



2022

Annual Report Summary

CONSOLIDATED REPORT OF KEY FINANCIAL
AND ORGANIZATIONAL METRICS



FIRST FEDERAL BANK

ffbf.com

First Federal Bancorp, MHC. Parent Company for First Federal Bank



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A letter from the President...

As I reflect on 2022, many amazing activities took place across the world and at First Federal Bank. On a global scale, the pandemic that re-shaped the way we interact began to lessen, Russia invaded Ukraine and inflation appeared. The impact of these factors and other national events caused the banking industry to adjust focus and continue enhancing the ways we interact with customers while seeking new efficiencies to buffer against inflation. Meanwhile, First Federal increased total assets to \$3.7 Billion, added new benefits for employees, maintained liquidity of nearly \$1 billion daily, and managed multiple cross-functional projects to contribute to our successful year.

Residential Lending began expanding product offerings to better meet the needs of customers and Third Party Origination (TPO) partners and safeguard against the rising rate environment. New or enhanced products such as adjustable rate mortgages (ARMs), condo offerings and additional construction to permanent options, are just a few tools First Federal expanded in order to deliver flexible options. Through direct and indirect channels, over 5,000 customers' homes were financed.

The Community bank outperformed financial expectations and continued its expansion of services in branches with technology solutions called Hubs, as well as implementing Integrated Teller Machines (ITM) in 21 locations. The ITMs allow customers to connect directly with a teller through a video screen without stepping into the bank. Other technological enhancements were rolled out making it easier for customers to stay connected to their accounts with new security alerts and additional card management features.

The Commercial teams ramped up SBA lending, Specialty Banking continued to grow, Loan Production Offices are being opened in several non-legacy markets and Capital Solutions acquired new customers. Specialized lending solutions yielded strong results through on and off balance sheet activities. Portfolios of consumer, commercial and corporate loan pools were acquired and many complex projects were financed or refinanced. Our Warehouse team ended 2022 in a profitable position. And, while managing through the challenging year, we benefitted from the results provided by our Mortgage Servicing and Secondary teams. This intentional diversification is critical to our long term stability. Last, but certainly not least, our support teams made tremendous strides in efficiencies, improved service and implemented cost savings measures.



JOHN MEDINA
PRESIDENT & CEO,
FIRST FEDERAL BANK

The First Federal Foundation, largely supported by First Federal Bank, had its first-ever grant cycle, reviewing many organizations' request for funds and distributing funds to several worthy non-profits including Altrusa International of Lake City, Gainesville High School Softball, and the United Way of Suwannee Valley, among others. Along with the many charitable donations and volunteering countless hours, the bank continues to recognize the importance of the economic, social, educational and environmental prosperity of our communities.

And all of this took place during the bank's 60th year in business which was celebrated with 60 days of giving. As the year came to a close, the executive team, working with an outside firm, reformulated our strategic plan to ensure it aligns with the bank's growth goals as well as creates measurable and actionable activities that will be the most meaningful use of our time. These goals will help us continue to align our resources where they can have the biggest impact to maintain, diversify or grow, our asset base. The basis of our success will continue to be our people and the markets we serve, who welcome the personal banking experience First Federal offers. In closing, it's an honor for First Federal to operate in our communities and for me to work alongside our capable team serving them.

John A. Medina, Sr.



**FIRST FEDERAL BANK
FINANCIAL CENTER
LAKE CITY, FLORIDA**

"The basis of our success will continue to be our people and the markets we serve, who welcome the personal banking experience First Federal offers."

— JOHN MEDINA



Core Values

Core values speak to the heart of an organization and are the essence of a company's identity. Everything we do is centered around our community, customer service, our stability, and being trustworthy. These values support our mission and vision, shape our culture, and provide a foundation for the future.



Timeline of Events

| 1962

Founded as First Federal Savings and Loan Association of Live Oak. One branch, \$1 million in assets & 4 employees. John S. Flood, President.

| 1970s

Three branches in Live Oak, Jasper, and Mayo. Started offering checking accounts. \$10 million in assets (1974).

| 1980s

Keith C. Leibfried became President (1981). Hit \$50 million in assets (1986). Opened 2 branches in Lake City.

| 1990s

Formalized charitable giving program (1994). Telebanking (AIMEE) and ATMs were introduced. Opened 6th branch in Dowling Park.

