

Bank

F L O R I D A

Bancorp, Inc.



2022 Annual Report



March 22, 2023

Dear Shareholder:

BankFlorida had its best year ever in 2022. Our interest income was \$12.508 million. Up \$5.163 million over 2021, an increase of 70.29%. During this time, interest expense increased from \$892 thousand to \$1.405 million, an increase of 57.51%. Our net interest margin rose 73 basis points, ending 2022 at 3.84%. BankFlorida earned \$2.686 million versus \$646 thousand in 2021. Our return on average assets was .93% and return on equity was 8.68%, compared to .30% and 2.54% in 2021.

Assets grew from \$271.668 million to \$322.179 million, an increase of 18.59%. The loan portfolio continued to increase, growing 34% from \$171.523 million to \$230.202 million an increase of \$58.679 million. Our asset quality remains strong, as we ended the year with net recoveries of \$8,000 and past dues of 0.004%. Our non-performing loans ended the year at .03%. Deposits also experienced good growth during the year as we ended 2022 with \$283.836 million, an increase of \$41.769 million.

We will open 2 new branches in 2023 with our Zephyrhills branch opening early April and our St. Cloud branch opening by the third quarter of 2023. This will give us five full-service locations serving Pasco, Osceola and Palm Beach counties. I want to thank each of you for your investment in BankFlorida. If you have any questions or banking needs, please feel free to give me a call.

Sincerely,

James S. "Bud" Stalnaker, Jr.
Chairman, President & CEO
BankFlorida



BOARD OF DIRECTORS

James S. "Bud" Stalnaker, Jr.
Chairman, President & CEO - BankFlorida

Kenneth Lehman
Chairman – BankFlorida Bancorp, Inc.
Entrepreneur

Dale Maggard
Owner – Sonny's Discount Appliances, Inc.

Dan Knowlton
Owner – Bowlaholics Pro Shop

Allen Altman
Insurance Agent

BANKFLORIDA BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets
(\$ in thousands, except per share amounts)

	<u>At December 31,</u>	
	<u>2022</u>	<u>2021</u>
Assets		
Cash and due from banks	\$ 745	1,906
Interest-bearing deposits in banks	<u>42,926</u>	<u>72,161</u>
Total cash and cash equivalents	43,671	74,067
Debt securities available for sale	29,881	15,849
Loans, net of allowance for loan losses of \$2,799 and \$1,790	230,202	171,523
Accrued interest receivable	807	462
Federal Home Loan Bank stock, at cost	197	148
Premises and equipment, net	13,251	6,544
Deferred income taxes	2,109	1,191
Bank-owned life insurance	1,145	1,119
Other assets	<u>916</u>	<u>765</u>
Total assets	\$ <u>322,179</u>	<u>271,668</u>
Liabilities and Stockholders' Equity		
Deposits:		
Noninterest-bearing demand	81,979	82,286
Interest-bearing demand	18,557	12,066
Savings and money market	160,376	132,557
Time	<u>22,924</u>	<u>15,158</u>
Total deposits	283,836	242,067
Note payable	8,000	-
Accrued expenses and other liabilities	<u>697</u>	<u>290</u>
Total liabilities	<u>292,533</u>	<u>242,357</u>
Commitments and contingencies (Notes 4, 13 and 14)		
Stockholders' equity:		
Preferred share: \$1 par value, \$10,000,000 shares authorized; none issued and outstanding	-	-
Common stock: \$1 par value; 50,000,000 shares authorized; 3,180,332 and 3,180,332 shares issued and outstanding	3,180	3,180
Additional paid-in capital	33,956	33,772
Accumulated deficit	(4,859)	(7,545)
Accumulated other comprehensive loss	<u>(2,631)</u>	<u>(96)</u>
Total stockholders' equity	<u>29,646</u>	<u>29,311</u>
Total liabilities and stockholders' equity	\$ <u>322,179</u>	<u>271,668</u>

