

2025 Annual Report

Franklinton



With you for Life



Dear Friends,

I am pleased to report on another record earnings year at Benchmark! We posted consolidated net income of \$19.8 million for the year, exceeding the prior year's net income of \$15.9 million by 25.18%. As in prior years, outstanding loan demand continues to drive stronger earnings at the bank. We followed up on \$104.2 million in loan growth during 2024 with another \$134.3 million in loan growth this past year, as total loans ended the year at \$1.1 billion. As a result, interest income increased by \$9.8 million, or 17.2%, for 2025, significantly outpacing a \$923 thousand increase in interest expense for the year.

We continue to follow a controlled growth strategy that allows us to control expenses and increase profitability, ensuring that we remain well capitalized to support both growth opportunities and shareholder return. While regulators always push for more capital, there is a balance between shareholder return and capital adequacy. We seek to provide a return on equity for our shareholders through higher return on equity and earnings per share. For 2025, we achieved this goal by increasing earnings per share from \$3.55 to \$4.46 and return on equity from 15.06% to 16.63%. We also strive to provide a return of equity to shareholders through our stock repurchase program and common stock dividend. This was also accomplished during the year, as we repurchased 22,420 shares of stock and increased our dividend from \$0.86 to \$0.92 per share.

While our core software conversion occupied much of our efforts in 2025, we opened a new branch in Franklinton, NC, bringing a bank back to that community for the first time in over a decade. We also purchased a facility in Oxford, NC that we plan to open in late 2026. These two branches complement our existing branch network in North Carolina and will allow us to better serve our customers. The community support has been outstanding, and we are excited about both opportunities.

Behind these outstanding numbers is a team of more than 235 "Benchmarkers" that go above and beyond each day. I am fortunate to be surrounded by such an outstanding leadership team and excellent bankers throughout our organization. Thank you for being a shareholder and for your continued support of Benchmark. 🚀

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# Chief Financial Officer Beth Beale



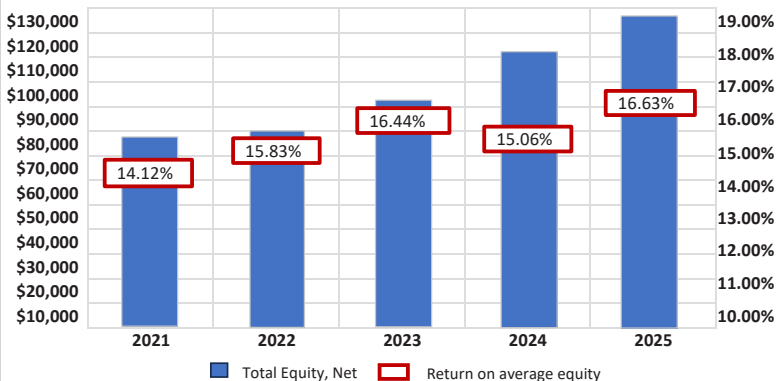
## Financial Highlights

### Benchmark Bankshares, Inc.

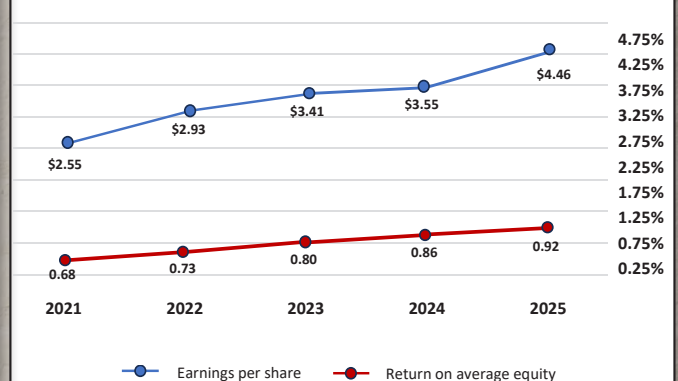
(Dollars in thousands, except per share data)

