



BENCHMARK COMMUNITY BANK

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PRESS RELEASE

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Benchmark Bankshares, Inc.

Reports Earnings for the Three and Six Months Ended June 30, 2025

KENBRIDGE, VA, August 8, 2025 - Benchmark Bankshares, Inc. (BMBN), the Kenbridge-based holding company for Benchmark Community Bank, announced unaudited results for the three and six months ended June 30, 2025. Net income for the second quarter of 2025 was \$4.7 million, or \$1.07 per share, compared to \$3.7 million, or \$0.82 per share, posted for the second quarter of 2024. Net income for the first six months of the year was \$9.3 million, or \$2.10 per share, compared to \$6.9 million, or \$1.54 per share, for the first six months of 2024.

Highlights include:

- Total loans held for investment were \$1.1 billion as of June 30, 2025, an increase of \$66.0 million, or 6.6% from December 31, 2024 and \$102.9 million, or 10.7%, from June 30, 2024.
- As of June 30, 2025, total deposits were \$1.2 billion, increasing \$63.6 million, or 5.8%, from December 31, 2024 and \$77.6 million, or 7.1% from June 30, 2024. Total deposits provide a stable funding base for balance sheet growth; however, deposit base shifts into higher interest earning products continues to impact interest expense.
- Net interest income increased \$4.0 million or 17.0%, to \$27.3 million for the first six months of 2025 from \$23.3 million for the first six months of 2024. Total interest income increased \$4.7 million and was partially offset by an increase in interest expense of \$747 thousand when comparing 2025 to 2024.
- For the first six months of 2025, the provision for credit losses was \$902 thousand compared to \$466 thousand for same period of 2024. The provision for credit losses for 2025 consisted of a provision for loans of \$889 thousand and \$13 thousand for unfunded commitments. The increase in provision was due primarily to portfolio growth and slightly higher net charge-offs during 2025. The allowance for

credit losses on loans as a percentage of loans was 0.80% as of June 30, 2025 compared to 0.79% as of March 31, 2025 and 0.78% as of June 30, 2024, respectively.

- Salaries and benefits expense increased \$90 thousand, or 0.9%, to \$10.4 million for the six months ended June 30, 2025 compared to \$10.3 million for comparative 2024 period. The increase was primarily due to lower position vacancy levels partially offset by a decrease in benefit costs, including health insurance premiums. A total of \$151 thousand and \$178 thousand was expensed to the bank's employee stock ownership plan in the first six months of 2025 and 2024, respectively, to provide for plan liquidity needs and allow for future stock repurchases.
- Non-performing assets to total assets was 0.29% on June 30, 2025, compared to 0.13% and 0.22% on March 31, 2025 and June 30, 2024, respectively.

As of June 30, 2025, total assets were \$1.3 billion, an increase of \$69.6 million, or 5.7%, over December 31, 2024.

Shareholders' equity, net of unrealized gains and losses on investment securities, was \$116.6 million as of June 30, 2025, an increase of \$7.2 million, or 6.6%, over the December 31, 2024 balance of \$109.4 million. All capital ratios exceeded regulatory guidelines for a well-capitalized financial institution under the Basel III regulatory requirements as of June 30, 2025.

Key Financial Ratios:

- Comparing the six months ended June 30, 2025 to 2024:
 - Earnings per common share increased 36.7%, from \$1.54 to \$2.10.
 - Return on average equity was 16.34% compared to 13.41%.
 - Return on average assets was 1.50% compared to 1.19%.
 - Net interest margin increased to 4.66% from 4.30%.
 - Book value per share increased from \$23.00 to \$26.20 per share. The closing market price at quarter-end was \$29.00 per share, or 110.7% of book value.

The common stock of Benchmark Bankshares, Inc. trades on the OTC Pink marketplace under the symbol BMBN. Any stockbroker can assist with purchases of the company's stock, as well as with sales of holdings.

