

Barwick Bancorp, Inc

Investor Newsletter - June, 2023

President's Message



Worldwide, the first six months of 2023 have been marked by significant financial developments. Global stock markets experienced a period of volatility, with tech companies leading the way. Cryptocurrencies continued to gain popularity and acceptance, reaching new highs. Governments implemented fiscal policies to boost economic recovery, and inflation concerns began to emerge. Overall, the financial landscape remains dynamic and unpredictable. But, throughout that turmoil, Barwick Banking Company has stuck to what we know best. Simply, bringing in local deposits and lending those out to local businesses. That has helped us achieve unprecedented results in a very challenging time. The financial results are attached. As always if you have any questions please feel free to reach out to me at cbowling@barwickbank.com.



NEW BRANCH - BOSTON, GA

Boston, Georgia, situated in Thomas County, has a rich history dating back to the early 19th century. Founded in 1828, the town was named after Boston, Massachusetts, to honor the city's influential leaders who aided in the formation of the Georgia Western and Atlantic Railroad. With the railroad's arrival in 1860, Boston experienced rapid growth, becoming a thriving agricultural hub known for its cotton and tobacco production. The town played a vital role during the Civil War, serving as a Confederate hospital and supply depot. Over the years, Boston has maintained its small-town charm and is now cherished for its historical significance and warm community spirit. We are proud to be a part of this great community.

Employee Spotlight - Sarah Sookraj Assistant Branch Manager - Gainesville

Though Sarah is new to banking, she is so excited for her new career and experience. Prior to working for Barwick Banking Company she worked in customer service for over five years. Originally from South America, Guyana., she moved to New York at the age of eight until she was 16 when she moved to Florida. She says it was the best decision ever! Outside of work you will most likely find Sarah at the gym or spending time with her boyfriend and family. We are so happy that Sarah is a part of our team!!





Backroom Focus Christina Zdunek - Vice President Loan Operations

Christina manages our Loan Operations Department. This department prepares, closes, and process loans for the loan officers. Christina and her staff process over 50 loans per month and follows up by making sure there is proper insurance and other documents as well. They are an integral part of our bank. Thank you Loan Operations!!

Annual Shareholder Meeting
Monday, Sept. 25, 2023
9:00 AM
St. Augustine Office



Market Executives

Depending on where you live, call our Market Executives for any banking needs you may have.

Ben Lott - Palatka
Laude Arnaldi - Gainesville / Newberry
Corey Gibbs - Barwick / Boston
Matt Stietzel - Daytona Beach
John Matulia - St. Augustine

Board of Directors

Ken Kresge - Chairman
Ronnie Arnold - Gainesville
Jim Bange - Exec Vice Chairman
Chad Bowling - President/CEO
Stacy Cunningham - Ormond Beach FL
Bill Gray - Atlanta GA
Fred Jones - Barwick GA
Len Marinaccio - Ormond Beach FL
Mac McLeod - St. Augustine, FL
Edwin Peck - Barwick GA
Breck Sloan - Palatka, FL



Financial Highlights
(\$ Amounts 000's)

Balance Sheet

	December 31,		June 30,
	2021	2022	2023
Total Assets	\$ 161,336	\$ 341,087	\$ 359,470
Loans (Net of Allowance)	134,993	269,958	318,258
Deposits	139,703	307,465	359,470
Capital	21,536	29,039	30,671
Loan Growth %	630.2%	100.0%	17.9%
Deposit Growth %	551.7%	120.1%	16.9%
# of Accounts	2,379	4,544	5,462

