2020 Summary Annual Report

CONSOLIDATED REPORT ON KEY FINANCIAL AND ORGANIZATIONAL METRICS

Friendly. Stable. Flexible.









A letter from our President...

When reflecting on 2020, I'm reminded of the many unplanned activities and milestones achieved. While First Federal Bank's Business Continuity Plan included potential pandemic events, last year's strategic plan did not contain a COVID-19 pandemic that would affect nearly every facet of life, including our daily bank operations. So many people admirably and rapidly adjusted to changes in order to continue meeting the needs of our customers in a safe manner.

Financially, the bank continued to thrive and grew to more than \$3 billion in assets, largely due to unprecedented mortgage volume and more than 1,500 commercial loans originated through the Paycheck Protection Program. Our return on average assets exceeded 2%, placing First Federal in the number two spot for financial performance for Return on Assets for the Top Banks in the State of Florida, according to SNL Financial.

With record-low interest rates, the combined mortgage teams generated more than 20,000 loans worth more than \$7.2 billion. The Specialty Banking division continued to expand, launching services in Arizona. Retail teams shifted tactics but remained agile and focused on serving customers through contactless channels. They also increased services available in the drive-through, on the phone and on digital channels in order to follow social distancing and public safety protocols.

Customers embraced mobile and online banking, and drive-through traffic increased exponentially. Additionally, new tools were rolled out including a new Customer Relationship Management system for loan officers to better connect with customers and prospects, and Zelle[®] was implemented to make it easier for customers to send and receive personal funds.

Despite limited interactions, our community engagement remained strong. Through our Community Rewards Program, direct contributions, and our foundation, hundreds of organizations received charitable donations from First Federal. An additional 55 non-profits received funds directly from employees, through a payroll deduction program, which is then matched by the Bank. These contributions are among the reasons that First Federal Bank was named the Best Small Bank in Florida by *Newsweek* magazine. The surprise recognition was a heartening reinforcement of why our stability and community philanthropy is important to our customers.

For 2021, provisions are being made to ensure reserves are available for any adverse events resulting from the shutdown's delayed economic impact. First Federal looks forward to another successful year by continuing to focus on calculated growth while being a great place to work and bank. We look forward to continuing our legacy of providing stability for our customers, employees, and the communities we serve.

STAIL

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JOHN MEDINA PRESIDENT & CEO, FIRST FEDERAL BANK

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.



Timelin	e 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	First Federal Foundation is established (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 QRL Financial Services and branches in Holmes, Jackson, Marion, Nassau, and Washington counties in FL, plus in Beaufort County, SC. 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, 17 mortgage offices, 3 wholesale mortgage offices, and approximately 800 employees.

📙 IMPACTING OUR COMMUNITY

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.







Community Rewards \$54,500 Donated



IMPACTING OUR COMMUNITY

By the Numbers

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



paid volunteer hours

allotted by First Federal to full and part-time employees.



non-profits

received contributions from First Federal Bank.



through the First Federal Foundation, and general contributions.



53,403 training courses

completed by First Federal Bank employees to support and encourage professional growth. ^{\$}17,320

for student athletics



contributed to health care initiatives

9 55

local organizations

benefited from First Federal Way, our employee payroll deduction program.

4,628 customers enrolled in

Community Rewards,

which donates money when customers use their debit cards.



^{\$}9,264

to education & literacy provided for books, teacher grants, and educational programs.

> **Voted** "America's Best Small Bank in Florida - 2021"

by Newsweek

📙 FINANCIAL METRICS AND KEY

Achievements

Our financial stability is demonstrated by our consistent "5 Star, Superior" rating since 2000.¹



Our 2020 Account Totals

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





251 contactless accounts opened in 2020



209% increase in organic post reach on our Facebook page



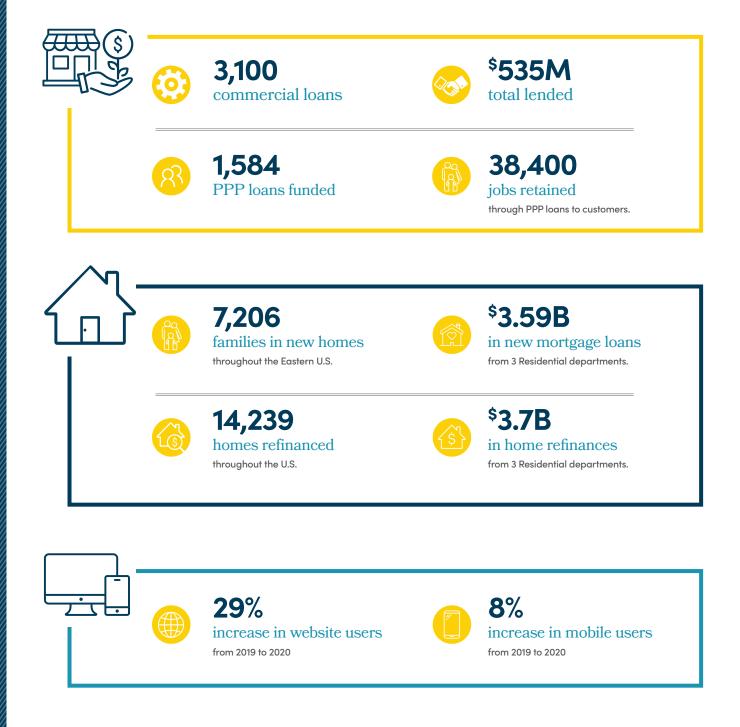
506 kids' accounts opened in 2020

Ratings by BauerFinancial, Inc., of Coral Gables, FL, and as of 12/31/20.
Refers specifically to deposit accounts opened.

📙 SUPPORTING COMMUNITY STABILITY

By the Numbers

During the challenges of 2020, First Federal remained committed to providing stability to our customers and employees. In October, this distinction was recognized by Newsweek. First Federal Bank was named 'Best Small Bank in Florida.'



👃 FIRST FEDERAL BANCORP, MHC, AND SUBSIDIARIES

Summary Balance Sheet

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

	At December 31	
Assets	2020	2019
Cash and Cash Equivalents	\$165,198	\$92,657
Debt Securities Available for Sale	\$713,306	\$492,012
Loans		
Held for Sale	\$477,566	\$230,262
Held for Investment	\$1,225,156	\$ 1,012,335
Less: Allowance for Losses	(\$26,494)	(\$5,929)
Loans, Net	\$1,676,228	\$1,236,668
Premises and Equipment, Net	\$38,950	\$39,804
Other Assets	\$463,866	\$316,549
Total Assets	\$3,057,548	\$2,177,690

Liabilities

Deposits	\$2,534,124	\$1,787,818
Borrowings and Advances	\$99,069	\$108,485
Other Liabilities	\$96,657	\$46,258
Total Liabilities	\$2,729,850	\$1,942,561

Equity

Total Equity	\$327,698	\$235,129
Total Liabilities and Equity	\$3,057,548	\$2,177,690

"I wanted to take this opportunity to sincerely thank you and your staff for all your efforts in assisting us with our loan. I hope each of you know what a positive impact you have made for so many families in our community."

– Lauri Adams, Lake City, Florida

