

AGENDA
January 23, 2020

Call to order

Reading of Minutes

Loans Requiring Board Approval

Financial Analysis

1. Ratio Analysis	Pg. 1
2. Balance Sheet	Pgs. 2-3
3. Profit & Loss	Pgs. 4-5
4. Balance Sheet- Main Branch	Pgs. 6-7
5. Profit & Loss- Main Branch	Pgs. 8-9
6. Balance Sheet- Beach Branch	Pgs. 10-11
7. Profit & Loss- Beach Branch	Pg. 12-13
8. Yield on Assets – Liabilities	Pg. 14
9. Investment Report	Pg. 15-19

Lending

1. New Loans	Pg. 20
2. Renewed Loans	Pg. 21
3. Active Lines, Letters and Commitments	Pg. 22-23
4. Delinquent Loans	Pg. 24
5. Monthly Loan Watch List	Pg. 25
6. Repossessions, Non Accrual Loans, Other Real Estate Owned	Pg. 26
7. Reserve for Loan Losses	Pg. 27
8. Financial Statement Report	Pg. 28-29
9. Overdraft Report	Pg. 30

Miscellaneous Reports

1. Closed Accounts	Pg. 31
2. Teller Over and Short	Pg. 32
3. New Accounts – Main & Beach	Pgs. 33-35
4. Deposit Rate and Maturity Analysis	Pgs. 36-38

Special Items

- A. Internal Audit Report
- B. Audit Monitoring Tool
- C. Compliance Program Report
- D. Cybersecurity Assessment Tool (CAT) Annual Report
- E. Bank Secrecy Act (BSA) Program Report
- F. 2020 Annual BSA/AML Risk Assessment
- G. Loan Officer Status Report and Risk Assessment
- H. Allowance for Loan and Lease Losses (ALLL)
- I. Fourth Quarter 2020 Concentrations in Commercial Real Estate (CRE) Lending, Risk Assessment
- J. Allowance for Loan Loss Analysis
- K. Enterprise Risk Management – BSA, Consumer Lending, Credit Risk Assessment, Fair Lending Risk Assessment
- L. Concentration of Credit Report
- M. Exception to Policy Log
- N. Information Technology Officers Report
- O. Capital Value Benchmarks December 2020
- P. Annual Security Officers Report for 2019
- Q. Investment Committee Minutes – December 2020
- R. Budget – 2021/2022
- S. Top 5 Depositors
- T. Insurance Company Distribution Check – ICBA Premium Refund
- U. Summary of Insurance
- V. Pandemic Periodic Report

- W. Policy Review
- X. Charge Off/Charge Down and Losses Form-Christopher Miller
- Y. Centerstate: Interest Rate Risk Analysis – Strategy-Shock – Summary and Assumptions Report

**MINUTES OF BOARD OF DIRECTORS
OF
FIRST NATIONAL BANK NORTHWEST FLORIDA**

A meeting of the Board of Directors of First National Bank Northwest Florida was held at 101 East 23rd Street, Panama City, Florida, on December 17, 2020.

Present were Bill Adams, John Hundley, Kim Johns, Roger Grace and Al Qualls. Angie Barger was absent. There being a quorum present, the meeting was called to order. Waiver of Notice of Meeting was approved.

The minutes of the previous meeting were read and approved on a motion by John Hundley, seconded by Roger Grace.

The Board then reviewed the following reports for the month of November.

1. Loans Requiring Board Approval
2. Financial Reports
3. Lending
4. Miscellaneous Reports
5. Special Reports

Next, an internal audit report as of November 2020 prepared by Denise Bunes, Internal Auditor, was presented. The report was an Operational Review of Information Technology (IT) with Cybersecurity and Online and Mobile Banking. Both reviews concluded with strong results. See reports for details.

The 2021 Internal Audit Schedule was presented and reviewed as well as the 2021 Internal Audit Schedule Risk Assessment and Explanation of Risk Assessment were also included. See reports for details.

The Compliance Program report prepared by Denise Bunes, Internal Auditor/Compliance Officer was presented to the Board for the period covering November 1 through November 30, 2020. The report includes program status, implementation, regulatory news, policies & procedures, training, review, and monitoring. See report for complete details.

The annual Customer Information Protection Report was presented. This report is completed by Denise Bunes, Internal Auditor as an independent testing of personnel and procedures to ensure the privacy of customers is safeguarded. See report for further details.

Next, the Third-Party Vendor Review Annual Report was presented to the Board. The Vendor Risk Management Review Program was implemented December of 2020 per request of OCC Examiner focusing on annual reviews for all identified critical/urgent risk vendors. The Committee has not rated any vendors as Critical. See report for details.

The Board then reviewed the Bank Secrecy Act (BSA) Program submitted by Steven Dvorak, BSA/OFAC Officer. This report covers the period November 1 through November 30, 2020. The report includes the Program Status, Implementation/Projects, Regulatory News/Changes, Monitoring, and Filing Statistics. It is noted that one SAR (Suspicious Activity Report) was filed on 11/10/2020 in the amount of 20,000. The customer asked about cash deposit limits and the banks obligation to report deposits of 10,000 or more. The customer then structured their deposits in order to not trigger a CTR. See report for details.

The Loan Officer Status Report and Risk Assessment for the period ending November 30, 2020 was presented and reviewed. This report further details on a per lending officer basis, their loan portfolio management, criticized & classified loans, past due status and various exceptions. This report includes a listing and status of all loans approved under the bank's supplemental lending limits. Enhancements may be made to this report over time in order to better serve management and the board. See report for details.

The minutes for the Enterprise Risk Management (ERM) meeting were then reviewed. The minutes covered employees testing positive for Covid-19 and precautionary measures, revised Covid-19 action plan, CDC quarantine update and quarantine rules. See report for details.

Next the Board reviewed the Pandemic Periodic Report. This report covers Bank operations and changes during the Covid-19 pandemic. See report for further details.

The Enterprise Risk Committee presented the Enterprise Risk Management Program and Risk Profile Report to the Board. This report is a consistent means of assessing and measuring the Bank's risks. The Board will consider the present condition of the Bank as well as identifying and increasing risks. The Board will consider risk as the potential that events, expected or unanticipated may have an adverse impact on the Bank's financial condition and resiliency. This is considered a living document which will be updated and presented to the Board from time to time as changes occur. This report is complete with the exception of the BSA/AML, Credit, Consumer Lending and Fair Lending sections. These sections will be presented in the January Board meeting. See report for further details.

Next, three Charge Off/Charge Down and Losses Forms were presented:

- The First Charge Off was for Darren Milner. Mr. Milner's account was paid into overdraft on 11/16/2020. The customer claimed that he did not receive cash from the ATM on 10/16/20. The customer was given provisional credit. Charge back was denied. Customer agreed to provide police report and video proof that he did not receive the cash. He did not provide this proof and further overdrew his account with debit card purchases. The amount of the charge off is 385.64.
- The second Charge Off was for Chastity Gonzalez. Ms. Gonzalez's account was paid into overdraft on 11/9/2020 due to debit card transactions charge account into overdraft by 50.13. The amount of charge off is 50.13.
- The third Charge Off was for Chioneso Carter. Mr. Carter's account was paid into overdraft on 10/30/2020 due to a 25.00 POS purchase caused a 20.73 overdraft. The amount of charge off is 20.73. See reports for details.

The Board was presented with a loan/line presentation for Shri Ganesh Enterprises, Inc. The purpose of this loan/line to refinance the Comfort Suites Hotel in the amount of \$3,300,000.00 with a term of 180 months. The interest rate is Prime +1.00% with a floor of 4.25%. DSC is Global 2.91x. This Loan/Line Presentation is an exception to policy due to the appraiser not being on the approved appraiser list. This loan/line presentation was previously approved by Loan Committee under the Supplemental Lending Limit program. On a motion by Dr. Roger Grace and seconded by Bill Adams the loan/line was approved. See presentation for details.

Investment Committee Minutes for the month of November 2020 were presented to the Board for review. Please see report for detail.

Various policies were submitted for approval by the Board of Directors due to regulatory or procedural content changes or updates. Policy changes were approved on a motion by John Hundley, seconded by Bill Adams and approved. See policy list and/or specific policies for details.

A discussion was held regarding the quarterly estimated tax disbursement that is normally up streamed to the holding company. It was determined that the disbursement would be temporarily discontinued at this time; however, this disbursement or further disbursements could be made at a later date. A motion was made by Chairman Qualls and seconded by Roger Grace.

The Board was advised of an update regarding the foreclosure of the Jones, Gaglio & Dennis loan/property. There is electrical damage to the property due to Hurricane Michael. Estimates are currently being submitted. There is also a lien on furniture, fixtures and equipment. CLO Johns also informed the Board that the sale date is scheduled for January 12, 2021.

There being no further business, the meeting was adjourned on a motion by Roger Grace and seconded by Bill Adams.



Polly L. Qualls, Secretary

RATIO ANALYSIS
December 31, 2020

ASSET QUALITY	CURRENT MONTH	PREVIOUS MONTH	SAME MONTH LAST YEAR
PAST DUES/TOTAL LOANS	0.56%	0.58%	2.62%
PAST DUES	400,876	400,876	1,737,303
NON-ACCRUAL / TOTAL LOANS	0.27%	0.28%	0.30%
NON-ACCRUAL LOANS	195,566	195,465	197,443
O.R.E.	-	-	-
LOAN LOSS RESERVE	1,249,363	1,249,820	1,249,589
LOAN LOSS RES/TOTAL LOANS	1.74%	1.79%	1.89%
EARNINGS			
BEFORE TAXES	144,278	98,544	146,826
AFTER TAXES	144,278	98,544	146,826
NET INTEREST MARGIN	2.15%	2.16%	2.88%
AVG EARNING ASSETS/AVG TOTAL ASSETS	98.71%	98.66%	98.58%
INT. DEPOSITS/TOTAL DEPOSITS	79.33%	78.27%	79.34%
NON-INTEREST EXPENSE	243,523	260,073	294,079
LOANS/TOTAL DEPOSITS (50% TO 90%)	42.18%	40.23%	41.34%
LIQUIDITY (>=20%)	61.52%	63.44%	63.84%
INVESTMENTS % TOTAL ASSETS (15% TO 60%)	61.64%	63.53%	61.68%
FEDERAL FUNDS SOLD	-	-	-
DUE FROM FHLB & FED	17,250,216	20,306,290	30,895,068
DUE FROM CENTERSTATE	179,982	246,473	191,297
STATE OF FLORIDA MUTUAL FUNDS	-	0	0
DUE FROM TIME DEPOSITS	90,579,000	91,590,000	68,587,000
DUE FROM OTHER	-	-	-
COST OF FUNDS	0.19%	0.20%	0.98%
CAPITAL			
COMON EQUITY TIER 1 CAPITAL	20,019,142	19,874,864	18,890,387
TOTAL RISKED BASED CAPITAL RATIO (Well Capitalized = 10%)	35.00%	36.44%	37.50%
TIER 1 CAPITAL RATIO (Well Capitalized = 8%)	33.74%	35.18%	36.24%
COMMON EQUITY TIER 1 CAPITAL RATIO (Well Capitalized = 6.5%)	33.74%	35.18%	36.24%
TIER 1 LEVERAGE RATIO (Well Capitalized = 5%)	10.59%	10.44%	10.55%
CAPITAL BUFFER	27.00%	28.44%	29.50%
DIVIDEND PAYOUT RATIO (Benchmark 65%)	0.00%	0.00%	10.12%

* Capital Buffer equals the lowest of the following:

Total Capital minus 8%

Tier 1 Capital minus 6%

Common Equity Tier 1 Capital minus 4.5%

FIRST NATIONAL BANK NORTHWEST FLORIDA
BALANCE SHEET
December 31, 2020

	Current MTD Balance	Current MTD Average	Previous MTD Average	Change	Current MTD Budget	Variance Current Avg /Budget (%)
ASSETS						
Cash and Cash Items	1,072,430.00	1,432,630.76	1,528,609.91	(95,979.15)	1,452,253.21	-1.35%
Due From-Time Deposits	90,579,000.00	90,635,288.36	91,230,731.34	(595,442.98)	88,883,872.00	1.97%
Due From Int Bearing Demand	17,250,216.06	18,428,207.90	19,613,640.78	(1,185,432.88)	14,960,860.87	23.18%
Due From Non Int Bear Demand	179,981.54	245,488.98	258,700.39	(13,211.41)	251,974.90	-2.57%
Total Cash & Due From	109,081,627.60	110,741,616.00	112,631,682.42	(1,890,066.42)	105,548,960.98	4.92%
INVESTMENTS						
Securities	6,276,845.34	6,392,406.73	6,601,221.16	(208,814.43)	6,993,890.39	-8.60%
FHLB Stock	259,400.00	259,400.00	259,400.00	-	259,400.00	0.00%
FRB Stock	198,150.00	198,150.00	198,150.00	-	198,150.00	0.00%
Fed Funds Sold	-	-	-	-	-	0.00%
TOTAL INVESTMENTS	6,734,395.34	6,849,956.73	7,058,771.16	(208,814.43)	7,451,440.39	-8.07%
LOANS						
Commercial	12,893,531.44	13,331,395.41	13,704,117.03	(372,721.62)	1,857,793.75	617.59%
Real Estate	59,030,092.52	57,910,243.69	56,944,398.70	965,844.99	62,832,314.36	-7.83%
Installment	50,977.81	51,325.45	52,304.77	(979.32)	57,382.25	-10.56%
Overdrafts & Loan Unposted	12,011.03	242,008.41	28,336.25	213,672.16	3,786.65	6291.10%
Total Gross Loans	71,986,612.80	71,534,972.96	70,729,156.75	805,816.21	64,751,277.01	10.48%
Unearned	(145,896.42)	(149,834.75)	(159,762.09)	9,927.34	145,099.42	-203.26%
Loan Loss Reserve	(1,249,363.04)	(1,249,758.88)	(1,249,819.54)	60.66	(1,249,819.54)	0.00%
TOTAL NET LOANS	70,591,353.34	70,135,379.33	69,319,575.12	815,804.21	63,646,556.89	10.20%
FIXED ASSETS						
Land/Building/Leasehold	389,604.68	389,610.43	388,032.71	1,577.72	404,995.14	-3.80%
Vehicles	18,127.69	18,127.74	18,127.90	(0.16)	17,627.89	2.84%
Furniture/Fixture	306,188.95	306,247.57	306,641.33	(393.76)	292,666.39	4.64%
TOTAL PROPERTY	713,921.32	713,985.74	712,801.94	1,183.80	715,289.42	-0.18%
Letters of Credit	273,942.76	273,942.76	273,942.76	-	258,569.36	5.95%
Letters of Credit (contra)	(273,942.76)	(273,942.76)	(273,942.76)	-	(258,569.36)	5.95%
I.E.U. Loans	347,118.06	332,395.67	346,006.48	(13,610.81)	322,299.21	3.13%
I.E.U. Inv	114,996.56	123,237.90	124,802.38	(1,564.48)	144,269.86	-14.58%
Other Real Estate	-	-	-	-	-	0.00%
Other Assets	146,278.99	174,538.91	167,118.39	7,420.52	151,517.14	15.19%
TOTAL OTHER ASSETS	608,393.61	630,172.48	637,927.25	(7,754.77)	618,086.21	1.96%
TOTAL ASSETS	187,729,691.21	189,071,110.28	190,360,757.89	(1,289,647.61)	177,980,333.89	6.23%

