

## ALLEGHENY BANCSHARES, INC. ANNOUNCES SECOND QUARTER 2020

### **FINANCIAL RESULTS**

Allegheny Bancshares, Inc., the parent company of Pendleton Community Bank, is pleased to announce second quarter 2020 net income of \$1,391,000 or \$1.68 per share. In comparison, net income for second quarter 2019 was \$821,000 or \$0.98 per share.

For the first half of 2020, Allegheny had net income of \$2,020,000 or \$2.44 per share, which is an increase in net income from \$1,679,000 earned in the first half of 2019. Return on Average Assets (ROAA) for the first 6 months was 0.87% and the Return on Average Equity (ROAE) was 9.86%. This compares to a ROAA of 1.08% and a ROAE of 8.73% for the same period of 2019.

Assets increased by 54.9% from June 30, 2019 to June 30, 2020 and, at the end of the quarter totaled \$491.0 million. On June 30, 2020, total loans were \$354.7 million, an increase of \$102.2 million, or 40.5% from June 30, 2019 while deposits grew \$163.0 million, or 60.1% for the same period. Shareholders' Equity at the end of the quarter totaled \$42.8 million.

The increase in net income for the first half of 2020 compared to the same period in 2019 was attributed to an increase in net interest income of \$2,205,000 and an increase of non-interest income of \$251,000 while partially offset by the increase in non-interest expense and taxes of \$2,095,000 and the provision for loan losses of \$20,000.00.

W.A. (Bill) Loving, President and CEO, indicated he was pleased with the second quarter and first six months' performance. According to Loving, "The global pandemic has affected all of our lives. Almost overnight, we were faced with altering our way of doing business and providing banking services to our customers. Our dedicated team stepped up and went beyond the call of duty, in many cases, to ensure our level of service was not impeded during these unprecedented times, such as assisting customers in the communities we serve with Paycheck Protect Program (PPP) loans totaling over \$32.0 million.

Also, during the first half of the year, the acquisition of The Bank of Mt Hope was completed presenting additional costs related to the acquisition and data conversion expenses; however, I view these costs as an investment in our future. Even with these one-time costs, our 2020 income has surpassed 2019 levels. The bank continues to grow, and experience increases in assets related to the uptick in loans and influx of deposits. We are hopeful that over the next few months we will experience a greater level of normalcy in our everyday life allowing us to resume normal banking operations and see our investments perform at their full potential. However, we will continue to monitor the challenges COVID-19 presents and do what we believe is best for all our constituencies- Customers, Team Members, Communities, and Shareholders."

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 forward-looking 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, with 8 being located in the West Virginia communities of Beckley, Fayetteville, Franklin, Marlinton, Moorefield, Mount Hope, Petersburg, and

Wardensville. Two offices and mortgage operation are located in the Virginia community of Harrisonburg, VA.