

# ANNUAL REPORT





As we look back at 2019, we are encouraged by our progress and excited to continue our growth into 2020. We began the year by closing on our acquisition of One South Bank on January 18, 2019, and establishing our headquarters in Central Florida. Starting with one branch and \$45 million in total assets, we ended 2019 with more than \$419 million in total assets and three branches that each average more than \$100 million in assets. With the support of our shareholders, clients, and team, we exceeded our budgeted growth by more than \$98 million.

Before launching One Florida Bank, we believed there was a void in the Central Florida market for a true community-focused bank — one built on local decision making, a local team, and the philosophy of growing our community to grow our bank. Now, with our growth and the support the community has shown One Florida over the past 11 months, this idea is being affirmed every day as we expand customer relationships.

We owe much our growth to our impressive group of shareholders and bankers. The growth of our loans and deposits is a direct result of our collective ability to attract and retain strong talent. Over the course of 2019 we were successful in building a substantial team of seasoned banking professionals who share in the vision to provide the utmost in high-touch local customer service with technology, products and services that compete directly with larger institutions.

We commenced our stock offering in January 2019 with a goal of raising \$50 million. We exceeded that capital projection, closing our raise in September 2019 with \$105 million. Due to the required growth brought on by the increased capital, we accelerated our technology strategy, upgraded our systems, and accelerated the growth of our branch network. Our successful capital raise and the ability to handle the demand for larger relationships has resulted in the opportunity to bring on an additional team of experienced, respected commercial bankers which will accelerate our growth in the coming year. The addition of this talent will enhance our drive toward a \$1 billion plus financial institution.

Our large capital base also afforded multiple acquisition and expansion opportunities in our first year of operations. Our executive team was very selective in which opportunities to pursue. After careful consideration our executive team has remained focused on our strategic plan, our core business of expanding relationships in the markets we know best while we continue to seek and explore all opportunities. We believe investment in talent is the key to our successful growth and provides the highest returns with the lowest risk. In short, we believe people bank with people.

With the right team in place, we made a commitment to build a multi-channel service provider system for our customers. We have invested resources into market-leading products in treasury management, e-banking, and mobile banking. Our team worked with our core provider to identify the right products and launch them in an effective, efficient manner. After its launch in the fourth quarter of 2019, our treasury management suite of products is realizing immediate gains and our customers are very excited and impressed with the functionality and ease of use. Call us to demo Treasury One Pro. You'll love it.

Understanding the credit cycle and where the loan market is today, we focused our lending efforts on legacy customers with proven track records. We were able to quickly earn the business of our long-term commercial real estate ("CRE") clients to create a strong, seasoned CRE portfolio with strong returns and conservative credit metrics. Our commercial and industrial ("C&I") portfolio has seen tremendous growth as well, ending 2019 at \$85 million. With the required treasury management products now in place, our traditional focus on building core C&I credit and deposit relationships can be fully leveraged.

In addition to the creation of a robust treasury management and e-banking platform, our team restructured our entire commercial, retail, and mortgage product suites to meet the needs of our community and market. Our mortgage offerings now include construction loans and a secondary market outlet. We added Small Business Association ("SBA") and equipment finance products to our offering, both of which are seeing strong growth. Even with a delayed mid-year launch, our equipment finance team still met their 12-month goal of building a \$50 million seasoned portfolio by year end, 2019.

One of our founding principles is a strong compliance culture. Regulatory compliance is a required core competency in our industry. Over 2019, we expanded and hardened our compliance processes and procedures, resulting in the ability to continue to comply with regulatory and audit requirements during our projected growth.

The continued growth of our bank is reliant upon our entire team and all our community stakeholders having a business development mindset. We are proud to report that 42% of our shareholders are now banking with One Florida, and we hope to see that number grow throughout 2020.

While our business plan contemplated a first-year operating loss of \$5.7 million, our team managed to reduce that loss to \$5.4 million while also investing in branch expansion, staff, technology and an additional lending team. Because of our high loan growth and the need to build an adequate allowance for loan losses, our provision expense (non-cash) was in excess of \$2.5 million. Also, one-time expenses of approximately \$1 million were incurred during 2019, comprised mostly of talent acquisition expenses associated with our opportunistic strategy.

## LOOKING AHEAD

In 2020 we are leveraging our investments in talent, technology, and our operational platform to continue a strong growth rate. With the opening of two new branches in Longwood and Winter Park and a focus on treasury management, we will focus our team on growing our core deposits while continuing to originate quality loans and increase non interest income.

