

Shareholder Newsletter

JUNE 2022



What began as a dream of some local families to bring banking to their town, continues to this day.

The City of Barwick was incorporated in 1903 following establishment of a Railroad Station. Shortly thereafter the Bank of Barwick opened in 1907 and was owned 50% by local individuals and 50% by the Witham Banking Company of Atlanta. Witham provided advise, check clearing, cash orders and examinations and audits.

Today, Barwick Banking Company has over \$250 Million in Assets and is operating in three markets - Barwick, GA, St. Augustine, FL, and Daytona Beach, FL with plans to expand into Gainesville, FL.



Chairman's Message

Since opening its doors in 1907, Barwick Banking Company has been an institution serving the local community. We continue that legacy, especially in these turbulent times.

Relationships are the cornerstone of family, friends and also banking. As a company, we at Barwick, are committed to all three. We strive to foster relationships with all of our customers, both individual and business. Barwick Banking Company has the products and services available to assist our customers, whether they are expanding their existing businesses, or starting new ones. Most importantly we have, the "human capital," the people to make to help make your dreams come true. I am confident that, as a shareholder, you can and will experience what our customers see every day.

Your Board of Directors is committed to leading the navigation of the bank in a safe, profitable, and responsible manner. Taking care of our customers, employees, and our shareholder, is our primary mission.

Both I, and the team, look forward to seeing you at our annual meeting to be announced soon.

Kenneth R. Kresge, Chairman, Barwick Banking Company

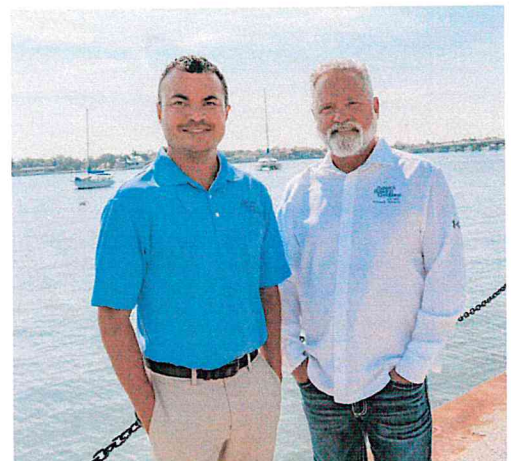
Jim Bange / CEO & Chad Bowling / President

The first half of 2022 has been incredible. Strong growth and a strong credit culture has led the bank to a positive cash flow position and our first month of profitability in May and continued profitability in June, three months ahead of schedule! Those results are attached.

Just as important as these results, is Barwick Banking Company's commitment to community, which is exemplified in our commitment: "For Locals, By Locals" There's no better way for you to see our commitment than by visiting any one of our branches. We strive to treat each and every one of our customers with attention, respect, and the personal touch of one community member to another.

Essentially, we believe that it is important to provide the best customer service of any financial institution, which reveals another aspect of who we are and what we do. Success is something that must be earned each day through self-discipline, challenge, and striving for excellence. Our heritage is rooted in community banking, and our commitment to that legacy is unwavering as we keep moving forward.

We look forward to working for you toward our financial success.





Customer Spotlight - S & Z Holdings, LLC

S and Z Holding, LLC is owned by William Smith, Kim Smith & Tomir Zwierzynski. They purchased 139 St George Street in Downtown St. Augustine. This is the location of Cotton Collection, which is Tomir's clothing store. William, Kim and Tomir have been friends for a long-time, as Tomir has leased space from the Smith's for multiple years. This is Tomir's second location downtown, and he is of course very excited to finally own his own building.

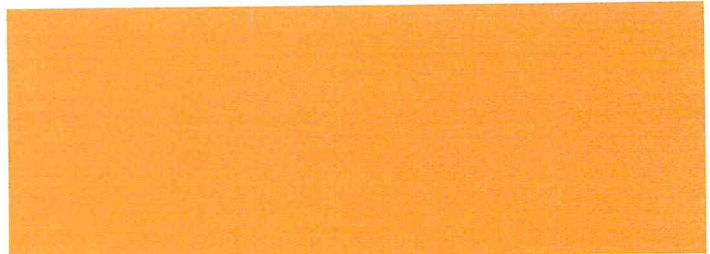
"Having worked with several community banks over the course of my 25 year real estate career I have to say that Barwick Banking Company is a step above the others. The response and turn-around time is second to none. I am actively seeking additional opportunities to work with John and the Barwick team."

William Smith PA

We now do Home Loans! Contact us today:

Seymoine Schmidt at sschmidt@barwickbank.com

Sandra Viscomi at sviscomi@barwickbank.com



**Team Member in Focus - Vanessa Mazza VP/
Branch Manager - Daytona Beach**

Vanessa has been in banking for 21 years. She started her career as a teller in 1999. From there, she worked her way through various retail positions. Vanessa has been a Personal Banker, Assistant Branch Manager, Branch Manager and Vice President. Vanessa helped open a community bank in 2008 and has always loved the feel of community banking. "I am so ecstatic to work with such a great team of bankers again that supports and believes in the community it serves." Vanessa believes in building relationships with her clients and providing them with the best customer service possible. Vanessa enjoys spending time with her family and loves to tend to all of her animals on her free time.



