

Florida

Bancshares, Inc.

Official Bank of the American Dream™

2022
ANNUAL REPORT

\$285 Million
Total Assets



\$248 Million
in Deposits



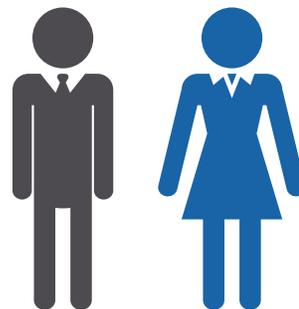
118%
Loan
Growth

0.14%
Cost
of Funds

3.92%
Net Interest
Margin



591+ Years
of Combined
Management
Experience



55
Employees

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A Letter From Our Chairman

Dear Shareholders, Customers, and Friends:

Thank you for your continued commitment and support for your bank. We had another great year in 2022, making excellent strides toward expanding our ability to deliver a greater breadth of products and services. We believe this will help us continue to assist our customers better and generate more income streams for you.

During the year, we've expanded our abilities to improve efficiencies for the bank's operations and other client services, allowing our small business customers to do more. As it gets harder and harder to hire skilled employees, we want to position the bank as a reliable resource for our clients as they run their businesses. I'm sure you've noticed, we've adopted (and trademarked) the slogan "The Official Bank of the American Dream™." This slogan is more than just a catchphrase. It is the baseline by which we evaluate every new process or service and has become our core belief – if it helps our clients achieve their dreams, we're in. We believe in the American Dream.

As an example, we are working directly with the Federal Reserve to improve our ability to process payments efficiently via the ACH rails. Enhanced capabilities here will allow our Specialty Banking team to help our clients move money quickly, safely, and cheaply. We've also obtained approvals with the major credit card companies (Visa, Mastercard, and Discover) to sponsor individual merchants' payments, creating a new revenue stream for the bank. It's rare for a bank our size to take on projects like these, but we firmly believe that doing the heavy lifting now will position your bank for success and growth for many years.

As you know, 2022 was a strange year for our country and economy. The Fed had pumped trillions of dollars into the economy during the height of the pandemic, and inflation was sure to happen. So when inflationary pressures grew, the Fed raised overnight borrowing rates. It then began to contract the money supply – both of these steps would typically have detrimental effects on banks, and I'm sure you've heard the news about a few banks that took reckless risks. Yet, your bank remains strong and is growing.

Even though the Fed pulled nearly half a trillion dollars out of the economy during 2022, our total assets actually grew by just over \$5 million. We deployed that growth in our strong local economy, increasing our total loans by \$27 million and allowing us to push our interest income up by \$1 million. As a result, Bank earnings were solid, with net income of \$1.5 million for the year despite increased expenses associated with the Aiden Florida Bancshares (Aiden) acquisition.

You might recall that at the beginning of 2022, we announced the majority stock sale in the holding company to Aiden, a financial services and technology-enabled group specializing in payment processing. Unfortunately, the Fed's interest rate hikes made closing on the deal as initially intended impractical, and the Definitive Agreement for this transaction expired at the end of 2022. Meanwhile, Aiden has purchased 58,000 shares of treasury stock in the holding company and continues to stay involved with the bank. We will continue to expand our relationship with Aiden and other tech service providers as we build on our ability to generate solid noninterest income and help our clients fulfill their financial dreams.

Thank you for being a shareholder, customer, or friend of the bank. And, if you already conduct your daily banking with us, we sincerely appreciate your business. However, if you do not bank with us yet, we encourage you to stop by any of our five banking centers or visit us online at fnbpsco.com. We offer a full suite of online banking and remote services, including accepting cash deposits at any Allpoint+ ATM nationwide.



Jim Esry

Jim Esry
President & CEO



A.P. Gibbs

A.P. Gibbs
Vice Chairman

For Freedom, For Liberty For The American Dream

The spirit of the entrepreneur is the American spirit.

It must never be left behind.

It is the freedom to try, the liberty to fail, the dream and the determination to succeed.

The dream becomes reality through the hard work and tenacity of entrepreneurs
and those who believe in them.

They dream of a way to make life better for everyone as they achieve
their own vision of prosperity.

Above all else, entrepreneurs never give up.