| 2000s

Opened branches in Live Oak, Fernandina Beach, Macclenny, Yulee, and the Flood Financial Center (operations) in Lake City. Hit \$500 million in assets and 160 employees (2005). Reorganized from a Mutual Savings and Loan to a Mutual Bank (2007).

| 2010s

Acquired branches in Holmes, Jackson, Marion, Nassau, and Washington counties in FL, branches in Beaufort County, SC and a mortgage processor in Wisconsin. Opened new branches in Gainesville and Wildlight. Expanded SBA/USDA and Residential Lending. Surpassed \$1 billion in assets (2016). John A. Medina becomes President, Keith Leibfried is CEO (2019).

| 2020s

John A. Medina named President and CEO (2020). Keith Leibfried continues as Chairman of the Board. Today there are 25 full-service branches, various mortgage offices, 3 wholesale mortgage offices, and approximately 650 employees. Formally established the First Federal Bank Foundation. Celebrated 60 years since opening our first branch.

Community Banking

Building strong relationships with our customers helps us understand their needs and provide tailored banking accounts and services.

2022 Account Totals

8,894 accounts opened ¹	WITH	66,813 total accounts
with total account deposits reaching \$3.37B²		

Notable



Voted
“America’s Best
Small Bank in Florida
2021-2023”
by Newsweek

“The customer service is absolutely amazing. Whenever there is a question or concern, one phone call can put me at ease. They are top notch!”

KATIE



1) Refers specifically to deposit accounts opened.
2) Community Banking deposits, excludes Specialty Banking

Digital Convenience

Providing tools to connect with our customers, in person and online.

By The Numbers



519
contactless accounts
189% increase from 2021



26,561
IQ Lobby Check-ins
165% increase from 2021



5,445
Zelle® Users
70% increase from 2021



19,128
mobile banking users
8% increase from 2021

Mobile Banking

- Quickly and Easily Check Your Account Balances
- View Your Transaction History and Transfer Money Between Accounts
- Electronically Deposit Checks using Mobile eDeposit



Commercial Lending

We're building strong relationships with our commercial customers while supporting small and large business in the communities we serve.

Conventional Commercial Loans



Commercial Banking



Notable

- Ellianos Coffee Franchisee lending partner
- Financed construction of landmark Swamp restaurant in Gainesville
- Implemented SBA small loan program for underserved business owners

“As a business owner for over 15 years, one of the most important decisions is choosing the bank to partner with and for me that was First Federal. Incredible customer service. They took care of all of our banking needs so we could focus on the day to day of our business. Such dedication and commitment!”

K. MCGHIN



Capital Solutions

Offering specialized lending solutions for on- and off-balance sheet management. Our on-balance sheet lending includes portfolio acquisitions of consumer, commercial and corporate loan pools and participations. Our off-balance sheet financing includes projects of any size and complexity, including new construction, rehabilitation, acquisition and refinancing.

In 2022, Capital Solutions expanded its vendor network, grew total loans outstanding by \$100 million, and contributed \$2.4 million in net income to the Bank. This strategic growth is a continuation of the Bank's desire to diversify earning assets.

Capital Solutions is poised to continue its growth in 2023 through strategic purchases of varying asset classes that will complement the existing portfolio and provide growth in incremental earnings for the Bank.

Specialty Banking

We're providing safe and compliant banking solutions for highly regulated industries.

Industry Retail Support

\$1B+

in retail transactions processed

WITH

\$8.3 Million

in net income

Notable

- Originated \$65 million in commercial loans
- Served over 30 states in the cannabis market



Residential Lending

Helping homeowners realize their dreams with fast, friendly, and transparent mortgage lending solutions.

Residential Lending



Customer Comments

“First Federal Bank was there every step of the way and made this process easy! This was my 2nd refinance with them. They answered all my questions and were very quick with their responses.”

C. YOUNG

“We have had a lot of accounts with First Federal, from mortgages, land investments, and personal checking. This bank is the best one I’ve ever used! I’m so happy to be with a bank that I can talk directly to someone if I need anything! We look forward to having a continued relationship.”

H. DRYDEN

Notable

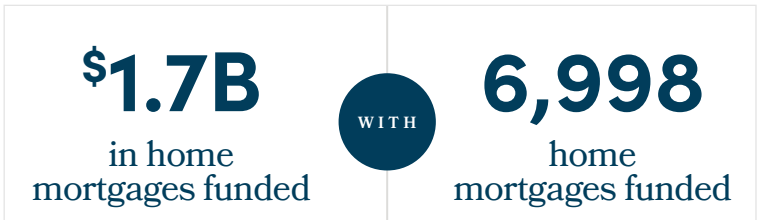
- Expanded our Adjustable Rate Mortgage offerings
- Expanded our condo lending offerings with non-warrantable condo financing
- Added family opportunity mortgage product to our list of offerings



Warehouse Lending

We offer relationship oriented lines of credit with multiple mortgage products for loan originators.