Financial Highlights
(\$ Amounts 000's)

Balance Sheet

| | December 31, | | June 30, |
|--------------------------|--------------|------------|------------|
| | 2020 | 2021 | 2022 |
| Total Assets | \$ 33,362 | \$ 161,336 | \$ 262,496 |
| Loans (Net of Allowance) | 18,486 | 134,993 | 209,478 |
| Deposits | 21,437 | 139,703 | 237,183 |
| Capital | 11,852 | 21,536 | 24,875 |
| Loan Growth % | 1422.5% | 630.2% | 55.2% |
| Deposit Growth % | 70.7% | 551.7% | 69.8% |
| # of Accounts | 896 | 2,379 | 3,593 |

Income Statement

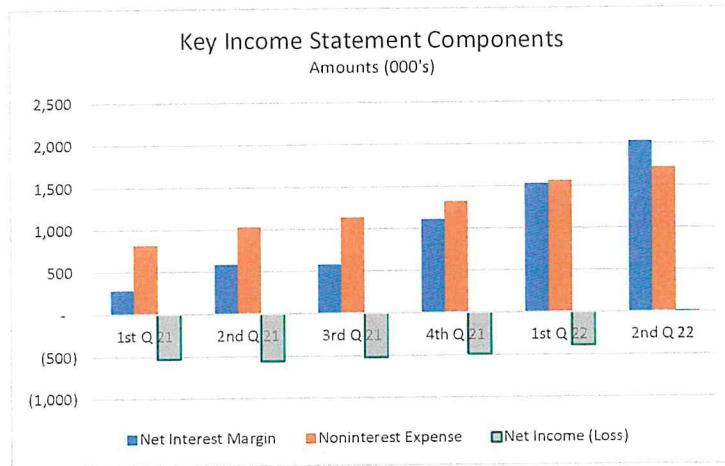
| | Year Ended December 31 | | Six Months |
|----------------------------|------------------------|-------------------|-----------------|
| | 2020 | 2021 | Ended June 30 |
| | | | 2022 |
| Interest Income | \$ 387 | \$ 2,951 | \$ 3,950 |
| Interest Expense | 58 | 200 | 397 |
| Net Interest Margin | <u>329</u> | <u>2,751</u> | <u>3,553</u> |
| Loan Loss Provision | 156 | 1,280 | 890 |
| Noninterest Income | 172 | 246 | 92 |
| Noninterest Expense | <u>1,288</u> | <u>4,286</u> | <u>3,271</u> |
| Income (Loss) Before Taxes | (943) | (2,569) | (516) |
| Income Taxes | <u>(247)</u> | <u>(681)</u> | <u>(136)</u> |
| Net Income (Loss) | <u>\$ (696)</u> | <u>\$ (1,888)</u> | <u>\$ (380)</u> |

Financial Ratios

| | Year Ended December 31 | | Six Months |
|---------------------|------------------------|---------|---------------|
| | 2020 | 2021 | Ended June 30 |
| | | | 2022 |
| Net Interest Margin | 1.87% | 2.97% | 3.37% |
| Return on Assets | -3.82% | -2.04% | -0.36% |
| Return on Equity | -16.67% | -10.01% | -3.28% |
| Total Capital | 35.53% | 13.35% | 9.48% |

Quarterly Income Statement
(amounts 000's)

| | March 31, 2021 | June 30, 2021 | September 30, 2021 | December 31, 2021 | March 31, 2022 | June 30, 2022 |
|----------------------------|-------------------|------------------|-----------------------|----------------------|-------------------|------------------|
| Interest Income | \$ 302 | \$ 622 | \$ 640 | \$ 1,187 | \$ 1,657 | \$ 2,293 |
| Interest Expense | 22 | 36 | 63 | 78 | 130 | 267 |
| Net Interest Margin | 280 | 586 | 577 | 1,109 | 1,527 | 2,026 |
| Loan Loss Provision | 190 | 330 | 260 | 500 | 530 | 360 |
| Noninterest Income | 4 | 11 | 176 | 55 | 35 | 57 |
| Noninterest Expense | 814 | 1,027 | 1,131 | 1,313 | 1,557 | 1,714 |
| Income (Loss) Before Taxes | (720) | (760) | (638) | (649) | (525) | 9 |
| Income Taxes | (194) | (204) | (120) | (163) | (139) | 3 |
| Net Income (Loss) | \$ (526) | \$ (556) | \$ (518) | \$ (486) | \$ (386) | \$ 6 |





For Locals. By Locals.

June 30, 2022

Dear Shareholder,

Attached please find a summary of financials statements for years ending December 31, 2020 and December 31, 2021 as well as interim results as of June 30, 2022.

Highlights are as follows:

- Total Assets are \$262 Million at June 30, 2022
- Total Loans are \$209 Million at June 30, 2022, an increase of over 1,000% from 12/31/2020
- Total Deposits are \$237 Million at June 30, 2022, an increase of over 1,000% from 12/31/2020
- Net Interest Margin has grown to \$3,553,000 as of June 30, 2022
- Quarterly Net Income before taxes was \$9 Thousand, our first quarter of profitability

The bank is on a very positive trajectory of growth and profitability, achieving profitability three months ahead of projections. We anticipate this income growth to continue, in spite of economic headwinds the country is encountering.

If you have any questions about the financials or the bank in general, please do not hesitate to contact us:


Jim Bange / CEO – jbange@barwickbank.com

Chad Bowling / President – cbowling@barwickbank.com

Sincerely,



Jim Bange
CEO



Chad Bowling
President