

ALLEGHENY BANCSHARES, INC. ANNOUNCES THIRD QUARTER 2020

FINANCIAL RESULTS

Allegheny Bancshares, Inc., the parent company of Pendleton Community Bank, is pleased to announce third quarter 2020 net income of \$1,246,000 or \$1.51 per share. In comparison, net income for third quarter 2019 was \$1,057,000 or \$1.27 per share.

For the first nine months of 2020, Allegheny had net income of \$3,266,000 or \$3.93 per share, which is an increase in net income of \$530,000 or 19.37% from \$2,736,000 earned in the first nine months of 2019. Return on Average Assets (ROAA) for the first 9 months was 0.91% and the Return on Average Equity (ROAE) was 10.31%. This compares to a ROAA of 1.16% and a ROAE of 9.24% for the same period of 2019.

Assets increased by 49.16% from September 30, 2019 to September 30, 2020 and, at the end of the quarter totaled \$506.0 million. On September 30, 2020, total loans were \$376.0 million, an increase of \$116.7 million, or 45.00% from September 30, 2019 while deposits grew \$169.6 million, or 60.9% for the same period. Shareholders' Equity at the end of the quarter totaled \$44.1 million.

The increase in net income for the first nine months of 2020 compared to the same period in 2019 was attributed to an increase in net interest income of \$3,237,000 and an increase of non-interest income of \$492,000 while partially offset by the increase in non-interest expense and taxes of \$3,073,000 and the provision for loan losses of \$125,000..

W.A. (Bill) Loving, President and CEO, indicated he was pleased with the third quarter and first nine months' performance. According to Loving, "The global pandemic continues to cause us concern; however, our customers and team members have adapted to the changing business environment and what seems to be our new way of life for the foreseeable future. Our dedicated PCB team continues to make adjustments to ensure our customers receive the best possible services and products during these unprecedented times.

Our assets topped \$500 million for the first time in company history this quarter as a result of continued growth coupled with the acquisition in the third quarter of 2019. The historical low interest rate environment continues to place pressure on our margin; however, even with the compression of our net interest margin and the one-time data conversion expenses related to the acquisition of The Bank of Mt Hope, our net income year to date is exceeding last year's level. 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.