While conventional wisdom during the creation of our business plan contemplated a rising interest rate environment, we have actually experienced a falling interest rate environment. We anticipate we will continue to face challenges with our net interest margin as a result; however, we are focused on maintaining pricing discipline and seeking non-interest income opportunities every day. With a strong credit culture and increasing non-interest-bearing deposits, we are poised to meet this challenge head on.

We believe One Florida Bank is quickly becoming the premiere bank in the Central Florida market. We are grateful to our shareholders and the community for all the support in 2019. We look forward to creating shareholder value in 2020 and beyond.

**Randy Burden**  
CHAIRMAN & CEO

**Rick Pullum**  
PRESIDENT

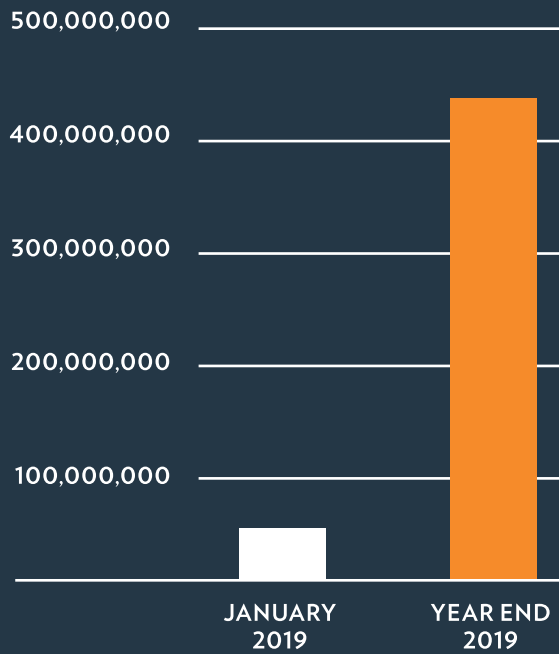
# ASSETS

JAN  
2019

\$44.9MM

YEAR  
END  
2019

\$419.2MM



CAPITAL RAISE \$105MM

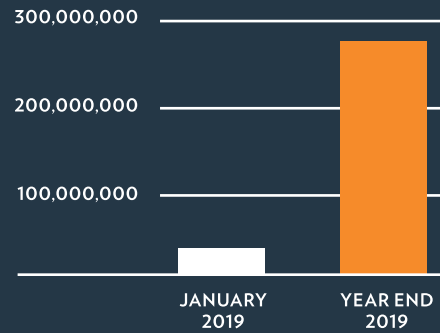
## LOANS

JAN  
2019

\$38.0MM

YEAR  
END  
2019

\$287.6MM



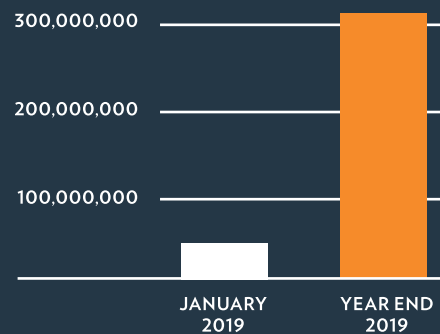
## DEPOSITS

JAN  
2019

\$37.1MM

YEAR  
END  
2019

\$308.6MM





## 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

2

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

3

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

4

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



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“What I like about community banks is we take tremendous pride in the success of our customers,” she says. “If I can help a customer be more efficient, and they ultimately grow or sell their business, I take pride in that.”



## TEAM MEMBER FEATURE



# Joanne Stange

DIRECTOR OF DEPOSIT AND TREASURY SERVICES

### *More Control for Local Businesses*

**For Joanne Stange, Treasury Management means high touch, time savings**

For four decades, Joanne Stange has helped local businesses through community banking. “What I like about community banks is we take tremendous pride in the success of our customers,” she says. “If I can help a customer be more efficient, and they ultimately grow or sell their business, I take pride in that.”

One of the ways Joanne and her team help clients is by giving them more time and control over their businesses. “Remote deposit capture is a big time saver, especially now with mobile,” she says. “Anytime we can help a client sit at their desktop and handle everything, that’s a huge difference.”

The immediacy and accessibility of ACH origination and e-payments has been a great benefit for local businesses, she says. “There are so many great tools to allow or deny certain transactions into an account,” she says. “And clients are more accepting of it. Especially commercial use of the mobile app!”

To learn more about One Florida Bank’s suite of treasury management and fraud protection tools, including our mobile app, contact Joanne and her dedicated team of treasury management professionals.