First National Bank of Pasco embraces the American Dream.

We work tirelessly to help America's entrepreneurs.

We listen to understand their dreams and their obstacles.

We innovate to create solutions other banks can't even imagine.

And then we get it done.

If you have dreams, maybe you should bank with us.

The logo for First National Bank of Pasco features the word "First" in a bold, sans-serif font. The "F" is dark blue, and the "irst" is a lighter blue. The "i" has a unique shape with a dot that is a separate blue square.

National Bank of Pasco

ESTD 1986

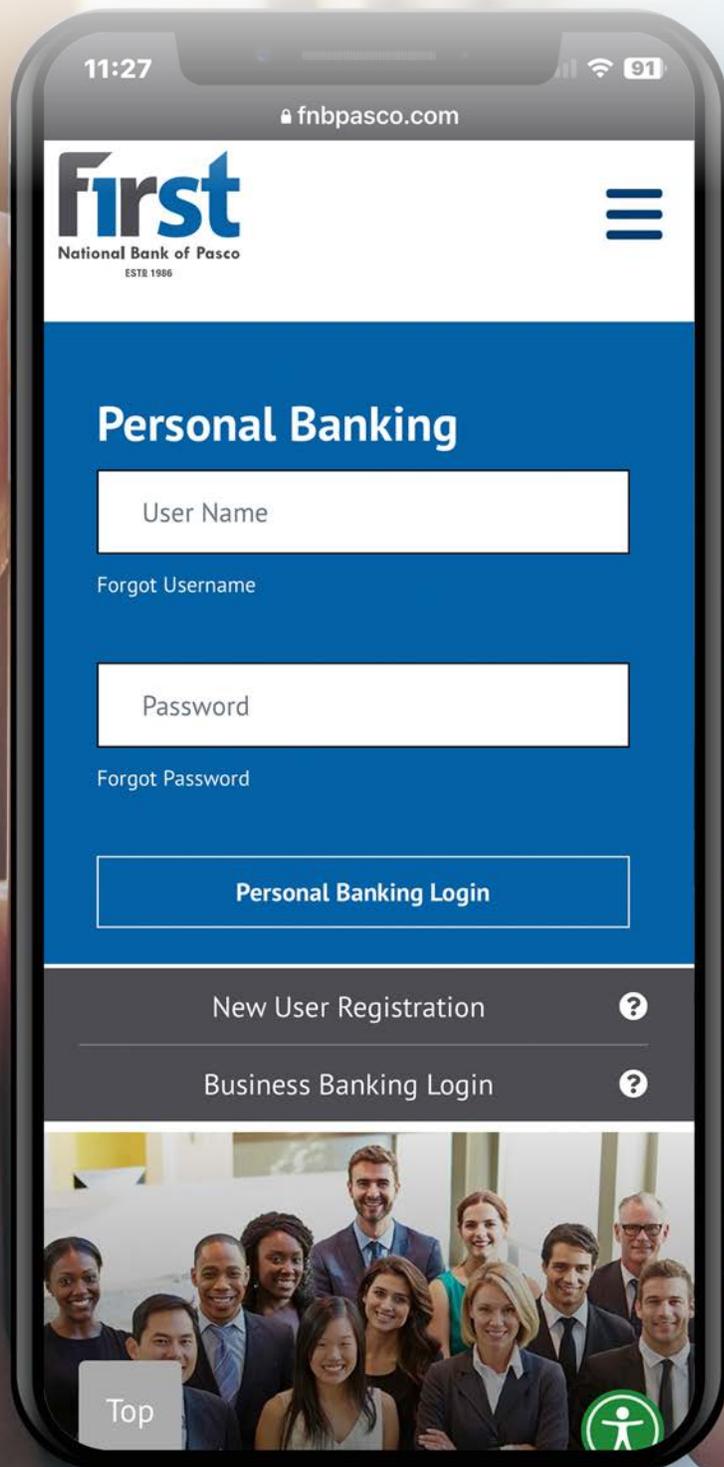
Official Bank of the American Dream™

Technology & Innovation

Our investment in new technology and innovation is critical in keeping your bank relevant in today's competitive FinTech space. We embrace technology and innovation as it brings convenience for our customers and efficiencies for the bank.

