



OFB BANCSHARES, INC.

2021 ANNUAL REPORT



Dear Shareholders:

In 2021, we continued our trend of sustained rapid growth and increased profitability for the company, even as political changes and concerns surrounding the pandemic continued to overshadow the economy. We were successful in achieving significant balance sheet and profitability growth, growing assets by 65.2% and increasing pre-tax, pre-provision earnings by 587%. Total assets as of December 31, 2021 were \$1.372 billion, representing \$541.6 million in growth. Net income was \$7.807 million, while pre-tax, pre-provision net income was \$9.629 million. We are pleased to report that even as asset growth has far exceeded our original expectations, monthly profitability occurred earlier than projected and has exceeded original business plan projections. These positive variances are a result of leveraging our platform faster and more efficiently in 2021. We were able to further leverage investments in our team and infrastructure to generate more revenue with only incremental expense growth, decreasing non-interest expense as a percentage of average assets from 2.86% in 2020 to 2.23% in 2021.

We have solidified our presence in the market as a community-based, high-service financial institution with significant capital and resources that allow us to compete with much larger institutions. This continues to drive robust client acquisition as evidenced by the opening of 3,390 new loan and deposit accounts during the year. Our team of over thirty business development and relationship bankers continues to use long-standing relationships, resources in technology, capital and a common-sense approach to timely credit decisions to attract premier banking relationships in the market. Our delivery of business, personal, digital and mobile banking services within and outside of our banking offices always occurs with a personal touch and with timely responses. Our clients tell us regularly that this simple concept is unique at One Florida Bank, and it is our commitment to maintain this advantage in the market. Simply put, people bank with people and our team continues to prove this tenet every day.

Gross loan growth was \$249 million, or 40.3%. Growth continued to be balanced among owner-occupied and investment real estate and commercial and industrial loans. As our portfolio seasons, we have extensive cash flows within the portfolio each month as loans amortize and pay off due to asset sales in the markets we serve. Our loan growth continues to outpace peers in a highly liquid environment. Our lending team produced over \$500 million in new loans during the year. Our equipment finance division expanded with the hiring of a transportation specialist with contacts across the southeast. Our SBA lending group also expanded to support our non-interest income initiative for the coming years. We are nearing completion of the Paycheck Protection Program forgiveness process with only 57 out of over 400 loans remaining with balances to be forgiven of \$24.4 million. We anticipate this to be completed during the first quarter of 2022.

Earning asset growth was funded with core deposit generation. Deposit growth was \$503.4 million. Non-interest demand deposit growth was \$175.3 million, or 86.4% while maintaining 30% of total deposits throughout the year. Increasing non-interest demand deposits and careful management of interest-bearing deposit rates allowed us to decrease the cost of funds at the bank by 11 bps during the year, even as we grew deposits by 69.7%. Our market executive team works collaboratively with our treasury management and lending teams to originate and service our deposit clients. In addition, we made great strides in our Community Association Program with the onboarding of four property management companies that control hundreds of community associations in Florida. This program provides an additional source of funding that will continue to expand in the coming year. As we expanded our digital and online platform, we created a separate e-banking support team from our existing operations team and added dedicated support for our treasury management clients. Our commitment to maintaining high service combined with the latest in banking technology was enhanced with the addition of our new digital banking platform in January 2021. Other enhancements included Zelle® instant payment capability, online debit card management, a new loan payment portal within our website, Directline International wires, E-sign new account documents, real-time payments for commercial clients and phone-in debit card activation. These initiatives have provided added convenience for our clients.

As a rapidly expanding company, risk management and regulatory compliance are paramount to success. We are proud of our robust compliance, operations and credit administration groups, which support our growth with sound underwriting, operational and accounting controls. In 2021, we crossed over \$1 billion in total assets, requiring compliance with more intense regulatory oversight of internal controls. Our team worked throughout 2021 to build the necessary programs to support these controls and we are ready for this next step in enterprise risk management. Sound underwriting and disciplined credit selection has allowed us to maintain excellent asset quality, with non-performing loans of less than 0.13% of total loans. We had no charged-off loans during the year. We will continue to maintain uncompromising diligence and care in all risk management practices as we continue our growth plans.