| Operating Results                    | Years Ended December 31, |              |              |              |              |
|--------------------------------------|--------------------------|--------------|--------------|--------------|--------------|
|                                      | 2025                     | 2024         | 2023         | 2022         | 2021         |
| Interest income and fees             | \$ 72,472                | \$ 63,393    | \$ 52,889    | \$ 41,329    | \$ 35,938    |
| Interest expense                     | 15,839                   | 14,916       | 8,148        | 2,014        | 2,618        |
| Net interest income                  | 56,633                   | 48,477       | 44,741       | 39,315       | 33,321       |
| Provision for credit losses          | 1,426                    | 917          | (3)          | 1,018        | 330          |
| Net interest income after provision  | 55,207                   | 47,560       | 44,743       | 38,297       | 32,990       |
| Other operating revenue              | 10,897                   | 10,132       | 9,359        | 8,613        | 8,739        |
| Other operating expense              | 40,991                   | 37,794       | 34,814       | 30,412       | 27,439       |
| Income before income taxes           | 25,113                   | 19,898       | 19,288       | 16,497       | 14,290       |
| Income taxes                         | 5,269                    | 4,045        | 3,909        | 3,258        | 2,766        |
| Net income                           | \$ 19,844                | \$ 15,853    | \$ 15,380    | \$ 13,240    | \$ 11,524    |
| Effective Tax Rate                   | 20.98%                   | 20.33%       | 20.26%       | 19.75%       | 19.36%       |
| <b>Per Share Data</b>                |                          |              |              |              |              |
| Earnings per share                   | \$ 4.46                  | \$ 3.55      | \$ 3.41      | \$ 2.93      | \$ 2.55      |
| Dividends per share                  | 0.92                     | 0.86         | 0.80         | 0.73         | 0.68         |
| Book value                           | 28.51                    | 24.51        | 21.96        | 18.94        | 18.69        |
| Market value                         | 33.51                    | 26.00        | 24.00        | 22.50        | 24.25        |
| Price to book                        | 117.5%                   | 106.1%       | 109.3%       | 118.8%       | 129.8%       |
| Price to earnings                    | 7.52x                    | 7.33x        | 7.04x        | 7.68x        | 9.52x        |
| <b>Balance Sheet Amounts</b>         |                          |              |              |              |              |
| Total assets                         | \$ 1,366,268             | \$ 1,223,588 | \$ 1,162,325 | \$ 1,124,672 | \$ 1,040,576 |
| Total loans                          | 1,131,479                | 996,900      | 892,227      | 816,079      | 646,146      |
| Total deposits                       | 1,225,841                | 1,102,894    | 1,053,629    | 1,029,193    | 945,287      |
| Total Equity, net                    | 126,872                  | 109,434      | 98,692       | 85,654       | 84,437       |
| <b>Selected Financial Ratios</b>     |                          |              |              |              |              |
| Return on average equity             | 16.63%                   | 15.06%       | 16.44%       | 15.83%       | 14.12%       |
| Return on average assets             | 1.54%                    | 1.33%        | 1.38%        | 1.23%        | 1.18%        |
| Efficiency ratio                     | 60.52%                   | 64.46%       | 64.35%       | 63.45%       | 64.73%       |
| Loans to deposits                    | 92.30%                   | 90.39%       | 84.68%       | 79.29%       | 68.35%       |
| Equity to total assets               | 9.29%                    | 8.94%        | 8.49%        | 7.62%        | 8.11%        |
| Net interest margin                  | 4.68%                    | 4.35%        | 4.29%        | 3.89%        | 3.63%        |
| Allowance for credit losses to loans | 0.77%                    | 0.79%        | 0.78%        | 0.84%        | 0.91%        |
| Net charge offs to average loans     | 0.04%                    | 0.01%        | 0.01%        | 0.01%        | 0.00%        |