Benchmark Community Bank, founded in 1971, is headquartered in Kenbridge, VA. It is the Company's sole subsidiary which operates seventeen banking offices throughout central Southside Virginia and northern North Carolina. Additional information is available on the Company's website, www.BCBforLife.bank.

Benchmark Bankshares, Inc.
Consolidated Statements of Financial Condition

<i>(Dollars in thousands, except per share data)</i>	June 30, 2025	December 31, 2024	June 30, 2024
	<i>(unaudited)</i>		<i>(unaudited)</i>
Assets			
Cash and due from banks	\$ 16,525	\$ 18,493	\$ 19,857
Federal reserve excess balance account	46,829	43,604	61,901
Total cash and cash equivalents	63,354	62,097	81,758
Interest-bearing time deposits with other banks	499	499	499
Investment securities, held to maturity	20,250	19,750	19,750
Investment securities, available for sale	77,030	79,108	77,507
Trading securities	7,518	5,523	5,377
Marketable equity securities	3,286	3,156	2,979
Loans, held for sale	1,528	449	327
Loans, held for investment	1,062,493	996,451	959,641
Less: Allowance for credit losses	(8,460)	(7,824)	(7,461)
Net loans, held for investment	1,054,033	988,627	952,180
Premises and equipment, net	23,399	22,881	22,054
Bank owned life insurance	27,430	27,106	26,768
Other real estate owned	-	510	-
Accrued interest receivable	4,418	4,032	4,007
Deferred income taxes	3,973	3,794	3,523
Core deposit intangible asset, net	1,028	1,174	1,330
Other assets	5,474	4,882	4,823
Total Assets	\$ 1,293,220	\$ 1,223,588	\$ 1,202,882
Liabilities and Stockholders' Equity			
Deposits			
Non-interest bearing demand deposits	\$ 288,449	\$ 263,089	\$ 264,815
Interest-bearing checking deposits	399,237	376,001	417,135
Money market deposits	169,956	161,655	113,956
Savings deposits	119,932	116,900	117,217
Time deposits	188,942	185,249	175,830
Total Deposits	1,166,516	1,102,894	1,088,953
Borrowings	427	790	1,405
Index retirement plan liability	3,268	2,797	2,521
Dividends payable	-	1,965	1,874
Accrued interest payable	867	936	921
Other liabilities	5,542	4,772	4,581
Total Liabilities	1,176,620	1,114,154	1,100,255
Stockholders' Equity			
Common stock ⁽¹⁾⁽²⁾	934	938	936
Additional paid-in capital	5,941	5,915	5,864
Retained earnings	115,636	108,697	101,612
Accumulated other comprehensive loss	(5,911)	(6,116)	(5,785)
Total Stockholders' Equity	116,600	109,434	102,627
Total Liabilities and Stockholders' Equity	\$ 1,293,220	\$ 1,223,588	\$ 1,202,882

⁽¹⁾ Common Stock, \$0.21 par value and 8,000,000 shares authorized. 4,450,872 shares issued and outstanding as of June 30, 2025; 4,465,501 shares issued and outstanding as of December 31, 2024; 4,462,194 shares issued and outstanding as of June 30, 2024.

⁽²⁾ Restricted shares outstanding are 4,625 as of June 30, 2025 and 4,317 as of December 31, 2024 and June 30, 2024, respectively.

Benchmark Bankshares, Inc.
Consolidated Statements of Operations
(unaudited)