LOOKING AHEAD

We will continue to drive our expansion plan in 2022 and beyond with the vision of a strong and stable \$2 billion financial institution concentrated in Central Florida, one of the top banking markets in the country. As we strive toward this vision, improved revenue and only incremental expense additions will drive increased profitability. We believe this will be further enhanced by increasing short term interest rates in the coming year. This will increase interest income on variable rate loans and our extensive liquidity position.

Even as we focus on improving profitability through increasing earning assets and non-interest income, we will also continue to grow. In order to prepare for continued organic growth and other potential opportunities, the company successfully completed a subordinated debt offering through the capital markets with proceeds of \$30 million in the summer of 2021. This inexpensive and currently unallocated capital will provide flexibility and balance sheet strength to support our growth as the market continues to expand.

We will maintain vigilant portfolio management and credit discipline as we navigate the market with record asset valuations and inflationary pressure. Our borrower profile includes high liquidity, deep roots and longevity in the market and performance over credit cycles. Our community based business development efforts have afforded us this unique opportunity. The banking relationships we have established with our shareholders, families and personal referrals have been a major contributor to our growth and profitability. We look forward to continuing this successful model with you. When we work together, our goals are ONE.

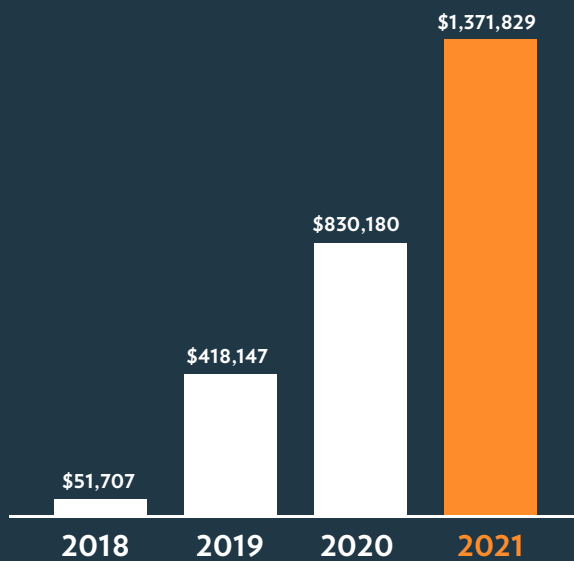
Randy Burden
CHAIRMAN & CEO

Rick Pullum
PRESIDENT

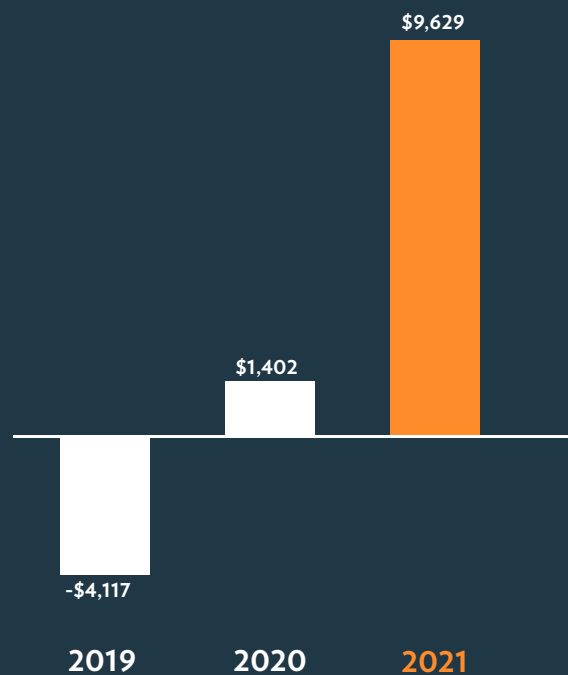


2021 ANNUAL REPORT

TOTAL ASSETS

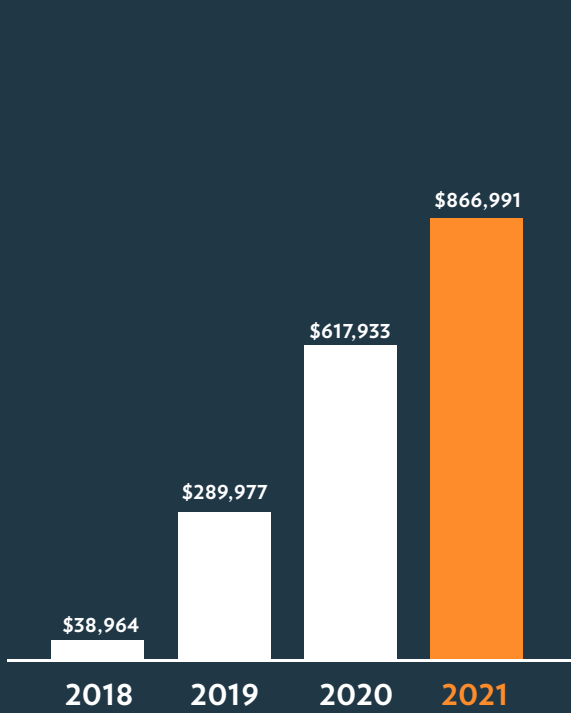


PRE-TAX PRE-PROVISION INCOME

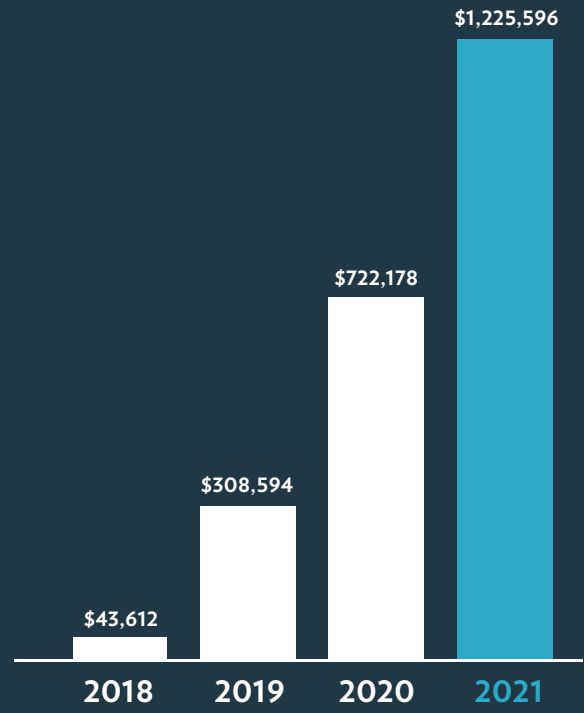


*dollars in thousands

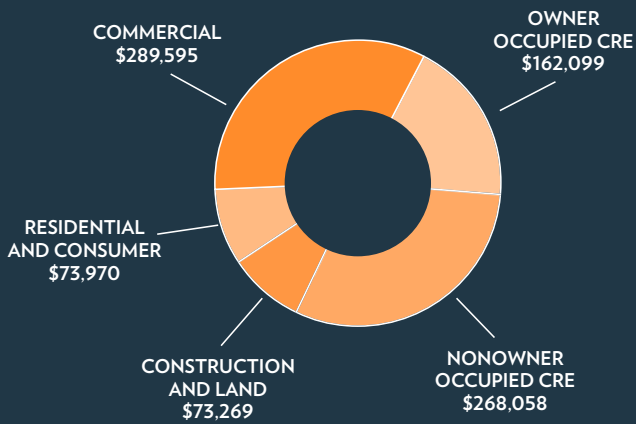
LOANS



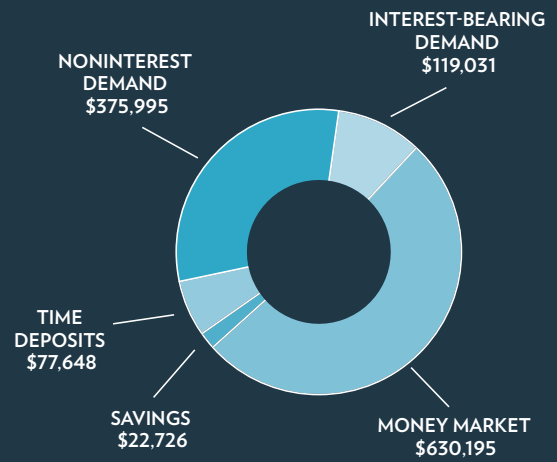
DEPOSITS



DECEMBER 31, 2021



