

ONE FLORIDA BANK

2020 MIDYEAR

Shareholder Update





We hope this One Florida Bank mid-year shareholder update finds you and your family safe and prosperous. While the start of 2020 was full of uncertainty and unexpected market dynamics, we accomplished much in building the foundation of what is now the largest community bank based in Orlando. We are pleased to report that our plan to leverage investments in talent, technology and our operating platform this year is well underway. We believe the balance sheet growth trends year-to-date show continued progress toward building value from these investments. Our operating and technology platform is built and a complete team capable of managing a much larger institution is in place.

We began the year by expanding our commercial group; hiring a highly productive and experienced lending team to accelerate loan and deposit growth over the coming years. This team was attracted by the same founding principle that we believe is the key to our success: the ability to deliver products and services found in larger institutions, but with an approach of local decision making in a community focused organization. This approach is attracting new customers to One Florida Bank every day.

Our commitment to build a multi-channel service provider system for our customers has been fulfilled by:

- Opening two additional branches; one in Winter Park and one in Longwood, bringing our branch network to five full-service locations with ATM's
- Completing the finishing touches on our treasury management, e-banking and mobile banking offerings for commercial customers including a new mobile application
- Successfully launching Treasury One Pro (TOP) with feedback from customers that the product is superior to those of even some of the largest financial institutions
- Revamping our website to allow for integration of these delivery channels and to provide a more modern experience to our online users
- Introducing our Community Association Program (CAP), which provides integrated banking and accounting platforms for Florida's robust association management industry
- Integrating full service residential mortgage, equipment finance and SBA solutions for our customers

These enhancements have been a major contributor to the growth in non-interest-bearing deposits, which have grown \$121 million or 237% so far in 2020.

While the events surrounding the COVID-19 pandemic have created multiple challenges for our nation, and our market, we have remained vigilant in the monitoring and conservative

growth of our credit portfolio. We are pleased that our focus on strong credit metrics with primarily well-known customers has allowed us to continue to see excellent asset quality. As the pandemic disrupted credit markets and many institutions are reporting declining asset quality and excessive loan modifications, we have experienced minimal past due loans each month this year and lower loan modification percentages than peer banks. Our non-performing loan ratio has remained 0.15% this year and is comprised solely of minimal legacy loans acquired from One South Bank. We have granted short term modifications on only 6.3% of non-PPP loans in our portfolio.

We participated in the SBA Paycheck Protection Program (PPP) and were humbled to be able to help many of our existing customers, and to attract new customers by providing these loans. We found that customers who had previously been content to stay with their incumbent larger regional bank were attracted to a more personal approach in an uncertain time. With a well planned and executed process by our credit and SBA teams, we completed 400 loans totaling approximately \$95 million. Total loan growth for the first half of 2020 was \$194 million, or 67%. Loan growth outside of the PPP program was \$100 million, or 34%. We will continue to serve the credit needs of our markets in a conservative, personal and balanced lending approach that is carried out with deep roots in the market and knowledge of the communities we serve.

While our 2020 business plan contemplated an operating loss of \$2.4 million through June 30, 2020 as we continued to invest for future growth, our actual operating loss was \$1.7 million. Of this loss, approximately \$1 million was attributed to provision expense (non-cash) due to the continued

need to build an adequate allowance for loan losses as we experience planned high loan growth. As short-term interest rates declined rapidly in the first half of 2020, we quickly and proactively lowered our cost of funds from 1.58% to 0.53% as of June 30, 2020, with a continued effort to reduce further throughout the remainder of 2020. This was accomplished both with lowering of rates on existing costing deposits, as well as leveraging our investments in technology and people to significantly grow non-interest-bearing deposits. The funding mix became much more favorable with non-interest-bearing deposits growing from 16.5% of total deposits as of December 31, 2019, to 30% of total deposits as of June 30, 2020.

In April 2020, with the approval of shareholders, we formed OFB Bancshares, Inc., a financial holding company, and exchanged all shares of One Florida Bank into equal shares of OFB Bancshares, Inc. This corporate structure will afford us the opportunity to create additional shareholder value through other potential strategic businesses as opportunities arise. As we look forward to the remainder of 2020, we will continue to grow the business with our sight set on scaling the foundation we have built with your support. We appreciate the trust of our shareholders, our community and our customers. When we work together our goals are ONE.