FIRST NATIONAL BANK NORTHWEST FLORIDA
BALANCE SHEET
December 31, 2020

	Current MTD Balance	Current MTD Average	Previous MTD Average	Current Avg / Previous Avg Change	Current MTD Budget	Variance Current Avg /Budget (%)
LIABILITIES						
Demand Checking	34,600,402.76	35,820,550.99	37,744,075.19	(1,923,524.20)	36,459,521.32	-1.75%
Achiever Checking	23,726,002.58	23,765,577.48	24,960,226.66	(1,194,649.18)	21,725,679.81	9.39%
First Preferred Checking	39,241,992.86	38,694,022.48	38,277,461.15	416,561.33	34,060,919.36	13.60%
Money Market Checking	46,109,933.00	46,390,187.90	44,975,061.91	1,415,125.99	38,931,605.06	19.16%
Regular Savings	3,568,980.74	3,587,074.49	3,583,433.52	3,640.97	3,839,986.14	-6.59%
TD's Under 100M Fixed	2,687,086.84	2,713,389.74	2,769,981.95	(56,592.21)	2,890,523.08	-6.13%
TD's Under 100M Variable	-	-	-	-	-	0.00%
TD's Over 100M Fixed	15,212,103.42	15,558,546.70	15,752,519.27	(193,972.57)	17,537,732.66	-11.29%
TD's Over 100M Variable	-	-	-	-	-	0.00%
IRA's Under 100M Fixed	1,466,745.23	1,459,021.12	1,354,661.09	104,360.03	1,380,648.42	5.68%
IRA's Under 100M Variable	45,523.19	61,652.63	68,243.73	(6,591.10)	64,774.54	-4.82%
IRA's Over 100M Fixed	710,167.15	699,450.26	549,820.59	149,629.67	554,313.14	26.18%
IRA's Over 100M Variable	-	-	-	-	-	0.00%
TOTAL DEPOSITS	167,368,937.77	168,749,473.79	170,035,485.06	(1,286,011.27)	157,445,703.53	7.18%
OTHER LIABILITIES						
Accrued Expenses	82,735.79	116,093.66	248,089.85	(131,996.19)	187,675.59	-38.14%
Fed Funds Purchased	-	-	-	-	-	0.00%
Other Borrowings/LOC & Advance	-	-	-	-	-	0.00%
TOTAL OTHER LIABILITIES	82,735.79	116,093.66	248,089.85	(131,996.19)	187,675.59	-38.14%
CAPITAL						
Capital Stock	1,904,665.00	1,904,665.00	1,904,665.00	-	1,904,665.00	0.00%
Surplus	4,699,259.19	4,699,259.19	4,699,259.19	-	4,699,259.19	0.00%
Undivided Profits	11,981,492.74	11,981,492.74	11,981,492.74	-	11,717,990.83	2.25%
Net Unrealized Gain	258,875.63	258,644.15	254,741.22	3,902.93	336,610.72	-23.16%
Cur Period Earnings	1,433,725.09	1,361,481.75	1,237,024.83	124,456.92	1,688,429.03	-19.36%
TOTAL CAPITAL	20,278,017.65	20,205,542.83	20,077,182.98	128,359.85	20,346,954.77	-0.70%
TOTAL LIAB. & CAPITAL	187,729,691.21	189,071,110.28	190,360,757.89	(1,289,647.61)	177,980,333.89	6.23%

General Lending Limit - 12 CFR 32.3	3,190,275.76
Supplemental Lending Limit Program (SLLP)- 12 CFR 32.7	2,126,850.51
Total General 12 CFR 32.3 + SLLP 12 CFR 32.7	5,317,126.27

FIRST NATIONAL BANK NORTHWEST FLORIDA
PROFIT & LOSS STATEMENT
December 31, 2020

	Variance YTD				
	Current MTD Balance	Previous MTD Balance	YTD Balance	YTD Budget	Balance / Budget (%)
INCOME					
INVESTMENT INCOME					
Due From Time Deposits	86,870.00	84,960.00	1,356,075.98	1,322,252.68	2.56%
Due From Int Bearing Demand	1,569.78	1,615.62	107,117.34	103,184.59	3.81%
US Govt Securities	14,854.93	15,145.19	221,130.94	226,179.41	-2.23%
FHLB Dividends	823.67	960.11	11,243.52	13,089.05	-14.10%
FRB Dividends	947.90	979.80	11,888.43	11,936.54	-0.40%
Fed Funds Sold	-	-	-	-	0.00%
TOTAL INT INCOME	105,066.28	103,660.72	1,707,456.21	1,676,642.27	1.84%
Commercial	15,432.90	15,181.38	165,820.59	146,096.66	13.50%
Real Estate	243,089.69	238,202.75	3,271,115.85	3,446,524.15	-5.09%
Installment	107.72	106.59	1,589.27	1,779.08	-10.67%
Service Fees - SBA & USDA	919.34	895.48	11,355.18	11,686.09	-2.83%
Loan Fees	39,420.20	18,684.65	108,387.99	300,895.53	-63.98%
Gain-Repo Assets	-	-	-	-	0.00%
Gain-Sec Market-Res Mtg	-	-	-	-	0.00%
Gain-Sec Market-SBA & USDA	-	-	-	-	0.00%
TOTAL LOAN INCOME	298,969.85	273,070.85	3,558,268.88	3,906,981.51	-8.93%
OTHER INCOME					
Service Charges & Safe Box	3,447.01	2,768.75	36,366.54	35,363.33	2.84%
Deposit Operations Fees	1,501.07	1,358.52	16,615.98	19,582.69	-15.15%
Other Income	-	-	76,879.88	86,210.88	-10.82%
TOTAL OTHER INCOME	4,948.08	4,127.27	129,862.40	141,156.90	-8.00%
TOTAL INCOME	408,984.21	380,858.84	5,395,587.49	5,724,780.68	-5.75%

FIRST NATIONAL BANK NORTHWEST FLORIDA
PROFIT & LOSS STATEMENT
December 31, 2020

	Current MTD Balance	Previous MTD Balance	YTD Balance	YTD Budget	Variance YTD Balance / Budget (%)
EXPENSE					
INTEREST EXPENSE					
Achiever Checking	1,609.93	1,488.67	68,807.47	80,161.86	-14.16%
First Preferred Checking	2,676.93	2,995.15	137,115.71	164,435.03	-16.61%
Money Market Checking	3,961.63	3,992.24	164,996.46	196,865.31	-16.19%
Regular Savings	152.26	147.28	2,122.19	2,511.16	-15.49%
TD's Under 100M Fixed	1,217.95	1,421.90	30,837.07	28,283.37	9.03%
TD's Under 100M Variable	-	-	-	-	0.00%
TD's Over 100M Fixed	10,251.51	10,820.12	181,193.04	155,501.62	16.52%
TD's Over 100M Variable	-	-	-	-	0.00%
IRA's Under 100M Fixed	899.08	915.04	15,203.81	12,299.55	23.61%
IRA's Under 100M Variable	6.21	7.14	668.61	684.56	-2.33%
IRA's Over 100M Fixed	407.06	453.68	7,571.64	5,745.85	31.78%
IRA's Over 100M Variable	-	-	-	-	0.00%
Fed Funds Purchase	-	-	-	-	0.00%
LOC Advance	-	-	6.02	-	0.00%
TOTAL INT EXPENSE	21,182.56	22,241.22	608,522.02	646,488.31	-5.87%
EMPLOYEE EXPENSE					
Salaries	115,248.53	124,265.58	1,683,316.23	1,668,323.07	0.90%
Employee Benefits	32,514.21	39,847.00	387,843.96	379,635.87	2.16%
TOTAL SAL/BENEFITS	147,762.74	164,112.58	2,071,160.19	2,047,958.94	1.13%
OTHER EXPENSES					
Advertising/Sponsorships	-	-	14,522.56	17,000.35	-14.57%
Assessments - FDIC & OCC	9,088.30	8,596.50	99,948.90	115,545.95	-13.50%
Building (net-rent)	19,571.75	24,022.83	320,973.81	340,714.65	-5.79%
Check Printing	48.02	148.28	1,230.15	2,017.70	-39.03%
Communications	1,643.69	1,661.96	19,653.51	19,254.66	2.07%
Computer Data Processing & Softw	29,301.77	30,625.62	346,723.75	328,528.33	5.54%
Computer Supplies & Maintenance	5,073.00	3,435.00	53,639.17	49,990.53	7.30%
Computer Info Security	-	-	-	1,169.00	-100.00%
Consulting Fees	-	-	-	-	0.00%
Contributions & Donations	1,000.00	69.10	4,370.96	1,750.00	149.77%
Customer/Public Re	581.37	1,141.06	8,484.35	8,516.38	-0.38%
Debit Card Charges	(1,261.77)	(2,106.20)	(21,194.55)	(23,634.21)	-10.32%
Delivery - Courier - Other	2,302.08	2,935.52	32,591.23	32,437.48	0.47%
Directors Fees	7,050.00	2,550.00	39,600.00	40,331.00	-1.81%
Dues and Membershi	1,509.12	1,509.08	19,451.06	19,689.00	-1.21%
Education & Traini	103.75	103.75	1,860.00	2,032.75	-8.50%
Entertainment	265.67	234.53	5,657.85	6,680.20	-15.30%
External Exam & Audit	5,735.00	5,550.00	67,710.00	68,545.00	-1.22%
FF&E Maint & Supply	3,018.66	4,388.09	123,617.56	138,972.95	-11.05%
Hurricane Building Expense	-	-	-	-	0.00%
Hurricane Building Contra	-	-	-	-	0.00%
Hurricane Contents Expense	-	-	-	-	0.00%
Hurricane Contents Contra	-	-	-	-	0.00%
Hurricane Bus Interruption Exp	-	-	442.90	-	0.00%
Hurricane Bus Interruption Contra	-	-	-	-	0.00%
Hurricane Sign Expense	-	-	-	-	0.00%
Hurricane Sign Contra	-	-	-	-	0.00%
Ins Exp (Non Bldg)	1,189.47	1,152.53	7,826.22	6,738.44	16.14%
Legal Fees	-	-	662.50	1,012.50	-34.57%
Licenses	315.45	-	1,867.47	1,746.22	6.94%
Loan Loss Provisio	-	-	-	-	0.00%
Miscellaneous Expense - Other	1,017.72	858.54	11,782.35	12,104.95	-2.67%
Miscellaneous Expense - Loan	559.44	732.73	9,916.45	12,079.92	-17.91%
Other Losses - Fraud Related	99.61	-	658.61	25,807.87	-97.45%
Other Losses	-	-	-	1,998.00	-100.00%
Other Real Estate	-	-	-	-	0.00%
Over & Short	(14.77)	99.00	(558.76)	364.97	-253.10%
Professional Servi	228.75	228.75	12,771.48	10,854.37	17.66%
Repossessions	-	-	-	-	0.00%
Service Charges - Due from Banks	1,880.52	1,963.01	22,939.42	20,868.26	9.92%
Stationary/Supplie	1,584.83	2,579.99	37,468.46	34,263.02	9.38%
Subscriptions - Publications Manual	464.86	464.86	9,758.53	10,599.96	-7.94%
Taxes (Non Bldg)	2,869.58	2,508.80	9,700.64	4,628.86	109.57%
Travel	-	-	4,766.47	13,110.23	-63.64%
Vehicle Maint & Supply	534.81	507.23	13,337.14	17,135.11	-22.16%
TOTAL OTHER EXPENSE	95,760.68	95,960.56	1,282,180.19	1,342,854.40	-4.52%
TOTAL EXPENSE	264,705.98	282,314.36	3,961,862.40	4,037,301.65	-1.87%
NET INC BEFORE TAXES	144,278.23	98,544.48	1,433,725.09	1,687,479.03	-15.04%
INCOME TAXES	-	-	-	-	0.00%
NET INCOME	144,278.23	98,544.48	1,433,725.09	1,687,479.03	-15.04%

FIRST NATIONAL BANK NORTHWEST FLORIDA
MAIN BRANCH BALANCE SHEET
December 31, 2020

	Current MTD Balance	Current MTD Average	Previous MTD Average	Change
ASSETS				
Cash and Cash Items	801,194.44	1,170,474.98	1,248,759.65	(78,284.67)
Due From-Time Deposits	90,579,000.00	90,635,288.36	91,230,731.34	(595,442.98)
Due From Int Bearing Demand	17,250,216.06	18,428,207.90	19,613,640.78	(1,185,432.88)
Due From Non Int Bear Demand	179,981.54	245,488.98	258,700.39	(13,211.41)
Total Case & Due From	108,810,392.04	110,479,460.22	112,351,832.16	(1,872,371.94)
INVESTMENTS				
Securities	6,276,845.34	6,392,406.73	6,601,221.16	(208,814.43)
FHLB Stock	259,400.00	259,400.00	259,400.00	-
FRB Stock	198,150.00	198,150.00	198,150.00	-
Fed Funds Sold	-	-	-	-
TOTAL INVESTMENTS	6,734,395.34	6,849,956.73	7,058,771.16	(208,814.43)
LOANS				
Commercial	12,472,084.25	12,892,788.22	13,108,631.55	(215,843.33)
Real Estate	55,324,712.32	54,195,300.14	53,272,263.31	923,036.83
Installment	50,977.81	51,325.45	52,304.77	(979.32)
Overdrafts & Loan Unposted	12,011.03	241,333.02	27,318.24	214,014.78
Total Gross Loans	67,859,785.41	67,380,746.83	66,460,517.87	920,228.96
Unearned	(128,092.61)	(130,894.93)	(135,214.62)	4,319.69
Loan Loss Reserve	(1,249,508.86)	(1,249,904.70)	(1,249,965.36)	60.66
TOTAL NET LOANS	66,482,183.94	65,999,947.20	65,075,337.89	924,609.31
FIXED ASSETS				
Land/Building/Leasehold	303,937.93	303,938.34	303,940.43	(2.09)
Vehicles	18,127.69	18,127.74	18,127.90	(0.16)
Furniture/Fixture	296,885.63	296,944.25	297,294.84	(350.59)
TOTAL PROPERTY	618,951.25	619,010.33	619,363.17	(352.84)
Letters of Credit	273,942.76	273,942.76	273,942.76	-
Letters of Credit (contra)	(273,942.76)	(273,942.76)	(273,942.76)	-
I.E.U. Loans	337,062.35	319,738.96	332,234.88	(12,495.92)
I.E.U. Inv	114,996.56	123,237.90	124,802.38	(1,564.48)
Other Real Estate	-	-	-	-
Other Assets	146,278.99	174,538.91	167,118.39	7,420.52
TOTAL OTHER ASSETS	598,337.90	617,515.77	624,155.65	(6,639.88)
TOTAL ASSETS	183,244,260.47	184,565,890.25	185,729,460.03	(1,163,569.78)