DECEMBER 31, 2021



2021

*dollars in thousands

OUR MISSION

To serve the needs of our clients and communities as a locally owned and managed bank.

OUR CORE VALUES

1 Staying customer focused to provide exceptional value, because strong relationships build understanding, connection, and quality products and services

3 Dedicating our time and resources to building a collaborative, supportive workplace to develop generations of talent for our Florida business community

2 Committing to a thoughtful, disciplined and conservative approach to our credit processes

4 Living each day to the highest codes of ethics and integrity, always remaining fully compliant with all laws and regulations

CAPITALIZING ON REGIONAL GROWTH

FLORIDA RANKS #1 IN TOTAL MIGRATION (2010-2019)

One Florida Bank's strong local network and community-based approach to banking has given us superior positioning to take advantage of market growth. Central Florida remains a key commercial hub in the state, with Florida leading the nation in job growth four years in a row.

■ FL ■ Top 10 by Migration (SE States) ■ Other Top 10 by Migration ■ Reference

Florida had more net migration than rest of Southeast combined



Source:
U.S. Census Bureau
S&P Global Market Intelligence



EXCEPTIONAL LEADERS, EXCEPTIONAL RESULTS

This past year was one of incredible success and growth for the Company. These achievements are a direct result of our exceptional team and leadership. While there are many more we could highlight, these four individuals are stellar examples of our culture and successful service delivery model.



DAVID GRAGG, SVP, MARKET EXECUTIVE

MORE THAN 20 YEARS IN THE WINTER PARK MARKET

One Florida Bank's largest and fastest growing branch

In two years, exceeded \$475 million in total deposits

"In Winter Park we've assembled a team that has been together for years. All of us know our clients, enjoy working with them, and those relationships continue to grow.

We have a dynamic partnership with all of our lenders throughout the bank. Their introductions were a major part of our success, as well as many long-term clients who have moved their entire relationship to us. Since our team delivers exceptional service, many also refer additional business to the bank.