Randy Burden
CHAIRMAN & CEO

Rick Pullum
PRESIDENT



FLORIDA'S BEST COMPANIES TO WORK FOR
"One Florida Bank was featured by Florida Trend as one of the Top 100 Best Companies to Work For in 2020 – ranking #6 in Midsized companies!"

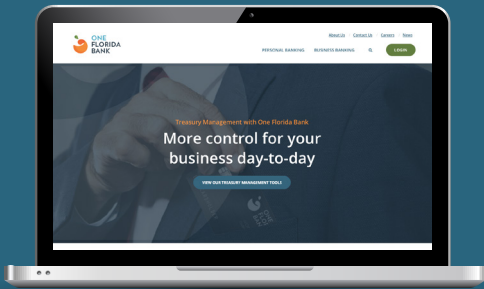
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Our plan to leverage investments in talent, technology and our operating platform this year is well underway.

New website, advanced tools

We recently launched our new website to better communicate with our clients. Here we have fully integrated our treasury management, bill pay and mobile banking offerings for added convenience and accessibility.

Visit us online at onefloridabank.com



WE'RE OPENING DOORS.

NEW HOME. NEW BRANCHES.

We secured the new home for our corporate office, opening in the SoDo neighborhood of downtown Orlando in August 2020.



CORPORATE OFFICE

33 West Pineloch Avenue,
Suite A
Orlando, FL 32806

MAKING WINTER PARK AND LONGWOOD HOME

Our brand promise is that a locally owned and managed bank better serves the needs of our clients. This year we made additional strategic moves to ensure those needs would be better served for years to come.

We opened new branches in Winter Park and Longwood, broadening the reach of our banking team and making relationship-based banking more convenient for our clients.



