Bank, a locally owned and managed community bank serving Fauquier, Culpeper, Rappahannock, and surrounding Counties. For more information about Oak View Bankshares, Inc. and Oak View National Bank, please visit our website at [www.oakviewbank.com](http://www.oakviewbank.com). Member FDIC.

For additional information, contact Tammy Frazier, Executive Vice President & Chief Financial Officer, Oak View Bankshares, Inc., at 540-359-7155.

**OAK VIEW BANKSHARES, INC. AND SUBSIDIARY**  
**Consolidated Balance Sheets**

	(Unaudited) December 31, 2022	December 31, 2021
<b>Assets</b>		
Cash and due from banks	\$ 8,638,913	\$ 12,996,754
Federal funds sold	-	36,995,000
Interest-bearing deposits in other banks	1,921,528	6,412,288
Securities held to maturity, at cost	10,526,520	5,283,291
Securities available for sale, at fair value	182,787,050	19,657,380
Restricted stock, at cost	2,090,617	1,483,955
Loans, net of allowance for loan losses of \$2,307,592 and \$2,125,650, respectively	271,558,400	249,061,856
Premises and equipment, net	6,424,142	6,224,005
Accrued interest receivable	1,657,754	722,402
Bank-owned life insurance	9,798,074	5,309,354
Deferred tax asset	1,744,715	602,097
Other assets	739,968	378,580
Total assets	\$ 497,887,681	\$ 345,126,962
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest bearing	\$ 101,410,604	\$ 91,242,636
Savings, interest-bearing checking and money market accounts	190,795,644	138,351,659
Time deposits	130,690,781	70,719,527
Total deposits	422,897,029	300,313,822
Federal Home Loan Bank advances and other borrowings	25,406,000	14,900,000
Subordinated debt, net of unamortized issuance costs	13,701,544	-
Accrued expenses and other liabilities	8,865,857	1,281,354
Total liabilities	\$ 470,870,430	\$ 316,495,176
<b>Shareholders' Equity</b>		
Preferred stock, \$ 5.00 par value, 2,000,000 shares authorized, none issued and outstanding	\$ -	\$ -
Common stock, \$1.00 par value, 10,000,000 shares authorized; issued and outstanding: 2,956,157 shares	2,956,157	2,956,157
Additional paid-in capital	17,776,623	17,776,623
Retained earnings	11,140,852	8,233,200
Accumulated other comprehensive (loss), net	(4,856,381)	(334,194)
Total shareholders' equity	\$ 27,017,251	\$ 28,631,786
Total liabilities and shareholders' equity	\$ 497,887,681	\$ 345,126,962

**OAK VIEW BANKSHARES, INC. AND SUBSIDIARY**  
**Consolidated Statements of Income**  
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<b>Interest and Dividend Income</b>				
Interest and fees on loans	\$ 3,163,834	\$ 2,830,733	\$ 11,319,209	\$ 10,891,346
Interest on securities	1,714,945	80,755	3,242,227	102,128
Dividends on restricted stock	25,374	24,330	82,864	76,662
Interest on deposits in other banks	20,772	28,218	104,163	271,484
Interest on federal funds sold	58,939	11,225	128,458	30,000
Total interest and dividend income	4,983,864	2,975,261	14,876,921	11,371,620
<b>Interest Expense</b>				
Interest on deposits	1,177,112	168,819	1,923,432	900,991
Interest on subordinated debt	140,000	-	472,889	-
Interest on borrowings	212,181	40,913	404,620	206,471
Total interest expense	1,529,293	209,732	2,800,941	1,107,462
<b>Net Interest Income</b>	3,454,571	2,765,529	12,075,980	10,264,158
<b>Provision for (recovery of) Loan Losses</b>	27,109	(1,796)	188,629	(59,644)
	3,427,462	2,767,325	11,887,351	10,323,802
<b>Noninterest Income</b>				
Service charges on deposit accounts	39,306	33,775	137,283	117,230
Interchange fee income	174,617	150,326	662,654	527,451
Mortgage loan fee income	125,800	113,166	295,120	563,727
Bank-owned life insurance	62,564	26,369	188,720	104,504
Gain (loss) on sales of securities, net	37,885	-	(249,498)	-
Other income	35,864	49,333	153,708	166,145
Total noninterest income	476,036	372,969	1,187,987	1,479,057
<b>Noninterest Expenses</b>				
Salaries and employee benefits	1,484,174	1,253,628	5,578,882	4,767,303
Occupancy and equipment	161,032	137,392	627,756	567,600
Professional services	44,956	34,010	201,749	304,177
Data processing	339,654	303,327	1,290,711	1,723,772
Advertising and marketing	74,006	63,665	322,513	298,784
Regulatory assessments	56,136	64,001	247,961	228,799
Taxes, other	57,470	60,000	228,196	245,280
Other operating expenses	232,657	156,234	782,655	571,434
Total noninterest expenses	2,450,085	2,072,257	9,280,423	8,707,149
<b>Net Income Before Tax</b>	1,453,413	1,068,037	3,794,915	3,095,710
Income tax expense	249,792	200,155	739,455	625,793
<b>Net income</b>	\$ 1,203,621	\$ 867,882	\$ 3,055,460	\$ 2,469,917