

**Benchmark Bankshares, Inc.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(Unaudited)

<u>Assets</u>	June 30, 2023	December 31, 2022	June 30, 2022
Cash and due from banks	\$ 17,989,057	\$ 20,168,671	\$ 18,818,175
Federal reserve excess balance account	69,792,358	67,140,594	113,530,851
Total cash and cash equivalents	<u>\$ 87,781,415</u>	<u>\$ 87,309,265</u>	<u>\$ 132,349,026</u>
Interest-bearing time deposits with other banks	9,997,995	9,997,995	996,995
Investment securities, held to maturity	19,750,000	19,750,000	14,750,000
Investment securities, available for sale	104,492,592	138,931,791	140,492,508
Trading securities	5,146,793	4,996,635	4,715,188
Marketable equity securities	1,867,661	1,827,447	1,582,562
Loans, held for sale	-	168,555	430,525
Loans, held for investment	844,354,039	815,910,810	723,062,634
Less: Allowance for loan losses	(6,979,734)	(6,831,926)	(6,077,142)
Net Loans, held for investment	<u>837,374,305</u>	<u>809,078,884</u>	<u>716,985,492</u>
Premises and equipment, net	21,130,531	18,658,474	16,916,470
Bank owned life insurance	22,639,595	21,822,154	21,319,793
Accrued interest receivable	3,225,148	3,254,058	2,679,557
Deferred income taxes	3,911,737	4,005,222	3,632,755
Core deposit intangible asset, net	1,669,587	1,854,112	-
Right of use assets	480,169	452,276	579,003
Other assets	3,182,709	2,565,371	3,406,331
Total Assets	<u>\$ 1,122,650,237</u>	<u>\$ 1,124,672,239</u>	<u>\$ 1,060,836,205</u>
<b><u>Liabilities and Stockholders' Equity</u></b>			
<b>Deposits</b>			
Demand (noninterest-bearing)	\$ 308,174,117	\$ 264,830,005	\$ 262,097,524
Interest-bearing checking accounts	327,123,510	372,013,872	307,403,303
Money market accounts	119,616,724	148,565,754	169,422,682
Savings accounts	132,559,895	134,269,852	120,886,946
Time Deposits	132,235,576	109,513,262	110,235,803
Total Deposits	<u>1,019,709,822</u>	<u>1,029,192,745</u>	<u>970,046,258</u>
Borrowings	2,122,668	2,702,937	3,270,887
Index retirement plan liability	2,010,261	1,592,287	1,746,277
Dividends payable	1,808,503	1,716,016	1,580,541
Lease liability - buildings and equipment	490,164	465,154	590,347
Accrued interest payable	468,584	186,737	165,160
Accrued income tax payable	(200,457)	-	491,846
Other liabilities	3,477,731	3,162,372	3,090,494
Total Liabilities	<u>1,029,887,276</u>	<u>1,039,018,248</u>	<u>980,981,810</u>
<b>Stockholders' Equity</b>			
Common Stock <sup>(1)</sup>	948,593	948,715	947,493
Additional paid-in capital	5,849,105	5,808,102	5,636,731
Retained earnings	92,777,155	86,607,134	80,279,083
Unrealized security gains net of tax effect	(6,811,892)	(7,709,960)	(7,008,912)
Total Stockholders' Equity	<u>92,762,961</u>	<u>85,653,991</u>	<u>79,854,395</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,122,650,237</u>	<u>\$ 1,124,672,239</u>	<u>\$ 1,060,836,205</u>

(1) Common Stock, \$0.21 par value and 8,000,000 shares authorized. 4,521,257 shares issued and outstanding as of June 30, 2023; 4,521,648 shares issued and outstanding as of December 31, 2022; 4,515,830 shares issued and outstanding as of June 30, 2022.

