



FIRST FEDERAL BANK

2019 Summary Annual Report

CONSOLIDATED REPORT ON KEY FINANCIAL
AND ORGANIZATIONAL METRICS

“A foundation of strength, a pillar
of service, and a legacy of stability.”

First Federal Bancorp, MHC
Parent Company for First Federal Bank

ffbf.com

A letter from our president...

It is humbling to write this letter, summarizing 2019 and planning for 2020 success. In order to provide Keith Leibfried with a well-earned partial retirement, I was appointed as CEO and member of the board of First Federal Bank in January. My focus is to continue First Federal's legacy of being a community pillar by providing a stable bank for customers and employees. Keith remains Chairman of the Board and leads the Residential Lending teams. With Keith's dedicated focus and steadfast leadership, this mutual bank has experienced careful, continued growth across our footprint.

We achieved many milestones in 2019, including growing the total asset base to over \$2 Billion, equity over \$235 Million, and generating more than \$25 Million in net income after tax. These numbers represent the collaborative hard work across the organization to serve existing customers and find ways to serve new sectors and markets. This growth was in spite of the inverted yield curve pressuring the net interest margin.

New branches were opened in Ocala, FL and in a new community in Nassau County, Wildlight. Commercial services were significantly expanded with the launch of the Capital Solutions and Specialty Banking groups. The Specialty Banking division (MRB) remarkably grew low-cost deposits by more than \$200M and led to accolades from *Independent Banker* (ICBA) as one of the Most Innovative Banks.

Internally, processes were identified, enhanced, and implemented to mitigate risk and facilitate strategic initiatives in each business unit. Goals for 2020 remain aligned with those for 2019: increase market share in residential lending, grow low-cost deposits, and control costs across the organization while growing assets. I want to thank our team, our clients, and our communities for their dedication to First Federal's stability, making it a great place to bank and work.

My best,



“Providing stability to our clients, employees, and our communities is our sole purpose.”

— JOHN MEDINA, PRESIDENT,
FIRST FEDERAL BANK



COMMUNITY IMPACT AND EMPLOYEE

Involvement

Our commitment to customers and employees is serving in the places where we live and work. In October 2019, *Florida Bankers* featured us in their magazine by highlighting our dedication through donations and volunteerism.



5,536
volunteer hours

paid by First Federal
to employees.



287
non-profits

received a total of **\$334,805** in
contributions from First Federal Bank.



\$3.3m
in donations

through the First Federal Foundation
and general contributions.



517

kid's accounts

opened in 2019 with an
average opening balance of
\$1,423, for a grand total of
\$735,906.



\$14.3k for schools and libraries

to provide for books, teacher grants, and educational programs.



46,220
training courses

completed by First Federal Bank
employees to support and
encourage professional growth.



\$10,700
gifted to music

festivals and school
band programs.

54

separate organizations

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

Voted

“Best Place to Work”

by Jacksonville Business Journal
and the city of Alpharetta, Georgia.

FINANCIAL METRICS AND KEY

Achievements

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



\$2.1b
in total assets

\$235m
in equity

\$25m
net income

1.19%
return on assets³

Our 2019 Account Totals

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

7,069
Accounts opened²



\$49.9k
average balance

for a total opening balance of more than
\$388.4m

Opening Doors and Paving New Roads for Our Customers

First Federal was recognized by *Independent Banker* as one of five Most Innovative Banks of 2019 for our ability to embrace emerging markets.



41
MRB customers
across the United States.



192
MRB accounts
opened in 10 months.



8,418
families in new homes
throughout the Eastern U.S.



\$1.9b
in new mortgage loans
from 3 Residential departments.

1.) Ratings by BauerFinancial, Inc., of Coral Gables, FL, and as of 12/31/19.

2.) Refers specifically to deposit accounts opened.

3.) As of 12/31/19.

 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	2019	2018
Cash and Cash Equivalents	\$92,657	\$143,436
Debt Securities Available for Sale	\$492,012	\$416,213
Loans		
Held for Sale	\$230,262	\$101,846
Held for Investment	\$ 1,012,335	\$955,422
Less: Allowance for Losses	(\$5,929)	(\$5,457)
Loans, Net	\$1,236,668	\$1,051,811
Premises and Equipment, Net	\$39,804	\$34,707
Other Assets	\$316,549	\$192,043
Total Assets	\$2,177,690	\$1,838,210
Liabilities		
Deposits	\$1,787,818	\$1,542,960
Borrowings and Advances	\$108,485	\$40,901
Other Liabilities	\$46,258	\$49,152
Total Liabilities	\$1,942,561	\$1,633,013
Equity		
Total Equity	\$235,129	\$205,197
Total Liabilities and Equity	\$2,177,690	\$1,838,210