

BENCHMARK COMMUNITY BANK



With you for Life

2024 ANNUAL REPORT



Dear friends,

I am pleased to report on another record year at the bank, as net income of \$15.9 million exceeded last year's net income of \$15.4 million by 3.1%, and earnings per share rose from \$3.41 to \$3.55 in 2024. We followed up on \$76.3 million in loan growth during 2023 with another \$104.2 million in loan growth this past year, as total loans of \$996.5 million inched closer to the \$1 billion mark.

As a result, interest income increased by \$2.7 million, or 19.0%, for 2024, offsetting a \$762 thousand increase in interest expense for the year. Based on the bank's strong performance, the board also increased dividends paid from \$0.80 per share to \$0.86 per share, an increase of 6.8%.

The year was also filled with celebrations as we kicked off with a January 2024 grand opening for our new full-service branch in Wake Forest, followed by milestone branch anniversary celebrations of 20 years in South Boston, 25 years in Lawrenceville, Clarksville, and Chase City, 35 years in Farmville and South Hill, and 50 years in Victoria! I am fortunate to have worked with such outstanding bankers over the years, and am surrounded by an outstanding leadership team and excellent bankers throughout our organization.

We rolled out a new intranet in October and set the stage to adopt a redesigned website, complete with a new "dot-bank" domain name, in early 2025. The latter part of 2024 saw a lot of preparation for our core software conversion, which occurred on February 21, 2025. The conversion went well and was a testament to the preparation and training that went into such a large project.

Finishing 2024 on such a strong note has positioned us well heading into 2025. Our strategic plan still calls for controlled growth, increasing profitability, and remaining independent. I still firmly believe that a community bank is vital to the quality of life in its community, providing the value of personalized products and services that larger institutions just cannot deliver as effectively. Smaller banks may struggle at times to compete with the technology offerings at larger institutions yet, thanks to our core software conversion, we hope to close that gap with new capabilities in 2025.

I am proud to be one of the 230 Benchmark employees who work hard every day to serve our customers and benefit our communities. Thank you for being a shareholder and for your continued support of Benchmark.

We are proud to be *With you for Life!*

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Chief Financial Officer Beth Beale



Financial Highlights

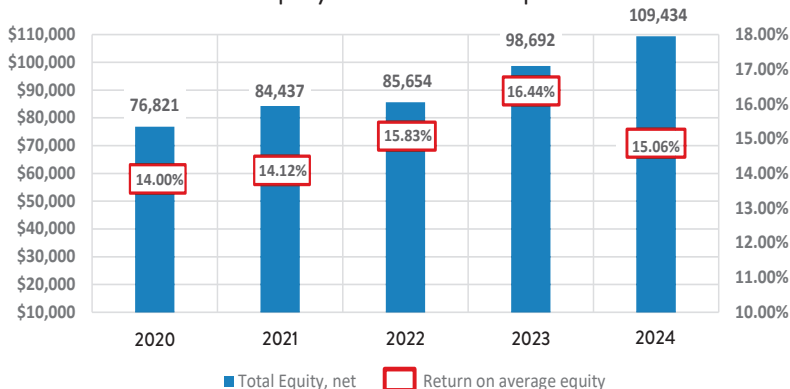
Benchmark Bankshares, Inc.

(Dollars in thousands, except per share data)