<i>(Dollars in thousands, except share and per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest Income				
Loans, including fees	\$ 16,339	\$ 13,891	\$ 31,889	\$ 26,942
Investment securities:				
U. S. Government agencies	312	392	612	785
State and political subdivisions	216	214	432	427
Mortgage-backed securities	211	207	421	395
Corporate debt	123	112	240	225
Trading securities	64	61	119	115
Other securities	9	8	19	17
Time deposits with other banks	3	6	6	80
Federal funds sold	671	633	1,207	1,252
Total Interest Income	17,948	15,524	34,945	30,238
Interest Expense				
Interest-bearing checking deposits	1,642	1,616	3,111	2,975
Money market demand deposits	724	406	1,420	765
Savings deposits	32	33	62	64
Time deposits	1,558	1,523	3,058	3,100
Borrowings	11	11	24	24
Total Interest Expense	3,967	3,589	7,675	6,928
Net Interest Income	13,981	11,935	27,270	23,310
Provision for credit losses	462	337	902	466
Net Interest Income After Provision for Credit Losses	13,519	11,598	26,368	22,844
Other Income				
Service charges on deposit accounts	377	413	776	821
Other service charges and fees	1,119	1,063	2,145	2,034
Gain on sale of loans held for sale	64	54	124	96
Loss on sale of other assets	(1)	-	(1)	(16)
Other operating income	1,066	766	1,800	1,636
Total Other Income	2,625	2,296	4,844	4,571
Other Expenses				
Salaries and benefits	5,449	5,175	10,400	10,310
Occupancy and equipment	625	576	1,256	1,218
Data processing and information systems	1,796	1,390	3,258	2,828
FDIC insurance	206	201	434	388
Bank franchise taxes	213	205	416	400
Other operating expenses	1,869	1,746	3,666	3,648
Total Other Expenses	10,158	9,293	19,430	18,792
Income Before Income Taxes	5,986	4,601	11,782	8,623
Provision for income taxes	1,243	932	2,441	1,745
Net Income	\$ 4,743	\$ 3,669	\$ 9,341	\$ 6,878
Basic Earnings Per Common Share:				
Weighted Average Shares Outstanding	4,452,376	4,473,031	4,450,718	4,479,088
Earnings Per Common Share	\$ 1.07	\$ 0.82	\$ 2.10	\$ 1.54
Diluted Earnings Per Common Share:				
Weighted Average Shares Outstanding	4,452,376	4,473,031	4,450,718	4,479,088
Earnings Per Common Share	\$ 1.07	\$ 0.82	\$ 2.10	\$ 1.54

Benchmark Bankshares, Inc.**Selected Ratios** (unaudited)*(dollars in thousands, except per share data)*

	As of or for the quarters ended,			For the six months ended,	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	2024
Earnings per common share, diluted	\$ 1.07	\$ 1.03	\$ 0.82	\$ 2.10	\$ 1.54
Return on average assets (ROA)	1.49%	1.50%	1.25%	1.50%	1.19%
Return on average equity (ROE)	16.27%	16.50%	14.28%	16.34%	13.41%
Net interest margin (NIM)	4.68%	4.64%	4.37%	4.66%	4.30%
Efficiency ratio	61.17%	59.79%	65.30%	60.31%	67.40%
Book value per share	26.20	25.72	23.00		
Non-performing assets (NPAs) / total assets	0.29%	0.13%	0.22%		
Annualized Net Charge-Offs / average total loans	0.03%	0.07%	0.02%		
Allowance for credit losses on loans / total loans	0.80%	0.79%	0.78%		

Non-Performing Assets (NPAs)

Nonaccrual loans	\$ 1,122	\$ 995	\$ 1,621		
Loans > 90 days past due, but still accruing interest	2,661	659	1,008		
Other real estate owned	-	-	-		
Total non-performing assets	\$ 3,783	\$ 1,654	\$ 2,629		

Other Selected Numbers

Total assets	\$ 1,293,220	\$ 1,284,331	\$ 1,202,882		
Loans, net	1,054,033	1,013,088	952,180		
Deposits	1,166,516	1,154,076	1,088,953		
Stockholders' equity	116,600	114,839	102,627		
Quarterly average assets	1,276,453	1,240,936	1,179,120		
Quarterly average loans	1,040,141	1,008,340	946,900		
Quarterly average earning assets	1,197,693	1,162,427	1,097,967		
Quarterly average deposits	1,149,047	1,117,670	1,066,618		
Quarterly average equity	116,943	113,016	103,333		