

Benchmark Bankshares, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

Assets	September 30, 2023	December 31, 2022	September 30, 2022
Cash and due from banks	\$ 19,089,085	\$ 20,168,671	\$ 17,202,754
Federal reserve excess balance account	35,113,133	67,140,594	109,590,702
Total cash and cash equivalents	<u>\$ 54,202,218</u>	<u>\$ 87,309,265</u>	<u>\$ 126,793,456</u>
Investment securities, held to maturity	19,750,000	19,750,000	19,750,000
Investment securities, available for sale	96,932,118	138,931,791	137,718,105
Interest-bearing time deposits with other banks	7,497,995	9,997,995	10,246,995
Trading securities	5,133,894	4,996,635	4,696,546
Marketable equity securities	1,830,683	1,827,447	1,486,798
Loans, held for sale	-	168,555	862,684
Loans, held for investment	865,457,378	815,910,810	780,800,266
Less: Allowance for loan losses	(6,959,752)	(6,831,926)	(6,397,123)
Net Loans, held for investment	<u>858,497,626</u>	<u>809,078,884</u>	<u>774,403,143</u>
Premises and equipment, net	21,213,402	18,658,474	18,634,947
Bank owned life insurance	22,751,203	21,822,154	21,424,103
Accrued interest receivable	3,217,842	3,254,058	3,100,676
Deferred income taxes	4,254,656	4,005,222	4,393,189
Core deposit intangible asset, net	1,580,950	1,854,112	1,950,000
Right of use assets	414,732	452,276	515,366
Other assets	6,158,363	2,565,371	3,374,414
Total Assets	<u>\$ 1,103,435,682</u>	<u>\$ 1,124,672,239</u>	<u>\$ 1,129,350,422</u>
Liabilities and Stockholders' Equity			
Deposits			
Demand (noninterest-bearing)	\$ 258,518,431	\$ 264,830,005	\$ 292,264,666
Interest-bearing checking accounts	356,735,726	372,013,872	337,072,601
Money market accounts	111,263,997	148,565,754	166,253,476
Savings accounts	121,365,479	134,269,852	131,913,022
Time Deposits	152,481,893	109,513,262	109,255,883
Total Deposits	<u>1,000,365,526</u>	<u>1,029,192,745</u>	<u>1,036,759,648</u>
Borrowings	1,828,529	2,702,937	2,988,339
Index retirement plan liability	2,403,577	1,592,287	1,987,808
Dividends payable	-	1,716,016	-
Lease liability - buildings and equipment	424,927	465,154	527,977
Accrued interest payable	642,050	186,737	153,014
Accrued income tax payable	(317,544)	-	725,215
Other liabilities	4,052,969	3,162,372	4,260,895
Total Liabilities	<u>1,009,400,034</u>	<u>1,039,018,248</u>	<u>1,047,402,896</u>
Stockholders' Equity			
Common Stock ⁽¹⁾	943,785	948,715	947,493
Additional paid-in capital	5,844,239	5,808,102	5,660,485
Retained earnings	95,774,453	86,607,134	84,384,368
Unrealized security gains net of tax effect	(8,526,829)	(7,709,960)	(9,044,820)
Total Stockholders' Equity	<u>94,035,648</u>	<u>85,653,991</u>	<u>81,947,526</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,103,435,682</u>	<u>\$ 1,124,672,239</u>	<u>\$ 1,129,350,422</u>

(1) Common Stock, \$0.21 par value and 8,000,000 shares authorized. 4,498,361 shares issued and outstanding as of September 30, 2023; 4,521,648 shares issued and outstanding as of December 31, 2022; 4,515,830 shares issued and outstanding as of September 30, 2022.

Benchmark Bankshares, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended September 30,	
	<u>2023</u>	<u>2022</u>
Interest Income		
Interest and fees on loans	\$11,830,296	\$ 9,413,716
Interest on investment securities		
State and political subdivisions	259,727	269,955
U. S. Government agencies	434,727	539,687
Trading securities	46,431	31,208
Mortgage-backed securities	58,222	610
Other Securities	118,677	113,900
Time deposits with other banks	\$107,904	3,554
Interest on federal funds sold	562,307	521,749
Total Interest Income	13,418,291	10,894,379
Interest Expense		
Interest-bearing checking deposits	1,321,057	170,504
Savings deposits	35,347	35,164
Time deposits	1,039,062	240,520
Borrowings	19,448	31,116
Total Interest Expense	2,414,914	477,304
Net Interest Income	11,003,377	10,417,075
Provision for Credit Losses	(167,498)	338,191
Net Interest Income After Provision for Loan Losses	11,170,875	10,078,884
Other Income		
Service charges on deposit accounts	1,412,790	1,285,178
Gain on sale of loans	74,113	184,917
Gain (loss) on sale of other assets	101,029	4,270
Other operating income	480,884	1,049,954
Total Other Income	2,068,816	2,524,319
Other Expenses		
Salaries and Benefits	4,761,449	3,899,745
Occupancy	834,891	854,782
Depreciation	349,818	308,741
FDIC insurance	183,745	137,333
Debit card	788,003	606,427
Internet banking	265,270	220,497
Bank franchise taxes	181,921	175,422
Other operating	1,535,030	1,292,720
Total Other Expenses	8,900,127	7,495,667
Income Before Income Taxes	4,339,564	5,107,536
Provision for Income Taxes	843,362	1,002,251
Net Income	\$ 3,496,202	\$ 4,105,285
Earnings Per Common Share - Basic & Diluted	\$ 0.77	\$ 0.91

Benchmark Bankshares, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
Interest Income		
Interest and fees on loans	\$ 33,813,610	\$ 25,945,612
Interest on investment securities		
State and political subdivisions	797,765	822,557
U. S. Government agencies	1,573,478	956,407
Trading securities	135,852	101,662
Mortgage-backed securities	67,488	2,079
Other Securities	\$355,451	321,086
Interest on time deposits with other banks	318,221	6,507
Interest on federal funds sold	\$1,695,074	924,397
Total Interest Income	38,756,939	29,080,307
Interest Expense		
Interest-bearing checking deposits	2,516,498	509,764
Savings deposits	105,434	97,621
Time deposits	2,277,207	769,803
Borrowings	66,409	98,412
Federal funds purchased	2	-
Total Interest Expense	4,965,550	1,475,600
Net Interest Income	33,791,389	27,604,707
Provision for Credit Losses	\$90,268	559,017
Net Interest Income After Provision for Loan Losses	33,701,121	27,045,690
Other Income		
Service charges on deposit accounts	4,562,164	3,750,368
Gain on sale of loans	208,257	911,608
Gain (loss) on sale of AFS securities	(104,173)	-
Gain (loss) on sale of other real estate owned	92,843	3,956
Other operating income	\$2,067,837	1,544,208
Total Other Income	6,826,928	6,210,140
Other Expenses		
Salaries and Benefits	13,623,530	11,762,478
Occupancy	2,363,762	2,197,580
Depreciation	1,032,780	906,052
Debit card	2,141,072	1,646,551
FDIC insurance	512,782	390,360
Internet banking	780,499	620,849
Bank franchise taxes	560,833	526,266
Other operating	\$4,637,592	3,674,548
Total Other Expenses	25,652,850	21,724,684
Income Before Income Taxes	14,875,199	11,531,146
Provision for Income Taxes	2,988,127	2,230,329
Net Income	\$ 11,887,072	\$ 9,300,817
Earnings Per Common Share - Basic & Diluted	\$ 2.63	\$ 2.06

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