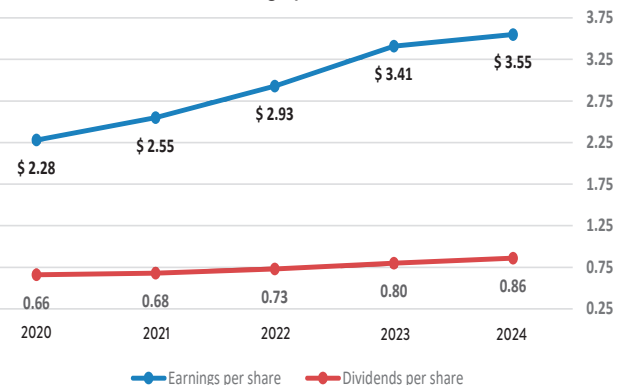
Years Ended December 31,

Operating Results	2024	2023	2022	2021	2020
Interest income and fees	\$ 63,393	\$ 52,889	\$ 41,329	\$ 35,938	\$ 34,220
Interest expense	14,916	8,148	2,014	2,618	3,484
Net interest income	48,477	44,741	39,315	33,321	30,736
Provision for credit losses	917	(3)	1,018	330	562
Net interest income after provision	47,560	44,743	38,297	32,990	30,174
Other operating revenue	10,132	9,359	8,613	8,739	7,530
Other operating expense	37,794	34,814	30,412	27,439	25,115
Income before income taxes	19,898	19,288	16,497	14,290	12,589
Income taxes	4,045	3,909	3,258	2,766	2,371
Net income	\$ 15,853	\$ 15,380	\$ 13,240	\$ 11,524	\$ 10,219
Effective Tax Rate	20.33%	20.26%	19.75%	19.36%	18.83%
Per Share Data					
Earnings per share	\$ 3.55	\$ 3.41	\$ 2.93	\$ 2.55	\$ 2.28
Dividends per share	0.86	0.80	0.73	0.68	0.66
Book value	24.51	21.96	18.94	18.69	16.92
Market value	26.00	24.00	22.50	24.25	16.50
Price to book	106.1%	109.3%	118.8%	129.8%	97.5%
Price to earnings	7.33x	7.04x	7.68x	9.52x	7.23x
Balance Sheet Amounts					
Total assets	\$ 1,223,588	\$ 1,162,325	\$ 1,124,672	\$ 1,040,576	\$ 870,825
Total loans	996,900	892,227	816,079	646,146	616,559
Total deposits	1,102,894	1,053,629	1,029,193	945,287	783,349
Total Equity, net	109,434	98,692	85,654	84,437	76,821
Selected Financial Ratios					
Return on average equity	15.06%	16.44%	15.83%	14.12%	14.00%
Return on average assets	1.33%	1.38%	1.23%	1.18%	1.31%
Efficiency ratio	64.46%	64.35%	63.45%	64.73%	64.61%
Loans to deposits	90.39%	84.68%	79.29%	68.35%	78.71%
Equity to total assets	8.94%	8.49%	7.62%	8.11%	8.82%
Net interest margin	4.35%	4.29%	3.89%	3.63%	4.25%
Allowance for credit losses to loans	0.79%	0.78%	0.84%	0.91%	0.91%
Net charge offs to average loans	0.01%	0.01%	0.01%	0.00%	0.04%

Total Equity and ROE Comparison



Earnings per Share



Benchmark Bankshares, Inc.

Consolidated Statements of Financial Condition

(dollars in thousands, except per share data)	As of December 31,	
	2024	2023
Assets		
Cash and due from banks	\$ 18,493	\$ 26,601
Federal reserve excess balance account	43,604	65,117
Total cash and cash equivalents	62,097	91,718
Interest-bearing time deposits with other banks	499	5,498
Investment securities, held to maturity	19,750	19,750
Investment securities, available for sale	79,108	95,024
Trading securities	5,523	5,366
Marketable equity securities	3,156	2,813
Loans, held for sale	449	-
Loans, held for investment	996,451	892,227
Less: Allowance for credit losses	(7,824)	(7,002)
Net loans, held for investment	988,627	885,225
Premises and equipment, net	22,881	21,826
Bank owned life insurance	27,106	22,861
Other real estate owned	510	-
Accrued interest receivable	4,032	3,548
Deferred income taxes	3,794	3,214
Core deposit intangible asset, net	1,174	1,495
Other assets	4,882	3,987
Total Assets	\$ 1,223,588	\$ 1,162,325
Liabilities and Stockholders' Equity		
Deposits		
Non-interest bearing demand deposits	\$ 263,089	\$ 261,253
Interest-bearing checking deposits	376,001	373,196
Money market deposits	161,655	125,197
Savings deposits	116,900	118,323
Time deposits	185,249	175,660
Total Deposits	1,102,894	1,053,629
Borrowings	790	1,531
Index retirement plan liability	2,797	2,049
Dividends payable	1,965	1,798
Accrued interest payable	936	993
Other liabilities	4,772	3,633
Total Liabilities	1,114,154	1,063,633
Stockholders' Equity		
Common stock ^{(1) (2)}	938	943
Additional paid-in capital	5,915	5,862
Retained earnings	108,697	97,373
Accumulated other comprehensive loss	(6,116)	(5,486)
Total Stockholders' Equity	109,434	98,692
Total Liabilities and Stockholders' Equity	\$ 1,223,588	\$ 1,162,325

⁽¹⁾ Common Stock, \$0.21 par value and 8,000,000 shares authorized. 4,465,501 shares issued and outstanding as of December 31, 2024 and 4,493,890 shares issued and outstanding as of December 31, 2023.

