

# **Sherwood Banc Corporation**

## **Accountant's Compilation Report and Consolidated Financial Statements**

**December 31, 2022 and 2021**



**Sherwood Banc Corporation**  
**December 31, 2022 and 2021**

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# FORVIS

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Stockholders and Board of Directors  
Sherwood Banc Corporation  
Sherwood, Ohio

Management is responsible for the accompanying consolidated financial statements of Sherwood Banc Corporation (Company), which comprise the consolidated balance sheets as December 31, 2022 and 2021, and the related consolidated statements of income (loss), comprehensive income and stockholders' equity for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements of cash flows were included in the consolidated financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenue, and expenses. Accordingly, these consolidated financial statements are not designed for those who are not informed about such matters.

The accompanying FDIC §350.4 Disclosures supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

FORVIS,LLP

Fort Wayne, Indiana  
January 30, 2023

**Sherwood Banc Corporation**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and due from banks	\$ 2,169,136	\$ 2,028,160
Federal funds sold	-	2,272,083
Interest-bearing demand deposits	155,504	7,163,091
Cash and cash equivalents	2,324,640	11,463,334
Investment securities, available for sale	18,937,406	17,314,354
Loans, net of allowance for loan losses of \$650,979 and \$597,747	61,454,150	50,717,687
Premises and equipment	1,831,822	1,770,197
Bank stock investments	437,556	523,556
Interest receivable	310,569	241,116
Life insurance contracts	1,953,145	1,903,483
Other assets	762,175	378,517
	\$ 88,011,463	\$ 84,312,244
<b>Total assets</b>		
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits		
Noninterest-bearing	\$ 20,342,520	\$ 19,423,415
Interest-bearing	53,180,049	52,344,097
Total deposits	73,522,569	71,767,512
Short-term borrowings	353,000	-
Long-term borrowings	3,060,852	2,578,598
Interest payable	34,729	27,561
Other liabilities	33,949	515,243
Total liabilities	77,005,099	74,888,914
<b>Stockholders' Equity</b>		
Common stock, without par value, \$2.50 stated value		
Authorized, 1,000,000 shares		
Issued and outstanding – 349,243 and 279,706 shares in 2022 and 2021, respectively	873,108	699,265
Additional paid-in capital	5,405,954	2,945,711
Retained earnings	6,068,608	5,699,994
Accumulated other comprehensive income (loss)	(1,341,306)	78,360
Total stockholders' equity	11,006,364	9,423,330
<b>Total liabilities and stockholders' equity</b>	\$ 88,011,463	\$ 84,312,244

**Sherwood Banc Corporation**  
**Consolidated Statements of Income**  
**Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Interest Income</b>		
Loans receivable		
Taxable	\$ 2,913,487	\$ 2,833,622
Tax-exempt	6,532	6,579
Investment securities		
Taxable	148,083	112,586
Tax-exempt	180,422	116,004
Federal funds sold and other	50,171	8,797
Total interest income	<u>3,298,695</u>	<u>3,077,588</u>
<b>Interest Expense</b>		
Deposits	134,222	180,392
Short-term borrowings	2,444	3,112
Long-term borrowings	44,613	84,042
Total interest expense	<u>181,279</u>	<u>267,546</u>
<b>Net Interest Income</b>	3,117,416	2,810,042
<b>Provision for Loan Losses</b>	<u>55,244</u>	<u>68,154</u>
<b>Net Interest Income After Provision for Loan Losses</b>	<u>3,062,172</u>	<u>2,741,888</u>
<b>Noninterest Income</b>		
Service charges on deposit accounts	129,730	120,620
Gain on sale of loans	26,311	48,372
Net realized gain on sales of available-for-sale securities	-	7,375
Interchange and card income	142,810	153,095
Other income	289,570	518,848
Total noninterest income	<u>588,421</u>	<u>848,310</u>
<b>Noninterest Expense</b>		
Salaries and employee benefits	1,580,363	1,405,449
Net occupancy expenses	339,693	317,906
Data and item processing fees	404,394	380,316
Printing and office supplies	75,748	66,026
Director and committee fees	80,400	80,400
ATM expenses	74,353	60,052
Deposit insurance and examination expense	41,882	40,810
State franchise tax expense	75,387	70,963
Other expenses	308,926	292,241
Total noninterest expense	<u>2,981,146</u>	<u>2,714,163</u>
<b>Income Before Income Taxes</b>	669,447	876,035
<b>Provision for Income Taxes</b>	<u>92,981</u>	<u>151,415</u>
<b>Net Income</b>	<u>\$ 576,466</u>	<u>\$ 724,620</u>