### 2019 BROUGHT TREASURY MANAGEMENT

This year One Florida launched dedicated treasury management services to give our clients more control over their companies’ day-to-day finances. With exceptional tools like remote deposit capture, fraud protection and effective monitoring tools, businesses can better optimize their business to achieve their goals.

## TEAM MEMBER FEATURE



# Matt Diemer

EXECUTIVE VICE PRESIDENT  
COMMERCIAL BANKING DIRECTOR

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One Florida gives my team the opportunity to serve our clients efficiently and provide them with an outstanding experience. It's a strong pro-business model.

*“We're excited to be here.”*

### **Culture, products and opportunity help grow our team**

Matt Diemer and his team have found a new home at One Florida Bank. After 21 years of experience in the Central Florida community and eight years at another regional bank, Matt and his tight-knit group of 8 relationship managers and 3 lending assistants were looking for a different approach to client relationships.

“We had great success together,” he said. “But it came to a point where we grew so big that we weren't able to spend the appropriate time with clients to take that deep dive and fully understand their needs,” he says.

One Florida's approach to customer relationships is a great fit for our team, Matt says. “One Florida gives my team the opportunity to serve our clients efficiently and provide them with an outstanding experience. It's a strong pro-business model,” he says. “We're excited about the people, products and services, the simplified process, and the alignment from a culture standpoint.

That culture and the grassroots, local community bank feel are some of the benefits Matt is most excited to bring to his clients. “My team is extremely excited to be here, and we look forward to connecting with everyone in the Central Florida market as part of the One Florida Bank family.”

## TEAM MEMBER FEATURE



# Rick Anderson

EXECUTIVE VICE PRESIDENT  
CHIEF COMMERCIAL BANKING OFFICER

*“You’re a priority here.”*

**EVP Rick Anderson says local decisions, timely service lets you do what you do best.**

“Our goal is to support our clients and make their lives easier,” says One Florida Chief Commercial Banking Officer, Rick Anderson. “And,” he adds, “we’ve got the team to do it.”

The One Florida team, he says, are all on the same page to make clients a top priority. “The group we brought are top performers,” he says. “We’ve dedicated ourselves to serving clients in a timely manner and letting them do what they do best.”

With dedicated local bankers and a credit team that understands business, One Florida is committed to quick response times and local decision making. “When you have a good relationship with a client, you know who they are and you know their business,” Rick says. “We’re able to execute quickly and that’s why we’re successful.”

One Florida believes each banking relationship should thrive, client-to-banker, one-on-one. “People bank with people, they don’t bank with banks,” Rick says. “The response in the market has been supportive.”

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“We’re very excited to get back to Winter Park,” David says. “We have clients who we know are waiting for us to get back. It’s great to have those relationships and have them banking with us on a daily basis.”

## TEAM MEMBER FEATURE



# David Gragg

SENIOR VICE PRESIDENT, MARKET EXECUTIVE

*“I feel like I’m coming home.”*

### **The new Winter Park branch feels like home for David Gragg**

The opening of the new One Florida Winter Park branch is a homecoming of sorts for Market Executive David Gragg and his team. A mainstay of the central Florida banking community since coming to Orlando in 1980 as a UCF student, David spent his entire career building relationships in Winter Park and downtown. In fact, he still maintains clients he met during his first job on the teller line.

“I’ve been very fortunate to develop longstanding and loyal clients,” he says. “As we bring new clients on, we introduce them to the whole staff.” He and his Winter Park team have all worked together for years, having developed a strong sense of cohesiveness and community. “It’s a good dynamic,” David says.

David and the Winter Park banking team are excited to welcome One Florida Bank clients to Winter Park with the branch opening in early 2020. “We’re very excited to get back to downtown Winter Park,” David says. “We have clients whom we know are waiting for us to get back. It’s going to be great to have those relationships and have them banking with us on a daily basis.”



T&G CONSTRUCTORS AND REDTEAM

## CLIENT FEATURE

# Developing Partnerships

### A LOCAL FOCUS BRINGS BUSINESS AND OPPORTUNITY TOGETHER

T&G Constructors' "outperform" philosophy has helped shape the Central Florida landscape for more than 30 years, with projects spanning Walt Disney World, Busch Gardens, the Hyatt Regency at MCO, area resorts, and Tavistock Group's innovative offices in Lake Nona. Because general contracting work is local and geographic, knowledge and partnerships matter, says Vice President, Dave Grabosky. "A lot of our work comes from the Central Florida market because of relationships."

