



CAMELS CONSULTING GROUP LLC  
 "Increasing Shareholder Value"

# CAMELS FINANCIAL OPTICS REPORT

## COMPANY OVERVIEW

### Richwood Bancshares, Inc./The Richwood Banking Company

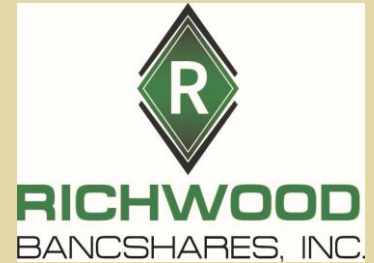
**Company Description:** Richwood Bancshares, Inc. (RBI)(the Company) is an Ohio corporation head -quartered in Richwood, Ohio. RBI incorporated in 1985 and is a registered bank holding company under the Bank Holding Company Act of 1956, as amended. RBI is the parent holding company for its wholly owned subsidiary, The Richwood Banking Company (Richwood)(the Bank) which was formed on July 1, 1867.

**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 Richwood 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 Richwood Bancshares and is pleased to report on the financial soundness of Richwood 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 \$78.20 per share (FMV), unchanged from YE 2022. Shareholders return for 2022 was 9.39% when including dividends. YE 2022 shareholders have received total cash dividends of approximately \$1,723,876/\$1.05 per share. Year-to-date income 2023 \$1.30 per share. RBI offers Dividend Re-Investment Program (DRIP) and Self directed IRAs to accommodate shareholder stock purchases.



#### Headquarters

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#### Investor Relations Contact

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#### March 31, 2023

Stock Price (FMV)	\$78.20
Shareholder Return <i>(Per Share YE 2022)</i>	9.39%
Book Value Per Share <i>(Based on Tier 1)</i>	\$38.90
YE 2022 Stock Price	\$78.20
Income Per Share <i>(YTD 2023)</i>	\$1.30
Shares Outstanding	1,647,151
Dividend Paid <i>(Per Share YE 2022)</i>	\$1.05

#### Financial Data (000)

Assets	\$1,149,044
Deposits	\$1,020,256
Equity	\$59,862
Loans	\$742,883
Net Income <i>(YTD)</i>	\$2,141

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## Key Highlights (Richwood Bank)

**Assets:** Bank assets of \$1,144,960,000, as of 1Q 2023 compared to \$1,059,690,000 for the same period 2022.

**Deposit:** Bank deposits of \$1,026,817,000, as of 1Q 2023 compared to \$973,911,000 for the same period 2022.

**Net Loans:** Bank loans of \$743,075,000, as of 1Q 2023 compared to \$578,682,000 for the same period 2022.

**Earnings:** Bank earned \$2,272,000, as of 1Q 2023 compared to \$2,083,000 for the same period 2022.

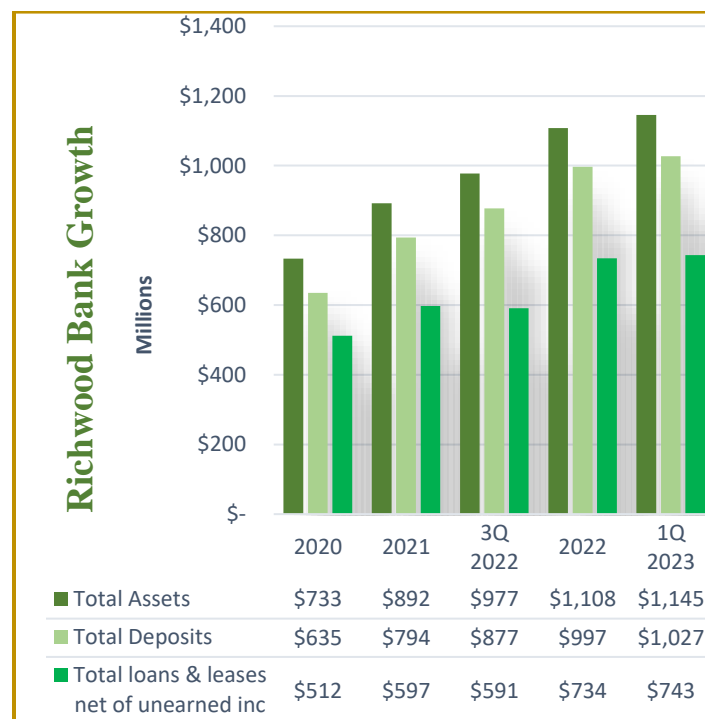
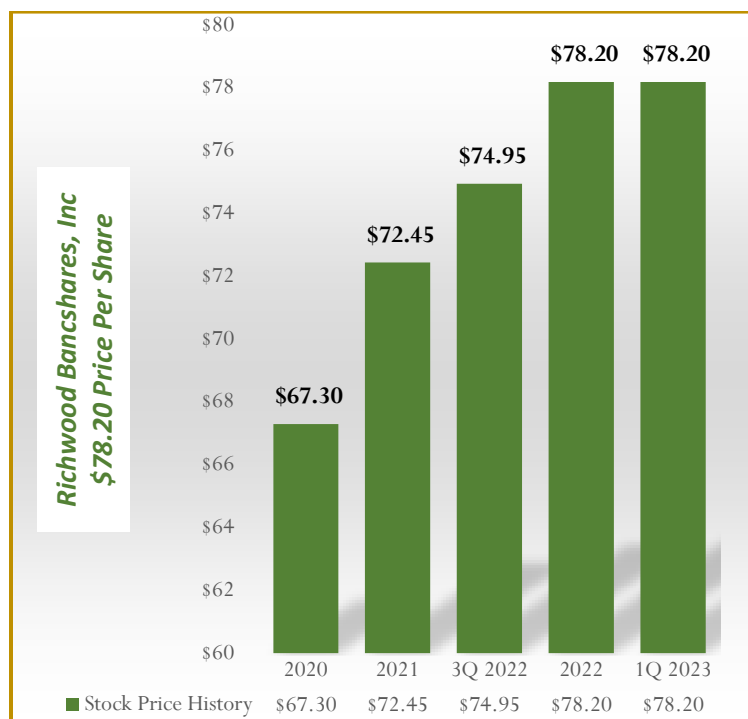
**Net Interest Margin:** Bank earned 3.29%, as of 1Q 2023 compared to 3.30% for the same period 2022.

**Efficiency Ratio:** 71.52%, as of 1Q 2023 compared to 75.28% for the same period 2022.

## Performance Ratios (Richwood Bank)

Return on Average Assets	0.82%
Return on Average Equity	14.79%
Yield on Loans	5.42%
Total Loans to Deposits	72.37%
Demand Deposits to Total Deposits	7.59%
Tier I Common Capital/Risk Weighted Assets*	11.78%
Non-Performing Loans to Total Loans	0.63%
Allowance for Loan Losses to Total Loans	0.80%
Capital Formation Ratio	15.45%

\*(Well-Capitalized 6.5%/FDIC Regulatory Benchmark)



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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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