



OFB BANCSHARES, INC. 2024 MID-YEAR UPDATE



Dear Shareholder,

We hope this communication finds you well and the first half of 2024 has been successful for you and your family. We are pleased to provide a mid-year update on OFB Bancshares, Inc. The first half 2024 for the company was marked with continued asset growth, fueled by strong deposit gathering in keeping with our strategy to maintain a highly liquid balance sheet position. We surpassed \$1.7 billion in total assets with over \$200 million in deposit growth in the first half of 2024. Net interest income increased 5.0% during the first six months compared to the same period last year, with net income increasing 11.0%. Maintaining a healthy liquidity position in the current rate environment has generated additional interest income and provides fuel for more quality loan growth.

Our financial summary is updated on our website and is based on the June 30, 2024, regulatory call report filing. The summary can be accessed at <https://onefloridabank.com/investors>.

Highlights of our financial results from the first half of 2024 include:

- Asset growth was \$214.2 million, or 13.6%, from year-end 2023. Assets totaled \$1.79 billion as of June 30, 2024.
- Deposit growth was \$207.5 million. We won significant deposit relationships during this period. While rate pressure in the deposit market persisted in the first half of the year as most banks competed fiercely for deposit growth, the pace of the increase in the cost of funds abated. Loan growth was \$39.2 million, or 3.1% from year-end 2023. We continue to adhere to a diversified portfolio allocation and relationship-based client selection as we conservatively expand our loan portfolio. New commercial loan production was \$192 million in the first half of the year.
- Credit quality remained strong with non-performing loans comprising 0.02% of total loans. We continue to perform economic stress tests on our commercial real estate loan portfolio and the metrics remain strong, even in stressed scenarios.
- Net income was \$6.7 million, while pre-tax, pre-provision income was \$9.4 million.
- Loan yields continued to increase as lower yielding loans paid down or off and new production yields rose. Yield on earning assets, which includes cash, securities and loans, rose 69 basis points compared to the first half of 2023.
- Non-interest income was \$1.1 million, an increase of 52.2% over the first half of 2023. This was driven by additional treasury management fees, SBA loan gains, and other fee income.

During the first half of 2024, we implemented several projects as a result of updating our strategic plan. The focus of these projects, some of which are already being realized, are increased non-interest income, operational efficiencies and updating procedures due to growth, talent acquisition, more consistent marketing, and a relationship profitability measurement model. We believe these focused efforts will allow us to continue to increase efficiency and operating leverage. One Florida Bank continues to compete with larger institutions and win relationships with our exceptional white glove service and quick execution. Our culture continues to mature, and every member of our team is focused on the highest quality service to our clients and a sense of urgency to meet every need. As a result of this hard work and company culture, in the Central Florida deposit market, One Florida Bank holds the second highest market share of any community bank operating in Central Florida and the highest market share of any bank headquartered in Central Florida.

As a local community bank, we believe One Florida Bank is positioned to better serve our clients. It seems our clients and team members agree, as we are proud to have recently been recognized with several awards from the Orlando Business Journal, including “Best Places to Work” for the fourth year in a row, the “Fast 50” honoring the fastest growing companies in Central Florida, and the “Golden 100” honoring privately held companies in Central Florida with the highest revenues. We are honored to be supported by the community, our clients, and our shareholders.

We look forward to continued success in the second half of 2024. As always, we appreciate your investment and your support. When we work together, our goals are **ONE!**

Randy Burden
CHAIRMAN & CEO

Rick Pullum
PRESIDENT