BANKFLORIDA BANCORP, INC. AND SUBSIDIARY

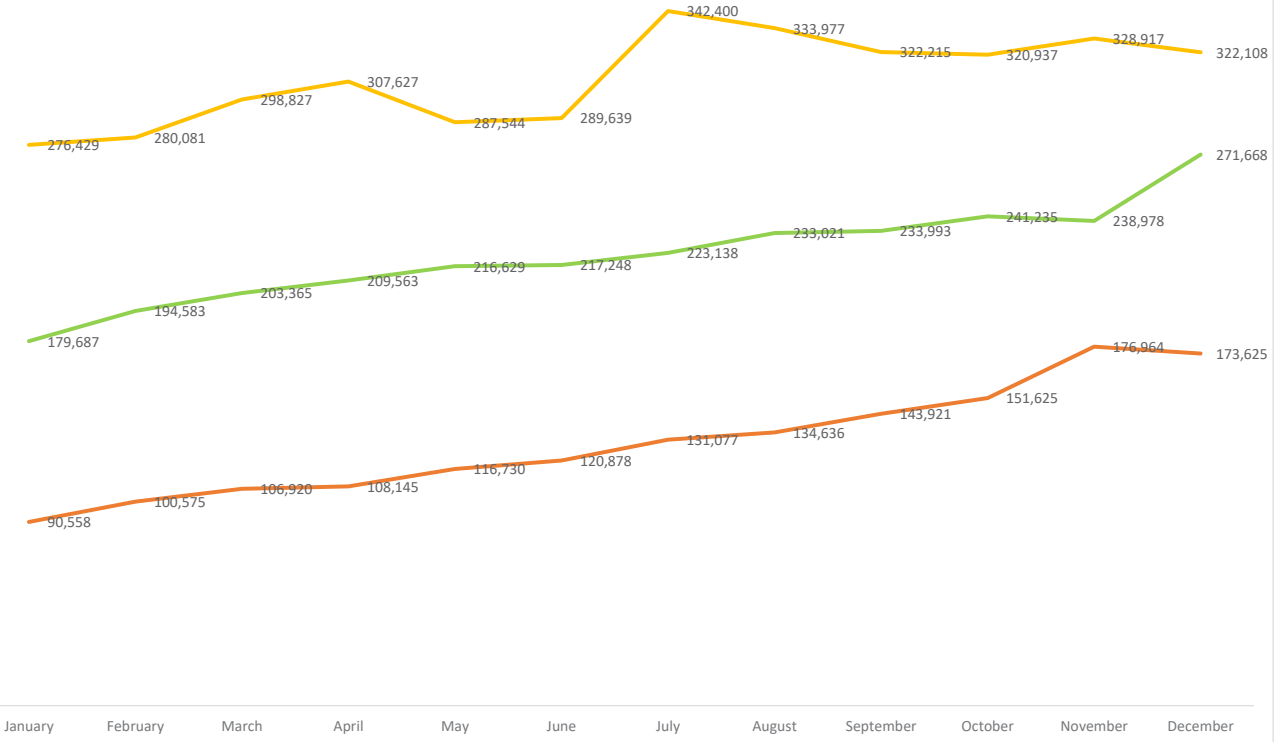
Consolidated Statements of Income
(In thousands)

	<u>Year Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest income:		
Loans	\$ 11,067	7,040
Debt securities available for sale	652	249
Other interest-earning assets	<u>789</u>	<u>56</u>
Total interest income	<u>12,508</u>	<u>7,345</u>
Interest expense:		
Deposits	1,208	890
Other interest	<u>197</u>	<u>2</u>
Total interest expense	<u>1,405</u>	<u>892</u>
Net interest income	11,103	6,453
Provision for loan losses	<u>1,000</u>	<u>570</u>
Net interest income after provision for loan losses	<u>10,103</u>	<u>5,883</u>
Noninterest income:		
Mortgage brokerage fees	151	-
Service charges and fees	67	53
Financial services fees	39	179
Earnings on bank-owned life insurance	26	26
Other	<u>21</u>	<u>13</u>
Total noninterest income	<u>304</u>	<u>271</u>
Noninterest expense:		
Salaries and benefits	4,377	3,383
Occupancy and equipment	404	432
Data processing	920	658
Regulatory assessments	251	178
Professional fees	186	152
Other	<u>659</u>	<u>506</u>
Total noninterest expense	<u>6,797</u>	<u>5,309</u>
Income before income taxes	3,610	845
Income taxes	<u>924</u>	<u>199</u>
Net income	\$ <u>2,686</u>	<u>646</u>