### 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, |              |
|-------------------------------------------------|--------------------|--------------|
|                                                 | 2025               | 2024         |
| <b>Assets</b>                                   |                    |              |
| Cash and due from banks                         | \$ 14,893          | \$ 18,493    |
| Federal reserve excess balance account          | 54,768             | 43,604       |
| Total cash and cash equivalents                 | 69,661             | 62,097       |
| Interest-bearing time deposits with other banks | 499                | 499          |
| Investment securities, held to maturity         | 15,250             | 19,750       |
| Investment securities, available for sale       | 81,083             | 79,108       |
| Trading securities                              | 7,826              | 5,523        |
| Marketable equity securities                    | 3,882              | 3,156        |
| Loans, held for sale                            | 704                | 449          |
| Loans, held for investment                      | 1,130,775          | 996,451      |
| Less: Allowance for credit losses               | (8,709)            | (7,824)      |
| Net loans, held for investment                  | 1,122,066          | 988,627      |
| Premises and equipment, net                     | 24,567             | 22,881       |
| Bank owned life insurance                       | 27,772             | 27,106       |
| Other real estate owned                         | 36                 | 510          |
| Accrued interest receivable                     | 4,395              | 4,032        |
| Deferred income taxes                           | 3,275              | 3,794        |
| Core deposit intangible asset, net              | 892                | 1,174        |
| Other assets                                    | 4,360              | 4,882        |
| Total Assets                                    | \$ 1,366,268       | \$ 1,223,588 |
| <b>Liabilities and Stockholders' Equity</b>     |                    |              |
| <b>Deposits</b>                                 |                    |              |
| Non-interest bearing demand deposits            | \$ 297,731         | \$ 263,089   |
| Interest-bearing checking deposits              | 425,353            | 376,001      |
| Money market deposits                           | 185,346            | 161,655      |
| Savings deposits                                | 123,216            | 116,900      |
| Time deposits                                   | 194,195            | 185,249      |
| Total Deposits                                  | 1,225,841          | 1,102,894    |
| Borrowings                                      | -                  | 790          |
| Index retirement plan liability                 | 3,568              | 2,797        |
| Dividends payable                               | -                  | 1,965        |
| Accrued interest payable                        | 864                | 936          |
| Other liabilities                               | 9,123              | 4,772        |
| Total Liabilities                               | 1,239,396          | 1,114,154    |
| <b>Stockholders' Equity</b>                     |                    |              |
| Common stock(1) (2)                             | 934                | 938          |
| Additional paid-in capital                      | 6,002              | 5,915        |
| Retained earnings                               | 123,991            | 108,697      |
| Accumulated other comprehensive loss            | (4,055)            | (6,116)      |
| Total Stockholders' Equity                      | 126,872            | 109,434      |
| Total Liabilities and Stockholders' Equity      | \$ 1,366,268       | \$ 1,223,588 |

<sup>(1)</sup> Common Stock, \$0.21 par value and 8,000,000 shares authorized. 4,450,433 and 4,465,501 shares issued and outstanding as of December 31, 2025 and 2024, respectively.

<sup>(2)</sup> Restricted shares outstanding are 4,625 as of December 31, 2025 and 4,317 as of December 31, 2024, respectively.