FIRST NATIONAL BANK NORTHWEST FLORIDA
MAIN BRANCH BALANCE SHEET
December 31, 2020

	Current MTD Balance	Current MTD Average	Previous MTD Average	Current Avg / Previous Avg Change
LIABILITIES				
Demand Checking	26,633,843.42	27,533,092.66	28,880,953.22	(1,347,860.56)
Achiever Checking	15,006,065.77	14,974,280.95	16,105,483.76	(1,131,202.81)
First Preferred Checking	34,462,669.43	33,982,625.61	33,776,944.93	205,680.68
Money Market Checking	39,244,037.32	39,808,998.26	37,500,539.85	2,308,458.41
Regular Savings	2,796,887.91	2,814,089.72	2,806,451.18	7,638.54
TD's Under 100M Fixed	2,236,764.48	2,263,215.32	2,318,360.12	(55,144.80)
TD's Under 100M Variable	-	-	-	-
TD's Over 100M Fixed	14,472,703.88	14,819,500.91	15,013,646.06	(194,145.15)
TD's Over 100M Variable	-	-	-	-
IRA's Under 100M Fixed	957,963.27	957,504.78	957,095.48	409.30
IRA's Under 100M Variable	26,219.74	42,349.37	48,941.38	(6,592.01)
IRA's Over 100M Fixed	550,536.24	550,118.12	549,820.59	297.53
IRA's Over 100M Variable	-	-	-	-
TOTAL DEPOSITS	136,387,691.46	137,745,775.70	137,958,236.57	(212,460.87)
OTHER LIABILITIES				
Accrued Expenses	71,329.92	103,889.46	235,664.82	(131,775.36)
Fed Funds Purchased	-	-	-	-
Other Borrowings/LOC & Advance	-	-	-	-
TOTAL OTHER LIABILITIES	71,329.92	103,889.46	235,664.82	(131,775.36)
CAPITAL				
Capital Stock	1,904,665.00	1,904,665.00	1,904,665.00	-
Surplus	4,699,259.19	4,699,259.19	4,699,259.19	-
Undivided Profits	11,981,492.74	11,981,492.74	11,981,492.74	-
Net Unrealized Gain	258,875.63	258,644.15	254,741.22	3,902.93
Cur Period Earnings	1,657,127.37	1,581,559.36	1,448,178.81	133,380.55
TOTAL CAPITAL	20,501,419.93	20,425,620.44	20,288,336.96	137,283.48
TOTAL LIAB. & CAPITAL	156,960,441.31	158,275,285.60	158,482,238.35	(206,952.75)

FIRST NATIONAL BANK NORTHWEST FLORIDA
MAIN BRANCH PROFIT & LOSS STATEMENT
December 31, 2020

	Current MTD Balance	Previous MTD Balance	YTD Balance
INCOME			
INVESTMENT INCOME			
Due From Time Deposits	86,870.00	84,960.00	1,356,075.98
Due From Int Bearing Demand	1,569.78	1,615.62	107,117.34
US Govt Securities	14,854.93	15,145.19	221,130.94
FHLB Dividends	823.67	960.11	11,243.52
FRB Dividends	947.90	979.80	11,888.43
Fed Funds Sold	-	-	-
TOTAL INT INCOME	<u>105,066.28</u>	<u>103,660.72</u>	<u>1,707,456.21</u>
Commercial	14,968.72	14,608.00	160,287.37
Real Estate	225,459.36	221,255.23	3,074,274.73
Installment	107.72	106.59	1,589.27
Service Fees - SBA & USDA	919.34	895.48	11,355.18
Loan Fees	29,901.41	12,576.60	68,392.08
Gain-Repo Assets	-	-	-
Gain-Sec Market-Res Mtg	-	-	-
Gain-Sec Market-SBA & USDA	-	-	-
TOTAL LOAN INCOME	<u>271,356.55</u>	<u>249,441.90</u>	<u>3,315,898.63</u>
OTHER INCOME			
Service Charges & Safe Box	2,812.01	2,238.25	28,306.69
Deposit Operations Fees	1,057.61	1,070.00	11,761.52
Other Income	-	-	76,879.88
TOTAL OTHER INCOME	<u>3,869.62</u>	<u>3,308.25</u>	<u>116,948.09</u>
TOTAL INCOME	<u><u>380,292.45</u></u>	<u><u>356,410.87</u></u>	<u><u>5,140,302.93</u></u>

**FIRST NATIONAL BANK NORTHWEST FLORIDA
MAIN BRANCH PROFIT & LOSS STATEMENT**

December 31, 2020

	Current MTD Balance	Previous MTD Balance	YTD Balance
EXPENSE			
INTEREST EXPENSE			
Achiever Checking	1,005.03	979.37	43,940.77
First Preferred Checking	2,346.00	2,697.33	122,507.21
Money Market Checking	3,406.16	3,386.70	139,479.66
Regular Savings	119.46	115.34	1,610.62
TD's Under 100M Fixed	1,087.30	1,239.39	26,817.46
TD's Under 100M Variable	-	-	-
TD's Over 100M Fixed	10,037.79	10,613.34	177,383.58
TD's Over 100M Variable	-	-	-
IRA's Under 100M Fixed	665.94	678.33	11,068.35
IRA's Under 100M Variable	4.32	5.32	283.68
IRA's Over 100M Fixed	394.38	453.68	7,285.94
IRA's Over 100M Variable	-	-	-
Fed Funds Purchase	-	-	-
LOC Advance	-	-	6.02
TOTAL INT EXPENSE	19,066.38	20,168.80	530,383.29
EMPLOYEE EXPENSE			
Salaries	97,151.73	107,659.41	1,514,132.93
Employee Benefits	28,889.27	36,320.34	348,017.40
TOTAL SAL/BENEFITS	126,041.00	143,979.75	1,862,150.33
OTHER EXPENSES			
Advertising/Sponsorships	-	-	14,522.56
Assessments - FDIC & OCC	8,256.24	7,831.20	91,847.14
Building (net-rent)	13,990.62	15,867.30	228,802.60
Check Printing	19.22	77.16	923.55
Communications	1,280.13	1,298.40	15,286.00
Computer Data Processing & Software	23,973.31	26,271.42	286,704.33
Computer Supplies & Maintenance	5,073.00	3,435.00	53,639.17
Computer Info Security	-	-	-
Consulting Fees	-	-	-
Contributions & Donations	1,000.00	-	4,370.96
Customer/Public Re	581.37	1,141.06	8,162.62
Debit Card Charges	(1,261.77)	(2,106.20)	(21,194.55)
Delivery - Courier - Other	1,939.90	2,568.62	28,147.13
Directors Fees	7,050.00	2,550.00	39,600.00
Dues and Membershi	1,509.12	1,509.08	18,661.06
Education & Traini	103.75	103.75	1,860.00
Entertainment	265.67	234.53	5,657.85
External Exam & Audit	5,735.00	5,550.00	67,710.00
FF&E Maint & Supply	1,931.75	3,065.09	110,307.71
Hurricane Building Expense	-	-	-
Hurricane Building Contra	-	-	-
Hurricane Contents Expense	-	-	-
Hurricane Contents Contra	-	-	-
Hurricane Business Interruption Expense	-	-	442.90
Hurricane Business Interruption Contra	-	-	-
Hurricane Sign Expense	-	-	-
Hurricane Sign Contra	-	-	-
Ins Exp (Non Bldg)	1,189.47	1,152.53	7,826.22
Legal Fees	-	-	662.50
Licenses	315.45	-	1,627.52
Loan Loss Provisio	-	-	-
Miscellaneous Expense - Other	980.76	821.58	10,965.34
Miscellaneous Expense - Loan	559.44	742.73	9,926.45
Other Losses - Fraud Related	99.61	-	658.61
Other Losses	-	-	-
Other Real Estate	-	-	-
Over & Short	(14.77)	99.00	(539.46)
Professional Servi	114.38	114.38	11,210.35
Repossessions	-	-	-
Service Charges - Due from Banks	1,880.52	1,963.01	22,939.42
Stationary/Supplie	1,325.22	2,304.77	33,055.63
Subscriptions - Publications Manuals	464.86	464.86	9,758.53
Taxes (Non Bldg)	2,652.18	2,351.44	8,996.19
Travel	-	-	4,766.47
Vehicle Maint & Supply	534.81	507.23	13,337.14
TOTAL OTHER EXPENSE	81,549.24	79,917.94	1,090,641.94
TOTAL EXPENSE	226,656.62	244,066.49	3,483,175.56
NET INC BEFORE TAXES	153,635.83	112,344.38	1,657,127.37
INCOME TAXES	-	-	-
NET INCOME	153,635.83	112,344.38	1,657,127.37

FIRST NATIONAL BANK NORTHWEST FLORIDA
BEACH BRANCH BALANCE SHEET
December 31, 2020

	Current MTD Balance	Current MTD Average	Previous MTD Average	Change
ASSETS				
Cash and Cash Items	271,235.56	262,155.78	279,850.26	(17,694.48)
Total Cash & Due From	271,235.56	262,155.78	279,850.26	(17,694.48)
LOANS				
Commercial	421,447.19	438,607.19	595,485.48	(156,878.29)
Real Estate	3,705,380.20	3,714,943.55	3,672,135.39	42,808.16
Installment	-	-	-	-
Overdrafts & Loan Unposted	-	675.39	1,018.01	(342.62)
Total Gross Loans	4,126,827.39	4,154,226.13	4,268,638.88	(114,412.75)
Unearned	(17,803.81)	(18,939.82)	(24,547.47)	5,607.65
Loan Loss Reserve	145.82	145.82	145.82	-
TOTAL NET LOANS	4,109,169.40	4,135,432.13	4,244,237.23	(108,805.10)
FIXED ASSETS				
Land/Building/Leasehold	85,666.75	85,672.09	84,092.28	1,579.81
Furniture/Fixture	9,303.32	9,303.32	9,346.49	(43.17)
TOTAL PROPERTY	94,970.07	94,975.41	93,438.77	1,536.64
Letters of Credit	-	-	-	-
Letters of Credit (contra)	-	-	-	-
I.E.U. Loans	10,055.71	12,656.71	13,771.60	(1,114.89)
Other Real Estate	-	-	-	-
Other Assets	-	-	-	-
TOTAL OTHER ASSETS	10,055.71	12,656.71	13,771.60	(1,114.89)
TOTAL ASSETS	4,485,430.74	4,505,220.03	4,631,297.86	(126,077.83)

**FIRST NATIONAL BANK NORTHWEST FLORIDA
BEACH BRANCH BALANCE SHEET
December 31, 2020**

	Current MTD Balance	Current MTD Average	Previous MTD Average	Current Avg / Previous Avg Change
LIABILITIES				
Demand Checking	7,966,559.34	8,287,458.33	8,863,121.97	(575,663.64)
Achiever Checking	8,719,936.81	8,791,296.53	8,854,742.90	(63,446.37)
First Preferred Checking	4,779,323.43	4,711,396.87	4,500,516.22	210,880.65
Money Market Checking	6,865,895.68	6,581,189.64	7,474,522.06	(893,332.42)
Regular Savings	772,092.83	772,984.77	776,982.34	(3,997.57)
TD's Under 100M Fixed	450,322.36	450,174.42	451,621.83	(1,447.41)
TD's Under 100M Variable	-	-	-	
TD's Over 100M Fixed	739,399.54	739,045.79	738,873.21	172.58
TD's Over 100M Variable	-	-	-	
IRA's Under 100M Fixed	508,781.96	501,516.34	397,565.61	103,950.73
IRA's Under 100M Variable	19,303.45	19,303.26	19,302.35	0.91
IRA's Over 100M Fixed	159,630.91	149,332.14	-	149,332.14
IRA's Over 100M Variable	-	-	-	-
TOTAL DEPOSITS	30,981,246.31	31,003,698.09	32,077,248.49	(1,073,550.40)
OTHER LIABILITIES				
Accrued Expenses	11,405.87	12,204.20	12,425.03	(220.83)
TOTAL OTHER LIABILITIES	11,405.87	12,204.20	12,425.03	(220.83)
CAPITAL				
Cur Period Earnings	(223,402.28)	(220,077.61)	(211,153.98)	(8,923.63)
TOTAL CAPITAL	(223,402.28)	(220,077.61)	(211,153.98)	(8,923.63)
TOTAL LIAB. & CAPITAL	30,769,249.90	30,795,824.68	31,878,519.54	(1,082,694.86)

**FIRST NATIONAL BANK NORTHWEST FLORIDA
BEACH BRANCH PROFIT & LOSS STATEMENT
December 31, 2020**

	Current MTD Balance	Previous MTD Balance	YTD Balance
INCOME			
Commercial	464.18	573.38	5,533.22
Real Estate	17,630.33	16,947.52	196,841.12
Installment	-	-	-
Service Fees - SBA & USDA	-	-	-
Loan Fees	9,518.79	6,108.05	39,995.91
Gain-Repo Assets	-	-	-
TOTAL LOAN INCOME	<u>27,613.30</u>	<u>23,628.95</u>	<u>242,370.25</u>
OTHER INCOME			
Service Charges & Safe Box	635.00	530.50	8,059.85
Deposit Operations Fees	443.46	288.52	4,854.46
Other Income	-	-	-
TOTAL OTHER INCOME	<u>1,078.46</u>	<u>819.02</u>	<u>12,914.31</u>
TOTAL INCOME	<u>28,691.76</u>	<u>24,447.97</u>	<u>255,284.56</u>

**FIRST NATIONAL BANK NORTHWEST FLORIDA
BEACH BRANCH PROFIT & LOSS STATEMENT**

December 31, 2020

	Current MTD Balance	Previous MTD Balance	YTD Balance
EXPENSE			
INTEREST EXPENSE			
Achiever Checking	604.90	509.30	24,866.70
First Preferred Checking	330.93	297.82	14,608.50
Money Market Checking	555.47	605.54	25,516.80
Regular Savings	32.80	31.94	511.57
TD's Under 100M Fixed	130.65	182.51	4,019.61
TD's Under 100M Variable	-	-	-
TD's Over 100M Fixed	213.72	206.78	3,809.46
TD's Over 100M Variable	-	-	-
IRA's Under 100M Fixed	233.14	236.71	4,135.46
IRA's Under 100M Variable	1.89	1.82	384.93
IRA's Over 100M Fixed	12.68	-	285.70
IRA's Over 100M Variable	-	-	-
TOTAL INT EXPENSE	2,116.18	2,072.42	78,138.73
EMPLOYEE EXPENSE			
Salaries	18,096.80	16,606.17	169,183.30
Employee Benefits	3,624.94	3,526.66	39,826.56
TOTAL SAL/BENEFITS	21,721.74	20,132.83	209,009.86
OTHER EXPENSES			
Advertising/Sponsorships	-	-	-
Assessments - FDIC & OCC	832.06	765.30	8,101.76
Building (net-rent)	5,581.13	8,155.53	92,171.21
Check Printing	28.80	71.12	306.60
Communications	363.56	363.56	4,367.51
Computer Data Processing & Software	5,328.46	4,354.20	60,019.42
Computer Supplies & Maintenance	-	-	-
Consulting Fees	-	-	-
Contributions & Donations	-	-	-
Customer/Public Re	-	69.10	321.73
Debit Card Charges	-	-	-
Delivery - Courier - Other	362.18	366.90	4,444.10
Directors Fees	-	-	-
Dues and Membershi	-	-	790.00
Education & Traini	-	-	-
Entertainment	-	-	-
External Exam & Audit	-	-	-
FF&E Maint & Supply	1,086.91	1,323.00	13,309.85
Hurricane Sign Expense	-	-	-
Hurricane Sign Contra	-	-	-
Ins Exp (Non Bldg)	-	-	-
Legal Fees	-	-	-
Licenses	-	-	239.95
Loan Loss Provisio	-	-	-
Miscellaneous Expense - Other	36.96	36.96	817.01
Miscellaneous Expense - Loan	-	(10.00)	(10.00)
Other Losses - Fraud Related	-	-	-
Other Losses	-	-	-
Other Real Estate	-	-	-
Over & Short	-	-	(19.30)
Professional Servi	114.37	114.37	1,561.13
Repossessions	-	-	-
Service Charges - Due from Banks	-	-	-
Stationary/Supplie	259.61	275.22	4,412.83
Subscriptions - Publications Manuals	-	-	-
Taxes (Non Bldg)	217.40	157.36	704.45
Travel	-	-	-
Vehicle Maint & Supply	-	-	-
TOTAL OTHER EXPENSE	14,211.44	16,042.62	191,538.25
TOTAL EXPENSE	38,049.36	38,247.87	478,686.84
NET INC BEFORE TAXES	(9,357.60)	(13,799.90)	(223,402.28)
INCOME TAXES	-	-	-
NET INCOME	(9,357.60)	(13,799.90)	(223,402.28)