I strongly feel our success starts from the top down: from our board and executives, it trickles down through the rest of the team, giving us the freedom to service our clients to the highest level. We have a great synergy at our bank, and it's conducive to growing our footprint."



CHIP HITT, EVP, EQUIPMENT FINANCE GROUP MANAGER

EQUIPMENT FINANCING

Closed \$115MM in new loans in 8 states

In 2020: hired new staff to specifically service the construction and transportation markets

"Our success is from having a team who responds and knows how to process a deal quickly. Equipment sales are a network of people looking to get their loans closed. It's an instantaneous business: when our clients want it, they want it now."

Our reputation is based on our team and processes that make it easy to get loans completed in a timely fashion. Our staff has been together for a long time, so each knows what needs to be done, and can do it quickly.

For many customers on either the sales or buying side, pricing isn't necessarily the driving factor, it's the ability to get it done in their timeframe. We can bring it together and get it funded within days.

"We can do it!" and that's the biggest difference."



TRIP PARKER, VP, RESIDENTIAL MORTGAGE LOAN OFFICER
RESIDENTIAL MORTGAGE

Closed \$32.5MM in loans

Supported Habitat for Humanity Seminole/Apopka to encourage life-changing home ownership

“I’m most proud of the production we did as a department. As a team with only a few mortgage loan officers, when you look at the total production for the department, we were able to reach these goals with the support of our experienced mortgage operations team. Once the file is transferred to them,

I know it’s in good hands. I’m only as good as the people who support me, and they are absolutely fabulous at what they do.

Our success comes from experience, from the understanding of what each client is seeking and what unique aspects go into their loan. We are driven by delivering exceptional service and building relationships.

