



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) is an Ohio corporation headquartered 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), which was formed on July 1, 1867.

Richwood is a customer-driven independent banking institution that targets business owners, professionals, and consumers as well as other segments of the financial market that offer unique opportunities for growth and profitability. Richwood's goal is 'To Inspire, Protect and Celebrate Anything that Helps Communities Thrive'. This business approach enables the Bank to quickly respond to almost any situation to meet the needs of its customers.

#### Business Insights

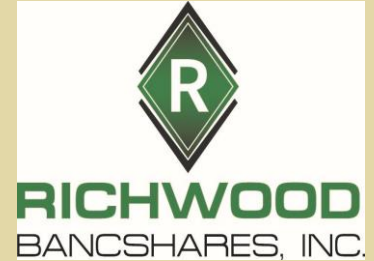
Richwood has eight banking offices and operates other business platforms; Richwood Insurance, Richwood Financial, Richwood Marketing, Richwood Payroll, and Richwood Coffee. RBI's stated focus for year 2019 is the assimilation and alignment of Home City into the operating platform of Richwood. Analysis has shown that the board, management, and staff of Richwood are meeting stated objectives of an acquisition that continues to be an accretive transaction to shareholders of RBI.

**Post-Acquisition Strategy:** A key element of management's financial strategy is on the reduction of debt associated with the Home City acquisition. This is being accomplished through earnings based on implementing operational strategies of increasing interest income and operating efficiencies. The provided charting (*turn page*) highlights how those strategies are working to the benefit of RBI shareholders.

CAMELS financial review of related metrics of deposit growth, cost of funds, investment portfolio re-alignment, increased service offerings and new customer acquisition have shown positive outcomes year-to-date 2019.

#### Investor Information

RBI is privately held and does not trade on any exchange. RBI's stock is traded through Richwood's internal trading desk and is the RBI's transfer agent. RBI common shares are valued quarterly through an independent third-party firm. RBI pays semi-annual dividends. RBI offers a Dividend Re-Investment Plan (DRIP) and accommodates the purchase of RBI common stock through an individuals Self-Directed IRA, a product offered by Richwood.



#### Headquarters

28 North Franklin Street  
Richwood, Ohio 43344

#### Investor Relations Contact

Deb Miller  
Investment Relations Officer  
(740-436-0581  
dmiller@richwoodbank.com

#### September 30, 2019

Stock Price (FMV)	\$61.40
Price to Book Value	134%
Book Value Per Share	\$45.94
YE 2018 Stock Price	\$57.40
Income Per Share	\$3.85
Shares Outstanding	1,469,456
Dividend Paid YTD 2019	\$468,456

#### Financial Data (000)

Assets	\$737,425
Deposits	\$635,045
Equity	\$67,506
Loans	\$502,245
Net Income	\$4,239

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## Key Highlights (Richwood Bank)

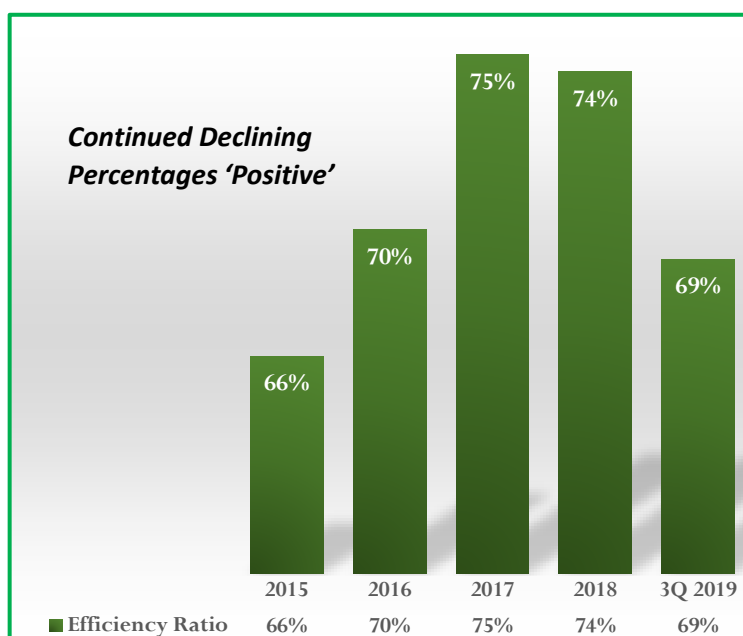
- **Assets:** Bank assets grew to \$736,432,000, as of 3Q 2019 up from \$523,170,000 for the same period 2018.
- **Deposit:** Bank deposits grew to \$637,531,000, as of 3Q 2019 compared to \$475,019,000 for the same period 2018.
- **Loans:** Bank loans grew to \$498,711,000, as of 3Q 2019 compared to \$325,788,000 for the same period 2018.
- **Earnings:** Bank earned \$4,917,000, as of 3Q 2019 compared to \$2,844,000 for the same period 2018.
- **Net Interest Margin:** Bank earned 3.73%, as of 3Q 2019 compared to 3.65% for the same period 2018.

## Performance Ratios (Richwood Bank)

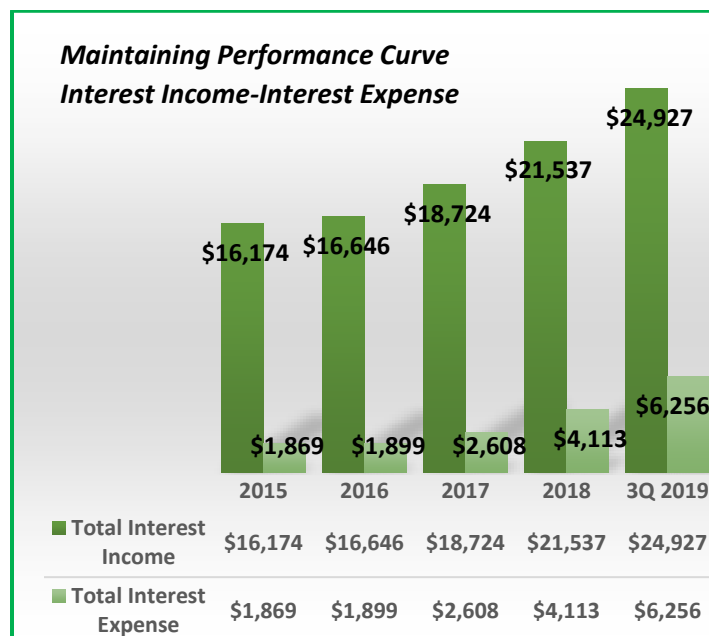
Return on Average Assets	0.90%
Return on Average Common Equity	8.79%
Yield on Loans	5.74%
Total Loans to Deposits	78.99%
Demand Deposits to Total Deposits	5.98%
Risk Based Capital/Risk Weighted Assets*	12.42%
Non-Performing Loans to Total Loans	0.68%
Allowance for Loan Losses to Total Loans	0.54%
Capital Formation Ratio	9.42%

\*(Well-Capitalized 10%/FDIC Regulatory Benchmark)

## Efficiency Ratio Analysis (Post Acquisition)



## Managing Earnings Growth (Post Acquisition)



**Price Per Share (common) of Richwood Bancshares, Inc.**  
**\$61.40 /Fair Market Value**



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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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