We are constantly looking to improve services that relieve pain points yet reach a broader audience and deliver new revenue streams for your bank. For example, our digital banking platform is always evolving, so you can do your banking when it's convenient for you. Need to place a Stop Payment or freeze your debit card at two o'clock in the morning? We have you covered. If you are traveling out of the area and need to make a cash deposit into your account, our participation in the Allpoint ATM network makes it easy, with over 55,000 machines nationwide.

We will continue to pursue technology-enabled products and services that our customers value and expect as they pursue their American Dream.



PERSONAL BANKING FEATURES:

- Account and Profile Alerts
- Enhanced Mobile Deposit
- Bill Pay
- Funds Transfer
- e-Statements
- Person to Person Payments
- Loan Payments
- Lock or Unlock Your Debit Card
- Debit Card Merchant and Transaction Controls
- Check Stop Payments
- Profile Updates (address, email or phone #)
- Customizable Account Reporting
- Imaging Viewable
- Account Nicknaming
- Secure Messaging

FOR BUSINESSES:

All of the above features, plus:

- ACH Origination
- Positive Pay
- Bill Pay with ACH
- Wire Origination
- User Management Controls
- Intuit® Integration
- Multiple Entity Configuration

Download our Mobile Banking App:

Available on the App Store and Google Play!





Now Available



Look for Allpoint ATMs
at these locations:



Walgreens



CVS
pharmacy®



Winn-Dixie

Surcharge-Free | Cash Withdrawals & Deposits

Visit fnbpasco.com to find ATMs near you!

Allpoint
Surcharge-Free ATMs



Presto!

Board of Directors



Ander P. Gibbs
Chairman



Paul P. Midili
Vice Chairman



Chris Black
Director



Stephen D. Carle
Director



Fadi Cheikha
Director



Jim Esry
President & CEO



John E. Henson
Director



Marlene H. Mann
Director



Paula S. O'Neil, Ph.D.
Director



Ernest Peeples
Director

In memory of Director Glen E. Greenfelder who passed away on October 29, 2022.
He will be remembered as a good friend who was deeply committed to serving our community.

Executive Management Team



Jim Esry
President & CEO



Manny Long
EVP & Chief Financial Officer



Michael Mashke
EVP & Chief Lending Officer

Management Team

Michael Briggs
SVP & Relationship
Manager

J. Kurt Petersen
SVP & Relationship
Manager

Robert Shoemaker
SVP & Commercial Team Leader
& Relationship Manager

Jody Grenville
VP & Human Resources
Manager

Christine Stocks
VP & Construction Loan
Manager

Tammi Cartwright
SVP & Loan Operations
Manager

Tod Pukas
SVP & Portfolio
Manager

Suzie Swailes
SVP & Compliance
Manager

Angela Miller
VP & Residential
Mortgage Officer

Alla Bush
AVP & Portfolio
Manager

Tracy F. Mahon
SVP & Retail Operations
Manager

Robert Rose
SVP & Credit
Manager

John Evenhouse
VP & Relationship
Manager

Derek Siders
VP & Credit
Analyst



Transaction Highlights



Baylife Construction Management, LLC.
3404 W. El Prado, Tampa, FL
5,935 SF – 5 Bedroom / 5 Bathroom Spec Home
Non-Revolving Line of Credit, Loan Amount: \$873,186
Sold December 2022 – \$4,100,000

Knowledgequest Education Solutions, Inc. d/b/a Learning Alliance Corporation

Working Capital Revolving Line of Credit \$300,000
Term Loans for Tenant Improvements \$72,000
Owner-occupied Commercial Real Estate Term Loans \$1,947,000



Transaction Highlights



**BDI Development Companies – Developer for
Amazing Explorers Academy**
8080 Countryway Blvd., Tampa, FL
Construction to Perm – Loan Amount: \$2,775,000



**Quality in Propane, LLC. d/b/a Propane Ninja;
ATK Holdings, LLC.**

SBA 504 Construction to Permanent Term Loan – \$3,284,000
Guidance Facility for Equipment Financing – \$2,600,000
Revolving Line of Credit for Working Capital – \$500,000

Comparative Financial Highlights

Florida Bancshares, Inc.

