

ALLEGHENY BANCSHARES, INC.
ANNOUNCES THIRD QUARTER 2019 FINANCIAL RESULTS

Allegheny Bancshares, Inc., the parent company of Pendleton Community Bank, is pleased to announce third quarter 2019 net income of \$1,057,000 or \$1.27 per share. This represents a 2.03% increase from third quarter 2018 income of \$1,036,000 or \$1.24 per share.

For the first nine months of 2019, Allegheny had net income of \$2,736,000, which is a decrease from the net income of \$2,977,000 earned the first nine months of 2018 and a decrease in earnings per share of \$.28 to \$3.28 for the first 9 months of 2019. Return on Average Assets (ROAA) for the first 9 months was 1.16% and the Return on Average Equity (ROAE) was 9.24%. This compares to a ROAA of 1.34% and a ROAE of 10.63% for the same period of 2018.

Assets increased 10.35% from December 31, 2018 to September 30, 2019 and on that date, totaled \$339,353,000. Shareholders' Equity at the end of the third quarter totaled \$41,300,000.

The decrease in earnings resulted from an increase in noninterest expense of \$545,000, which included \$224,000 nonrecurring merger related expenses, and an increase in provision for loan losses in the amount of \$210,000 over 2018 levels. These increases outpaced a \$529,000 increase in Net Interest Income, and \$167,000 increase in noninterest income.

W.A. (Bill) Loving, President and CEO, indicated he was extremely pleased with the 2019 year to date performance. According to Loving, "While we have seen an increase in operating expenses associated with the investment in our Virginia market and the transition of our Wardensville Loan Production Office to a full service facility, our income from operations is growing at an acceptable pace to cover these costs in the long-run and drive higher earnings in the future. Additionally, we completed the merger of Pendleton Community Bank with the Bank of Mt Hope on September 30, 2019 and three new offices opened under Pendleton's banner October 1, 2019; consequently, while the reported 1.16% ROAA is down over last year's 1.34%, it reflects the one-time charges related to the acquisition and continued investment in our franchise. We are seeing good results from the collective strategic investments as loans are reflecting a 9.2% increase over last year's level and deposits up 4.4% resulting in increased net interest income, continuance of a strong net-interest margin, and the basis for the elevated allowance expense over 2018. We remain very optimistic that the investments in our franchise, both from traditional banking channels as well as the every-changing electronic options, will pay dividends in the future for customers and shareholders alike".

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 seven full-service financial centers located in the West Virginia communities of Franklin, Moorefield, Marlinton, Petersburg, Beckley, Mount Hope, Oak Hill and two in the Virginia community of Harrisonburg. Pendleton Community Bank also has a Loan Production office in Wardensville, WV that will soon open as a full-service facility and a mortgage division of Pendleton Community Bank headquartered in Harrisonburg, VA.