I want our borrowers to know that I’m always available, they are taken care of, have my full attention, and understand that every transaction is as important to me as it is to them.”



BILL STANGE, EVP, COMMERCIAL RELATIONSHIP OFFICER
COMMERCIAL LENDING

One Florida Bank’s largest individual loan portfolio

An experienced lender known as a “banker’s banker”

“When it comes to the meaning of relationships, we don’t use it as a talking point, we strive to provide fast reliable responses to customers for their banking and financing needs. You do what you say you’re going to do and give a prompt, honest idea of what clients can expect. That’s how you build relationships.

Our competitive advantage as a locally owned and managed bank is how quickly we can deliver a decision to a client. It’s about the way we streamline our approval process, hire experienced lenders and executives, and how we accommodate the customer. For most of our clients, a quick decision that they can rely on is very important to them.”

“I’ve done a billion and a half in loan financing in my career, but the most important factor in those numbers is how many people I’ve helped in contributing to their success. I still get a kick out of it: to see someone start, grow, and sell a property or a company, especially when they couldn’t get it done elsewhere; it’s heartwarming.

I’m still excited about working with clients. Although I have been in the game a long time, I don’t get tired of making loans and servicing my clients.”

Apopka Branch shows the impact of community-based banking



**“THEY ARE THE ‘CHEERS’ OF BANKING!
WHEN WE GO INTO THE BRANCH, EVERYONE KNOWS
YOUR NAME AND THERE ARE ALWAYS SMILING FACES!”**

Cara Rumplik, Nauti Lobstah



A Community Favorite with New New England Flavor

SBA 7(A) LOANS GIVE NEW LIFE TO A LOCAL DINING INSTITUTION

A new restaurant is serving up some old favorites in Apopka, showing that a great deal can produce delicious returns. In 2021 One Florida Bank completed an acquisition loan for The Catfish Place, an Apopka favorite that opened in 1984, by a trio of new restauranteurs who have introduced the “Nauti Lobstah”, featuring delicious New England fare.



An experienced team of hospitality professionals, Mike and Cara Rumprik and Christine Gonzalez boast decades in hospitality with Chef Mike running kitchens for the last 40 years. Their longtime dream of owning their own space became opportunity during the COVID outbreak.

“We looked at dozens of locations,” says Christine. “It was the first place that all three of us said, ‘Okay, this is it!’”

After that first taste in December 2020, the Apopka branch helped them plan for the acquisition. “They were a new venture, so we went the SBA route to help them as new owners keep money in the business,” says Carolyn Skog, SVP at One Florida. “Once we met them, understood their background, and saw how enthusiastic and excited they were, we were ready to help.”

IT WASN'T JUST A TRANSACTION... AND THAT'S VERY RARE.”

“It meant a lot that they wanted to meet us,” Cara says. “It wasn’t just a transaction. They care about this restaurant and this community, and that’s very rare.”

After a transition period working daily with the previous founder, Bob Johnson, the Nauti Lobstah team took over in September 2021. They’re respecting the Catfish Place traditions with a holdover menu of local favorites and a whole new menu of Nauti Lobstah expressions created by Chef Mike.

The community has embraced the change in ownership. During the pandemic, the original and new owners kept everyone employed through the transition, all while completing renovations, adding more takeout service, and ultimately planning for the relaunch.

They have visions for other ways to grow within the Apopka community, but for now they’re welcoming one and all to experience either menu: whether it’s old hush puppy favorites or a New England “lobstah” roll.

“More than anything, we appreciate the great relationship with One Florida Bank,” Cara says. “They are the ‘Cheers’ of banking! When we go into the branch, everyone knows your name and there are always smiling faces!”



A Team Effort

IMPACT OF ONE FLORIDA BANK'S TEAM FELT ACROSS THE COMMUNITY

The past year was a successful year for the Company financially, but also in the recognition and impressions made throughout the communities we serve. Below are a few of the accolades and achievements of our team in 2021.