"Local decision making means a lot to us," he says. "The fact that our banker has a deep understanding of our business is a big difference." True to form, they've been with their One Florida banker, Mike Jennings, for years, their relationship growing alongside their business.

A prime example of the local entrepreneurial spirit, T&G closed in on \$1B in renovations and new building projects, and is an AIA Contractor of the Year award winner. T&G is also building the new One Florida Bank Seminole County branch.

# Building Technology

### GROWN IN CENTRAL FLORIDA, SUPPORTING THE INDUSTRY NATIONWIDE

The entrepreneurial streak of the T&G team led them to develop and launch their own unique project management platform, RedTeam, that's become an industry leader.

Modern general contracting faces accelerated scheduling and tighter budgets, says RedTeam's Michael Wright. "We were never able to find project management software that would suit our needs."

So, they made their own.

With financial tracking, CRM, and project management built in, RedTeam is a truly specialized, hyper-vertical platform developed for commercial GCs by the people who know it best.

As a local-owned, locally-generated tech company with thousands of customers across the US and Canada and 75 employees, RedTeam is a testament to vision, know-how and a commitment to performance that One Florida Bank is proud to support.



*One Florida Bank was proud to use T&G Constructors for the build-out of our Longwood branch.*



## CLIENT FEATURE

## TERRY'S ELECTRIC

# Making the Right Connection

### TERRY'S ELECTRIC FINDS TRUSTED RELATIONSHIP WITH ONE FLORIDA

Representing a classic American success story, Terry's Electric started out as a small family business in a Kissimmee garage that grew over the next 40 years into a thriving local enterprise with more than 350 employees and \$50M in revenue. Josh Neveu, Finance and Administration Manager at Terry's Electric, credits their success to continuing their grandfather's business traditions. "Customers we have now carry on down with us," he says. "We started a lot of our relationships years ago and we still uphold those principles."

Their Central Florida contributions, including Osceola schools, area distribution centers, sub stations and Planet Hollywood, solidified them as a mainstay local contractor. But when their previous national bank dropped their line of credit without a personal guarantee after the recession, Terry's Electric found themselves looking for a new bank that valued relationships, and were referred to their local One Florida relationship banker.

"They knew contracting and the kind of people we were," Josh said. "We had good feelings about each other and haven't looked back." Today, Terry's Electric and the rest of the One Florida team continue to work together on a united set of goals.

"Local decision making was a big selling point for us," Josh says. "Being able to get an answer in a short period of time from someone who understands the landscape and has confidence in the project, it just shows they have a good sense of what's going on."





A white outline of the state of Florida is centered on a dark blue background. The outline is filled with a solid blue color. Five orange dots are placed on the map to indicate branch locations: one in the northwestern panhandle, and a cluster of four in the central-eastern part of the state.

## LOCATIONS

**CHIPLEY BRANCH**  
1385 Main Street  
Chipley, Florida 32428  
850.415.6870

**APOPKA BRANCH**  
21 E. Third Street  
Apopka, FL 32703  
407.693.0610

**DOWNTOWN SOUTH – ORLANDO BRANCH**  
1601 South Orange Ave.  
Orlando, Florida 32806  
407.693.0601

**LONGWOOD**  
1145 W. State Road 434  
Longwood, Florida 32750  
407.693.0665

**WINTER PARK – COMING SOON**  
531 W. Morse Blvd, Suite 100  
Winter Park, FL 32789  
407.693.0621



Working together,  
our goals are **One**.



**Balance Sheet**  
**As of December 31, 2019**  
*(unaudited)*

**Assets**

Cash and due from banks	\$ 19,775
Interest-bearing deposits with banks	97,984
Investment securities, at fair value	368
Mortgage loans held for sale	554
Loans, net	287,068
Premises and equipment, net	7,552
Other assets	5,938
Total assets	\$ 419,239

**Liabilities**

Noninterest-bearing demand	\$ 51,473
Interest-bearing demand	14,076
Money market and savings	192,257
Time	50,788
Total deposits	308,594
Accrued expenses and other liabilities	3,015
Borrowings	1,750
Total liabilities	313,359

**Equity**

Common stock	46,600
Capital surplus	66,223
Accumulated deficit	(6,944)
Accumulated other comprehensive income	1
Total equity	105,880
Total liabilities & equity	\$ 419,239

*Dollars in thousands*



## LOCATIONS

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1385 Main Street  
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850.415.6870

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407.693.0610

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