WINTER PARK

531 West Morse Blvd, Suite 100
Orlando, Florida 32789



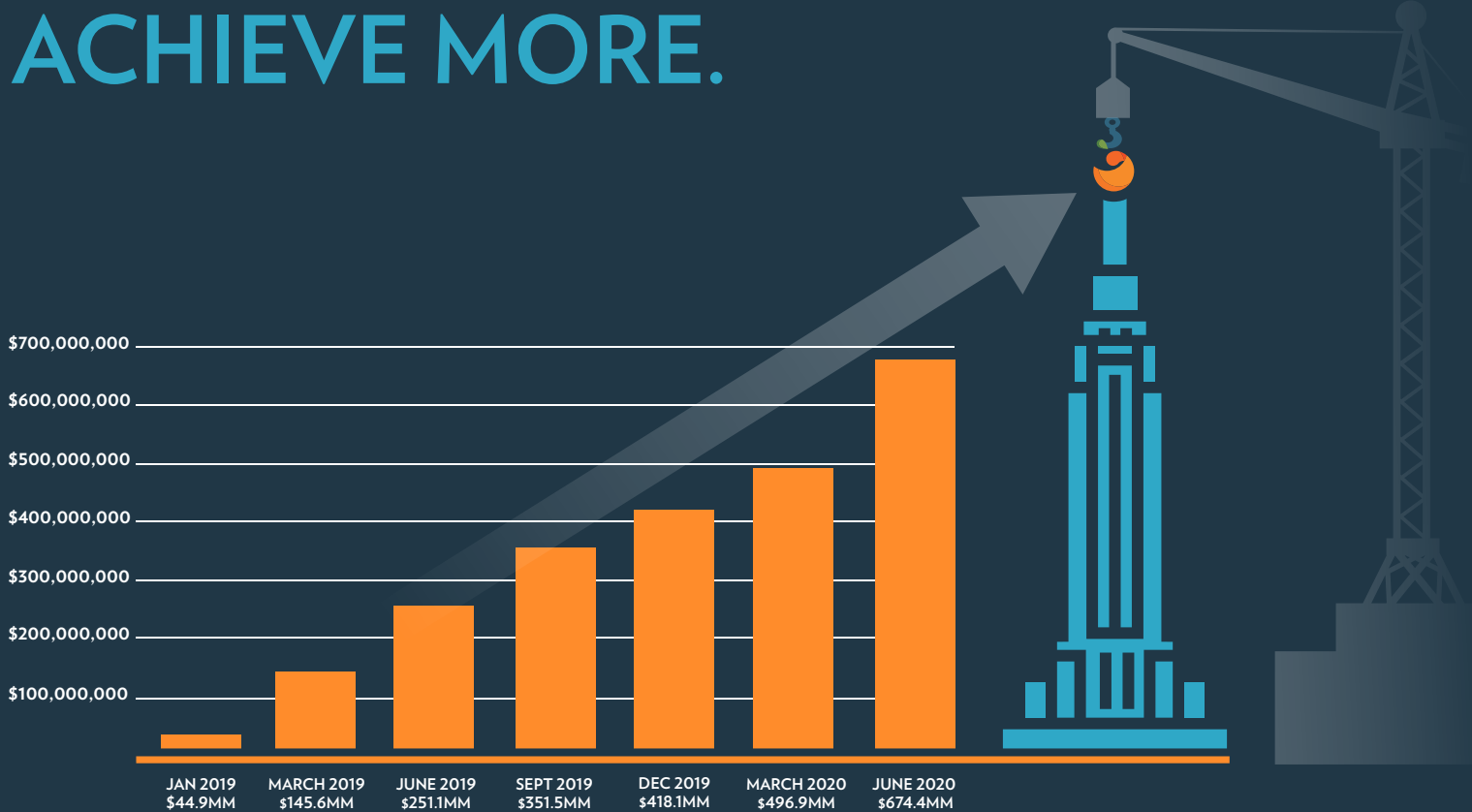
LONGWOOD

1145 W. State Road 434
Longwood, FL 32750

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Every branch grew deposits exponentially, exceeding all business plan goals, including record-breaking numbers of new accounts.

SIX QUARTERS OF ASSET GROWTH. BUILT TO ACHIEVE MORE.



For the last six quarters we have enjoyed incredible growth, but our biggest accomplishment is positioning for the future.

We have strategically built our infrastructure for success in 2020, growing our team with key staff additions, investing in tools, resources and technology, and establishing new branches in advantageous locations. Now we are not only ready to build on our past successes but leverage these structural moves to fully realize our team's capacity and our vision for our bank.

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With our operating and technology platform fully built and a complete team of executives, sales, credit and support professionals capable of managing a much larger institution, we are excited to be able to focus on utilizing these investments to bring the company to its full capacity.

2020 MIDYEAR REPORT

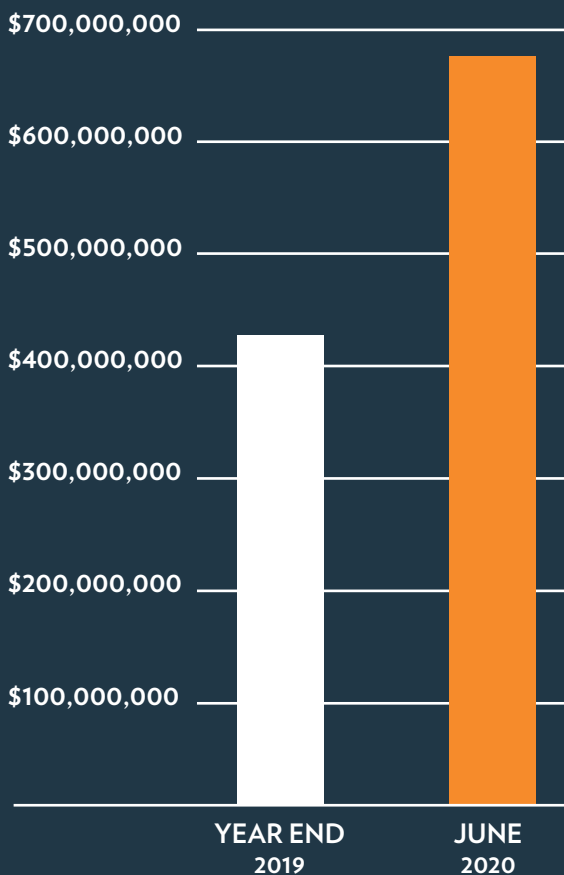
ASSETS

YEAR END
2019

\$418.1MM

JUNE 30,
2020

\$674.4MM



2020

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We found that customers who had previously been content to stay with their incumbent larger regional bank were attracted to a more personal approach in an uncertain time.