One Florida Bank

#1 ranking
(Large companies 100-249 employees)
ORLANDO BUSINESS JOURNAL



2021 BEST PLACES TO WORK

Best Places to Work

One Florida Bank was named the #1 Best Place to Work in the Large Company category by the Orlando Business Journal. This award reflects our strong culture, collaborative environment, and our exceptional team.



CEO of the Year

Rick Pullum was recognized as one of the 2021 Orlando Business Journal's CEOs of the Year. He was one of twenty individuals recognized for their leadership and contributions in the Central Florida community.



Community Giving

One Florida Bank once again partnered with the Orange & Seminole Foster Children Association's "Angel Tree" program to provide holiday gifts to local foster children. Team members, clients and community partners came together at each of our branches to donate toys for over 150 foster children in our community.



Habitat for Humanity

The One Florida Bank team continued their support of Habitat for Humanity of Seminole/Apopka, including participating in the Build Day and contributing \$10,000 toward an ADA compliant home, and supporting the dedication of the organization's 200th home. Our bank was also recognized as a Women Build 2021 Golden Hammer Sponsor for our financial and volunteer contributions to the program.

Exceptional Adoption of New Online and Mobile Banking Suite

CLIENTS EMBRACED NEW TECHNOLOGY FOR BETTER PERSONAL SECURITY AND INCREASED CONVENIENCE

In January 2021, One Florida Bank launched an all-new suite of digital banking tools for our clients. The new platform offers a seamless experience between environments and a variety of new tools for safe, efficient access to account details, transactions, and funds management.

2,400

NEW
TRANSACTIONAL
ACCOUNTS

31%

OF DEPOSIT ACCOUNTS
ARE NON-INTEREST
BEARING

QUICK ADOPTION

60%

INCREASE IN OVERALL USERS

ONLINE WIRES

124%

INCREASE

DIRECT DEPOSIT

74%

INCREASE IN ACH ORIGINATION

ONLINE DEPOSITS

92%

INCREASE IN REMOTE DEPOSIT CAPTURE

49%

OF COMPANIES
NOW UTILIZING IT

67%

INCREASE IN ACCOUNTS
UTILIZING THE SERVICE



BOARD OF DIRECTORS

Randy O. Burden, Chairman
John O. Burden, Vice Chairman
A. David Bates
James P. Caruso
Steven R. Castino
Douglas Hooker
Edward J. Kleiman
G. Geoffrey Longstaff
Brian B. Musso
Sal A. (Joe) Nunziata
Samuel D. Oswald
Jack G. Prevost
Frederick G. Pullum
Kim Davis Wilson

EXECUTIVE TEAM

Randy O. Burden, Chief Executive Officer
Frederick G. Pullum, President
Eric S. Nadeau, Chief Financial Officer
Richard A. Anderson, Jr., Chief Commercial Banking Officer
Cary L. Berman, Chief Retail Banking Officer
Matthew A. Diemer, Commercial Banking Director
Pamela L. Gass, Director of Human Resources
Susan A. Rich, Chief Compliance Officer
Renee S. Smith, Director of Credit Administration
Joanne M. Stange, Director of Treasury and Deposit Services
William M. Stange, Commercial Relationship Officer
Alan F. Twichell, Jr., Chief Credit Officer

Corporate Office

33 W. Pineloch Avenue, Suite A
Orlando, FL 32806
407.693.0593

Apopka Branch

21 E. Third Street
Apopka, Florida 32703
407.693.0610

ChIPLEY Branch

1385 Main Street
ChIPLEY, Florida 32428
850.415.6870

Downtown South – Orlando Main Office

1601 South Orange Ave.
Orlando, Florida 32806
407.693.0601

Toll Free Customer Support

844.529.8490

Longwood Branch

1145 W. State Road 434
Longwood, FL 32750
407.693.0665

Winter Park Branch

531 West Morse Blvd, Suite 100
Winter Park, Florida 32789
407.693.0621





CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Unaudited)
As of and for the years ended December 31, 2021 and 2020

