

HOCKING VALLEY BANCSHARES

7 W. Stimson Avenue • Athens, Ohio 45701 • 740.592.4441
investorrelations@hvb1.com

July 12, 2024

Dear Fellow Shareholder:

We're pleased to announce that the Board of Directors has declared a cash dividend of 15¢ per share payable July 12, 2024 to shareholders of record as of June 28, 2024. Book value was \$26.34. The price per share of the last trade on the OTCIQ exchange as of June 28, 2024 was \$19.10 up from \$17.41 at the end of March. In addition to being pleased with the increase in share price published on the exchange, we also know that more than 25 *new* shareholders have invested in us since the stock split of February 2022.

Our Performance At a Glance

Financial highlights for Hocking Valley Bank, the company's largest asset, are as follows:

- Total assets at the end of June were \$335.1 million as compared to \$331.7 million for the same time last year;
- Total deposits were \$298.7 million as compared to \$299.9 million at June 2023 month-end;
- Gross loan balances, \$201.9 million at the end of June, have increased by \$14.7 million year-over-year. Asset-quality remains very sound with a loan delinquency rate of 0.27%.
- Year-to-date net income for 2024, unaudited as of this writing, was \$1.29 million as compared to \$1.20 million for the same time last year.

Higher for Longer

We continue to adapt to the Federal Reserve Bank's rate stance - this after inflation, which came down steadily throughout 2023, moved sideways earlier in the year. We know that gas prices remain volatile, mild supply chain stress since the Baltimore bridge collapse continues, and housing pricing pressures have lasted longer than expected - all indications that stagnation could remain for the foreseeable future. We are, however, more optimistic about prospects for the economy given Federal Reserve Chair Powell's remarks to the Senate Committee on Banking, Housing, and Urban Affairs just this week. What we do know for sure is that we're outperforming our peers and are well-positioned for continued growth while providing a valuable service to the communities we serve.

Annual Meeting Updates

In my last letter to you, we were gearing up for our Annual Shareholder Meeting. While I hope you also follow us on social media for company updates, I'm incredibly pleased to share that Paulette Sumney, Aaron Thomas, and Dr. Ben Holter were elected to the Hocking Valley BancShares and Hocking Valley Bank Boards for three-year terms. Kimberly Kelly, serving on the boards since 2013, was named Chair of both boards and I'm very honored to note that I was named Vice Chair. Morgan Davis was named Vice President of Hocking Valley BancShares and Hocking Valley Bank with Cherokee Stover and Lindsey Hamlin both named Assistant Vice Presidents and Sarah Greene named Digital Banking Officer of the bank. I feel very privileged to work alongside these business professionals who share a commitment to our continued success and profitability and can assure you that the ongoing governance and management of the bank is in very good hands.

Building Tomorrow Together. Today!

The very extensive project to build a new network for the bank is very nearly complete and we're excited to see where a more robust infrastructure can take us. In addition to enhanced cybersecurity and operating efficiencies that we've enjoyed for several months, continuing to improve the customer experience remains a top priority. Accessibility via our physical offices will always remain important, yet we know that digital banking expectations continue to evolve

and it's very satisfying to know that we've planned accordingly to meet them.

The Dream of Homeownership

On July 1, in a partnership between the offices of Governor Mike DeWine and Ohio Treasurer of State Robert Sprague, we joined a select group of financial institutions participating in the Ohio Homebuyer Plus program, a savings program designed to encourage homeownership. The program creates specialized, tax-advantaged savings accounts to assist Ohioans in their homebuying journey and we're very proud to play a role in this effort. We've created a page on our website, www.hvbonline.com, for you, and potential participants, to learn more. You can also reach out to our resident expert, Personal Banker Seana Maccombs, at our Stimson Avenue office.

We're Passionate About Community

We continue to work hard at living out our mission to make a positive impact in the communities we serve. Quarterly highlights include: support of the Athens Marathon (and over 900 runners!) by staffing two water stations with the help of more than two dozen Hocking Valley Bankers, a handful of their children, and members of our board on a beautiful Sunday in April, the early May presentation of the fourth Hocking Valley Bank Nursing Scholarship in partnership with the OhioHealth Foundation accompanied by a dress down day with all of our employees contributing an hour's wage to help fund the scholarship, participation in the Coolville Founders Day parade in June, and, most recently, in a project close to our hearts, were represented by Albany Assistant Branch Manager Mary Lee in a Community Build Day for the Alexander Inclusive Playground Project.

Our Social Media Team also remains busy shining a light on small businesses in the community through a myriad of Facebook giveaways. In early April we wrapped up a March Madness campaign featuring businesses included in a very competitive Sweet Sixteen bracket, we celebrated parental role models with Mother's and Father's Day giveaways, we encouraged our neighbors to shop businesses living through an extensive construction projection on W. Union Street with a giveaway valued at \$400, and, in a tradition we started in 2020 to help businesses struggling during the pandemic, played social media host to our fifth Restaurant Week with a daily promotion of some of our favorite eateries.

Financial gifts include sponsorships for the Spartan Scramble, the Belpre Chamber of Commerce's Golf Tournament, the Elmo Open, The Plains Lion Club in support of the Indian Mound Festival, the Factory Street Studio spring dance recital, and, designed to bring friends and families to Court Street during what is always a slow time for local business in Athens, the Uptown Tavern Association's Coming Home summer concert series.

In closing, I'd like to offer our sincere thanks to recently retired Vice President Jeff Swaim. Jeff, who joined the bank in the spring of 1992, completed his last working day on May 31. Those of you fortunate enough to know Jeff, know that he's made a career of extending every kindness to customers and employees alike and his thoughtful leadership will be missed. I'll note that Morgan Davis, who has worked alongside Jeff for many years, has assumed a number of his former responsibilities. Morgan will collaborate with me and Executive Vice President Polly Sumney in addressing ongoing shareholder relations.

As always, if you have questions about this communication, please let me know. Your investment and trust in us are appreciated and we welcome your comments. If you or someone you know would like to experience the best in community banking, please call me at (740) 592-6840.

Forward Together.



Tammy J. Bobo, President
(740) 592-6840 • Direct Line
tammy.bobo@hvb1.com