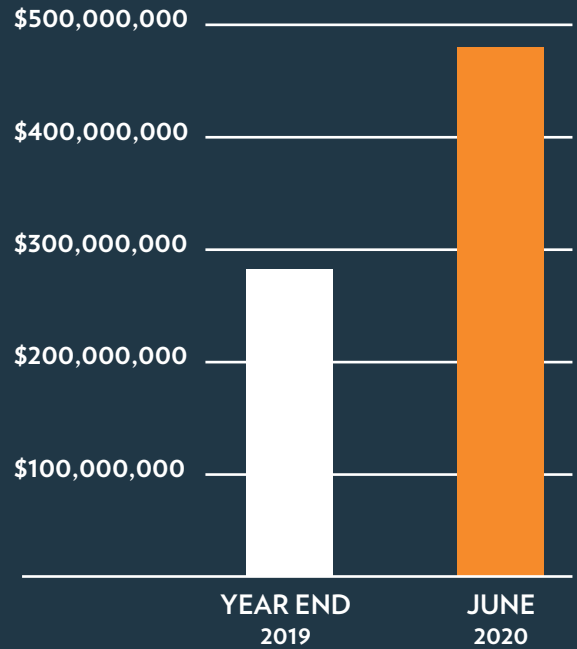
LOANS

YEAR END
2019

\$287.6MM

JUNE 30,
2020

\$483.6MM



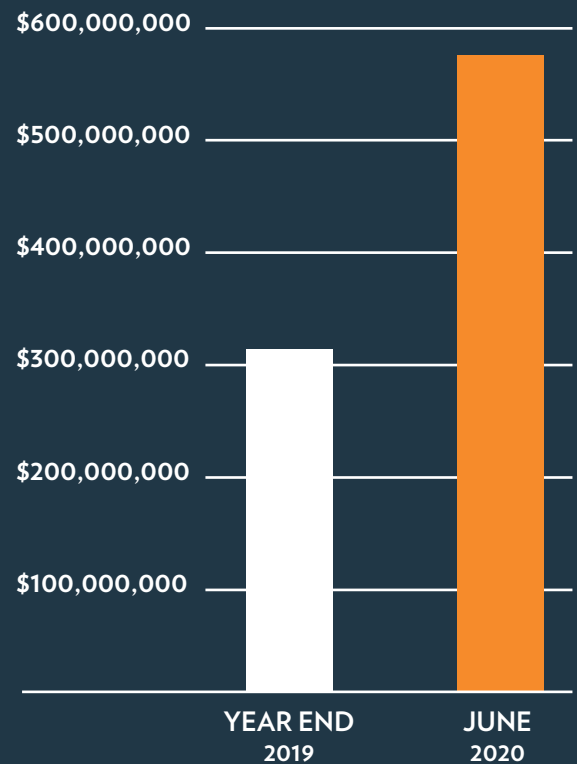
DEPOSITS

YEAR END
2019

\$308.6MM

JUNE 30,
2020

\$567.9MM



NEWSWORTHY: ONE FLORIDA BANK FEATURED BY ORLANDO BUSINESS JOURNAL FOR PPP LOANS

As our community reacted to COVID-19 concerns, we brought on new customers and strengthened relationships with existing clients by offering a more effective, personal approach. Our credit and SBA teams completed 400 loans totaling approximately \$95 million.



One Florida Bank Locations:

Corporate Office

33 W. Pineloch Avenue, Suite A
Orlando, FL 32806
844.529.8490

Downtown South – Orlando Branch

1601 South Orange Ave.
Orlando, Florida 32806
407.693.0601

Apopka Branch

21 E. Third Street
Apopka, Florida 32703
407.693.0610

Longwood Branch

1145 W. State Road 434
Longwood, FL 32750
407.693.0665

Chipley Branch

1385 Main Street
Chipley, Florida 32428
850.415.6870

Winter Park Branch

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

