



Fiscal 2020 Year in Review

Fiscal year 2020 was an exceptional year for Brentwood Bank. We delivered strong growth while building our five-year strategic plan and our financial performance reflect our efforts.

- The Bank successfully merged Union Building & Loan into the organization adding \$31.4M in assets, an additional location, but most importantly, the employees we gained share our core value of exceptional customer service.
- Net Income of \$4.6M was second highest in Bank History.
- Assets increased 11% to \$734.5M from \$659.9M.
- Loans increased 15% to \$572.0M from \$496.1M.
- Deposits increased 8% to \$563M from \$520M.

For 129-months, the economy enjoyed record expansion. In March, the world was suddenly thrown into uncertainty with the onslaught of the COVID-19 pandemic. Businesses were shuttered. People were ordered to shelter in place. Economic activity and our "business as usual" came to a sudden halt to contain this deadly virus.

And while it has been the best of times, --- **we will not** --- let it be the worst of times because of this economic downturn.

The Bank's asset quality consistently ranks among the highest of its peers. In anticipation of the possible challenges which lie ahead, the Bank prudently increased its provision for loan loss by 30% or \$1.4M. This reserve, along with the Bank's Total Equity Capital of \$89.6M (exceeds all requirements to be considered "well capitalized" under current regulatory standards) should provide our stakeholders confidence as we enter this unprecedented time.

As we look forward, we stand ready to provide our customers with solutions that ease the uncertainty they are facing. Since 1922 Brentwood Bank has operated on the principle that banking is a people business. Over the last two months, we have demonstrated that we are able to adapt how we work with our customers.

- Mobile banking saw a dramatic increase in adoption and usage.
- Drive through lanes were maximized to keep both our customers and employees safe.
- Loan customers who suddenly found themselves furloughed or unemployed were provided an opportunity to defer loan payments up to 90 days with no questions asked.
- Overdraft fees have been waived for those in need.
- Staff improvised by meeting customers in the parking lot to complete transactions.

- Call center and other back office staff were available from home to answer customer questions and concerns.
- A makeshift walk up window was set up at our South Park Shops location using a Ring video doorbell.

As a community bank our institution is built on four core beliefs.

1. Be a great place to bank
2. Be a great place to work
3. Create a positive impact within the communities we serve
4. Remain financially strong so that we will be here for the long term.

Everything we do-- from enhancing our product offerings to promoting employee volunteerism-- is focused on one or more of these beliefs.

As we move into fiscal 2021, we will enable our customers and our community to recover and grow. We will accelerate our advancements in technology offerings to ensure we provide the right financial solutions for the growing number of individuals, families, and businesses that bank with us. We will strive to deepen customer relationships without losing sight of being easy to do business with, however our customer defines it.

At Brentwood Bank, we believe in acting professionally, ethically and being fiscally responsible. We are committed to strengthening the customers and communities we serve. The Bank's success for the past 98 years has been achieved through our employees' commitment to superior service, the dedication and counsel of our Board of Trustees, and our customers for their continued trust in us.

Thank you,

A handwritten signature in cursive script that reads "Thomas Bailey".

Thomas Bailey, President & C.E.O.



SELECT FINANCIAL DATA

STATEMENT OF CONDITION

As of March 31, 2020 & 2019 (Unaudited) (In Thousands)

ASSETS	2020	2019
Cash on Hand & In Banks	34,341	31,582
Securities Available for Sale	102,970	106,912
Securities Held to Maturity	2,363	4,675
Loans	571,972	496,148
FHLB Stock	3,905	3,082
Accrued Interest Receivable	1,879	1,697
Office Property & Equipment, Net	1,652	1,528
Deferred Charges & Other Assets	15,454	14,264
Total Assets	734,536	659,888
LIABILITIES & EQUITY CAPITAL		
Deposits	563,368	520,176
Borrowings	75,364	58,380
Tax Escrowed	3,910	3,515
Other Liabilities	2,306	2,287
Total Liabilities	644,948	584,358
Total Equity Capital	89,588	75,530
Total Liabilities & Equity Capital	734,536	659,888

STATEMENT OF OPERATIONS

For Fiscal Years Ended March 31, 2020, 2019 & 2018 (Unaudited) (In Thousands)

INTEREST INCOME	2020	2019	2018
Loans	24,393	21,307	19,427
Investments	3,590	3,191	2,712
Total Interest Income	27,983	24,498	22,139
Interest Expense	7,728	6,457	4,967
Net Interest Income	20,255	18,041	17,172
Provision for Loss on Loans	1,368	212	373
Net Interest Income After Provision For Loan Loss	18,887	17,829	16,799
OTHER INCOME			
Loan Fees & Other Income	1,743	1,794	1,753
Gain/(loss) on Sale Assets	832	3,599	226
Total Other Income	2,575	5,393	1,979
OPERATING EXPENSES			
Compensation & Employee Benefits	8,323	7,295	6,802
Office Occupancy & Depreciation	1,720	1,577	1,569
Data Processing	1,764	1,443	1,345
Merger Expense	709	253	-
Other Operating Expenses	3,109	2,795	2,768
Total Operating Expenses	15,625	13,363	12,484
Income Before Taxes	5,837	9,859	6,294
Tax Provision	1,149	2,433	2,276
Net Income	4,688	7,426	4,018