Warehouse Lending



Notable

- Added five new mortgage banking customers totaling \$58 million in commitments
- Increased warehouse line amounts to four existing customers, totaling \$42 million
- Total commitments of \$548 million at year end



Employee Involvement

Providing stability to the places where we live and work is at the heart of who we are. This is evident through our contributions and volunteerism in the communities we serve.



First Federal Way
\$106,192
Donated through employee contributions
and First Federal Bank's donation match

Community Rewards
\$49,924
Donated



Impacting Our Community

We enrich the lives of our neighbors and employees through our on-going commitment to supporting education and cultural programs, coupled with health and wellness initiatives.



5,600

volunteer hours

allocated to our employees



333

non-profits

received contributions
from First Federal Bank



\$366,759

in donations

through the First Federal Way,
Community Rewards, 60 Days of
Giving and general contributions



\$65,000

60 days of giving

given to 60 organizations
selected by our employees and
given across our operating area



\$37,150

for student athletics



\$65,511

to education & literacy

provided for books, teacher grants,
and educational programs



\$87,090

contributed to
health care initiatives



54

local organizations

benefited from First Federal Way, our
employee payroll deduction program

2,474

customers enrolled in
Community Rewards

which donates money when
customers use their debit cards



\$23,000

to food service

providing funds to food pantries and
organizations fighting hunger

Customer Feedback

Here's what our customers are saying and how they're interacting with us across the web.

Customer Comments

"The team is always so friendly and my transactions are handled quickly. I use their products for both my business and personal accounts. I love that everything is linked because it makes conducting business easy."

