



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: The Board of Directors is pleased to report the stock offering supporting the Bank's planned expansion into Archbold, Ohio closed at the end of September raising over \$2.6 million in new capital. The Company welcomed new investors from Archbold and surrounding communities. The new banking office is anticipated to open in mid to late 2023.

Earnings for the third quarter were in alignment with budget with loan activity continuing to be strong for the Bank. Based on continued interest rate increases, growth in the Bank's loan portfolio, and continued control of overhead expenses is center to the Bank's continued performance in this challenging economic period. (See Key Highlights and Performance Ratios back page).

Your Board and Management focus is centered on navigating the Bank through current economic climate of continued increasing of interest rates by the Federal Reserve to curb inflationary pressures setting the stage for a recessionary outcome expected in mid-2023. The level of rate hikes by the Federal Reserve is positioned to cause 'Final Demand' to weaken causing a rise in unemployment and lowering of GDP growth. The Federal Reserve offered guidance is to get inflation down to a target of 2%. Accomplishing this through interest rate movement causes significant stress on both consumers and businesses through higher cost of credit, potential reduction in demand and employment instability. We are continually reviewing the Bank's investment portfolio and maintaining the credit quality of our loan portfolio.

Investor Information: The Company is privately held and does not actively trade on any electronic exchange. The Company's common stock is traded through Community Bank Investments, Inc. The Bank is the Company's transfer agent. The Company historically pays semi-annual dividends. The Company provides for the purchase of Company stock through an individual's Self-Directed IRA and offers a Dividend Reinvestment Program ("DRIP") for Shareholders. New Investors are directed to contact Investor Relations.



Headquarters

105 N. Harrison Street
 Sherwood, OH 43556

Investor Relations Contact

Mickey C. Schwarzbek
 President & CEO
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September 30, 2022

Stock Price (ASK/FMV)	\$39.90
Price to Book Value	113%
Book Value Per Share	\$35.32
YE 2021 Stock Price	\$39.25
Income Per Share	\$1.43
Shares Outstanding	347,877
Board of Director Ownership	3.0%

Financial Data (000)

Assets	\$86,050
Deposits	\$ 75,892
Equity	\$12,287
Loans	\$60,174
Net Income	\$496

Key Highlights (SSB)

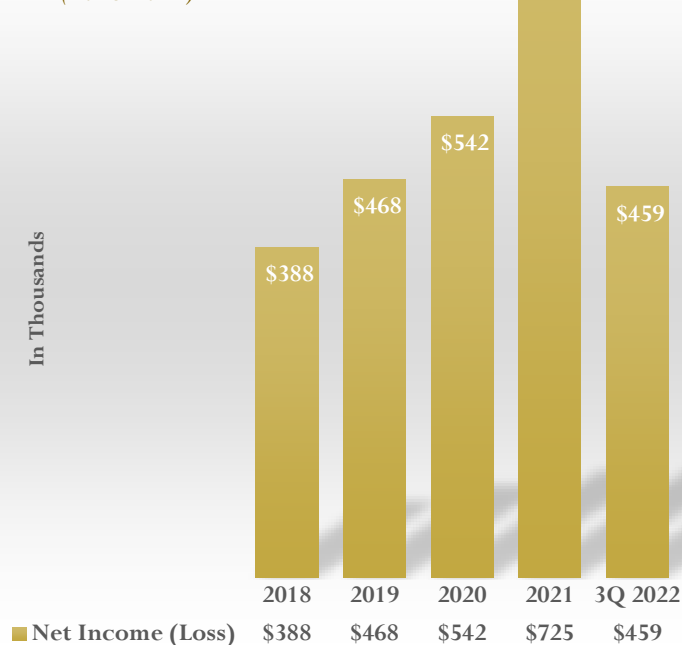
- **Assets:** Bank assets of \$86,050,000, as of 3Q 2022 up from \$84,123,000 for the same period 2021.
- **Deposit:** Bank deposits of \$75,892,000 as of 3Q 2022 compared to \$71,239,000 for the same period 2021.
- **Loans:** Bank loans of \$60,174,000 as of 3Q 2022 compared to \$52,043,000 for the same period 2021.
- **Earnings:** Bank earned \$459,000 as of 3Q 2022 compared to \$681,000 for the same period 2021.
- **Net Interest Margin:** Bank earned 3.96%, as of 3Q 2022 compared to 4.34% for the same period 2021.
- **Efficiency Ratio:** 77.96%, as of 3Q 2022 compared to 67.60% for the same period 2021.

Performance Ratios (SSB)

Return on Average Assets	0.71%
Return on Average Common Equity	7.32%
Yield on Loans	5.66%
Total Loans to Deposits	79.29%
Demand Deposits to Total Deposits	33.36%
Equity Capital/Total Assets	9.24%
Non-Performing Loans to Total Assets	1.11%
Allowance for Loan Losses to Total Loans	1.05%
Cost of Funds	0.32%

SSB/Net Income

(2018-2022)



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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