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Issue: February 12, 2024



Oak View National Bank - Recognizing the Need for an Authentic Community Bank in Their Virginia Community to Serve Small Businesses, Non-Profits and Professionals



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"As a community bank, we have all the modern technology that the customers desire, but our difference from the big banks is we strive to build relationships with people and serve them over a lifetime rather than treating them as just a transaction." Michael Ewing

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Ewing, what is Oak View National Bank's mission and vision?

Mr. Ewing: We started the bank in 2009 after our existing community bank was bought out by a larger bank. Recognizing the need for an authentic community bank in our community, we built it with the idea that we were going to run it for the long haul; we did not build it just to sell it in the short term. We are almost 15 years into it now and have no plans to sell out; we intend to stay the course and are here to serve the community.

We focus on small businesses, non-profits, and professionals. We have also started to do more community outreach to help support some of the people that are not quite as fortunate as others but are people that we can help make successful financially.

CEOCFO: Would you tell me a little about the geographic areas you service?

Mr. Ewing: We are located in a rural area of Virginia about fifty miles west of Washington DC. I like to say, "From Washington, head west on I-66 until the concrete turns to grass; that's us".

CEOCFO: How is the economy like there today?

Mr. Ewing: The economy here is strong. We are influenced by being close to Washington, DC. A fair percentage of our residents, commute to the city for business and government jobs, good-paying jobs. That's not to say that we do not experience recessions, but we are somewhat protected.

CEOCFO: What might be a typical engagement what your customers and what is outside of the box?

Mr. Ewing: We will take the time to sit with individuals on a one-on-one basis, hear their stories, and agonize over trying to find ways to help them. Even if it is not easy, we will figure out a way to help support their dream whether it be for affordable housing or for running their small business in our community. We are not in it for the numbers game, we are in it to help one person at a time.

CEOCFO: How do you know whether someone who might not be in the best financial shape is going to pay off the loan? What are the intangibles you have learned over the years with your customers or prospective customers that allows you to take that approach where you'll find a way?

Mr. Ewing: First of all, being in a small town, a lot of these are people that we know of their character or businesses, but when I say we will sit down with people and agonize, we spend a lot of time with people trying to educate them. If they have weaknesses, we will be able to put them with the right source of information to sure that up and help them be successful. We are a community resource because we know where to send people to obtain the information that they need to overcome their challenges.

CEOCFO: Are there any other community banks in your area today? Do people easily recognize the difference between one of the big guys and Oak View?

Mr. Ewing: We are the only community bank headquartered here in our community because the local market is extremely competitive with high deposit rates and low loan rates. There are a few community banks that have small offices here, but they do not have the resources to provide what we do to be able to take the time with individuals.

CEOCFO: How do you do that now? Do you have more plans in the future to be more proactive in reaching more customers?

Mr. Ewing: Our main way of acquiring new customers is through referrals. As we get to know more people, they like what we do and refer friends and family to us. Of the people that know us, they love us. We have a very welcoming atmosphere. We try our best to work with people but there is a need to become better known in the community; there are probably a lot of people who do not know about us.

CEOCFO: What if anything has changed in your approach since 2009?

Mr. Ewing: The biggest change is the rapid development of innovative technology that is available now where people can open accounts, apply for loans, make payments, etc. on their smartphone. Our customers can do their banking from anywhere on their bank that they carry in their pocket. As a community bank, we have all the modern technology that

the customers desire, but our difference from the big banks is we strive to build relationships with people and serve them over a lifetime rather than treating them as just a transaction.

CEO CFO: You had record earnings in 2023. Would you tell us how, why, and how you continue on the path?

Mr. Ewing: We have been conservative and kept our investments short. The banks that got themselves into trouble went long on their assets at the worst possible time. They invested in long-term assets, which means the rate is locked in for a prolonged period. Funding costs went up very far, very fast and a lot of those banks have been hurt by the resulting shrinking net interest margin. We decided to stay conservative and kept our assets short, and now that is paying off.

CEO CFO: Was the team and the board in consensus with that or is there a lot of discussion on what track to take?

Mr. Ewing: We have a very astute board of directors with a lot of experience. Our management team and lenders have a tremendous amount of experience as well and we are all on the same page. We do not have a lot of controversy or conflict amongst the staff, management, or the board.

CEO CFO: You mentioned community outreach, why is now the time to be more active as far as helping people?

Mr. Ewing: It is analogous to when you get on an airplane, and they say to put on your own air mask before you help others. We had to grow the bank to the point where we were profitable and had sufficient resources. In about 2019, we decided we were very strong and that it was time to start community outreach; by the time we got started, COVID hit. Therefore, we changed our focus and ended up doing a lot of PPP loans and helped a lot of our customers as well as the customers of other banks who couldn't get their PPP loans from their own bank.

We did that for a couple of years, but that is behind us now. We are focused on being proactive not just reactive, but going out trying to find people we can help.

CEO CFO: Would you tell me a little about your employees and why people like to work at Oak View?

Mr. Ewing: Most of our employees come as referrals from current employees. Whenever we have an opening, we usually have an employee who will come to us and say they know so and so who is interested in working for the bank. We are careful about who we hire, and we are looking for people who share our culture. People that are selfishly looking to make a name for themselves do not fit in very well and are not going to be successful here. We are looking for people who have a servant's heart and that has paid off very well for us.

CEO CFO: With so many banks to look at, why choose Oak View?

Mr. Ewing: If you are in our community, we provide the service of a friendly atmosphere. We have exceptionally good technology; we pay particularly good interest rates on deposits and charge very fair rates on loans. You do not give up anything to come here compared to other

banks, but you do gain the caring, friendly atmosphere of Oak View. The customers that are here love us.