⁽²⁾ Restricted shares outstanding are 4,317 as of December 31, 2024 and 4,149 as of December 31, 2023, respectively.

Benchmark Bankshares, Inc.

Consolidated Statements of Operations

(dollars in thousands, except share and per share data)	Years Ended December 31,	
	2024	2023
Interest Income		
Loans, including fees	\$ 56,751	\$ 46,265
Investment securities:		
U. S. Government agencies	1,443	2,017
State and political subdivisions	857	1,042
Mortgage-backed securities	796	161
Corporate debt	451	447
Trading securities	220	199
Other securities	36	30
Time deposits with other banks	88	396
Federal funds sold	2,751	2,332
Total Interest Income	63,393	52,889
Interest Expense		
Interest-bearing checking deposits	6,526	3,277
Money market demand deposits	1,867	898
Savings deposits	129	136
Time deposits	6,339	3,755
Borrowings	55	83
Total Interest Expense	14,916	8,149
Net Interest Income	48,477	44,740
Provision for (release of) credit losses	917	(3)
Net Interest Income After Provision		
for Credit Losses	47,560	44,743
Other Income		
Service charges on deposit accounts	1,724	1,618
Other service charges and fees	4,165	4,515
Gain on sale of loans held for sale	219	228
Gain (loss) on sale of securities, available-for-sale	65	(207)
(Loss) gain on sale of other assets	(16)	124
Other operating income	3,975	3,081
Total Other Income	10,132	9,359
Other Expenses		
Salaries and benefits	20,558	18,586
Occupancy and equipment	3,511	3,170
Data processing and information systems	3,048	3,219
FDIC insurance	829	683
Bank franchise taxes	810	728
Other operating expenses	9,038	8,427
Total Other Expenses	37,794	34,813
Income Before Income Taxes	19,898	19,289
Provision for income taxes	4,045	3,909
Net Income	\$ 15,853	\$ 15,380
Basic Earnings Per Common Share:		
Weighted Average Shares Outstanding	4,468,381	4,511,301
Earnings Per Common Share	\$ 3.55	\$ 3.41
Diluted Earnings Per Common Share:		
Weighted Average Shares Outstanding	4,468,381	4,511,301
Earnings Per Common Share	\$ 3.55	\$ 3.41

Chief Banking Officer LeAnne Emert



HENDERSON



LAWRENCEVILLE

A picture is worth a thousand words.

As I think back on the year 2024 and the many developments we have undergone here at Benchmark, this oft-used expression is more appropriate than ever I could have imagined. The Bank was preparing behind the scenes for a major change in the way we do business by converting to a new core system. The pictures on the pages that follow only tell part of the story.

While our employees worked behind the scenes preparing their respective departments for our new core system, the Benchmark you experienced each day hummed along providing support for your needs, worked to ensure that the community events for which we are often a part came off without a hitch, and assisted customers finding a product or service that fits with their lifestyle and future.

Throughout the year, seven of our branches celebrated milestone anniversaries with our Victoria branch marking a half century of serving the Victoria community. We invite you to celebrate with us as the next three pages revisit these commemorations. Thank you for choosing us as your financial partner.

With you for Life!

A handwritten signature in black ink, reading "LeAnne Emert".



EMPORIA



BLACKSTONE



KENBRIDGE-VICTORIA



HALIFAX



CHASE CITY



FARMVILLE



YOUNGSVILLE



CLARKSVILLE



SOUTH BOSTON



Victoria - 1974





Milestones



South Boston - 2004



Lawrenceville - 1999



Clarksville - 1999



Milestones



Chase City - 1999



Farmville - 1989



South Hill - 1989



Leadership



2024 Benchmark Bankshares
Board of Directors

David K. Biggs
President (Retired)
Biggs Construction Company, Inc.

Mark F. Bragg
President
Chase Hill, Inc.