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

	Six Months Ended June 30,	
	2023	2022
	<u>2023</u>	<u>2022</u>
<b>Interest Income</b>		
Interest and fees on loans	\$ 21,983,310	\$ 16,531,892
Interest on investment securities		
State and political subdivisions	538,038	552,602
U. S. Government agencies	1,138,752	416,720
Trading securities	89,421	70,455
Mortgage-backed securities	9,267	1,469
Other Securities	236,774	207,185
Time deposits with other banks	210,316	2,953
Interest on federal funds sold	1,132,767	402,648
Total Interest Income	<u>25,338,645</u>	<u>18,185,924</u>
<b>Interest Expense</b>		
Interest-bearing checking deposits	1,164,623	339,261
Savings deposits	101,913	62,458
Time deposits	1,238,143	529,281
Borrowings	46,957	67,296
Federal funds purchased	(2)	-
Total Interest Expense	<u>2,551,634</u>	<u>998,296</u>
Net Interest Income	22,787,011	17,187,628
Provision for Loan Losses	\$257,766	220,826
Net Interest Income After Provision for Loan Losses	22,529,245	16,966,802
<b>Other Income</b>		
Service charges on deposit accounts	3,149,374	2,465,190
Gain on sale of loans	134,144	726,692
Gain (loss) on sale of AFS securities	(104,173)	-
Gain (loss) on sale of other real estate owned	(8,187)	(314)
Other operating income	\$1,587,963	494,251
Total Other Income	<u>4,759,121</u>	<u>3,685,819</u>
<b>Other Expenses</b>		
Salaries and Benefits	8,862,080	7,862,731
Occupancy expense	1,528,869	1,342,799
Depreciation	682,961	597,312
OREO / other asset expense	-	451
FDIC insurance expense	329,037	253,027
Debit card expense	1,353,069	1,040,125
Internet banking expense	515,229	400,352
Bank franchise taxes	378,912	350,844
Other operating expenses	3,102,574	2,381,369
Total Other Expenses	<u>16,752,731</u>	<u>14,229,010</u>
Income Before Income Taxes	10,535,635	6,423,611
Provision for Income Taxes	2,144,765	1,228,079
Net Income	<u>\$ 8,390,870</u>	<u>\$ 5,195,532</u>
Earnings Per Common Share - Basic & Diluted	<u>\$ 1.86</u>	<u>\$ 1.15</u>

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

	Three Months Ended June 30,	
	2023	2022
<b>Interest Income</b>		
Interest and fees on loans	\$ 11,270,215	\$ 8,512,471
Interest on investment securities		
State and political subdivisions	266,395	272,502
U. S. Government agencies	552,259	358,151
Trading securities	49,038	40,448
Mortgage-backed securities	8,676	710
Other Securities	118,194	112,667
Time deposits with other banks	105,734	652
Interest on federal funds sold	554,207	300,433
Total Interest Income	12,924,718	9,598,034
<b>Interest Expense</b>		
Interest-bearing checking deposits	827,675	173,509
Savings deposits	66,958	32,731
Time deposits	773,317	254,465
Borrowings	22,146	33,574
Total Interest Expense	1,690,096	494,279
Net Interest Income	11,234,622	9,103,755
Provision for Loan Losses	1,279	133,133
Net Interest Income After Provision for Loan Losses	11,233,343	8,970,622
<b>Other Income</b>		
Service charges on deposit accounts	1,409,701	1,276,097
Gain on sale of loans	45,086	308,859
Gain (loss) on sale of AFS securities	(104,173)	-
Gain (loss) on sale of other assets	8,187	-
Other operating income	783,879	311,980
Total Other Income	2,142,680	1,896,936
<b>Other Expenses</b>		
Salaries and Benefits	4,464,973	3,846,845
Occupancy expense	819,433	692,024
Depreciation	349,598	296,101
OREO / other asset expense	-	475
FDIC insurance expense	183,842	127,653
Debit card expense	706,192	574,244
Internet banking expense	265,713	206,213
Bank franchise taxes	189,456	175,422
Other operating expenses	1,560,949	1,017,396
Total Other Expenses	8,540,156	6,936,373
Income Before Income Taxes	4,835,867	3,931,185
Provision for Income Taxes	975,729	763,562
Net Income	\$ 3,860,138	\$ 3,167,623
Earnings Per Common Share - Basic & Diluted	\$ 0.85	\$ 0.70

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