**Sherwood Banc Corporation**  
**Consolidated Statements of Comprehensive Income (Loss)**  
**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Net Income</b>	\$ 576,466	\$ 724,620
<b>Other Comprehensive Loss</b>		
Unrealized depreciation on available-for-sale securities, net of tax benefit of \$(377,380) and \$(46,913) for 2022 and 2021, respectively	(1,419,666)	(176,481)
Less: reclassification adjustment for realized gains included in net income, net of taxes of \$0 and \$1,549 for 2022 and 2021, respectively	-	5,826
	(1,419,666)	(182,307)
Total comprehensive income (loss)	\$ (843,200)	\$ 542,313

**Sherwood Banc Corporation**  
**Consolidated Statements of Stockholders' Equity**  
**Years Ended December 31, 2022 and 2021**

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares Outstanding	Amount				
<b>Balance, January 1, 2021</b>	274,471	\$ 686,178	\$ 2,770,002	\$ 5,153,562	\$ 260,667	\$ 8,870,409
Net income	-	-	-	724,620	-	724,620
Other comprehensive loss	-	-	-	-	(182,307)	(182,307)
Cash dividends	-	-	-	-	-	-
(\$0.65 per share)	-	-	-	(178,188)	-	(178,188)
Purchase of stock	(622)	(1,555)	(20,463)	-	-	(22,018)
Issuance of stock	5,857	14,642	196,172	-	-	210,814
<b>Balance, December 31, 2021</b>	279,706	699,265	2,945,711	5,699,994	78,360	9,423,330
Net income	-	-	-	576,466	-	576,466
Other comprehensive loss	-	-	-	-	(1,419,666)	(1,419,666)
Cash dividends	-	-	-	-	-	-
(\$0.67 per share)	-	-	-	(207,852)	-	(207,852)
Issuance of stock	69,537	173,843	2,460,243	-	-	2,634,086
<b>Balance, December 31, 2022</b>	<u>349,243</u>	<u>\$ 873,108</u>	<u>\$ 5,405,954</u>	<u>\$ 6,068,608</u>	<u>\$ (1,341,306)</u>	<u>\$ 11,006,364</u>

## **Supplementary Information**



**Sherwood Banc Corporation**  
**FDIC §350.4 Disclosures**  
**Years Ended December 31, 2022 and 2021**  
(Table Dollar Amounts in Thousands)

***Past Due and Nonaccrual Loans***

	<u>2022</u>	<u>2021</u>
Past due 90 days or more and still accruing interest	\$ —	\$ —
Past due 90 days or more and not accruing interest	<u>330</u>	<u>42</u>
Total	<u>\$ 330</u>	<u>\$ 42</u>

***Allowance for Loan Losses***

	<u>2022</u>	<u>2021</u>
Allowance for loan losses		
Balance, January 1	\$ 598	\$ 564
Provision for losses	55	68
Recoveries on loans	8	5
Loans charged off	<u>(10)</u>	<u>(39)</u>
Balance, December 31	<u>\$ 651</u>	<u>\$ 598</u>

***Federal Deposit Insurance Corporation Disclaimer***

These statements have not been reviewed or confirmed for accuracy or relevance by the Federal Deposit Insurance Corporation.