



# OFB BANCSHARES, INC. 2022 MID-YEAR UPDATE



Dear Shareholders,

We hope this communication finds you well and the first half of 2022 has been successful for you and your family. We are pleased to provide a mid-year update on OFB Bancshares, Inc. The company has continued to grow our balance sheet, albeit at a lower rate than in previous years given our focus on generating returns from the exponential growth experienced over the past three and a half years. We surpassed \$1.4 billion in total assets and continue to maintain our position as the largest independent community bank headquartered in Central Florida. Execution and leveraging our previous investments in talent and infrastructure have been the primary themes in the first half of the year. Our focus has been to generate higher levels of profitability through this effort as our infrastructure build-out became substantially complete.

Our financial summary is updated on our website based on the June 30, 2022, regulatory call report filing. The summary can be accessed at [www.onefloridabank.com/investors](http://www.onefloridabank.com/investors).

Highlights of our financial results from the first half of 2022 include:

- Asset growth of \$41 million, or 3% growth from year-end 2021. Total assets ended at \$1.413 billion.
- Deposit growth was \$42.7 million. As many clients paid large tax obligations from excess liquidity in Q2, costing deposits decreased \$17.9 million in the first half while new client generation from our branch and treasury management sales efforts increased non-costing demand deposits \$60.5 million, or 17.4%. As always, non-interest-bearing deposit growth remains our primary focus.
- Loan growth was \$48.7 million, or 5.6% from year-end 2021. Our approach remains disciplined in relationship-based credit selection and leveraging our banking team, which continues to bring quality lending opportunities to the bank. Of note, new commercial loan production was \$255.0 million in the first half of the year. Our portfolio is seasoning and is proving to be quite liquid with over \$221.4 million paying down in the same period.
- Net income was \$5.02 million, while pre-tax, pre-provision income was \$7.48 million. This represents an increase of \$2.53 million over the same period in 2021. As net loan growth stabilizes, normal provision expense has decreased and was \$831,000 less than in the same period in 2021. No losses have been incurred to date on loans originated after our change-in-control in 2019 and credit quality remains stellar with non-performing assets at only 0.07% of total assets.
- Loan yields and earning asset yields have increased due to improved loan pricing, increased rates on existing variable rate loans, and increased returns on cash balances held at the Federal Reserve. This has increased our net interest margin and budgeted profitability for the remainder of the year.
- Non-interest income was \$1.12 million, which includes increased service charges associated with our treasury management products, continued SBA fee income and higher debit card use among our growing client base.
- Return on average equity (ROAE) for the second quarter was 10.54%, while return on average assets (ROAA) was 0.83%. For the month of June, ROAE grew to 12.2% while ROAA grew to 1.00%.

As we reflect on the first half of 2022 and look forward to continued success, our commitment to local decisions driven by entrepreneurial bankers with high-touch service, credit sophistication and quality technology will continue to drive profitable growth. Being the largest community bank in Central Florida with a proven ability to attract talent and a reputation for an entrepreneurial and community-based approach is allowing us to capitalize on an excellent market for business in Florida.

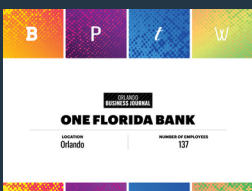
We continue to drive our primary value propositions to the market, and they continue to be well received:

- Speed of execution
- Certainty to close
- Best-in-class relationship service
- Community bank service with big bank capacity

For the third year in a row, we won a “Best Places to Work” award based on confidential surveys of our employees. While our strategy has been successful, our culture and ability to attract the best available talent in the market is driving that strategy. We build our business around the best people with the right relationships who will value our service and technology. We are nimble when those key people become available. In fact, we recently hired two highly successful and reputable bankers with key relationships in the Seminole County market and are working toward an additional banking office in northeast Seminole County. We look forward to sharing those details soon!

As we continue our progress in the second half of the year, clearly interest rates, inflation and recessionary economic conditions are at the forefront of our business decisions. Whether heightened monitoring of our credit portfolio, or careful management of interest rates, we are well prepared and focused on managing these issues every day. As the FOMC has rapidly increased overnight borrowing rates, we have quickly adjusted our loan and deposit rate offerings. Although our cost of funds has risen, and may continue to rise based on current information, we believe the asset sensitive nature of our balance sheet and liability structure will allow us to react quickly to balance returns to both our depositors and our shareholders.

