



Bank of Botetourt

Title: Bank of Botetourt Records Profitable 2023; Board Votes to Increase Common Dividend by 3.9%

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BUCHANAN, VIRGINIA. February 1, 2024 /PRNewswire/ — Buchanan-based Bank of Botetourt (OTCPK: BORT and BORTP) announced today its unaudited financial results for the three and twelve months-ended December 31, 2023. The Bank produced net income amounting to \$1,800,000 or \$0.86 per basic share in the fourth quarter. This amount compares to a net income of \$2,191,000 or \$1.13 per share, for the same period last year. For the twelve months-ended December 31, 2023 the Bank produced net income amounting to \$8,173,000 or \$3.95 per basic share. This amount compares to net income of \$7,805,000 or \$4.04 per share, for the same period last year.

At December 31, 2023, select financial information and key highlights include:

- Return on average assets of 1.10%
- Return on average equity of 11.64%
- Book value of \$36.26
- Total deposit growth of 7.10%
- Total asset growth of 10.55%
- Total loan growth of 22.87%
- Community Bank Leverage Ratio of 10.36%

As a result of the solid financial performance, the Board of Directors voted to pay the 7.00% preferred dividend, which calculates to \$0.49 per share on February 9, 2024 to preferred shareholders of record February 2, 2024. The Board voted to increase the quarterly common dividend from \$0.1925 to \$0.20 per share, or \$0.80 per share annualized. The dividend increase of 3.9% per share annualized is payable on February 16, 2024 to common shareholders of record February 12, 2024. CEO & Vice-Chairman, G. Lyn Hayth, III stated "While navigating a dynamic economic landscape, we are gratified by the financial performance of our Bank during 2023. Our strong financial performance, marked by impressive loan growth, underscores our commitment to increasing shareholder value and driving sustained success."

Results of Operations

Net income for the three months ended December 31, 2023 was \$1,800,000 compared to \$2,191,000 for the same period last year, representing a decrease of \$391,000 or 17.84%. Basic and diluted earnings per share decreased \$0.27 from \$1.13 at December 31, 2022 to \$0.86 at December 31, 2023. The decrease in net income is primarily due to \$2,150,000 increase in deposit interest expense, \$233,000 increase in interest expense on other borrowings, partially offset by \$2,217,000 more interest and fees on loans and \$281,000 less provision for credit losses.

Financial Condition

At December 31, 2023 total consolidated assets amounted to \$789,024,000, an increase of 10.55% above total assets at December 31, 2022 of \$713,718,000, an increase of \$75,306,000. Total net loans increased \$111,095,000 or 23.04% from \$482,162,000 at December 31, 2022 to \$593,257,000 at December 31, 2023. Total deposits at December 31, 2022 amounted to \$643,923,000, compared to \$689,592,000 at December 31, 2023, an increase of 7.10% or \$45,669,000. The increase in deposits is attributable to organic growth and the addition of two brokered deposits totaling \$11,012,000.

As of December 31, 2023 Bank of Botetourt reported its CBLR ratio at 10.36% which meets the required regulatory minimum ratio. This compares to a CBLR ratio of 10.32% at December 31, 2022.

About Bank of Botetourt

Bank of Botetourt was chartered in 1899 and operates thirteen retail offices in Botetourt, Rockbridge, Roanoke, and Franklin counties, the City of Salem, and the Town of Vinton, all in Virginia. Bank of Botetourt also operates a mortgage division, Virginia Mountain Mortgage and a financial services division, Botetourt Wealth Management.

Source: Bank of Botetourt