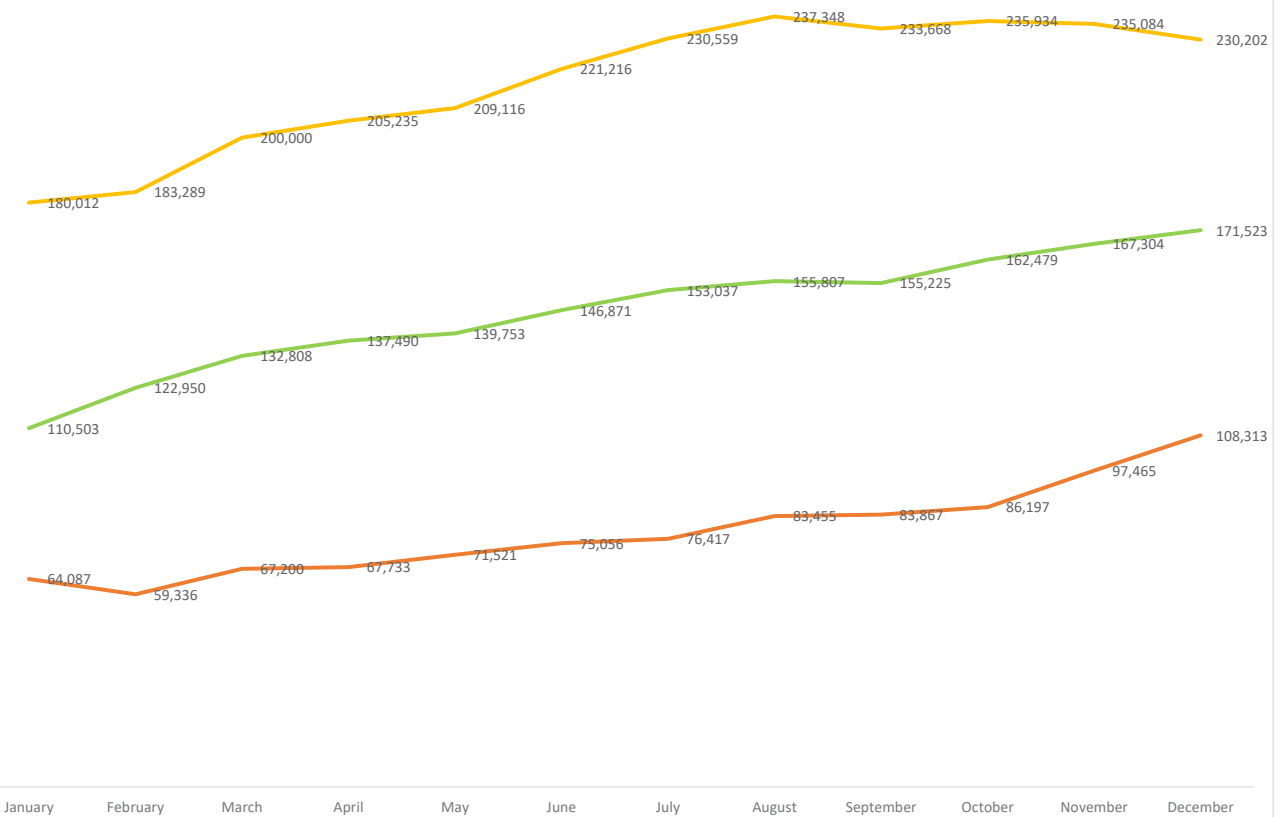
TOTAL ASSETS (in thousands)

2020 2021 2022



TOTAL LOANS (in thousands)

2020 2021 2022





TOTAL DEPOSITS (in thousands)