Financial Highlights At Year End	2022	2021
Assets	\$285,053,008	\$279,817,957
Loans (net) of reserves	\$174,005,377	\$147,175,558
Reserve for Loan Losses	\$2,678,972	\$2,510,971
Deposits	\$248,403,738	\$247,992,414
Stockholders Equity	\$9,185,942	\$18,850,342
Shares Outstanding	\$1,100,065	\$1,100,065
Book Value Per Share	\$8.83	\$18.05
Book Value Per Share without FASB	\$19.92	\$18.58
Operating Highlights	2022	2021
Income Before Taxes	\$1,868,856	\$2,360,020
Taxes	\$406,748	\$500,196
Net Income After Taxes	\$1,462,108	\$1,859,824

First National Bank of Pasco

	2022	2021
Return on Average Assets	0.68%	0.89%
Return on Average Equity	9.97%	8.71%
Reserves as a percent of Loans	1.52%	1.67%
Yields and Rates	2022	2021
Loan Portfolio	5.35%	4.87%
Investment Securities	1.84%	1.79%
Deposits	0.14%	0.19%
Interest Rate Spread (1)	3.64%	3.72%
Net Interest Margin (2)	3.92%	4.00%

(1) Average yield on all interest earning assets less average rate paid on deposits and all other interest bearing liabilities.

(2) Interest income minus interest expense divided by average earning assets.

Audited financial statements are available upon request.

Florida Bancshares, Inc. and Subsidiary Consolidated Statements of Financial Condition Years Ended December 31, 2022 and 2021

Assets

	2022	2021
Cash and due from banks	\$6,539,138	\$11,368,995
Interest-bearing deposits in banks	7,143,792	30,838,228
Cash and cash equivalents	13,682,930	42,207,223
Securities available for sale	79,404,953	77,629,394
Restricted equity securities, at cost	1,463,013	721,163
Loans receivable, net of allowance for loan losses of \$2,678,972 in 2022 and \$2,510,971 in 2021	174,005,377	147,175,558
Accrued Interest receivable	943,958	634,947
Premises and equipment, net	4,868,284	4,755,528
Deferred income taxes	4,864,387	\$927,728
Cash surrender value of life insurance	5,725,345	5,598,658
Other assets	94,761	167,758
Total Assets	\$285,053,008	\$279,817,957

Liabilities and Stockholders' Equity

	2022	2021
Liabilities:		
Noninterest-bearing demand deposits	\$98,534,594	\$97,585,311
Interest-bearing demand deposits	98,187,921	88,224,333
Savings deposits	17,905,583	25,359,132
Time deposits	33,775,640	36,823,638
Total Deposits	248,403,738	247,992,414
Federal Home Loan Bank advance	18,500,000	5,000,000
Notes Payable	7,000,000	7,000,000
Accrued interest payable	83,629	54,186
Deferred compensation payable	367,292	295,859
Accrued expenses and other liabilities	1,512,407	625,156
Total Liabilities	275,867,066	260,967,615
Stockholders' Equity		
Common stock, \$1 par value; 5,000,000 shares authorized, 1,100,065 shares issued & outstanding	1,100,065	1,100,065
Additional paid-in capital	6,932,185	6,932,185
Retained earnings	13,581,658	12,214,821
Less treasury stock, 147,349 shares at cost	(2,186,725)	(2,186,725)
Director and employee deferred comp payable in stock	1,348,259	1,348,259
Accumulated other comprehensive (loss) income	(11,589,500)	(558,263)
Total Stockholders' Equity	9,185,942	18,850,342
Total Liabilities and Stockholders' Equity	\$285,053,008	\$279,817,957

Florida Bancshares, Inc. and Subsidiary Consolidated Statements of Income Years Ended December 31, 2022 and 2021

