

Benchmark Bankshares, Inc.
Consolidated Statements of Financial Condition

| | As of December 31, | |
|--|---------------------------|------------------|
| Assets | 2022 | 2021 |
| Cash and due from banks | \$ 20,168,671 | \$ 12,689,824 |
| Federal reserve excess balance account | 67,140,594 | 250,413,911 |
| Total cash and cash equivalents | 87,309,265 | 263,103,735 |
| Interest-bearing time deposits with other banks | 9,997,995 | 6,245,995 |
| Trading securities | 4,996,635 | 5,082,560 |
| Investment securities, held to maturity | 19,750,000 | 11,250,000 |
| Investment securities, available for sale | 138,931,791 | 70,319,743 |
| Marketable equity securities | 1,827,447 | 1,998,284 |
| Loans, held for sale | 168,555 | 2,094,560 |
| Loans, held for investment | 815,910,810 | 644,051,786 |
| Less: Allowance for loan losses | (6,831,926) | (5,900,511) |
| Net Loans, held for investment | 809,078,884 | 638,151,275 |
| Premises and equipment, net | 18,658,474 | 17,057,783 |
| Bank owned life insurance | 21,822,154 | 18,033,112 |
| Accrued interest receivable | 3,254,058 | 2,266,689 |
| Deferred income taxes | 4,005,222 | 1,417,806 |
| Core deposit intangibles, net | 1,854,112 | - |
| Other assets | 3,017,647 | 3,554,910 |
| Total Assets | \$ 1,124,672,239 | \$ 1,040,576,452 |
| <u>Liabilities and Stockholders' Equity</u> | | |
| Deposits | | |
| Non-interest bearing demand deposits | \$ 264,830,005 | \$ 237,772,169 |
| Interest-bearing checking deposits | 372,013,872 | 308,759,456 |
| Money market deposits | 148,565,754 | 162,524,322 |
| Savings deposits | 134,269,852 | 110,824,169 |
| Time deposits | 109,513,262 | 125,407,075 |
| Total Deposits | 1,029,192,745 | 945,287,191 |
| Borrowings | 2,702,937 | 3,828,689 |
| Index retirement plan liability | 1,592,287 | 1,368,019 |
| Dividends payable | 1,716,016 | 1,581,447 |
| Accrued interest payable | 186,737 | 225,450 |
| Other liabilities | 3,627,526 | 3,848,719 |
| Total Liabilities | 1,039,018,248 | 956,139,515 |
| Stockholders' Equity | | |
| Common stock ^{(1) (2)} | 948,715 | 947,847 |
| Additional paid-in capital | 5,808,102 | 5,598,448 |
| Retained earnings | 86,607,134 | 76,811,729 |
| Accumulated other comprehensive income | (7,709,960) | 1,078,913 |
| Total Stockholders' Equity | 85,653,991 | 84,436,937 |
| Total Liabilities and Stockholders' Equity | \$ 1,124,672,239 | \$ 1,040,576,452 |

(1) Common Stock, \$0.21 par value and 8,000,000 shares authorized. 4,521,648 and 4,518,422 shares issued and outstanding as of December 31, 2022 and 2021, respectively.

(2) 3,959 and 4,866 shares outstanding as of December 31, 2022 and December 31, 2021, respectively, are restricted shares.

Benchmark Bankshares, Inc.
Consolidated Statements of Operations and Comprehensive Income

