

ALLEGHENY BANCSHARES, INC.
ANNOUNCES 2020 EARNINGS

Allegheny Bancshares, Inc. (Allegheny), the parent company of Pendleton Community Bank, is pleased to announce its results of operations for the 4th quarter and year ending December 31, 2020.

Allegheny's net income for 2020 was \$4,571,521 representing a 33.93% increase in net income from the 2019 level of \$3,413,449. Earnings per share for 2020 totaled \$5.54 representing a \$1.43 increase compared to 2019 earnings per share of \$4.11. Return on Average Assets (ROAA) for 2020 was 0.94% compared to 2019 results of 0.98%. Return on Average Equity (ROAE) was 10.63% compared to 8.53% for 2019.

Net interest income grew \$3,506,320 (25.20%) from \$13,911,950 in 2019 to \$17,418,270 in 2020. As a result of normal growth, record personal savings, stimulus funding, and the unprecedented times we experienced in 2020, deposits increased by \$67.9 million and total assets grew to \$515.1 million at year end or an increase of \$73.0 million (16.51%) over 2019's level. At year end, cash and cash equivalents were \$29.5 million, an increase over the 2019 level. To help offset the unusually low rate provided by fed funds, the bank invested in a Mortgage Participation Program (MPP), and at year end, these Loans Held for Sale totaled \$29.1 million. In addition, PCB assisted customers by originating Paycheck Protection Program (PPP) loans totaling \$32.6 million during the year. At year end, \$30.5 million PPP loans remained on the balance sheet.

According to William A. (Bill) Loving, President and CEO, "We are pleased to report our 2020 earnings and results of operations. The global pandemic had an extreme effect on all our constituencies; however, we have seen our customers, team members, communities, and shareholders navigate with agility to adapt to the many challenges they faced. We, too, found ourselves navigating uncharted waters. Despite altering our traditional operating model due to COVID 19, recording the one-time conversion costs associated with the purchase of the Bank of Mount Hope and downward pressure on our net-interest margin, 2020 was a record year of profitability. This feat would not have been possible without the dedication and support, of our customers, team members, and Board of Directors. For this I am very grateful. In addition, another milestone was achieved during the year as we topped \$500 million in total assets for the first time in company history. We recently announced the signing of an agreement to acquire three financial centers located in Harrisonburg, Bridgewater, and Staunton, VA and look forward to the culmination of this purchase in late May 2021, pending regulatory approval. This acquisition will add to our current footprint in the Harrisonburg, VA market and along the I-81 corridor while complementing our 10 existing locations in Virginia and West Virginia and positioning us for continued growth and success. "

As we look to the remainder of 2021 and beyond, we are confident we will move forward ensuring our customers receive the best possible services and products while producing positive performance results."

This press release includes forward-looking statements, which are not historical facts and pertain to future operating results. These forward-looking statements are intended to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements are subject to

significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control. Accordingly, actual results may differ materially from anticipated results.

Pendleton Community Bank, an independent community bank since 1925, currently has ten full-service financial centers located in the West Virginia communities of Franklin, Moorefield, Marlinton, Petersburg, Wardensville, Mount Hope, Oak Hill, and Beckley and two financial centers in the Virginia community of Harrisonburg.