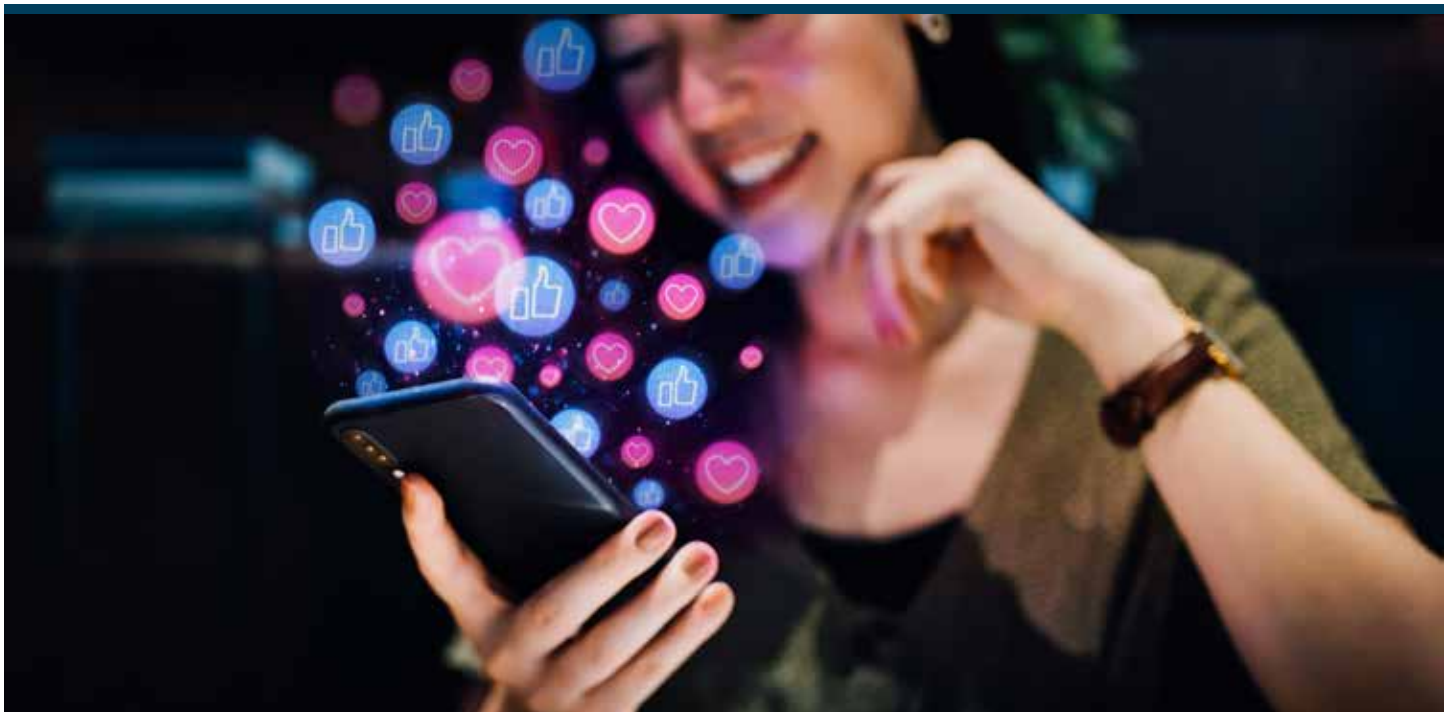
A. WALKER

"They welcomed us with warm smiles, had all the paperwork ready for our visit, and answered all our questions. It felt like we had worked and known them for years after our first visit to the branch."

STACEY G.

Notable Numbers

- 540,184 impressions across social media
- 17,290 social media audience members
- 13,892 social media interactions
- 1.5 million online form views with 5,768 submissions
- 980,460 emails sent with an open rate of 34.45%, 27% above industry average



Corporate Profile

First Federal Bank is a community bank founded in the heart of North Central Florida in 1962. Today, First Federal is a community based, mutual bank offering a full line of personal and business financial solutions, services and loans through full-service banking offices in Florida's Panhandle, North Central Florida, and coastal South Carolina. In addition, First Federal has mortgage lending offices across the Southeast and Midwest, and SBA and USDA lending offices throughout Florida and in multiple states.

Senior Management

John Medina, President & Chief Executive Officer
Pam Hitt, Senior Executive Vice President & Chief Operating Officer
Jim Moses, Senior Executive Vice President & Chief Risk Officer
David Brewer, Senior Executive Vice President & Chief Financial Officer

Ownership

Mutual Holding Company. As a mutual bank, our depositors are our owners. First Federal is directed by customer needs, not stockholder needs.

Locations

25 Full Service Branches: (FL and SC)
6 Mortgage Offices: (FL, GA, NC, SC, and WI)
QRL Financial Services - Wholesale Mortgage - Madison and Green Bay, WI
FFB Mortgage Lending Headquarters, Retail & Warehouse Mortgage - Jacksonville, FL

Employees

Approximately 650

Asset Size

Approximately \$3.7 billion as of 12/31/22

Operations Office

4705 West US Highway 90, Lake City, FL 32055

Community Involvement

What matters to us are vibrant communities, successful schools, growing businesses and financial security. As corporate citizens we focus on programs that help our local communities. We are involved in the following ways:

- » Community Organization Sponsorships
- » Athletic and Academic School Programs
- » Cultural Events and Performances
- » Affordable Housing
- » Youth Programs

Awards & Recognitions

- » Best Small Bank in Florida 2021 - 2023 - *Newsweek* magazine
- » "Five-Star, Superior Financial Stability" rating from BauerFinancial, Inc. since 2000.*
- » Voted "Best Bank" in Alachua, Beaufort, Columbia, Holmes, Jackson, Nassau and Washington counties.

*Ratings by BauerFinancial, Inc., of Coral Gables, FL, and as of 12/31/22.

Summary Balance Sheet

For more information, please see the accompanying Consolidated Financial Statements at ffbf.com. Results shown in thousands.

At December 31

Assets

2022

Cash and Cash Equivalents	\$101,542
Debt Securities Available for Sale	2,176,095
Loans	
Held for Sale	32,020
Held for Investment	1,029,899
Less: Allowance for Losses	(10,146)
Loans, Net	1,051,773
Premises and Equipment, Net	39,481
Other Assets	370,470
Total Assets	\$3,739,361

Liabilities

Deposits	\$3,355,741
Borrowings and Advances	86,137
Other Liabilities	78,033
Total Liabilities	\$3,519,911

Equity

Total Equity	\$219,450
Total Liabilities and Equity	\$3,739,361

“Starting a new business is really stressful and there’s always lots to do, but the team at First Federal Bank really took care of everything on the banking side. Furthermore, everything was fully digital, I never had to step foot in a branch. ”

— **R. Crossland**, *First Federal Bank Customer*



FIRST FEDERAL BANK

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