FIRST NATIONAL BANK NORTHWEST FLORIDA
YIELD INTEREST EARNING ASSETS TO INTEREST BEARING LIABILITIES
December 31, 2021

	CURRENT MTD AVERAGE OUTSTANDING	CURRENT MTD INCOME/ EXPENSE	YIELD	PRIOR YEAR SAME MONTH YIELD
INTEREST EARNING ASSETS				
INVESTMENTS				
Due From CDs	90,635,288.36	86,870.00	1.13%	2.33%
Due from Interest Bearing Demand	18,428,207.90	1,569.78	0.10%	1.57%
US Govt Securities	6,392,406.73	14,854.93	2.74%	2.88%
State of Florida - Cash Deposit Fund	-	-	0.00%	0.00%
FHLB Stock	259,400.00	823.67	3.74%	6.00%
FRB Stock	198,150.00	947.90	5.63%	5.82%
Fed Funds Sold	-	-	0.00%	0.00%
TOTAL INVESTMENTS	115,913,452.99	105,066.28	1.07%	2.17%
LOANS				
Commercial	13,331,395.41	15,432.90	1.36%	5.78%
Real Estate	57,910,243.69	243,089.69	4.94%	5.85%
Consumer	51,325.45	107.72	2.47%	3.21%
TOTAL LOANS	71,292,964.55	258,630.31	4.27%	5.84%
TOTAL INT EARNING ASSETS	187,206,417.54	363,696.59	2.29%	3.57%
INTEREST BEARING LIABILITIES				
Achiever Checking	23,765,577.48	1,609.93	0.08%	0.65%
First Preferred Checking	38,694,022.48	2,676.93	0.08%	0.89%
Money Market Checking	46,390,187.90	3,961.63	0.10%	1.04%
Regular Savings	3,587,074.49	152.26	0.05%	0.25%
CD's Fixed Under \$100,000	2,713,389.74	1,217.95	0.53%	1.46%
CD's Variable Under \$100,000	-	-	0.00%	0.00%
CD's Fixed Over \$100,000	15,558,546.70	10,251.51	0.78%	1.55%
CD's Variable Over \$100,000	-	-	0.00%	0.00%
IRA's Fixed Under \$100,000	1,459,021.12	899.08	0.73%	1.48%
IRA's Variable Under \$100,000	61,652.63	6.21	0.12%	1.41%
IRA's Fixed Over \$100,000	699,450.26	407.06	0.69%	1.55%
IRA's Variable Over \$100,000	-	-	0.00%	0.00%
Fed Funds Purchased	-	-	0.00%	0.00%
LOCs & Advances	-	-	0.00%	0.00%
TOTAL INT BEARING LIAB	132,928,922.80	21,182.56	0.19%	0.98%
NET INTEREST SPREAD			2.10%	2.59%
NET INTEREST MARGIN			2.15%	2.88%

FIRST NATIONAL BANK NORTHWEST FLORIDA
INVESTMENTS REPORT
12/31/21

*(PLEGGED)

DESCRIPTION	PAR VALUE	PURCHASE DATE	MATURITY DATE	COUPON	YIELD	BOOK VALUE	MARKET VALUE	RATING	CALL FEATURES
Securities-Available for Sale (AFS)									
GNMA II 8737-36202KV69	-	09/26/95	01/20/21	3.000	0.000	-	-	AAA	N/A
GNMA II 8811-36202KYG4	260.83	09/26/94	07/20/21	2.500	2.484	260.83	261.61	AAA	N/A
GNMA II 8839-36202KZC2	169.14	05/22/95	09/20/21	2.250	2.270	169.14	169.15	AAA	N/A
GNMA II 8853-36202KZS7	488.63	09/26/95	10/20/21	3.125	3.119	488.63	490.37	AAA	N/A
GNMA II 8883-36202K2Q7	247.81	05/22/95	12/20/21	3.125	3.148	247.81	248.80	AAA	N/A
GNMA II 8915-36202K3Y9	931.94	01/24/96	02/20/22	3.000	3.000	931.94	939.00	AAA	N/A
GNMA II 8915-36202K3Y9	931.94	09/26/55	02/20/22	3.000	3.000	931.94	939.00	AAA	N/A
GNMA II 8936-36202K4V4	586.96	05/31/95	03/20/22	3.000	3.005	586.96	592.23	AAA	N/A
GNMA II 8956-36202K5R2	557.72	09/26/95	04/20/22	2.875	2.883	557.72	564.82	AAA	N/A
GNMA II 8956-36202K5R2	796.75	02/28/96	04/20/22	2.875	2.877	796.75	806.89	AAA	N/A
GNMA II 8976-36202K6M2	662.17	05/22/95	05/20/22	2.875	2.881	662.17	671.83	AAA	N/A
GNMA II 8059-36202J5U8	774.29	10/27/92	10/20/22	3.125	3.131	774.29	776.36	AAA	N/A
GNMA II 8163-36202KB87	1,079.93	09/26/94	03/20/23	3.000	3.000	1,079.93	1,088.99	AAA	N/A
GNMA II 8228-36202KD93	1,263.12	02/28/96	07/20/23	2.250	2.252	1,263.12	1,285.23	AAA	N/A
GNMA II 8445-36202KL29	2,286.54	09/26/94	06/20/24	2.875	2.876	2,286.54	2,342.78	AAA	N/A
GNMA II 8559-36202KQL2	1,289.42	04/24/01	12/20/24	3.125	3.127	1,289.42	1,295.40	AAA	N/A
GNMA II 8699-36202KUY9	1,201.08	09/26/95	09/20/25	2.250	2.248	1,201.08	1,242.71	AAA	N/A
GNMA II 36202FV52	144,266.68	09/19/11	08/20/26	4.000	3.592	145,009.07	153,563.29	AAA	N/A
GNMA II 80011-36225CAM8	1,736.36	05/22/97	11/20/26	3.125	3.124	1,736.36	1,790.78	AAA	N/A
GNMA II 80021-36225CAX4	2,531.32	03/01/00	12/20/26	3.125	3.124	2,531.32	2,549.95	AAA	N/A
GNMA II 80085-36225CCX2	1,447.07	06/24/97	06/20/27	2.875	2.869	1,447.15	1,498.37	AAA	N/A
GNMA II 783707-3622A2DL3	198,541.52	02/19/14	01/15/28	2.500	2.108	199,287.23	207,082.94	AAA	N/A
GNMA II MA0986-36179NXC4	251,300.96	04/29/14	04/20/28	2.500	2.086	252,646.37	262,880.13	AAA	N/A
GNMA MA1573-36179NXA1	182,794.12	03/31/14	12/20/28	3.000	2.379	184,172.28	192,213.06	AAA	N/A
GNMA II MA1572-36179NW95	211,478.72	01/28/14	01/20/29	2.500	2.281	212,074.20	221,233.37	AAA	N/A
SBIC 831641FM2	878,009.60	03/20/19	03/10/29	3.113	3.035	882,482.80	932,969.49	AAA	N/A
GNMA II MA1809-36179QAJ0	202,088.32	04/29/14	04/20/29	2.500	1.943	202,793.88	210,984.78	AAA	N/A
GNMA II MA3005-36179RKS7	348,123.93	08/18/15	04/20/29	2.500	1.540	351,799.59	363,468.90	AAA	N/A
GNMA MA3006-36179RKT5	281,402.41	08/18/15	08/20/30	3.000	1.864	285,303.09	295,944.89	AAA	N/A
FNMA REMIC 31392JM71	5,552.18	02/28/03	03/25/33	4.000	4.003	5,552.06	5,964.64	AAA	N/A
SBA Pool 523408-83190AAH6	121,215.37	07/22/11	12/01/34	6.646	5.384	121,295.92	120,063.82	AAA	N/A
GNMA II 36202EWW7	5,215.15	10/31/08	10/20/38	6.000	6.001	5,215.10	6,044.68	AAA	N/A
GNMA II 36202E6F1	182,245.26	06/26/09	06/20/39	5.500	5.327	182,944.33	215,203.29	AAA	N/A
GNMA II 36202FUF1	95,347.84	06/27/11	06/20/41	4.500	3.925	95,955.37	106,643.29	AAA	N/A
GNMA II 36202FXB7	239,156.50	09/21/11	09/20/41	4.000	3.213	241,125.78	265,942.70	AAA	N/A
GNMA II 5203-36202FX84	243,909.92	10/20/11	10/20/41	4.000	3.171	246,083.26	271,204.96	AAA	N/A
GNMA II 36179MLX6	172,525.30	09/24/12	08/20/42	2.250	1.986	173,143.91	179,202.28	AAA	N/A
GNMA 36179TVS1	329,269.43	05/06/19	04/20/48	3.000	3.253	329,049.65	340,059.55	AAA	N/A
GNMA 36179UQR6	361,150.65	05/06/19	04/20/49	3.000	3.084	360,642.88	372,967.74	AAA	N/A
**GNMA II 36179TTX3	335,518.45	04/18/19	03/20/48	3.000	3.000	335,007.98	346,511.32	AAA	N/A
TOTAL - Agency Securities-AFS	4,808,356.33					4,830,827.76	5,089,703.99		
Securities-Held to Maturity (HTM)									
STATE OF GA 373384ZR0	500,000.00	05/28/13	07/01/30	3.200	3.200	500,000.00	521,095.00	AAA	7/1/2022
MCALLEN TX 579100S22	500,000.00	06/04/13	02/15/30	4.000	3.276	507,173.93	539,810.00	AAA	2/15/2023
GNMA II 8627-36202KSQ9	714.75	12/21/95	05/20/25	2.875	2.871	714.75	727.97	AAA	N/A
GNMA II 8710-36202KVB8	615.76	04/22/08	10/20/25	3.125	3.118	615.76	632.85	AAA	N/A
**GNMA II 4847-36202FL46	111,995.38	11/16/10	11/20/25	4.000	3.656	112,413.68	118,506.75	AAA	N/A
**GNMA 737839-3620ARV81	64,352.73	01/24/11	01/15/26	3.000	3.012	64,347.13	67,537.24	AAA	N/A
GNMA II 8913-36202K3W3	565.09	07/24/96	07/20/26	2.250	2.251	565.09	582.03	AAA	N/A
GNMA II 80053-36225CBX3	1,311.52	05/22/97	03/20/27	3.000	3.001	1,311.61	1,355.50	AAA	N/A
TOTAL - Securities-HTM	1,179,555.23					1,187,141.95	1,250,247.34		
TOTAL SECURITIES	5,987,911.56					6,017,969.71	6,339,950.73		
INVESTMENTS-OTHER									
DUE FROM TIME DEPOSITS - see following page			Average	1.118		90,579,000.00			
FED FUNDS SOLD			Estimated	0.100		-			
INTEREST BEARING DEPOSITS			Estimated	0.100		17,250,216.06			
TOTAL INVESTMENTS						113,847,185.77			
TOTAL AVG ASSETS						184,686,373.74			
TOTAL INVESTMENTS AS A PERCENTAGE OF TOTAL ASSETS (BENCHMARK 15% TO 60%)						61.64%			
FEDERAL RESERVE BANK STOCK			Estimated	6.000		198,150.00			
FEDERAL HOME LOAN BANK STOCK			Estimated	3.750		259,400.00			
						457,550.00			
**Securities Pledged - AFS	335,518.45					335,007.98	346,511.32		
**Securities Pledged - HTM	176,348.11					176,760.81	186,043.99		
Total Pledge-Public Funds	511,866.56					511,768.79	532,555.31		