	2022	2021
Interest Income:		
Loans receivable and fees on loans	\$8,871,950	\$8,451,879
Investment securities	1,709,291	1,035,870
Interest-bearing deposits in banks	33,535	26,482
Total interest income	10,614,776	9,514,231
Interest Expense		
Deposits	359,260	403,757
Other	672,933	540,911
Total interest expense	1,032,193	944,668
Net interest income	9,582,583	8,569,563
Provision for Loan Losses	165,000	(5,000)
Net interest income after provision for loan losses	9,417,583	8,574,563
Noninterest Income:		
Service charges on deposit accounts	702,677	849,830
Other service charges and fees	377,186	334,389
Secondary market Loan Fees	248,088	427,709
Net (losses) gains on sales of securities	0	511,977
Other income	650,926	232,171
Total noninterest income	1,978,877	2,356,076
Noninterest Expense:		
Salaries and employee benefits	6,354,359	5,759,236
Occupancy expense	568,747	519,454
Data processing expense	505,075	528,841
Equipment expense	278,246	230,038
Professional fees	439,983	341,089
Regulatory assessments	194,049	143,591
Other expenses	1,187,145	1,048,370
Total noninterest expense	9,527,604	8,570,619
Income (Loss) Before Income Tax Expense	1,868,856	2,360,020
Income Tax Expense	406,748	500,196
Net Income (Loss)	\$1,462,108	\$1,859,824
Earnings Per Share of Common Stock	\$1.40	\$1.78

Audited financial statements are available upon request.

Community Support & Involvement

We strive to be an integral part of our local communities. All of our Officers are encouraged to become involved in local charities and civic organizations. First National Bank of Pasco is proud to have provided support (either monetary or through dedicated service) to the following local organizations:

Academy at the Farm
Advent Health Zephyrhills Foundation
Alzheimer's Association
Chamber of Commerce:
in Dade City, Zephyrhills, Central Pasco
& North Tampa Bay
Champion for Children
Cavalier Rescue of Florida
Chester W. Taylor Elementary School
City of Dade City
Dade City Firefighters Pension Board
of Trustees
Dade City Little League
District School Board of Pasco County
(ArtsFirst Grants)
East Pasco Meals on Wheels
Farmers Museum
Habitat for Humanity of East
and Central Pasco
Indy Car Grand Prix of St. Petersburg
Lacoochee Elementary School
Land O' Lakes Little League
Leadership St. Pete Alumni Association
Leadership Tampa Alumni Association
Leadership Pasco, Inc.
Metropolitan Ministries

Pasco Coalition for the Homeless
Pasco Economic Development Council
Pasco Hernando State College Foundation
Pasco Elementary School
Pasco High School
Pasco County Fair Association
Pasco County Housing Authority
Pasco County Senior Nutrition Program
Pasco Sheriff's Charities, Inc.
Pioneer Florida Museum
Rotary International:
in Dade City, Land O' Lakes,
& Wesley Chapel
Rodney B Cox Elementary School
Saint Leo University
St. Petersburg Area Chamber of Commerce
Support the Troops, Inc.
Sunrise of Pasco, Inc.
The Thomas Promise Foundation
West Central Florida Honor Flight
West Zephyrhills Elementary School
Woodland Elementary
Zephyrhills High School
Zephyrhills Little League



Office & ATM Locations

DADE CITY

13315 U.S. Hwy 301
Dade City, FL 33525
(352) 521-0141

LUTZ

23613 S.R. 54
Lutz, FL 33559
(813) 607-2555

TAMPA

3143 W. Kennedy Blvd.
Tampa, FL 33609
(813) 358-0105

ZEPHYRHILLS WEST

37215 S.R. 54
Zephyrhills, FL 33542
(813) 779-1905

ZEPHYRHILLS SOUTH

4518 Gall Blvd.
Zephyrhills, FL 33542
(813) 782-1540



First National Bank of Pasco is a member of the Allpoint and Presto! networks, giving you convenient access to hundreds of ATMs in the greater Tampa Bay area.



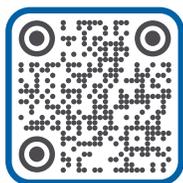
Please visit our website to find ATM locations near where you live, work, and play.

Discover the Difference

First National Bank of Pasco embraces the American Dream. We work tirelessly to help America's entrepreneurs. We listen to understand their dreams and their obstacles. We innovate to create solutions other banks can't even imagine. And then we get it done. If you have dreams, maybe you should bank with us.

For over 35 Years, First National Bank of Pasco has served the financial needs of businesses and individuals in greater Tampa Bay and throughout North America.

We look forward to the opportunity to serve you!



FNBPasco.com



National Bank of Pasco

ESTD 1986



Member
FDIC