

ALLEGHENY BANCSHARES, INC.
ANNOUNCES 2019 4th QUARTER 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, 2019.

Allegheny's net income for 2019 was \$3,413,449 or \$4.07 per share. This represents a 10.76% decrease in net income from 2018's level of \$3,825,122. It also represents a 10.35% decrease in earnings per share from 2018's earnings per share of \$4.54.

Net interest income grew \$1,687,153 (13.80%) from \$12,224,497 in 2018 to \$13,911,950 in 2019. While assets grew by \$134.6 million (43.77%) in 2019, most of this increase was due to the acquisition of the Bank of Mount Hope on October 1st of 2019. This transaction added \$126.2 million to Allegheny's assets. Loans purchased amounted to \$64.4 million and investments, fed funds and cash purchased totaled \$58.3 million. Deposit balances increased by \$106.0 million due to this acquisition and assets, at year end, totaled \$442,156,663 and total loans \$328,223,767. Total loan loss provision for 2019 was \$540,000 compared to \$370,000 in 2018; 4th quarter provision totaled \$105,000 in 2019 as compared to \$145,000 in fourth quarter 2018. The decrease in net income and earnings per share was due to the costs related to the acquisition that was expensed during 2019.

Even with these one-time acquisition costs, Allegheny's key financial performance indicators continued to be strong and compare favorably with state, national, and local peer group data.

William A. (Bill) Loving, President and CEO, indicated he was pleased with 2019's performance. According to Loving, "We are excited to report our 2019 earnings and result of operations. While net income was down from 2018's level, income from normal operations (not including merger related costs) grew in 2019 and reflective of the investments we have made in our company over time. In addition to completing our first "whole bank" acquisition, we also transitioned our Wardensville Loan Production Office into a full-service facility that opened for business December 30, 2019. Collectively, we have added 4 full-service facilities to our footprint, increased the convenience and avenues customers can transact their banking business, and grew our institution to the year-end level of approximately \$442 million in total assets. I am confident that the acquisition of The Bank of Mt Hope will be accretive to earnings and earnings per share in 2020 and the new office in Wardensville will only strengthen our position in the Hardy County market.

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.