FIRST NATIONAL BANK NORTHWEST FLORIDA
INVESTMENTS REPORT
12/31/21
TIME DEPOSITS

INVESTMENTS - DUE FROM TIME DEPOSITS	PURCHASE DATE	MATURITY DATE	COUPON	YIELD	BOOK VALUE	TERM	PENALTY
AMPLIFY FCU	01/02/14	01/02/21	2.250	2.250	249,000.00	84 Months	12 Months Interest
MODERN BANK NA	01/10/20	01/11/21	1.800	1.800	249,000.00	12 Months	30 Days Interest
ASIAN PACIFIC NATIONAL BANK	04/17/20	01/12/21	0.550	0.550	250,000.00	270 Days	90 Days Interest
GRAND BANK	04/17/20	01/12/21	0.750	0.750	250,000.00	270 Days	90 Days Interest
BYLINE BANK	01/17/20	01/16/21	1.790	1.790	250,000.00	12 Months	90 Days Interest
FIRST NATIONAL BANK OF OTTAWA	01/17/20	01/16/21	1.800	1.800	250,000.00	12 Months	91 Days Interest
OTTAWA SAVINGS BANK	02/24/20	01/19/21	1.710	1.710	249,000.00	11 Months	90 Days Interest
LAKE AREA BANK	01/21/20	01/20/21	1.780	1.780	249,000.00	12 Months	1%
ROUNDBANK	01/21/20	01/20/21	1.780	1.780	250,000.00	12 Months	7 Days Interest
STATE BANK OF TEXAS	01/21/20	01/20/21	1.750	1.750	250,000.00	12 Months	30 Days Interest
HORIZON BANK	01/22/20	01/21/21	1.750	1.750	250,000.00	12 Months	3 Months Interest
GENESSEE REGIONAL BANK	04/28/20	01/22/21	0.354	0.354	250,000.00	270 Days	NOT PERMITTED
OCEAN BANK	04/27/20	01/22/21	0.400	0.400	249,000.00	270 Days	90 Days Interest
FINANCIAL FEDERAL BANK TN	04/29/20	01/29/21	0.650	0.650	250,000.00	270 Days	90 Days Interest
NEWTOWN SAVINGS BANK	05/07/20	02/01/21	0.360	0.360	250,000.00	270 Days	Not Permitted
AMERICAN NATIONAL BANK	08/09/19	02/08/21	2.000	2.000	250,000.00	18 Months	180 Days Interest
BANK OF WASHINGTON	08/09/19	02/08/21	2.000	2.000	249,000.00	18 Months	4%
SUMMIT STATE BANK	08/09/19	02/08/21	2.000	2.000	250,000.00	18 Months	6 Months Interest
FIRST NATIONAL BANK ME	02/14/20	02/13/21	1.701	1.701	250,000.00	12 Months	
GREAT PLAINS BANK	02/14/20	02/13/21	1.700	1.700	250,000.00	12 Months	6 Months Interest
NORTHPOINTE BANK	02/14/20	02/13/21	1.700	1.700	250,000.00	12 Months	90 Days Interest
SOUTHERN STATES BANK	02/14/20	02/13/21	1.700	1.700	249,000.00	12 Months	
WALLIS BANK	02/15/19	02/15/21	2.980	2.980	249,000.00	24 Months	3 Months Interest
MARLIN BUSINESS BANK	02/15/19	02/16/21	2.954	2.954	249,000.00	24 Months	ALL INTERST
RIVERLAND BANK	02/15/19	02/16/21	2.954	2.954	249,000.00	24 Months	
TREYNOR STATE BANK	02/15/19	02/16/21	2.953	2.953	249,000.00	24 Months	1 Year Interest
HIBERNIA BANK	02/18/20	02/17/21	1.800	1.800	250,000.00	12 Months	90 Days Interest
TRISTATE CAPITAL BANK	08/21/19	02/19/21	2.050	2.050	250,000.00	18 Months	6 Months Interest
IOWA TRUST & SAVINGS BANK	02/21/20	02/20/21	1.710	1.710	250,000.00	12 Months	NOT ALLOWED
US CENTURY BANK	02/21/20	02/20/21	1.700	1.700	249,000.00	12 Months	
VAST BANK NATIONAL ASSOCIATION	02/21/20	02/20/21	1.702	1.702	250,000.00	12 Months	90 Days Interest
ACNB BANK	02/22/19	02/22/21	2.920	2.920	250,000.00	24 Months	NOT ALLOWED
BANK OF TIOGA	02/22/19	02/22/21	2.915	2.915	250,000.00	24 Months	540 DAYS
BANK VISTA	02/22/19	02/22/21	2.900	2.900	250,000.00	24 Months	NOT ALLOWED
BANKERS BANK OF THE WEST	02/22/19	02/22/21	2.930	2.930	250,000.00	24 Months	6 Months Interest
COMMUNITY FEDERAL SAVINGS BANK	02/22/19	02/22/21	2.900	2.900	249,000.00	24 Months	NOT ALLOWED
FIRST UTAH BANK	02/22/19	02/22/21	2.900	2.900	250,000.00	24 Months	HALF INTEREST
FREEDOM BANK	02/22/19	02/22/21	2.920	2.920	249,000.00	24 Months	182 Days Interest
GOLD COAST BANK	02/22/19	02/22/21	2.900	2.900	250,000.00	24 Months	NOT ALLOWED
MELROSE BANK	02/22/19	02/22/21	2.950	2.950	250,000.00	24 Months	None
SECURITY SAVINGS BANK	02/22/19	02/22/21	2.910	2.910	250,000.00	24 Months	
SHELBY SAVINGS BANK SSB	02/21/20	02/22/21	1.701	1.701	249,000.00	12 Months	ALL INTERST
GEORGIA BANKING COMPANY	02/25/20	02/24/21	1.685	1.685	250,000.00	12 Months	3 Months Interest
MABREY BANK	02/25/20	02/24/21	1.695	1.695	250,000.00	12 Months	3 Months Interest
GRANITE COMMUNITY BANK	02/28/20	02/26/21	1.590	1.590	250,000.00	12 Months	90 Days Interest
METRO CITY BANK	02/28/20	02/26/21	1.600	1.600	250,000.00	12 Months	1 Month Interest
MOUNTAIN PACIFIC BANK	02/28/20	02/26/21	1.570	1.570	245,000.00	12 Months	180 Days Interest
PENN COMMUNITY BANK	02/28/20	02/26/21	1.575	1.575	250,000.00	12 Months	3 Months Interest
NEW MILLENNIUM BANK	03/02/20	03/02/21	1.550	1.550	250,000.00	12 Months	90 Days Interest
BANCCENTRAL NATIONAL ASSOCIATION	03/03/20	03/03/21	1.300	1.300	250,000.00	12 Months	4 Months Interest
BANK OF ADVANCE	03/03/20	03/03/21	1.200	1.250	250,000.00	12 Months	3 Months Interest
CLAREMONT SAVINGS BANK	03/03/20	03/03/21	1.250	1.250	250,000.00	12 Months	91 Days Interest
CUSTOMERS BANK	03/03/20	03/03/21	1.450	1.450	250,000.00	12 Months	3 Months Interest
FARMERS STATE BANK OF OAKLEY KANSAS	03/03/20	03/03/21	1.200	1.200	249,000.00	12 Months	6 Months Interest
MY SAFRA BANK FSB	03/03/20	03/03/21	1.200	1.200	250,000.00	12 Months	90 Days Interest
NORWOOD CO-OPERATIVE BANK	03/03/20	03/03/21	1.150	1.150	250,000.00	12 Months	6 Months Interest
OHIO VALLEY BANK COMPANY	03/03/20	03/03/21	1.150	1.150	250,000.00	12 Months	6 Months Interest
SPIRITBANK	03/03/20	03/03/21	1.500	1.500	249,000.00	12 Months	6 Months Interest
STONEHAMBANK A CO-OPERATIVE BANK	03/03/20	03/03/21	1.250	1.250	249,000.00	12 Months	Jan-00
SUNRISE BANK	03/03/20	03/03/21	1.200	1.200	249,000.00	12 Months	
WESTERN ALLIANCE BANK	03/03/20	03/03/21	1.350	1.350	250,000.00	12 Months	180 Days Interest
ARKANSAS FCU	09/03/19	03/04/21	1.930	1.930	250,000.00	18 Months	NOT PERMITTED
FIRST NATIONAL BANK OF BELLEVUE	03/05/19	03/04/21	2.840	2.840	250,000.00	24 Months	3 Months Interest
FIRST NATIONAL BANK OF MICHIGAN	03/05/19	03/04/21	2.792	2.792	250,000.00	24 Months	182 Days Interest
FLAGLER BANK	03/05/19	03/04/21	2.800	2.800	249,000.00	24 Months	All Interest
GOLDWATER BANK NA	03/05/19	03/04/21	2.800	2.800	250,000.00	24 Months	1 Year Interest
LUTHER BURBANK SAVINGS	03/04/20	03/04/21	1.550	1.550	249,000.00	12 Months	
NEW HAVEN BANK	09/03/19	03/04/21	1.990	1.990	250,000.00	18 Months	6 Months Interest
PACIFIC ALLIANCE BANK	03/05/19	03/04/21	2.800	2.800	250,000.00	24 Months	
SACO & BIDDEFORD SAVINGS INSTITUTION	03/05/19	03/04/21	2.800	2.800	250,000.00	24 Months	12 Months Interest
TEXAS REPUBLIC BANK	03/05/19	03/04/21	2.800	2.800	250,000.00	24 Months	6 Months Interest
WAUMANDEE STATE BANK	03/05/19	03/04/21	2.795	2.795	250,000.00	24 Months	6 Months Interest
AMERICAN COMMERCE BANK NA	09/05/19	03/05/21	1.850	1.850	249,000.00	18 Months	6 Months Interest
CF BANK NA	09/04/19	03/05/21	1.951	1.951	250,000.00	18 Months	6 Months Interest
CRESCOM BANK	03/05/20	03/05/21	1.100	1.100	245,000.00	12 Months	3%
RELIANT BANK	03/05/20	03/05/21	1.090	1.090	250,000.00	12 Months	180 Days Interest
BANCO DO BRASIL AMERICAS	03/06/20	03/06/21	1.060	1.060	249,000.00	12 Months	90 Days Interest
PARTNERS BANK	03/06/20	03/06/21	1.060	1.060	250,000.00	12 Months	
FARMERS TRUST AND SAVINGS BANK	09/06/19	03/07/21	1.849	1.849	250,000.00	18 Months	6 Months Interest
CENTRAL BANK	09/10/19	03/11/21	1.900	1.900	249,000.00	18 Months	3 Months Interest
CATTLE BANK AND TRUST	09/12/19	03/12/21	1.840	1.840	250,000.00	18 Months	182 Days Interest
COGENT BANK	03/12/20	03/12/21	0.810	0.810	249,000.00	12 Months	3 Months Interest
SPRING BANK	03/13/20	03/15/21	0.750	0.750	249,000.00	12 Months	NOT ALLOWED
AQUESTA BANK	03/16/20	03/16/21	0.650	0.650	249,000.00	12 Months	180 Days Interest
BANK OF HOPE	03/16/20	03/16/21	0.500	0.500	250,000.00	12 Months	30 Days Interest
BLACK HILLS COMMUNITY BANK NA	03/16/20	03/16/21	0.500	0.500	249,000.00	12 Months	
COMMUNITY FIRST BANK	03/16/20	03/16/21	0.500	0.500	249,000.00	12 Months	6 Months Interest
FIRST NATIONAL BANK OF BROOKFIELD	03/16/20	03/16/21	0.600	0.600	250,000.00	12 Months	24 Months Interest
FORESIGHT BANK	03/16/20	03/16/21	0.500	0.500	250,000.00	12 Months	NOT ALLOWED
LINCOLN NATIONAL BANK OF HODGENVILLE	03/16/20	03/16/21	0.500	0.500	250,000.00	12 Months	1/2 Interest
PACIFIC CITY BANK	03/16/20	03/16/21	0.560	0.560	249,000.00	12 Months	1 Month Interest
PILGRIM BANK	03/16/20	03/16/21	0.552	0.552	250,000.00	12 Months	30 Days Interest
SOUTHERN INDEPENDENT BANK	03/16/20	03/16/21	0.500	0.500	250,000.00	12 Months	6 Months Interest
TUCUMCARI FEDERAL SAVINGS AND LOAN ASSOCIATION	03/16/20	03/16/21	0.500	0.500	249,000.00	12 Months	3 Months Interest
BROADWAY FEDERAL BANK FSB	03/17/20	03/17/21	0.500	0.500	250,000.00	12 Months	50% Interest
EVOLVE BANK & TRUST	03/17/20	03/17/21	0.500	0.500	250,000.00	12 Months	1 Month Interest
HOPE CU	03/17/20	03/17/21	1.050	1.050	249,000.00	12 Months	
INSBANK	03/17/20	03/17/21	0.750	0.750	248,000.00	12 Months	9 Months Interest
PACIFIC NATIONAL BANK	03/17/20	03/17/21	0.631	0.631	250,000.00	12 Months	1% Amount withdrawn
PEOPLEFIRST BANK	03/17/20	03/17/21	0.500	0.500	249,000.00	12 Months	180 Days Interest