Dollars in thousands

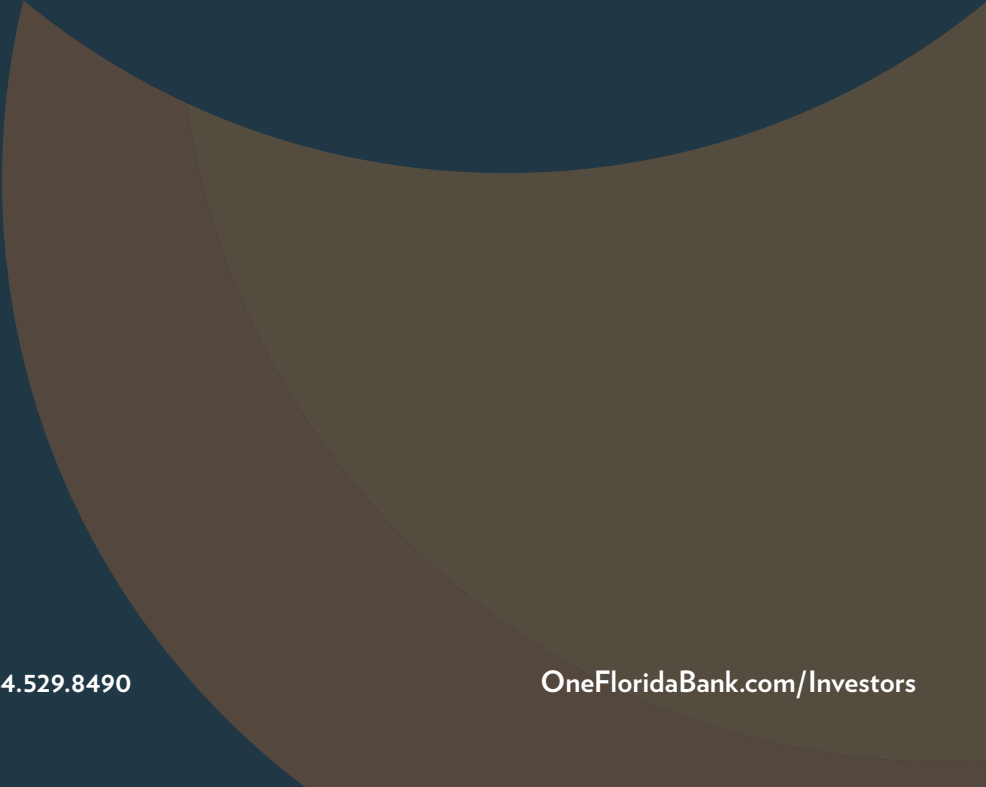
	2021	2020
Consolidated Balance Sheets		
Cash and amounts due from financial institutions	\$ 405,932	\$ 182,214
Securities	89,061	16,424
Loans held for sale	-	3,125
Loans, net of fees	866,991	617,933
Allowance for loan losses	(8,524)	(5,416)
Other assets	18,369	15,900
Total assets	\$ 1,371,829	\$ 830,180
Deposits:		
Noninterest-bearing	\$ 375,995	\$ 200,737
Interest-bearing	849,601	521,441
Total deposits	1,225,596	722,178
FHLB advances and other borrowings	30,954	1,750
Other liabilities	4,143	2,259
Total liabilities	1,260,693	726,187
Total shareholders' equity	111,136	103,993
Total liabilities and equity	\$ 1,371,829	\$ 830,180
Consolidated Statements of Operations		
Interest income	\$ 34,213	\$ 21,462
Interest expense	3,071	3,158
Net interest income	31,142	18,304
Provision for loan losses	3,106	2,512
Noninterest income	1,982	1,518
Noninterest expense	23,495	18,420
Income (loss) before income taxes	6,523	(1,110)
Income tax benefit	(1,284)	-
Net income (loss)	\$ 7,807	\$ (1,110)
Pre-tax, pre-provision net income (loss)	\$ 9,629	\$ 1,402



ONE FLORIDA BANK



OFB INSURANCE, INC.



Member
FDIC

Toll Free Customer Support 844.529.8490

[OneFloridaBank.com/Investors](https://www.OneFloridaBank.com/Investors)