

# 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 July 11, 2025 to shareholders of record as of June 30, 2025. Book value was \$31.05. The price per share for the last trade on the OTCIQ exchange as of June 30, 2025 was \$22.00.

## **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 \$345.8 million as compared to \$335.1 million for the same time last year;
- Total deposits were \$307.4 million as compared to \$298.7 million at June 2024 month-end;
- Gross loan balances were \$202.7 million as compared to \$202.6 million for the same time last year. Asset-quality remains very sound with a loan delinquency rate of 0.36%.
- Year-to-date net income for 2025, unaudited as of this writing, was \$1.8 million as compared to \$1.3 million for the same time last year.

## **It's Still Wait & See**

If you happen to follow our social media platforms, you may recall that I was appointed Chair of the Cleveland Federal Reserve Bank's Community Depository Institutions Advisory Council (CDIAC) by the Federal Reserve Board of Governors in December and, as a result of the appointment, represent financial institutions in the Fourth District at the national level. The national council regularly meets with the Governors to share insights on economic conditions, lending trends, and issues impacting financial institutions in the 12 Federal Reserve districts.

Attending my first national meeting in late spring, it was confirmed that the regions served by the 12 members, while made up of different industries and facing diverse socio-economic challenges, share many similarities: We're concerned about affordable housing and the lack thereof. The impact of increased trading tariffs remains an unknown for business owners and consumers. And, often to protect customers from themselves, we're all dancing as fast as we can to educate them on fraud schemes designed to put them at financial risk.

In remarks made by Federal Reserve Chair Jerome Powell during his Semiannual Monetary Policy Report to Congress on June 24, Powell said this, "Policy changes continue to evolve and their effects on the economy remain uncertain. For the time being, we are well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance."

While events in the Middle East have escalated since the spring CDIAC meeting, adding additional cause for concern, unemployment numbers remain low and the banking industry continues to enjoy low delinquency rates in our loan portfolios. And, though some businesses are dialing back the size and scale of their projects, loan demand remains relatively strong.

In short, while global markets continue to be rife with economic uncertainty, the banking industry remains very sound and financial institutions across the country are committed to remaining focused on long-term stability, operational strength, and prudent financial stewardship. And the same is true at Hocking Valley Bank!

## **Annual Meeting Updates**

As you're aware, our Annual Shareholder Meeting was held in mid-April. While I hope that you follow company updates on social media, I'm pleased to report that both Bob Gall and I have been elected to serve new three-year terms for the Hocking Valley BancShares and Hocking Valley Bank Boards. Kimberly Kelly, serving on the boards since 2013, was again named Board Chair and I'm honored to

have again been named Vice Chair. Digital Banking Officer Sarah Greene has been named Secretary of both boards. I feel very privileged to work alongside these business leaders who share a commitment to the bank's ongoing success and profitability.

### **The Path Forward**

We've made good progress on the ATM project referenced in my April letter with the vandalized machine in Coolville replaced in early June. New units have also been installed at our offices on Court Street and in The Plains as well as the Albany Marathon station. A new machine for our Albany branch is scheduled for later in July with the Stimson Avenue installation scheduled for August. Given very low volume since the closure of the office in June 2022, the ATM at our former Richland Avenue location was removed from service. A debit card modernization project to provide faster transactions, enhanced fraud detection, and provide greater flexibility in adapting to evolving customer needs and technological advancements has also begun to gain traction. A dashboard that will reside within our online and mobile banking platforms to allow customers to monitor accounts, review credit scores, and analyze debt is also in test-mode. We expect The Hub to be publicly available later this summer.

And finally, also in terms of working through our 2025-2027 strategic initiatives, we hosted an event for community members and local business leaders we believe may have an interest in becoming shareholders in May. Like community banks all over the country, maintaining a shareholder base that understands the value of supporting a community bank is top of mind. Like our founders before us, we, too, believe a locally owned and managed bank is in a better position to serve Athens County and the surrounding areas. We're very fortunate that the people we've invited to assist us in growing Hocking Valley Bank 2.0 agree!

### **Committed to Community**

We remain persistent in living out our mission to make a positive impact in the communities we serve. Quarterly highlights include support of the Athens Marathon (with a field of more than 1,000 runners this year!) by staffing two water stations with the help of more than two dozen Hocking Valley Bankers and members of our board on a chilly Sunday in April, sponsorship of Rural Action's annual benefit auction, presentation of the fifth 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 during National Nurses Week, playing second fiddle to bank mascot, Pork Chop, in our participation in the Coolville Founders Day parade in mid-June, and, just last night in partnership with the Southern Ohio Copperheads, hosted Love Athens County, a food truck rodeo complete with live music and fun for kids of all ages at Bob Wren Stadium.

These activities and many more also resulted in financial contributions to several non-profit organizations. Likewise, our support of small businesses in the communities we serve continues to be a regular feature on our social media platforms.

In closing, on behalf of the Board of Directors and the entire Hocking Valley Bank team, I'd like to offer our sincere thanks to Bick Weissenrieder, former Board Chair and President & CEO of both the bank and our holding company, Hocking Valley BancShares, who formally retired from the boards following the April shareholder meeting. An invaluable counselor to all of us, Bick has shown unwavering support of our industry, the bank, and our customers throughout his more than 50-year affiliation with us and we wish him continued happiness and health in retirement.

As always, if you have questions about anything that's been shared, please let me know. Your comments and investment and trust in us is appreciated. If you or someone you know would like to experience the best that community banking has to offer, please call me at (740) 592-6840.

Forward Together.



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