FIRST NATIONAL BANK NORTHWEST FLORIDA
INVESTMENTS REPORT

			12/31/21							
FIRST SECURE BANK AND TRUST CO	09/28/20	03/27/21	0.221	0.221	250,000.00	180 Days	180 Days Interest			
FIRST FEDERAL BANK A FSB	09/29/20	03/28/21	0.200	0.200	250,000.00	180 Days	90 Days Interest			
BANKFINANCIAL NA	09/27/19	03/29/21	1.850	1.850	250,000.00	18 Months				
PADUCAH BANK AND TRUST COMPANY	09/27/19	03/29/21	1.850	1.850	249,000.00	18 Months				
CONGRESSIONAL BANK	04/01/20	04/01/21	1.170	1.170	250,000.00	12 Months				
GREAT SOUTHERN BANK	04/03/18	04/02/21	2.800	2.800	249,000.00	36 Months	1/2 Interest earned			
INVESTORS COMMUNITY BANK	04/03/18	04/02/21	2.750	2.750	249,000.00	36 Months	6 Months Interest			
IOWA STATE BANK	04/03/18	04/02/21	2.730	2.730	249,000.00	36 Months	12 Months Interest			
MAINSTREET BANK	04/03/18	04/02/21	2.770	2.770	249,000.00	36 Months	180 Days Interest			
CROSS RIVER BANK	04/04/18	04/03/21	2.820	2.820	249,000.00	36 Months	182 Days Interest			
COMENITY BANK	04/12/18	04/12/21	2.810	2.810	249,000.00	36 Months	90 Days Interest			
COMENITY CAPITAL BANK	04/12/18	04/12/21	2.810	2.810	249,000.00	36 Months	90 Days Interest			
MILLINGTON BANK	04/12/18	04/12/21	2.800	2.800	249,000.00	36 Months	6 Months Interest			
SAVORY BANK	04/12/18	04/12/21	2.800	2.800	249,000.00	36 Months	90 Days Interest			
BRAZOS NATIONAL BANK	07/20/20	04/16/21	0.222	0.222	249,000.00	270 Days	90 Days Interest			
FEDERAL SAVINGS BANK	04/17/20	04/17/21	1.150	1.150	250,000.00	12 Months	180 Days Interest			
HINGHAM INSTITUTION FOR SAVINGS	04/17/20	04/17/21	1.001	1.001	250,000.00	12 Months				
FIRST CENTURY BANK NA	10/23/20	04/21/21	0.150	0.150	250,000.00	180 Days	3 Months Interest			
FREEDOM FINANCIAL BANK	04/23/19	04/22/21	2.600	2.600	250,000.00	24 Months	NOT ALLOWED			
INVESTAR BANK	04/23/19	04/22/21	2.611	2.611	249,000.00	12 Months	90 Days Interest			
KS STATEBANK	04/23/19	04/22/21	2.600	2.600	249,000.00	24 Months	9 Months Interest			
ABBYBANK	04/27/20	04/27/21	0.550	0.550	250,000.00	12 Months	3 Months Interest			
CRESCENT BANK & TRUST	04/27/20	04/27/21	0.500	0.500	250,000.00	12 Months	6 Months Interest			
FIRST NATIONAL BANK & TRUST COMPANY	04/27/20	04/27/21	0.501	0.501	249,000.00	12 Months	365 Days Interest			
GATEWAY BANK	04/27/20	04/27/21	0.500	0.500	249,000.00	12 Months	90 Days Interest			
OZARK BANK	04/27/20	04/27/21	0.550	0.550	249,000.00	12 Months	1/2 Interest			
SECURITY STATE BANK	04/27/20	04/27/21	0.589	0.589	250,000.00	12 Months	1/2 Interest			
WOOD & HUSTON BANK	04/27/20	04/27/21	0.800	0.800	250,000.00	12 Months	180 Days Interest			
FIRST NATIONAL BANK OF MCGREGOR	04/29/20	04/29/21	1.000	1.000	250,000.00	12 Months	365 Days Interest			
AMERIFIRST BANK	04/30/20	04/30/21	0.510	0.510	249,000.00	12 Months	3 Months Interest			
CITY NATIONAL BANK OF FLORIDA	04/30/20	04/30/21	0.650	0.650	250,000.00	12 Months	3 Months Interest			
FIRST CAROLINA BANK	04/30/20	04/30/21	0.651	0.651	250,000.00	12 Months	180 Days Interest			
BANK OF SANTA CLARITA	05/01/20	05/01/21	0.460	0.460	250,000.00	12 Months	180 Days Interest			
CITIZENS BANK	05/01/20	05/01/21	0.450	0.450	249,000.00	12 Months	3 Months Interest			
HERITAGE COMMUNITY BANK	05/01/20	05/01/21	0.750	0.750	250,000.00	12 Months	6 Months Interest			
MAPLEMARK BANK	05/01/20	05/01/21	1.000	1.000	250,000.00	12 Months				
UKRAINIAN NATIONAL FCU	05/01/20	05/01/21	0.650	0.650	249,000.00	12 Months	50%			
VIRGINIA COMMONWEALTH BANK	05/01/20	05/01/21	0.420	0.420	250,000.00	12 Months	6 Months Interest			
ITHINK FINANCIAL CU FNA IBM SOUTHEAST	05/04/20	05/04/21	0.605	0.605	250,000.00	12 Months	90 Days Interest			
FIRSTIER BANK	05/07/20	05/07/21	0.550	0.550	249,000.00	12 Months	90 Days Interest			
GLOBAL BANK	05/07/20	05/07/21	0.600	0.600	249,000.00	12 Months	365 Days Interest			
SELF HELP FEDERAL CREDIT UNION	05/13/20	05/13/21	0.850	0.850	249,000.00	12 Months	90 Days Interest			
EAST BOSTON SAVINGS BANK	05/15/20	05/15/21	0.400	0.400	249,000.00	12 Months	90 Days Interest			
PARAMOUNT BANK	05/15/20	05/17/21	0.500	0.500	249,000.00	12 Months	180 Days Interest			
PARTNERS BANK OF CALIFORNIA	05/20/20	05/20/21	0.380	0.380	249,000.00	12 Months	90 Days Interest			
ROYAL SAVINGS BANK	05/20/20	05/20/21	0.351	0.351	249,000.00	12 Months	180 Days Interest			
BRENTWOOD BANK	05/22/20	05/22/21	0.300	0.300	250,000.00	12 Months	6 Months Interest			
PLAINS COMMERCE BANK	05/22/20	05/22/21	0.295	0.295	250,000.00	12 Months	360 Days Interest			
FIRST CONSTITUTION BANK	11/26/20	05/25/21	0.210	0.210	250,000.00	180 Days	90 Days Interest			
KEARNY BANK	05/26/20	05/26/21	0.270	0.270	250,000.00	12 Months	Not Permitted			
APOLLO BANK	06/15/20	06/15/21	0.200	0.200	250,000.00	12 Months	90 Days Interest			
CITIZENS NATIONAL BANK	06/15/20	06/15/21	0.250	0.250	250,000.00	12 Months	180 Days Interest			
INTERNATIONAL CITY BANK FEDERAL SAVINGS	06/15/20	06/15/21	0.200	0.200	248,000.00	12 Months				
MEGA BANK	06/15/20	06/15/21	0.200	0.200	250,000.00	12 Months	30 Days Interest			
PROVIDENT BANK	06/15/20	06/15/21	0.260	0.260	250,000.00	12 Months	91 Days Interest			
WATERFORD BANK NA	06/15/20	06/15/21	0.300	0.300	250,000.00	12 Months	Not Allowed			
AMBOY BANK	06/17/20	06/17/21	0.240	0.240	250,000.00	12 Months	90 Days Interest			
BANKERS BANK OF KANSAS	06/17/20	06/17/21	0.255	0.255	249,000.00	12 Months	Not Allowed			
KENNETT TRUST BANK	06/22/20	06/22/21	0.200	0.200	250,000.00	12 Months	6 Months Interest			
FARMERS & MERCHANTS BANK OF COLBY	06/24/20	06/24/21	0.220	0.220	250,000.00	12 Months	3 Months Interest			
EMPIRE NATIONAL BANK	06/29/20	06/29/21	0.250	0.250	250,000.00	12 Months	180 Days Interest			
TEXANA BANK NATIONAL ASSOCIATION	06/30/20	06/30/21	0.210	0.210	250,000.00	12 Months	90 Days Interest			
EASTERN NATIONAL BANK	07/02/20	07/02/21	0.240	0.240	249,000.00	12 Months	91 Days Interest			
LIMESTONE BANK INC	10/20/20	07/20/21	0.130	0.130	249,000.00	270 Days	91 Days Interest			
FIRST FINANCIAL NORTHWEST BANK	07/22/19	07/21/21	2.300	2.300	240,000.00	24 Months	180 Days Interest			
NORTH AMERICAN SAVINGS BANK FSB	07/21/20	07/21/21	0.300	0.300	250,000.00	12 Months				
OLD MISSOURI BANK	07/21/20	07/21/21	0.315	0.315	249,000.00	12 Months	365 Days Interest			
SETTLERS BANK	07/21/20	07/21/21	0.220	0.220	249,000.00	12 Months	Not Permitted			
TRIUMPH BANK	07/22/19	07/21/21	2.300	2.300	245,000.00	24 Months	6 Months Interest			
SOUTHEAST BANK	07/30/20	07/30/21	0.235	0.235	250,000.00	12 Months	180 Days Interest			
CAPITAL BANK NA	08/07/19	08/06/21	2.100	2.100	249,000.00	24 Months	12 Months Interest			
CONNECTONE BANK	08/07/19	08/06/21	2.150	2.150	250,000.00	24 Months				
HIGHLAND BANK	08/06/20	08/06/21	0.203	0.203	249,000.00	12 Months	NOT PERMITTED			
MILLENNIUM BANK	08/06/20	08/06/21	0.250	0.250	249,000.00	12 Months	100% Interest			
VISTA BANK	08/06/20	08/06/21	0.300	0.300	250,000.00	12 Months	182 Days Interest			
WEST POINTE BANK	08/06/20	08/06/21	0.250	0.250	250,000.00	12 Months	3 Months Interest			
AMERICAN STATE BANK	08/07/20	08/07/21	0.261	0.261	250,000.00	12 Months	6 Months Interest			
FIRST NATIONAL BANK AR	08/09/19	08/09/21	2.011	2.011	249,000.00	24 Months	18 Months Interest			
FIRST WESTERN BANK & TRUST	08/09/19	08/09/21	2.002	2.002	250,000.00	24 Months	6 Months Interest			
IUKA STATE BANK	08/09/19	08/09/21	2.130	2.130	250,000.00	24 Months	30 Days Interest			
STAR USA FCU	08/09/19	08/09/21	2.050	2.050	250,000.00	24 Months	180 Days Interest			
ACADEMY BANK	08/10/20	08/10/21	0.200	0.200	250,000.00	12 Months	180 Days Interest			
FIRST STATE BANK OF BIGFORK	08/10/20	08/10/21	0.300	0.300	249,000.00	12 Months	90 Days Interest			
NEW OMNI BANK NA	08/10/20	08/10/21	0.200	0.200	250,000.00	12 Months	3 Months Interest			
COMMUNITY BANK TN	08/17/20	08/17/21	0.310	0.310	250,000.00	12 Months	91 Days Interest			
FIRST MIDWEST BANK OF POPLAR BLUFF	08/17/20	08/17/21	0.280	0.280	250,000.00	12 Months	ONE HALF			
TCM BANK NA	08/17/20	08/17/21	0.250	0.250	250,000.00	12 Months	90 Days Interest			
AXOS BANK	08/18/20	08/18/21	0.150	0.150	250,000.00	12 Months	All Interest			
BANTERRA BANK	08/18/20	08/18/21	0.140	0.140	250,000.00	12 Months	6 Months Interest			
COMMUNITY WEST BANK NA	08/18/20	08/18/21	0.150	0.150	250,000.00	12 Months	1% Interest			
CROSSFIRST BANK	08/20/20	08/20/21	0.211	0.211	249,000.00	12 Months	6 Months Interest			
FORTIS PRIVATE BANK	08/20/20	08/20/21	0.201	0.201	249,000.00	12 Months	90 Days Interest			
GREENSTATE CU	08/22/19	08/20/21	2.050	2.050	249,000.00	24 Months	180 Days Interest			
PREMIER BANK	08/21/19	08/20/21	2.050	2.050	249,000.00	24 Months	180 Days Interest			
SSB BANK	08/21/19	08/20/21	1.950	1.950	250,000.00	24 Months	12 Months Interest			
SUCCESS BANK	08/21/19	08/20/21	1.975	1.975	250,000.00	24 Months	NOT PERMITTED			
VERITEX COMMUNITY BANK	08/21/19	08/20/21	1.950	1.950	250,000.00	24 Months	90 Days Interest			
MURPHY BANK	08/27/19	08/26/21	1.940	1.940	249,000.00	24 Months				
FRONTIER STATE BANK	08/27/20	08/27/21	0.260	0.260	250,000.00	12 Months	6 Months Interest			
FIELDPOINT PRIVATE BANK & TRUST	09/01/20	09/01/21	0.242	0.242	250,000.00	12 Months	90 Days Interest			
BRIDGEWATER BANK	03/05/19	09/02/21	2.900	2.900	250,000.00	30 Months	12 Months Interest			
VOLUNTEER STATE BANK	03/03/20	09/02/21	1.250	1.250	250,000.00	18 Months	180 Days Interest			
EASTERN CONNECTICUT SAVINGS BANK	09/05/19	09/03/21	1.850	1.850	250,000.00	24 Months	1 Year			
FNBC BANK	09/05/19	09/03/21	1.850	1.850	250,000.00	24 Months	All Interest			

