



May 17, 2024

Dear Fellow Shareholders,

Total assets decreased in April, ending the month at \$456 million. However, year-over-year assets increased by approximately \$6 million. Loan growth through April has been modest at 1.9 percent, which has also limited new loan fee income. Deposit outflows increased as individuals and companies made tax payments.

The Bank's earnings in Q1 were good, but the net interest margin is likely to come under pressure as the year progresses. Currently, economists expect the Fed to remain on the sidelines until there is further evidence that inflation has abated. Despite recent news on the CPI, it is expected that rates will likely stay at current levels, possibly through 2024.

On May 16, 2024, the Board of Directors declared a distribution of \$0.50 per share to shareholders of record on that date, payable on Friday, June 7, 2024.

As the travel season begins, we wish everyone a safe and enjoyable summer.

Sincerely,

A handwritten signature in black ink that reads "William Gary Holemon".

William Gary Holemon

Director, President, and CEO