



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: Continued interest rate increases by the Federal Reserve into 1Q 2023 has placed continued pressure on the Bank's investment portfolio. Your management remains focused on re-alignment of the portfolio by reinvesting the month cash flow and calls to fund investments offering higher returns. Additionally, loans remained strong in the first quarter allowing for an additional increase in asset yields. Management also leveraged deposit accounts through industry borrowings provided by Federal Home Loan Bank and correspondent bank programs providing a positive net interest cost to the Bank. This total portfolio approach by your management mitigated anticipated lower first quarter earnings.

Publicly traded financial stocks was met with industry turbulence a result of two significant bank failures in 1Q 2023 that greatly impacted national and large regional financial institutions' market values. First quarter stock prices in the public market noted varying loss of value followed by continuous fluctuations in price per share with analyst looking to establish valuation recovery models to meet 'investor driven concerns' at both national and regional banking levels.

Conversely, privately held community banks, as with Sherwood State Bank in the first quarter of 2023 have shown the positive impact of higher capital levels, stable deposits, strong risk management, and ability to readily adapt to market movements in a challenging economic environment. Your Board is appreciative of investor confidence in Sherwood Banc Corporation and is pleased to report on the financial soundness of our Bank (see back page). Price per share remained unchanged from year-end 2022.

Shareholder Return: The fair market value of our stock, as of 1Q 2023 is \$40.10 per share (FMV), unchanged from YE 2022. Shareholders return for 2022 was 3.87% when including dividends. YTD 2023 shareholders have received total cash dividends of \$104,773/\$0.30 per share.

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").



Headquarters

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 Sherwood, OH 43556

Investor Relations Contact

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March 31, 2023

Stock Price (ASK/FMV)	\$40.10
Price to Book Value	127%
Book Value Per Share	\$31.52
<i>(Based on Tier 1)</i>	
YE 2022 Stock Price	\$40.10
Income Per Share	\$0.36
Shares Outstanding	350,567
Board of Director Ownership	3.0%

Financial Data (000)

Assets	\$90,772
Deposits	\$ 74,753
Equity <i>(Tier 1)</i>	\$11,51
Loans	\$64,213
Net Income	\$126

Key Highlights (SSB)

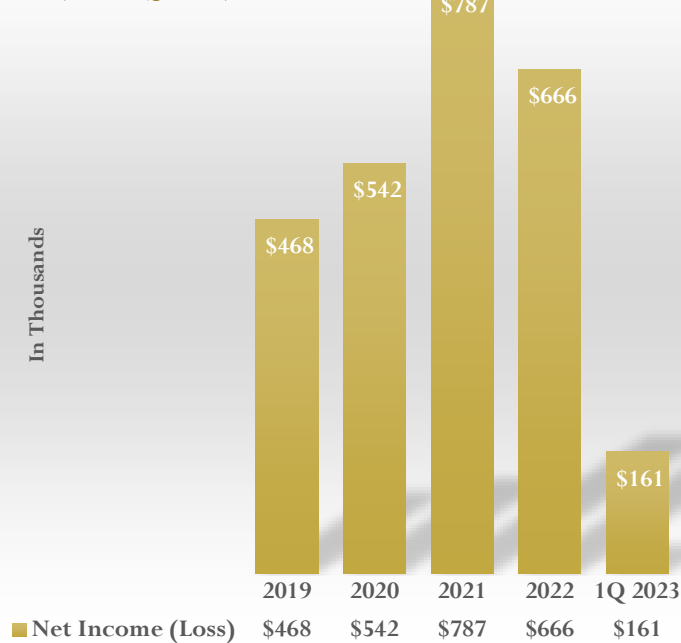
- **Assets:** Bank assets of \$91,087,000, as of 1Q 2023 up from \$85,249,000 for the same period 2022.
- **Deposit:** Bank deposits of \$75,303,000 as of 1Q 2023 compared to \$74,002,000 for the same period 2022.
- **Loans:** Bank loans of \$65,001,000 as of 1Q 2023 compared to \$52,636,000 for the same period 2022.
- **Earnings:** Bank earned \$161,000 as of 1Q 2023 compared to \$110,000 for the same period 2022.
- **Net Interest Margin:** Bank earned 4.16%, as of 1Q 2023 compared to 3.74% for the same period 2022.
- **Efficiency Ratio:** 79.14%, as of 1Q 2023 compared to 83.88% 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%

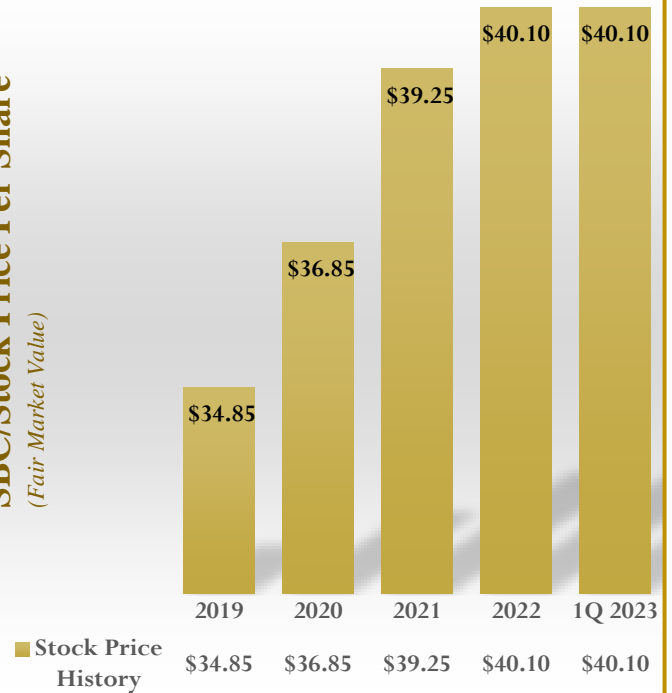
SSB/Net Income

(2019-1Q 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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