Joel C. Cunningham, Jr.
Principal
Cunningham Law Group, P.C.

Gregg V. Gordon
President
Aarons Creek Farms, Inc.

Ernest R. Lail
COO (Retired)
Peebles Division, Stage Stores, Inc.

Elizabeth Moncure
Secretary-Treasurer/Co-Owner
Blackstone Emporium

Michael Moss
President
CMP Surveyors

Mark D. Southall
President/CEO
Creative Electrical Contractors

Clifton Threat
Store Manager
Food Lion - Emporia

Ronald E. Williams
President
Precision Pipes, Inc.

E. Neil Burke
CEO
Benchmark Community Bank

Since 1971 Directors Emeritus

R. Michael Berryman

Wayne J. Parrish

Ben L. Watson, III

Michael O. Walker

Earl H. Carter, Jr.

Charles F. Simmons

Alfred A. Roberts

Mary Jane Elkins

Jay A. Stafford

Corporate Officers

Ernest R. Lail, Chairman

Mark Bragg, Vice-Chairman

Beth Moncure, Secretary

LeAnne R. Emert, Asst. Secretary

Elizabeth T. Beale, Treasurer

E. Neil Burke, President



2024 Executive Team

Neil Burke

President/Chief Executive Officer

Beth Beale

Executive Vice President/Chief Financial Officer

LeAnne Emert

Executive Vice President/Chief Banking Officer

Mike Arthur

Executive Vice President/Chief Administrative Officer

Lee Minix

Executive Vice President/Chief Credit Officer



from left: Lee Minix, LeAnne Emert, Neil Burke, Beth Beale, Mike Arthur

The Next Adventure: Retirement



Sheryl Gee

Vice President
Secondary Mortgage Administrator

Sheryl Gee dedicated over four decades supporting homebuyers looking for a mortgage that fit their needs. In Sheryl's 16 years with Benchmark, her contributions to the secondary mortgage lending area of the Bank included streamlining processes and mentoring up-and-coming lenders. In retirement, Sheryl is continuing her passion for making a difference in the lives of others.



Ruth Horst

Relationship Teller
Farmville Downtown

Ruth Horst is synonymous with the Bank's Downtown Farmville branch. Her friendly greetings, caring manner, and commitment to providing outstanding service rang true with longtime Farmville customers. Ruth referred to Benchmark as her "second home" as her family of co-workers will attest. These days, Ruth is traveling and enjoying more family time.



Kim King

Vice President
Business Development

Kim King joined Benchmark in 2009 as a Branch Manager in her native South Hill. Her joy in providing great customer service resulted in the cultivation of wonderful longtime relationships. In 2018, Kim moved into a Business Development role allowing her to use her considerable skills to provide support to businesses throughout the South Hill market area.



Beth Robertson

Vice President
Senior Branch Manager-Crewe

Beth Robertson spent 41 years in banking with her last 23 being a Benchmarker. Hired as our Crewe Branch Manager in 2001, Beth mentored many young bankers as they made their way through the ranks and learned retail banking from one of the best. In retirement, Beth is spending time at her new lake home and enjoying spoiling her beautiful grandbabies.

Our Mission Statement

The primary mission of Benchmark Community Bank is to remain a premier independent community banking organization that develops strong customer relationships through high quality service, resulting in consistent enhancement of shareholder value.

The Benchmark Pledge

As your community bank, we pledge to:

- Support and be involved in civic organizations
- Constantly improve products and services
 - Remain locally owned and operated
 - Always listen to your concerns
 - Reinvest in the local economy
 - Go the extra mile for you.

Benchmark Community Bank proudly serves communities throughout Southside Virginia and northern North Carolina.

Virginia

Blackstone
Chase City
Clarksville
Crewe
Emporia
Farmville

Halifax
Kenbridge
Lawrenceville
South Boston
South Hill
Victoria

Benchmark Community Bank is the sole subsidiary of Benchmark Bankshares, Inc. headquartered in Kenbridge, Virginia.

The Benchmark Bankshares Report on Audit of Financial Statements for 2024 can be found online anytime at www.BCBforLife.bank. For a printed copy, please contact:

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North Carolina

Henderson
Wake Forest

Youngsville
Zebulon (LPO)



A publication of the Marketing & Public Relations Department,
Benchmark Community Bank.