



CAMELS FINANCIAL OPTICS REPORT

COMPANY OVERVIEW

Sherwood Banc Corporation, Inc./Sherwood State Bank

Company Description: Sherwood Banc Corporation, Inc. ("SBC") ("the Company") is an Ohio financial institution headquartered in Sherwood, Ohio. The Company formed in 1997 is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. The Company is the parent bank holding company for its wholly owned subsidiary, Sherwood State Bank ("the Bank")("SSB"), which was formed on January 8, 1945.

Message from the President: Interest rate increases by the Federal Reserve continues to place pressure on the Bank's investment portfolio. As noted in last quarter's message your management team remains focused on investment portfolio strategies that offer higher returns. Loan pricing adjustments and strong loan demand provides additional increase in asset yields. Efforts in leveraging deposits and borrowings implemented in early 2023 is providing a positive net interest cost to the Bank. Total interest income percentage of change increased 26.97% YTD. This total portfolio approach by management is being continually adjusted result of interest rate increases.

SBC's key performance indicators have our Bank moving in the right direction with Return on Equity and Assets of 5.24% and 0.60%, respectively. The Bank's portfolio re-alignment strategy of replacing securities nearing maturity for higher yielding investments is a key to securing future earnings. SBC at close of second quarter 2023 has shown the impact of our strategy in income and interest rate margin coupled with the ability to readily respond to market conditions in this challenging economic period. The Bank in the second quarter of 2023 have shown the results of higher capital levels, increased assets, deposits, and loans in driving bottom-line performance.

Shareholder Return: The fair market value of our stock, as of 2Q 2023 is \$40.50 per share (FMV), increased from YE 2022. (See Stock Chart Back Page) Shareholders return YTD 2023 was 1.75% when including dividends. YTD 2023 shareholders have received total cash dividends of approximately \$104,773/\$0.30 per share. Your Board is appreciative of investor confidence in SBC and is pleased to provide this report on the financial soundness of your Bank. (See *Financial Highlights/Performance Ratios Back Page*)

Investor Information: SBC is privately held and does not trade on any electronic exchange. SBC's common stock is traded through Community Bank Investments, Inc. SBC offers shareholders a Reinvestment Program ("DRIP") and a Self-Directed IRA for increasing their ownership. Contact Investor Relations for Additional information on becoming a shareholder.



Headquarters

105 N. Harrison Street
 Sherwood, OH 43556

Investor Relations Contact

Mickey C. Schwarzbek
 President & CEO
 (419) 899-2111
 mickey@sherwood.bank

June 30, 2023

Stock Price (ASK/FMV)	\$40.50
Price to Book Value	128.5%
Book Value Per Share	\$31.51
<i>(Based on Tier 1)</i>	
YE 2022 Stock Price	\$40.10
Income Per Share	\$0.60
Shares Outstanding	350,822
Board of Director Ownership	3.0%

Financial Data (000)

Assets	\$91,562
Deposits	\$ 77,477
Equity <i>(Tier 1)</i>	\$11,054
Loans	\$65,709
Net Income	\$209

Key Highlights (SSB)

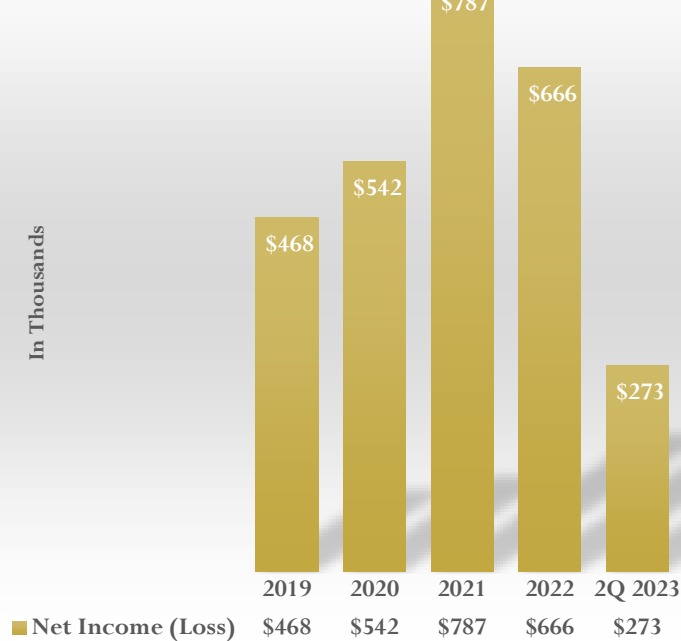
- **Assets:** Bank assets of \$92,010,000, as of 2Q 2023 up from \$86,427,000 for the same period 2022.
- **Deposit:** Bank deposits of \$78,101,000 as of 2Q 2023 compared to \$76,439,000 for the same period 2022.
- **Loans:** Bank loans of \$66,521,000 as of 2Q 2023 compared to \$55,743,000 for the same period 2022.
- **Earnings:** Bank earned \$273,000 as of 2Q 2023 compared to \$252,000 for the same period 2022.
- **Net Interest Margin:** Bank earned 4.09%, as of 2Q 2023 compared to 3.78% for the same period 2022.
- **Efficiency Ratio:** 80.96%, as of 2Q 2023 compared to 81.95% for the same period 2022.

Performance Ratios (SSB)

Return on Average Assets	0.72%
Return on Average Common Equity	6.19%
Yield on Loans	5.54%
Total Loans to Deposits	86.32%
Demand Deposits to Total Deposits	32.94%
Equity Capital/Total Assets	11.43%
Non-Performing Loans to Total Assets	2.16%
Allowance for Loan Losses to Total Loans	1.21%
Cost of Funds	0.87%

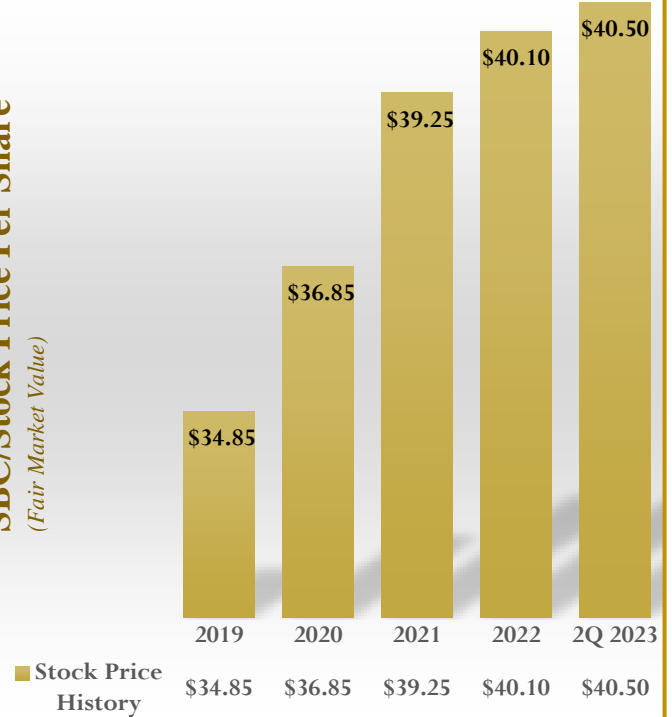
SSB/Net Income

(2019-2Q 2022)



SBC/Stock Price Per Share

(Fair Market Value)



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"Increasing Shareholder Value"

CAMELS Consulting Group offers a comprehensive suite of proprietary products and services exclusively designed to increase the shareholder value of community banks. Backed by more than three decades of experience in stock and bank valuation analysis, CAMELS Financial Optics Report provides the investment community with an objective overview of financial institutions.

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