| | Three Months Ended December 31, | |
|--|---------------------------------|--------------|
| | 2022 | 2021 |
| Interest Income | | |
| Interest and fees on loans | \$ 10,363,450 | \$ 8,849,191 |
| Interest on investment securities: | | |
| U. S. Government agencies | 593,084 | 37,906 |
| Mortgage-backed securities | 617 | 759 |
| Corporate debt | 102,400 | 72,330 |
| State and political subdivisions | 270,541 | 282,544 |
| Trading securities | 33,490 | 18,200 |
| Other securities | 13,585 | 3,252 |
| Interest on short-term investments | 105,486 | 7,905 |
| Interest on federal funds sold | 765,610 | 85,553 |
| Total Interest Income | 12,248,263 | 9,357,640 |
| Interest Expense | | |
| Interest-bearing checking deposits | 180,183 | 123,403 |
| Money market demand deposits | 45,345 | 67,062 |
| Savings deposits | 34,202 | 27,931 |
| Time deposits | 250,232 | 344,395 |
| Borrowings | 28,245 | 43,071 |
| Total Interest Expense | 538,207 | 605,862 |
| Net Interest Income | 11,710,056 | 8,751,778 |
| Provision for Loan Losses | 459,050 | - |
| Net Interest Income After Provision for Loan Losses | 11,251,006 | 8,751,778 |
| Other Income | | |
| Service charges on deposit accounts | 1,363,655 | 1,220,600 |
| Gain on sale of loans | 126,319 | 475,441 |
| Other operating income | 912,689 | 639,445 |
| Total Other Income | 2,402,663 | 2,335,486 |
| Other Expenses | | |
| Salaries and benefits | 4,782,030 | 4,514,765 |
| Depreciation | 321,361 | 302,370 |
| Occupancy expense | 636,467 | 687,982 |
| Other operating expenses | 2,947,546 | 2,264,231 |
| Total Other Expenses | 8,687,404 | 7,769,348 |
| Income Before Income Taxes | 4,966,265 | 3,317,916 |
| Provision for income taxes | 1,027,481 | 633,411 |
| Net Income | \$ 3,938,784 | \$ 2,684,505 |
| Earnings Per Common Share - Basic | \$ 0.87 | \$ 0.59 |
| Earnings Per Common Share - Diluted | \$ 0.87 | \$ 0.59 |

Benchmark Bankshares, Inc.
Consolidated Statements of Operations and Comprehensive Income

| | Years Ended December 31, | |
|--|--------------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Interest Income | | |
| Interest and fees on loans | \$ 36,309,062 | \$ 34,293,555 |
| Interest on investment securities: | | |
| U. S. Government agencies | 130,590 | 35,321 |
| Mortgage-backed securities | 2,695 | 3,247 |
| Corporate debt | 398,291 | 149,130 |
| State and political subdivisions | 1,062,534 | 1,059,958 |
| Trading securities | 135,152 | 18,200 |
| Other securities | 1,488,245 | 70,754 |
| Interest on time deposits with other banks | 111,993 | 39,991 |
| Interest on federal funds sold | 1,690,008 | 268,236 |
| Total Interest Income | <u>41,328,570</u> | <u>35,938,391</u> |
| Interest Expense | | |
| Interest-bearing checking deposits | 537,599 | 540,379 |
| Money market demand deposits | 197,693 | 331,926 |
| Savings deposits | 131,823 | 111,092 |
| Time deposits | 1,020,034 | 1,446,061 |
| Borrowings | 126,657 | 188,411 |
| Total Interest Expense | <u>2,013,806</u> | <u>2,617,869</u> |
| Net Interest Income | <u>39,314,764</u> | <u>33,320,522</u> |
| Provision for loan losses | <u>1,018,067</u> | <u>330,384</u> |
| Net Interest Income After Provision for Loan Losses | <u>38,296,697</u> | <u>32,990,138</u> |
| Other Income | | |
| ATM and debit card income | 3,672,106 | 3,487,989 |
| Service charges on deposit accounts | 1,441,916 | 1,125,784 |
| Gain on sale of loans held for sale | 1,037,927 | 1,973,657 |
| Loss on sale of other real estate owned | 2,584 | (99,468) |
| Other operating income | 2,458,270 | 2,251,391 |
| Total Other Income | <u>8,612,803</u> | <u>8,739,352</u> |
| Other Expenses | | |
| Salaries and benefits | 16,544,508 | 15,326,976 |
| Depreciation | 1,227,414 | 1,208,163 |
| Occupancy expense | 2,834,048 | 2,390,815 |
| Other operating expenses | 9,806,119 | 8,513,175 |
| Total Other Expenses | <u>30,412,089</u> | <u>27,439,128</u> |
| Income Before Income Taxes | <u>16,497,411</u> | <u>14,290,362</u> |
| Provision for income taxes | <u>3,257,811</u> | <u>2,766,319</u> |
| Net Income | <u>\$ 13,239,600</u> | <u>\$ 11,524,043</u> |
| Earnings Per Common Share - Basic | <u>\$ 2.93</u> | <u>\$ 2.55</u> |
| Earnings Per Common Share - Diluted | <u>\$ 2.93</u> | <u>\$ 2.55</u> |