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BAR HARBOR BANK & TRUST	09/06/19	09/05/21	1,850	1,850	250,000.00	24 Months	180 Days Interest
CBANK	09/05/20	09/05/21	0,300	0,300	250,000.00	12 Months	Half Interest
EASTERN INTERNATIONAL BANK	09/06/19	09/06/21	1,880	1,880	250,000.00	24 Months	3 Months Interest
PARADISE BANK	09/10/20	09/10/21	0,210	0,210	248,000.00	12 Months	3 Months Interest
FIRST RESOURCE BANK	09/12/19	09/13/21	1,840	1,840	250,000.00	24 Months	12 Months Interest
STERLING NATIONAL BANK	09/12/20	09/13/21	0,180	0,180	250,000.00	12 Months	NOT ALLOWED
T BANK	03/16/20	09/15/21	0,820	0,820	250,000.00	18 Months	90 Days Interest
MANASQUAN BANK	03/18/20	09/17/21	0,900	0,900	250,000.00	18 Months	1/2 Interest
BANK OF GEORGE	09/23/19	09/22/21	1,900	1,900	250,000.00	24 Months	180 Days Interest
BANK OF KREMLIN	09/22/20	09/22/21	0,200	0,200	249,000.00	12 Months	90 Days Interest
BEAL BANK SSB	09/22/20	09/22/21	0,150	0,150	250,000.00	12 Months	1% Withdrawn
BEAL BANK USA	09/22/20	09/22/21	0,150	0,150	250,000.00	12 Months	1% Withdrawn
HOWARD BANK	03/23/20	09/22/21	1,000	1,000	248,000.00	18 Months	6 Months Interest
PLANTERS BANK INC	09/24/20	09/24/21	0,150	0,150	250,000.00	12 Months	3 Months Interest
FIRST NATIONAL BANK OF SYRACUSE	09/27/19	09/27/21	1,940	1,940	250,000.00	24 Months	1/2 Interest
FIRSTBANK OF NEBRASKA	09/27/19	09/27/21	1,860	1,860	250,000.00	24 Months	
RIVERBANK	09/27/19	09/27/21	1,900	1,900	250,000.00	24 Months	6 Months Interest
WASHINGTON STATE BANK	09/27/19	09/27/21	1,900	1,900	250,000.00	24 Months	12 Months Interest
AMERICAN NATIONAL BANK OF MINNESOTA	09/28/20	09/28/21	0,150	0,150	250,000.00	12 Months	90 Days Interest
MIDLAND COMMUNITY BANK	09/28/20	09/28/21	0,306	0,306	249,000.00	12 Months	12 Months Interest
BANK 34	09/30/20	09/30/21	0,190	0,190	250,000.00	12 Months	6 Months Interest
TUSTIN COMMUNITY BANK	10/06/20	10/06/21	0,320	0,320	250,000.00	12 Months	3%
APEX BANK	04/17/20	10/18/21	1,056	1,056	250,000.00	18 Months	NOT PERMITTED
ISRAEL DISCOUNT BANK OF NEW YORK	04/17/20	10/18/21	1,140	1,140	250,000.00	18 Months	6 Months Interest
BANKFLORIDA	10/21/19	10/20/21	1,801	1,801	250,000.00	24 Months	180 Days Interest
BRYN MAWR TRUST COMPANY	10/21/19	10/20/21	1,800	1,800	250,000.00	24 Months	
SUNSTATE BANK	10/26/20	10/26/21	0,150	0,150	250,000.00	12 Months	60 Days Interest
SECURITY STATE BANK	04/27/20	10/27/21	0,470	0,470	250,000.00	18 Months	NOT PERMITTED
BLUE SKY BANK	05/06/20	11/05/21	0,460	0,460	250,000.00	18 Months	1 Month Interest
FIELD & MAIN BANK INC	11/06/20	11/06/21	0,100	0,100	250,000.00	12 Months	9 Months Interest
FIRST NATIONAL BANK OF LINDSAY	11/06/20	11/06/21	0,301	0,301	250,000.00	12 Months	60 Days Interest
FRANKLIN BANK & TRUST COMPANY	11/06/20	11/06/21	0,110	0,110	249,000.00	12 Months	6 Months Interest
VALLEY NATIONAL BANK	11/18/20	11/18/21	0,200	0,200	250,000.00	12 Months	180 Days Interest
FIRSTCAPITAL BANK OF TEXAS NA	11/20/20	11/20/21	0,200	0,200	250,000.00	12 Months	90 Days Interest
BAC FLORIDA BANK	12/09/20	12/09/21	0,200	0,200	250,000.00	12 Months	6 Months Interest
ROLLSTONE BANK & TRUST	12/14/20	12/14/21	0,251	0,251	250,000.00	12 Months	300 Days Interest
FARMERS STATE BANK	06/15/20	12/15/21	0,200	0,200	250,000.00	18 Months	12 Months Interest
TEXAS NATIONAL BANK	12/16/19	12/15/21	1,770	1,770	250,000.00	24 Months	3%
DMB COMMUNITY BANK	12/17/19	12/16/21	1,751	1,751	249,000.00	24 Months	730 Days Interest
FIRST BANK OF ALABAMA	12/17/19	12/16/21	1,740	1,740	250,000.00	24 Months	360 Days Interest
MERRICK BANK	12/17/19	12/16/21	1,710	1,710	250,000.00	24 Months	Jan-00
NORTHEAST BANK	12/23/20	12/23/21	0,320	0,320	240,000.00	12 Months	90 Days Interest
ATLANTIC UNION BANK	07/21/20	01/20/22	0,250	0,250	250,000.00	18 Months	6 Months Interest
ENERBANK USA	02/15/19	02/14/22	3,100	3,100	249,000.00	36 Months	NOT ALLOWED
POPULAR BANK	02/15/19	02/14/22	3,100	3,100	249,000.00	36 Months	365 Days
TBK BANK SSB	08/15/20	02/17/22	0,250	0,250	249,000.00	18 Months	12 Months Interest
TRANSPORTATION ALLIANCE BANK	09/26/20	02/25/22	0,200	0,200	250,000.00	18 Months	
COATESVILLE SAVINGS BANK	02/28/20	02/28/22	1,601	1,601	250,000.00	24 Months	12 Months Interest
SIGNATURE BANK	03/02/20	03/02/22	1,575	1,575	250,000.00	24 Months	1 Year Interest
AVID BANK	03/05/19	03/04/22	2,892	2,892	250,000.00	36 Months	180 Days Interest
BMW BANK OF NORTH AMERICA	03/05/19	03/04/22	2,950	2,950	250,000.00	36 Months	NOT ALLOWED
EXCHANGE BANK	03/05/19	03/04/22	2,900	2,900	250,000.00	36 Months	24 Months Interest
FARMERS SAVINGS BANK	03/05/19	03/04/22	2,926	2,926	249,000.00	36 Months	NOT ALLOWED
FIRSTBANK PUERTO RICO	03/06/19	03/04/22	2,950	2,950	250,000.00	36 Months	6 Months Interest
HERITAGE COMMUNITY BANK	09/05/19	03/04/22	1,850	1,850	249,000.00	30 Months	50% Interest
SYSTEMATIC SAVINGS BANK	09/05/19	03/04/22	1,920	1,920	248,000.00	30 Months	365 Days Interest
UNIVERSAL BANK	03/05/19	03/04/22	2,900	2,900	250,000.00	36 Months	12 Months Interest
COMMERCEONE BANK	03/16/20	03/16/22	0,760	0,760	250,000.00	24 Months	90 Days Interest
BUCKEYE COMMUNITY BANK	03/17/20	03/17/22	0,700	0,700	249,000.00	24 Months	90 Days Interest
FIRST BANK AND TRUST	03/17/20	03/17/22	0,700	0,700	249,000.00	24 Months	365 Days Interest
CHIPPEWA VALLEY BANK	03/18/20	03/18/22	0,800	0,800	250,000.00	24 Months	6 Months Interest
FIRST LIBERTY BANK	03/18/20	03/18/22	0,860	0,860	250,000.00	24 Months	2 Months Interest
CALIFORNIA INTERNATIONAL BANK NA	03/24/20	03/24/22	1,200	1,200	250,000.00	24 Months	6 Months Interest
CORNERSTONEBANK	03/24/20	03/24/22	1,090	1,090	249,000.00	24 Months	NOT ALLOWED
INSOUTH BANK	03/24/20	03/24/22	1,100	1,100	250,000.00	24 Months	6 Months Interest
JEFFERSON BANK	03/24/20	03/24/22	1,110	1,110	249,000.00	24 Months	180 Days Interest
SOUTH COAST BANK & TRUST	03/24/20	03/24/22	1,060	1,060	250,000.00	24 Months	
COMMENCEMENT BANK	09/24/20	03/26/22	0,180	0,180	249,000.00	18 Months	90 Days Interest
STEARNS BANK NA	09/29/20	03/31/22	0,150	0,150	250,000.00	18 Months	180 Days Interest
ETHIC	04/01/20	04/01/22	1,170	1,170	250,000.00	24 Months	9 Months Interest
FIRST NATIONAL BANK OF LONG ISLAND	04/01/20	04/01/22	1,150	1,150	250,000.00	24 Months	6 Months Interest
FIRST STATE BANK NEBRASKA	04/01/20	04/01/22	1,150	1,150	249,000.00	24 Months	12 Months Interest
NEWTON FEDERAL BANK	04/01/20	04/01/22	1,250	1,250	250,000.00	24 Months	NOT ALLOWED
TEXAS ADVANTAGE COMMUNITY BANK NA	04/01/20	04/01/22	1,215	1,215	249,000.00	24 Months	90 Days Interest
STATE BANK OF INDIA CALIFORNIA	10/07/20	04/08/22	0,150	0,150	250,000.00	18 Months	
GOLDEN STATE BANK	04/17/20	04/18/22	0,950	0,950	249,000.00	24 Months	180 Days Interest
METROPOLITAN CAPITAL BANK & TRUST	04/17/20	04/18/22	1,100	1,100	250,000.00	24 Months	50% Interest
SPIRIT OF TEXAS BANK SSB	04/27/20	04/27/22	1,050	1,050	249,000.00	24 Months	180 Days Interest
UNITED BANK OF UNION	04/27/20	04/27/22	0,700	0,700	245,000.00	24 Months	4%
FIRST BANK OF HIGHLAND PARK	04/28/20	04/28/22	0,700	0,700	250,000.00	24 Months	NOT PERMITTED
NORTHERN BANK & TRUST COMPANY	04/28/20	04/28/22	0,720	0,720	249,000.00	24 Months	365 Days Interest
KENDALL STATE BANK	10/28/20	04/29/22	0,150	0,150	250,000.00	18 Months	6 Months Interest
BORDER STATE BANK	05/19/20	05/19/22	0,800	0,800	249,000.00	24 Months	
CREDIT ONE BANK	05/22/20	05/22/22	0,520	0,520	250,000.00	24 Months	180 Days Interest
FIRST INTERNET BANK OF INDIANA	08/24/18	05/24/22	2,600	2,600	249,000.00	45 Months	
FLORIDA BUSINESS BANK	11/30/20	06/01/22	0,150	0,150	250,000.00	18 Months	
POPPY BANK	06/17/20	06/17/22	0,450	0,450	250,000.00	24 Months	180 Days Interest
HIGH PLAINS BANK	07/13/20	07/13/22	0,250	0,250	250,000.00	24 Months	90 Days Interest
SOUTHERN BANCORP BANK	07/13/20	07/13/22	0,200	0,200	249,000.00	24 Months	24 Months Interest
MUTUAL SAVINGS AND LOAN ASSOCIATION	07/15/20	07/15/22	0,350	0,350	250,000.00	24 Months	12 Months Interest
GREAT PLAINS STATE BANK	07/21/20	07/21/22	0,300	0,300	250,000.00	24 Months	Not Permitted
MIDWEST REGIONAL BANK	07/28/19	07/25/22	2,750	2,750	249,000.00	36 Months	12 months interest
1ST FINANCIAL BANK USA	07/30/20	07/30/22	0,360	0,360	250,000.00	24 Months	
GREAT MIDWEST BANK SSB	08/10/20	08/10/22	0,300	0,300	250,000.00	24 Months	1 Year Interest
BANKSTAR FINANCIAL	08/13/20	08/13/22	0,260	0,260	250,000.00	24 Months	365 Days Interest
FARMERS & MERCHANTS UNION BANK	08/20/20	08/20/22	0,400	0,400	250,000.00	24 Months	365 Days Interest
HERITAGE BANK	08/23/19	08/24/22	2,280	2,280	245,000.00	36 Months	
FIRST TRUST AND SAVINGS BANK	08/28/20	08/29/22	0,251	0,251	249,000.00	24 Months	Jan-00
INBANK	08/31/20	08/31/22	0,201	0,201	250,000.00	24 Months	90 Days Interest
FREEDOM BANK	09/01/20	09/01/22	0,360	0,360	250,000.00	24 Months	180 Days Interest
REGENT BANK	09/10/20	09/09/22	0,191	0,191	250,000.00	24 Months	180 Days Interest
FIRST FEDERAL SAVINGS AND LOAN	09/10/20	09/10/22	0,184	0,184	250,000.00	24 Months	12 Months Interest
BERKSHIRE BANK	09/11/20	09/11/22	0,350	0,350	250,000.00	24 Months	1/2 Interest
COMMERCE STATE BANK	09/15/20	09/15/22	0,255	0,255	250,000.00	24 Months	180 Days Interest

FIRST NATIONAL BANK NORTHWEST FLORIDA
INVESTMENTS REPORT

				12/31/21				
DUNDEE BANK	09/17/20	09/17/22	0.240	0.240	249,000.00	24 Months		NOT PERMITTED
PACIFIC WEST BANK	09/18/20	09/18/22	0.220	0.220	249,000.00	24 Months		180 Days Interest
REGAL BANK	09/22/20	09/22/22	0.250	0.250	250,000.00	24 Months		90 Days Interest
HABIB AMERICAN BANK	09/29/20	09/29/22	0.200	0.200	250,000.00	24 Months		720 Days Interest
ADAMS COUNTY BANK	10/07/19	10/06/22	1.900	1.900	250,000.00	36 Months		365 Days Interest
FIRST CAPITAL BANK	10/07/19	10/06/22	1.911	1.911	250,000.00	36 Months		NOT ALLOWED
BANK OZK	10/16/20	10/16/22	0.401	0.401	250,000.00	24 Months		182 Days Interest
BELMONT BANK & TRUST COMPANY	10/20/20	10/20/22	0.201	0.201	250,000.00	24 Months		12 Months Interest
PARKE BANK	10/22/20	10/22/22	0.350	0.350	249,000.00	24 Months		
PEOPLES BANK	10/29/20	10/29/22	0.221	0.221	249,000.00	24 Months		3 Months Interest
SALISBURY BANK AND TRUST COMPANY	11/19/20	11/21/22	0.200	0.200	249,000.00	24 Months		12 Months Interest
COMMUNITY BANK OF WICHITA INC	12/16/19	12/15/22	1.800	1.800	249,000.00	36 Months		6 Months Interest
ENTERPRISE BANK	08/22/18	02/22/23	2.300	2.300	249,000.00	54 Months		
STATE BANK OF INDIA NY	02/25/19	02/25/23	3.300	3.300	250,000.00	48 Months		180 Days
GATEWAY BANK	09/02/20	03/03/23	0.240	0.240	250,000.00	30 Months		30 Days Interest
FIRST NAIONAL BANK OF AMERICA	03/07/19	03/06/23	3.200	3.200	250,000.00	48 Months		180 Days Interest
TEXAS EXCHANGE BANK SSB	03/18/20	03/20/23	1.150	1.150	250,000.00	36 Months		NOT ALLOWED
AMERICAN NATIONAL BANK FOX CITIES	09/22/20	03/23/23	0.285	0.250	250,000.00	42 Months		NOT PERMITTED
ALMENA STATE BANK	12/12/18	04/12/23	0.200	0.200	250,000.00	52 Months		
MINT NATIONAL BANK	04/27/20	04/27/23	0.900	0.900	250,000.00	36 Months		NOT PERMITTED
BATH SAVINGS INSTITUTION	11/04/20	05/05/23	0.120	0.120	250,000.00	30 Months		180 Days Interest
BRANTLEY BANK & TRUST COMPANY	05/05/20	05/05/23	0.521	0.521	250,000.00	36 Months		3 Months Interest
PRIMEBANK	05/05/20	05/05/23	0.600	0.600	250,000.00	36 Months		6 Months Interest
SSTAR BANK	05/06/20	05/06/23	0.650	0.650	249,000.00	36 Months		180 Days Interest
FAIRFIELD NATIONAL BANK	12/11/20	06/11/23	0.155	0.155	250,000.00	30 Months		6 Months Interest
JOHN MARHSALL BANK	12/28/20	06/28/23	0.286	0.286	250,000.00	30 Months		
BLUE FOUNDRY BANK	07/02/20	07/02/23	0.350	0.350	250,000.00	36 Months		180 Days Interest
NATIONAL BANK OF ST ANNE	07/14/20	07/14/23	0.250	0.250	249,000.00	36 Months		6 Months Interest
DENVER SAVINGS BANK	08/12/20	08/12/23	0.299	0.299	250,000.00	36 Months		12 Months Interest
PIONEER BANK	08/12/20	08/12/23	0.300	0.300	249,000.00	36 Months		90 Days Interest
MUTUAL FEDERAL BANK	09/04/20	09/05/23	0.200	0.200	249,000.00	36 Months		180 Days Interest
STEARNS BANK HOLDINGFORD NA	09/04/20	09/05/23	0.200	0.200	250,000.00	36 Months		365 Days Interest
STEARNS BANK UPSALA NA	09/04/20	09/05/23	0.200	0.200	250,000.00	36 Months		365 Days Interest
AMERICAN BANK NA	09/18/20	09/18/23	0.350	0.350	250,000.00	36 Months		9 Months Interest
GENERATIONS BANK	10/02/20	10/02/23	0.450	0.450	249,000.00	36 Months		6 Months Interest
LEVEL ONE BANK	10/14/20	10/14/23	0.300	0.300	250,000.00	36 Months		180 Days Interest
CROSS KEYS BANK	11/04/20	11/06/23	0.160	0.160	250,000.00	36 Months		NOT ALLOWED
MERCER SAVINGS BANK	11/04/20	11/06/23	0.182	0.182	250,000.00	36 Months		12 Months
COMMUNITY BANK DELAWARE	07/02/20	12/31/23	0.400	0.400	250,000.00	42 Months		182 Days Interest
HANOVER COMMUNITY BANK	08/31/20	02/29/24	0.440	0.440	250,000.00	42 Months		
CORYDON STATE BANK	08/01/14	08/01/24	2.100	2.100	249,000.00	120 Months		12 Months Interest
HOME LOAN INVESTMENT BANK FSB	08/07/19	08/05/24	2.471	2.471	250,000.00	60 Months		6 Months Interest
BEACON COMMUNITY BANK	11/05/20	11/04/24	0.320	0.320	250,000.00	48 Months		12 Months Interest
EUREKA HOMESTEAD	12/22/20	12/21/24	0.352	0.352	249,000.00	48 Months		24 Months Interest
ATLANTIC COMMUNITY BANKERS BANK	08/18/20	08/18/25	0.640	0.640	250,000.00	60 Months		365 Days Interest
CROWN BANK	08/18/20	08/18/25	0.500	0.500	249,000.00	60 Months		180 Days Interest
CORNERSTONE BANK	08/21/20	08/20/25	0.651	0.651	250,000.00	60 Months		6 Months Interest
AMALGAMATED BANK	11/05/20	11/04/25	0.550	0.550	250,000.00	60 Months		24 Months Interest
SOUTHTRUST BANK NA	11/06/20	11/05/25	0.402	0.402	250,000.00	60 Months		30 Days Interest
NELNET BANK	11/10/20	11/09/25	0.500	0.500	250,000.00	60 Months		365 Days Interest
EXCHANGE BANK	11/19/20	11/18/25	0.590	0.590	250,000.00	60 Months		
HOME BANK OF CALIFORNIA	11/20/20	11/19/25	0.400	0.400	250,000.00	60 Months		
VISIONBANK	12/10/20	12/09/25	0.500	0.500	249,000.00	60 Months		365 Days Interest
SURETY BANK	12/16/20	12/16/25	0.600	0.600	249,000.00	60 Months		270 Days Interest
BCB COMMUNITY BANK - INDUS AMERICAN BANK	02/02/17	02/02/27	2.250	2.250	249,000.00	120 Months		90 Days Interest

WGHT AVG 1.117923 90,579,000.00

FIRST NATIONAL BANK NORTHWEST FLORIDA
 NEW LOANS
 Dec-20

CUSTOMER NAME	ORIGINAL LOAN AMOUNT	ORIGINAL ADVANCE	PRI OFF	DATE OF ENTRY	# OF ORIG PMTS	PAYMENT AMOUNT	CURR INT RATE %	PRIME DR T BILL ADJ%	SERVICE CHARGE	TOTAL DEBT
TIMOTHY A & DEBOI	\$248,000.00	\$248,000.00	GMP	12/1/2020	12	\$0.00	5.25%	0.00%	\$1,245.00	\$308,000.00
STOW PROS LLC	\$290,000.00	\$290,000.00	KMJ	12/1/2020	180	\$2,342.76	5.25%	2.00%	\$1,450.00	\$495,800.00
STOW PROS LLC	\$205,800.00	\$205,800.00	KMJ	12/1/2020	6	\$0.00	5.25%	0.00%	\$2,080.00	\$495,800.00
JEFFRY WHITE & M/	\$55,000.00	\$0.00	GMP	12/9/2020	120	\$0.00	4.25%	1.00%	\$175.00	\$55,000.00
SHRI GANESH ENT	\$3,289,051.76	\$3,289,051.76	GMP	12/14/2020	180	\$28,844.59	4.25%	1.00%	\$16,214.07	\$3,300,000.00
	\$4,087,851.76	\$4,032,851.76							\$21,164.07	\$4,158,800.00