Income Statement

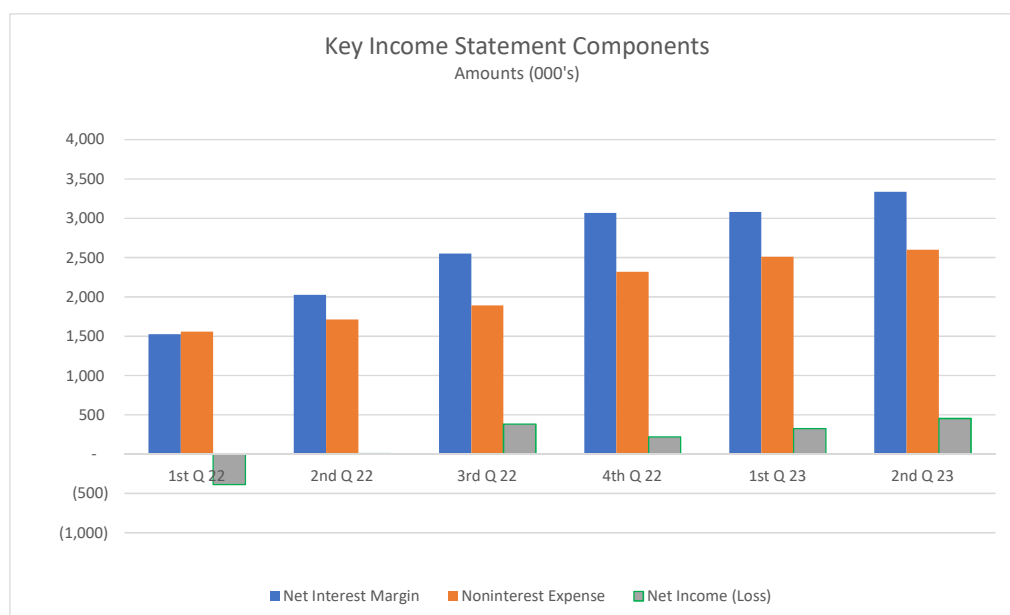
	Year Ended December 31		Six Months
	2021	2022	Ended June 30
			2023
Interest Income	\$ 2,951	\$ 10,763	\$ 9,946
Interest Expense	200	1,594	3,532
Net Interest Margin	<u>2,751</u>	<u>9,169</u>	<u>6,414</u>
Loan Loss Provision	1,280	1,790	650
Noninterest Income	246	411	404
Noninterest Expense	<u>4,286</u>	<u>7,486</u>	<u>5,110</u>
Income (Loss) Before Taxes	(2,569)	304	1,058
Income Taxes	<u>(681)</u>	<u>81</u>	<u>280</u>
Net Income (Loss)	<u>\$ (1,888)</u>	<u>\$ 223</u>	<u>\$ 778</u>

Financial Ratios

	Year Ended December 31		Six Months
	2021	2022	Ended June 30
			2023
Net Interest Margin	2.97%	3.43%	3.55%
Return on Assets	-2.04%	0.11%	0.43%
Return on Equity	-10.01%	1.06%	5.36%
Total Capital	13.35%	8.51%	8.53%

Quarterly Income Statement
(amounts 000's)

	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Interest Income	\$ 1,657	\$ 2,293	\$ 2,984	\$ 3,829	\$ 4,559	\$ 5,387
Interest Expense	130	267	433	764	1,479	2,053
Net Interest Margin	1,527	2,026	2,551	3,065	3,080	3,334
Loan Loss Provision	530	360	300	600	275	375
Noninterest Income	35	57	163	156	146	258
Noninterest Expense	1,557	1,714	1,894	2,321	2,512	2,598
Income (Loss) Before Taxes	(525)	9	520	300	439	619
Income Taxes	(139)	3	137	80	116	164
Net Income (Loss)	\$ (386)	\$ 6	\$ 383	\$ 220	\$ 323	\$ 455



FAQ's

- Has Barwick Banking Company been affected by bank failures earlier in the year?

Absolutely not. The bank failures in March were due to specialized industries and a reliance on non-core deposits. Barwick has a diversified local customer base, that are relationship driven. Most of our customers have banked with their banker for many years.

- Are there any plans for future growth?

Yes. We have hired a banker for the Palatka Market. Market acceptance has been strong and we anticipate asking for regulatory approval in the 1st QTR of 2024.

- When will the bank pay a dividend?

There are a couple of milestones that must be achieved before we can pay a dividend. Those include, cumulative profitability and regulatory approval. We anticipate being cumulatively profitable by the 2nd QTR of 2024 and will pursue regulatory approval once that is achieved. Our main goal is remain well capitalized while paying a consistent dividend to shareholders.

- Will the bank ever sell?

From the very beginning, our goal has been to build the best bank for our community, our employees and our shareholders. We believe we can give our shareholders a return they will be happy with while remaining independent. Of course, if the bank becomes more valuable with another institution, it would be our fiduciary duty to perform due diligence on any proposal to determine the best return for all stakeholders.

- As a shareholder, how can I help the bank?

We're glad you asked!

- If you don't have your accounts with us, please let us know at investorrelations@barwickbank.com and we'd be happy to make it as convenient as possible to open them up.
- Refer a family member or friend to the bank.
- Follow us on social media