# Benchmark Bankshares, Inc.

## Consolidated Statements of Operations and Comprehensive Income

| (dollars in thousands, except share and per share data)  | Years Ended December 31, |           |
|----------------------------------------------------------|--------------------------|-----------|
|                                                          | 2025                     | 2024      |
| <b>Interest Income</b>                                   |                          |           |
| Loans, including fees                                    | \$ 66,516                | \$ 56,751 |
| Investment securities:                                   |                          |           |
| U. S. Government agencies                                | 1,167                    | 1,443     |
| State and political subdivisions                         | 868                      | 857       |
| Mortgage-backed securities                               | 824                      | 796       |
| Corporate debt                                           | 488                      | 451       |
| Trading securities                                       | 265                      | 220       |
| Other securities                                         | 39                       | 36        |
| Time deposits with other banks                           | 13                       | 88        |
| Federal funds sold                                       | 2,292                    | 2,751     |
| Total Interest Income                                    | 72,472                   | 63,393    |
| <b>Interest Expense</b>                                  |                          |           |
| Interest-bearing checking deposits                       | 6,426                    | 6,526     |
| Money market demand deposits                             | 2,981                    | 1,867     |
| Savings deposits                                         | 127                      | 129       |
| Time deposits                                            | 6,270                    | 6,339     |
| Borrowings                                               | 35                       | 55        |
| Total Interest Expense                                   | 15,839                   | 14,916    |
| Net Interest Income                                      | 56,633                   | 48,477    |
| Provision for credit losses                              | 1,426                    | 917       |
| Net Interest Income After Provision<br>for Credit Losses | 55,207                   | 47,560    |
| <b>Other Income</b>                                      |                          |           |
| Service charges on deposit accounts                      | 1,627                    | 1,724     |
| Other service charges and fees                           | 4,493                    | 4,255     |
| Gain on sale of loans held for sale                      | 285                      | 219       |
| Gain on sale of securities, available-for-sale           | -                        | 65        |
| Loss on sale of other assets                             | (14)                     | (16)      |
| Other operating income                                   | 4,506                    | 3,885     |
| Total Other Income                                       | 10,897                   | 10,132    |
| <b>Other Expenses</b>                                    |                          |           |
| Salaries and benefits                                    | 22,521                   | 20,558    |
| Occupancy and equipment                                  | 2,594                    | 2,436     |
| Data processing and information systems                  | 6,740                    | 5,645     |
| FDIC insurance                                           | 896                      | 829       |
| Bank franchise taxes                                     | 884                      | 810       |
| Other operating expenses                                 | 7,356                    | 7,516     |
| Total Other Expenses                                     | 40,991                   | 37,794    |
| Income Before Income Taxes                               | 25,113                   | 19,898    |
| Provision for income taxes                               | 5,269                    | 4,045     |
| Net Income                                               | \$ 19,844                | \$ 15,853 |
| <b>Basic Earnings Per Common Share:</b>                  |                          |           |
| Weighted Average Shares Outstanding                      | 4,453,699                | 4,468,381 |
| Earnings Per Common Share                                | \$ 4.46                  | \$ 3.55   |
| <b>Diluted Earnings Per Common Share:</b>                |                          |           |
| Weighted Average Shares Outstanding                      | 4,453,699                | 4,468,381 |
| Earnings Per Common Share                                | \$ 4.46                  | \$ 3.55   |

# Chief Banking Officer LeAnne Emert



As we began a new year, one guaranteed to include much change, learning, and growth, we made a united proclamation to THRIVE IN 2025. Our Benchmark employees most definitely embraced this and thrived amongst one of the biggest years of change in our 54 years. United, this team staged for, trained for, and executed a core banking system conversion. Many of our Benchmarkers have never been through a change this monumental as it has been 18 years since the last conversion. If that were not enough, we launched a new web address that reflects our commitment to our customers and communities to be with you for life with our new domain name of BCBforLife.bank. We also welcomed our 18th branch by opening a full-service banking location in Franklinton, NC. Through it all, I could not be prouder of the combined efforts of the over 230 Benchmarkers who together truly thrived in 2025. We recognize not only was it a year of change for each employee, but it was also a year of change for our customers and communities as we made enhancements to enable us to better serve you in the years ahead. We give our thanks to each of you for your patience through change and your choice of Benchmark as your financial home.

Thank you for allowing us to be a part of your journey. Truly we are...

With you for Life,

A handwritten signature in black ink, appearing to read "LeAnne Emert".



## Franklinton Opens



2025 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**

President  
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

Elizabeth Moncure, Secretary

LeAnne R. Emert, Asst. Secretary

Elizabeth T. Beale, Treasurer

E. Neil Burke, President



## 2025 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

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

The Benchmark Bankshares Report on Audit of Financial Statements for 2025 can be found online anytime at [BCBforLife.bank](http://BCBforLife.bank). For a printed copy, please contact:

Elizabeth T. Beale, Chief Financial Officer  
100 S. Broad Street \* P.O. Box 569  
Kenbridge, VA 23944

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

### North Carolina

Franklinton  
Henderson

Wake Forest  
Youngsville

Zebulon (LPO)



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