

HOCKING VALLEY BANCSHARES

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Dear Fellow Shareholder:

We're pleased to announce that the Board of Directors has declared a cash dividend of 15¢ per share payable October 11, 2024 to shareholders of record as of September 30, 2024. Book value was \$28.78. The price per share of the last trade on the OTCIQ exchange as of September 30, 2024 was \$20.00 up from \$19.10 at the end of June.

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 September were \$334.4 million as compared to \$333.0 million for the same time last year;
- Total deposits were \$295.2 million as compared to \$300.8 million at September 2023 month-end;
- Gross loan balances, \$205.1 million at the end of September, have increased by \$12.4 million year-over-year. Asset-quality remains very sound with a loan delinquency rate of 0.32%.
- Year-to-date net income for 2024, unaudited as of this writing, was \$2.15 million as compared to \$1.90 million for the same time last year.

The Wait is Over

After months of speculation on *how much* and *when* it was going to happen, the Federal Reserve Bank cut its key interest rate by 0.50% on September 18.

Federal Reserve Bank Chair Jerome Powell, in remarks made following the September meeting, noted the economy is in "good shape" and the aggressive cut is meant to "keep it" in a healthy situation with solid growth, downward trending inflation and a steady labor market. Powell declined to comment on the speed or size of future rate cuts, though he did characterize it as a "cutting cycle," indicating it's not a one-off event.

While we believe our short-term pricing strategy will continue to serve us well, we'll be watching closely, making adjustments as necessary, as policymakers decide how much - and how fast - to cut rates at subsequent meetings.

Plans are of little importance, but planning is essential. ~ Winston Churchill

In mid-August, members of the bank's management team met with the Board of Directors to set our course for the next three years. Reuniting with the consultant who also facilitated the 2022-2024 strategic planning session and the resulting plan, Forward Together, six areas of focus were identified: Growth/Profitability, Information Security and Technology, Shareholder Relations, Evaluation of our Branch Footprint, Product and Service offerings, and Succession/Staff Development.

We'll introduce the 2025-2027 strategic plan to team members in November with meetings to address questions or concerns at the departmental and branch levels to follow before year-end. Progress will be reported on a quarterly basis to these stakeholders as well as the board.

A lot of really, really good work that we're very proud of has been done over the course of the last planning cycle, yet we understand that in order to remain independent, we must keep moving Forward Together.

2024 Best Bank Website

Earlier this year I shared that industry partner Jack Henry had submitted our rebranding concept for Davey Award consideration, an international competition focused on honoring

outstanding creative work efforts by the best small design agencies in the world. We were thrilled to learn that our updated look earned the company not one, but two Silver Davey Awards – one for Corporate Identity; the other for Identity Style Guide.

Led by Executive Vice President Polly Sumney, we continued our partnership with Jack Henry by challenging the company to use the new branding to create a website that “felt like us” while offering a state-of-the-art digital banking platform. The creative team did not disappoint and very early in the process we knew that we were on to something incredibly special. The company understood - and embraced - our vision of transforming banking into something warmer and inviting with “Banking doesn’t have to be uptight, neither does your banker,” adopted as a shared mantra.

Inspired by what we’d been able to create through our collaboration, Jack Henry submitted our website for the Web Marketing Association’s WebAward Competition. In its 27th year, the competition celebrates excellence in website development and stands as the leading recognition program for web developers and the online marketing community. It’s my great honor to report that our website, www.hvbonline.com, was chosen as the **2024 BEST BANK WEBSITE!**

As Jack Henry Senior Web Design Manager Chad Jordan says, “Ya’ll are creating some BIG waves out there, and we’re so honored to be part of your journey. Thank you for the collaboration and for trusting us throughout your transformation.”

We couldn’t agree more, Chad!

We’ve Got Spirit. Yes, We Do!

In keeping with our mission to make an impact in the communities we serve, we’ve been very busy the last few months. Quarterly highlights include: a Southern Ohio Copperheads game sponsorship with a pre-game picnic for our directors, team members, and their families to thank them for their daily contributions to our success, support of a second Uptown Tavern Association Coming Home concert during Ohio Brew Week complete with a brand new logoed tent, games, face painting, and a raffle basket sourced from businesses on Court Street, sponsorship of the Dairy Barn’s Summer Art Camp with even more love shown to The Barn at the center’s annual Art Auction, a partnership with Athens County Children Services for the collection of back to school shoes courtesy of Kicks for Kids collection boxes in all of our offices, sponsorship of Bounty on the Bricks for the benefit of the Southeast Ohio Foodbank & Kitchen, financial support of the Athens County Junior Fair, Ohio Pawpaw Festival, and Albany Independent Fair, participation in the Alexander Inclusive Playground Project ribbon cutting ceremony, table sponsorship of Rural Action’s annual breakfast fundraiser, and, hosted by our social media team, our first Spirit Week in support of the county’s five school district’s Athletic Booster Programs. For this event, all team members participated in a spirit-filled week with Friday, August 23rd culminating in Team Spirit Day with everyone donning school colors or logoed wear. \$500 was donated to each athletic program.

While all these things resulted in financial contributions to each organization with even more golf scramble sponsorships than I could begin to list here, what’s particularly heartwarming is that each and every one of these events had Hocking Valley Bankers either physically volunteering or attending to offer moral support.

As always, if you have questions about this communication, please let me know. Your investment and trust in what we’re doing to make our communities better places to live and work 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.



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