The third quarter is off to a successful start, with continued increased profitability trends and a significant pipeline of new business. As always, we thank you for your investment and your support. When we work together, our goals are **ONE!**



Randy Burden  
CHAIRMAN & CEO

Rick Pullum  
PRESIDENT



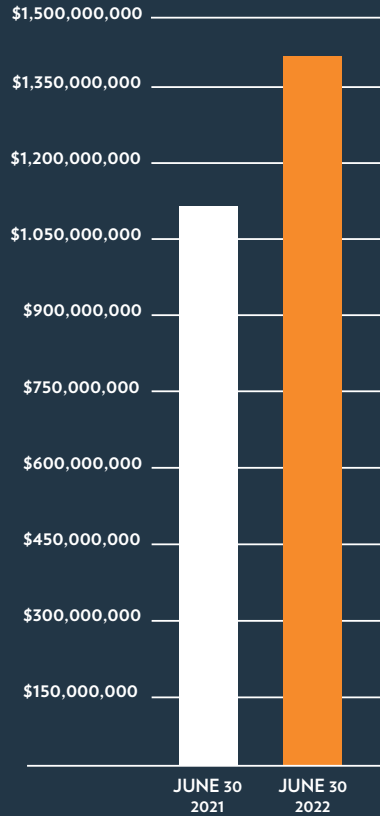
## ASSETS

**JUNE 30, 2021**

**\$1.09 BILLION**

**JUNE 30, 2022**

**\$1.41 BILLION**



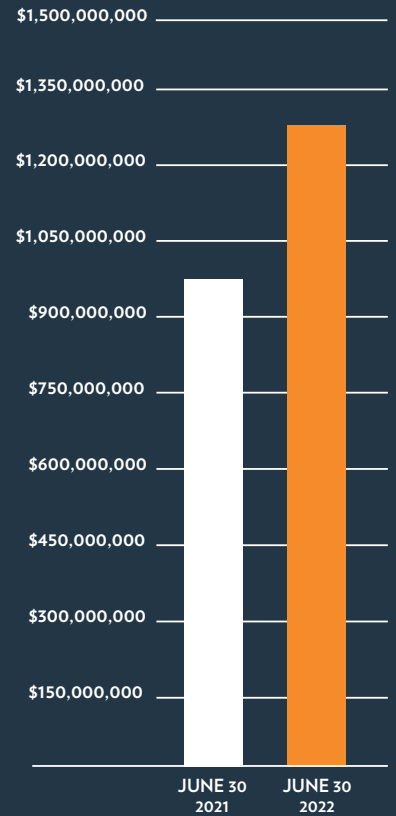
## DEPOSITS

**JUNE 30, 2021**

**\$980.32 MILLION**

**JUNE 30, 2022**

**\$1.27 BILLION**



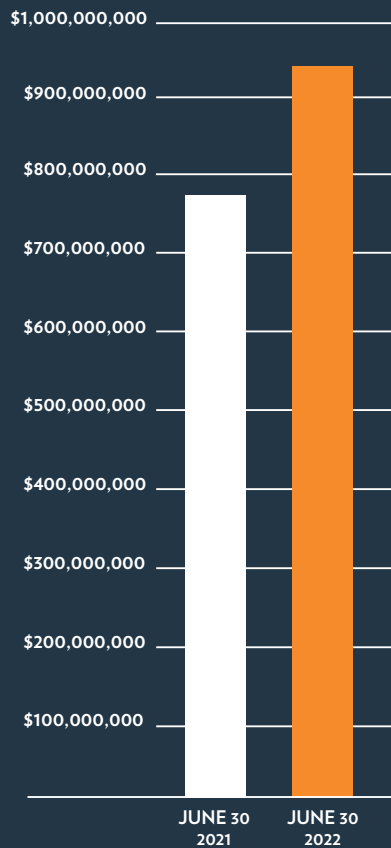
## LOANS

**JUNE 30, 2021**

**\$749.02 MILLION**

**JUNE 30, 2022**

**\$915.72 MILLION**



## NET INCOME

**JUNE 30, 2022**

**\$5.02 MILLION**