FIRST NATIONAL BANK NORTHWEST FLORIDA
RENEWED LOANS
Dec-20

CUSTOMER NAME	ORIGINAL NOTE PROCEEDS	NOTE DATE	CURRENT BALANCE	PRI OFF	CURRENT MAT DATE	DATE LAST RENEW	# OF TIMES RENEW	CURR INT OR RATE%	PRIME T BILL ADJ %	TOTAL DEBT
GIBSON INN LLC	\$1,843,874.00	08/10/18	\$478,922.25	KMJ	05/10/21	11/10/20	3	4.75%	1.00%	\$3,051,409.16
CERTIFIED GEARHEAD	\$212,600.00	12/13/19	\$155,843.56	KMJ	06/13/21	12/13/20	1	5.75%	1.50%	\$470,167.33
SIERRA JUNE LLC	\$500,000.00	11/19/18	\$0.00	GMP	12/18/21	12/18/20	2	4.25%	1.00%	\$1,535,702.84
HENRY MOORE PICKEN	\$250,000.00	12/10/18	\$4,999.20	AMB	12/10/22	12/10/20	1	3.75%	0.50%	\$947,036.84
LEGACY PROPERTIES C	\$148,227.36	12/30/19	\$0.00	AMB	12/30/21	12/30/20	1	5.75%	1.25%	\$2,768,517.41
	\$2,954,701.36		\$639,765.01							\$8,772,833.58

Lines, Letters and Commitments		First National	Bank Northwest	Florida	12/31/2020		
Account	Line	Line	Available	Current	Maturity	Review	
Number	Customer	Amount	Used	Balance	Balance	Date	Date
104160773	ARMSTRONG AMY L	150,000.00	0.00	150,000.00	0.00	12/04/21	12/04/21
154327183	ALAMO ENTERPRISES IN	200,000.00	0.00	200,000.00	0.00	01/23/21	01/23/21
708115172	ANDREWS COOLING & HE	200,000.00	2,000.00	198,000.00	2,000.00	06/19/21	06/19/21
132667770	ACREE BRENT	322,500.00	0.00	322,500.00	0.00	10/15/21	10/15/21
132483972	BALL ENTERPRISES LLC	50,000.00	5,256.75	44,743.25	5,256.75	03/02/21	03/02/21
132529955	BLUE HORIZON OF NWF	5,000.00	0.00	5,000.00	0.00	09/01/22	09/01/22
132381571	BODIFORD CHARLES M	50,000.00	45,000.00	5,000.00	45,000.00	08/01/21	08/01/21
132297332	BANKS KENNETH	20,000.00	7,626.82	12,373.18	7,657.41	03/05/27	03/05/27
132807930	BARNES BRIAN E	75,000.00	45,160.00	29,840.00	45,286.56	11/05/30	11/05/30
132608130	COLE DANIEL	25,000.00	10,782.40	14,217.60	10,827.74	06/05/27	06/05/27
132679230	CARROLL JOHN TROTMAN	100,000.00	67,101.20	32,898.80	67,475.48	08/05/29	08/05/29
132678471	CERTIFIED GEARHEAD M	212,600.00	155,843.56	56,756.44	155,843.56	06/13/21	12/13/20
132361758	DISPOSAL SERVICES LL	20,000.00	0.00	20,000.00	0.00	10/05/21	10/05/21
132491271	EPSS SUPPLY & FABRIC	25,000.00	0.00	25,000.00	0.00	09/01/21	09/01/21
132532371	EMERALD CABINETS INC	100,000.00	65,067.86	34,932.14	65,067.86	10/21/21	10/21/21
132805370	FARKAS GEORGE J	500,000.00	0.00	500,000.00	0.00	09/04/22	09/04/22
132661071	GIBSON INN, LLC	1,843,874.00	524,113.10	1,319,760.90	524,113.10	05/10/21	05/10/21
132508357	HUGHES RESORT INC	19,370.00	0.00	19,370.00	0.00	03/07/21	03/07/21
132507573	HARVEST WORSHIP CENT	420,000.00	290,071.32	129,928.68	290,071.32	06/25/21	06/25/21
132531571	HARPOON HARRYS PC PR	250,000.00	0.00	250,000.00	0.00	02/28/21	02/28/21
132614970	HOPKINS WELDING CO I	75,000.00	73,000.91	1,999.09	73,000.91	11/20/21	11/20/21
131117472	HUTT INSURANCE AGENC	125,000.00	0.00	125,000.00	0.00	05/18/21	05/18/21
132172830	HAWKINS JAMES MICHA	40,000.00	1,427.40	38,572.60	1,427.40	05/29/23	05/29/23
132609970	HACKEL JOSHUA	100,000.00	0.00	100,000.00	0.00	09/10/21	09/10/21
132652970	HEART & RHYTHM ASSOC	100,000.00	0.00	100,000.00	0.00	10/25/21	10/25/21
132646170	JACKSON TERRY BRIAN	125,000.00	0.00	125,000.00	0.00	03/25/21	03/25/21
132506772	JACKSON TERRY BRIAN	101,000.00	25,666.79	75,333.21	25,666.79	10/01/21	10/01/21
132618030	JOHNSON JR THOMAS B	400,000.00	251,740.19	148,259.81	251,740.19	10/01/51	09/06/21
132657873	KK INVESTMENT HOLDIN	300,000.00	140,000.00	160,000.00	140,000.00	11/25/21	11/25/21
132551370	LEWIS JOHN W	150,000.00	0.00	150,000.00	0.00	06/22/22	06/22/22
132464972	LNK DEVELOPMENT INC	225,000.00	225,000.00	0.00	225,000.00	02/14/21	02/14/21
708053470	LEVINE JOSEPH E	100,000.00	0.00	100,000.00	0.00	10/23/21	10/23/21
132243770	LUBIN BARBARA A	50,000.00	0.00	50,000.00	0.00	02/05/25	02/05/25
132233871	LYNN CECIL J	109,100.00	0.00	109,100.00	0.00	02/05/25	02/05/25
132684272	LESTER ACCOUNTING SE	189,800.00	73,937.36	115,862.64	73,937.36	07/31/21	07/31/21
132684272	LESTER ACCOUNTING SE	(189,800.00)	(73,937.36)	(115,862.64)	(73,937.36)	07/31/21	07/31/21
132684271	LESTER ACCOUNTING SE	237,250.00	24,645.78	212,604.22	23,326.85	07/31/40	07/31/21
132632155	MILES RICHARD	148,227.36	0.00	148,227.36	0.00	12/30/21	12/30/21
132675070	MURPHY JAMES N	129,750.00	107,956.86	21,793.14	107,956.86	06/19/21	06/19/21
132692570	POSAVAD SHANNON	500,000.00	140,000.00	360,000.00	140,000.00	01/10/21	01/10/21
131957371	PANHANDLE KEY & SAFE	50,000.00	0.00	50,000.00	0.00	08/18/21	08/18/21
132670170	PICKEN HENRY MOORE	250,000.00	4,999.20	245,000.80	4,999.20	12/10/22	12/10/22
132788170	PHILIP A. BATES, P.A	100,000.00	82,151.00	17,849.00	82,151.00	05/08/21	05/08/21
132482172	ROUSSOS REFRIGERATIO	150,000.00	0.00	150,000.00	0.00	02/21/21	02/21/21
132503470	ROYAL AMERICAN REAL	900,000.00	262,375.68	637,624.32	262,375.68	11/10/21	11/10/21
132582830	ROBINSON TERRY ALLIS	150,000.00	110,603.22	39,396.78	110,603.22	10/05/26	10/05/26
132582831	ROBINSON TERRY ALLIS	50,000.00	43,866.12	6,133.88	43,866.12	03/05/27	03/05/27
130882488	RODDAM JAMES H	300,000.00	233,115.69	66,884.31	233,115.69	01/31/21	01/31/21
132239583	RDB MANAGEMENT INC	200,000.00	75,000.00	125,000.00	75,000.00	04/19/21	04/19/21
132239557	RDB MANAGEMENT INC	16,855.00	0.00	16,855.00	0.00	08/06/21	08/06/21
153486676	STEVEN E GOODWILLER	75,000.00	0.00	75,000.00	0.00	11/20/22	11/20/22
132573770	SIERRA JUNE LLC	500,000.00	250,000.00	250,000.00	250,000.00	11/24/21	11/24/21
132665170	SIERRA JUNE LLC	500,000.00	0.00	500,000.00	0.00	12/18/21	12/18/21
130844732	SUCHOMEL CLARE	41,100.00	0.00	41,100.00	0.00	02/05/27	02/05/27
131236274	SYFRETT JR T F	200,000.00	137,313.14	62,686.86	137,313.14	07/25/21	07/25/21

Lines, Letters and Commitments		First National	Bank Northwest	Florida	12/31/2020		
Account	Line	Line	Available	Current	Maturity	Review	
Number	Customer	Amount	Used	Balance	Balance	Date	Date
132713955	SHUMAKER CONSTRUCTIO	49,117.00	0.00	49,117.00	0.00	10/10/21	10/10/21
132576071	TIRZ USA LLC	60,000.00	48,667.58	11,332.42	48,667.58	10/29/21	10/29/21
130428673	TALKINGTON JAMES M M	200,000.00	0.00	200,000.00	0.00	05/23/21	05/23/21
132686770	VISION GENERAL CONTR	150,000.00	146,085.10	3,914.90	146,085.10	11/01/21	11/01/21
132352672	WISE SERVICES INC	450,000.00	33,284.56	416,715.44	33,284.56	10/15/21	10/15/21
132370872	WHITEHEAD PLUMBING I	75,000.00	0.00	75,000.00	0.00	01/03/21	01/03/21
132639691	WATREE CONST & LAND	222,500.00	74,099.00	148,401.00	74,099.00	06/29/21	06/29/21
132639692	WATREE CONST & LAND	222,500.00	74,079.80	148,420.20	74,079.80	06/29/21	06/29/21
132639693	WATREE CONST & LAND	220,000.00	61,215.25	158,784.75	61,215.25	10/26/21	10/26/21
132639696	WATREE CONST & LAND	220,000.00	61,059.25	158,940.75	61,059.25	10/26/21	10/26/21
132639695	WATREE CONST & LAND	220,000.00	61,059.25	158,940.75	61,059.25	10/26/21	10/26/21
132639694	WATREE CONST & LAND	220,000.00	61,534.25	158,465.75	61,534.25	10/26/21	10/26/21
132475583	WATREE CONST & LAND	100,000.00	0.00	100,000.00	0.00	02/06/21	02/06/21
132543057	WATREE CONST & LAND	15,373.40	0.00	15,373.40	0.00	08/12/22	08/12/22
132809530	WHITE JEFFRY A	55,000.00	21,000.00	34,000.00	21,003.49	12/05/30	12/05/30
132543000	WATREE CONST & LAND	<u>1,850,000.00</u>	<u>1,545,000.00</u>	<u>305,000.00</u>	<u>1,545,000.00</u>	01/31/21	01/31/21
		15,636,116.76	5,655,503.28	9,980,613.48	5,654,764.61		

Delinquent Loans

Dec-20

OFFI NAME	ORIG NOTE DATE	DATE LAST PAID	DATE NEXT DUE	ORIG NOTE AMOUNT	FNB UNPAID BALANCE	SOLD OR PART BALANCE	TOTAL P.D. PAYMENTS	COLL	RATE	TOTAL DEBT
<u>90 and Over Days</u>										
KJ Jones Gaglio & Denni	09/05/14	09/08/20	01/05/20	245,000.00	195,565.58		27,209.73	RE	NA	195,565.58
KJ Industrial Screw	02/06/14	10/15/20	09/10/20	465,500.00	400,876.16	*	13,285.60	RE	4.75%	400,876.16
FNB UNPAID BALANCE					596,441.74					
LESS GUARANTEE TOTAL					(400,876.16)	*				
FNB NET BALANCE					<u>195,565.58</u>					
DOLLAR VOLUME DELINQUENT					195,565.58					
DOLLAR VOLUME OUTSTANDING					71,986,612.80					
TOTAL PAST DUES / TOTAL LOANS							0.27%	FOR DECEMBER 2020		
TOTAL PAST DUES / TOTAL LOANS							0.28%	FOR NOVEMBER 2020		
							PERCENT OF TOTAL LOANS			
90 DAYS PAST DUE-ACCRUING					400,876.16		0.56%			
60 DAYS PAST DUE-ACCRUING					0.00		0.00%			
30 DAYS PAST DUE-ACCRUING					0.00		0.00%			
PAST DUES-ACCRUING					400,876.16		0.56%			
PAST DUES-NON-ACCRUAL					<u>195,565.58</u>		0.27%			
					596,441.74					

*Guarantee Portion

FIRST NATIONAL BANK NORTHWEST FLORIDA						
Monthly Loan Watch List						
Decemer 31, 2020						
	NAME	OFFICER	DUE DATE	NON ACCRUAL 'N'	SBA GUARANTEE BALANCE	BALANCE
OAEM (Grade 5)						
132507570	Harvest Worship Center Inc	GMP	01/25/21			607,201.10
132507572	Harvest Worship Center Inc	GMP	01/25/21			512,104.73
132507573	Harvest Worship Center Inc	GMP	01/25/21			420,000.00
TOTAL OAEM (Grade 5)						1,539,305.83
SUBSTANDARD (Grade 6)						
132537270	D & H Properties	KMJ	01/05/21			950,000.00
132534970	Jones Gaglio & Dennis PA	KMJ	01/05/20	NON ACCRUAL 'N'		195,565.58
TOTAL SUBSTANDARD (Grade 6)						1,145,565.58
DOUBTFUL (Grade 7)						
TOTAL DOUBTFUL (Grade 7)						0.00
LOSS (Grade 8)						
TOTAL LOSS (Grade 8)						0.00
TOTAL LOANS REQUIRING SPECIAL ATTENTION						2,684,871.41
TOTAL CLASSIFIED						1,145,565.58

**FIRST NATIONAL BANK NORTHWEST FLORIDA
REPO ASSETS**

December-20

<u>NAME</u>	<u>COLLATERAL</u>	<u>BALANCE</u>
None		

NON ACCRUAL LOANS

December-20

<u>NAME</u>	<u>COLLATERAL</u>	<u>BALANCE</u>
Jones Gaglio & Dennis	RE	\$ 195,565.58

OTHER REAL ESTATE OWNED

December-20

<u>NAME</u>	<u>OREO BALANCE</u>	<u>VALUATION ALLOWANCE</u>	<u>NET BALANCE</u>
-------------	---------------------	--------------------------------	--------------------

**FIRST NATIONAL BANK NORTHWEST FLORIDA
RESERVE FOR LOAN LOSSES**

Dec-20

Beginning Balance December 1, 2020	1,249,819.54
Current Period Provision for Loans	0.00
Add Recoveries or Adjustment	(456.50)
Less Charge Offs	0.00
Ending Balance December 31, 2020	1,249,363.04

ACTIVITY RESERVE FOR LOAN LOSS

Chioneso Carter Charged Off Checking	20.73
Chasity Gonzalez Charged Off Checking	50.13
Daren Milner Charged Off Checking	<u>385.64</u>
Total	456.50

FINANCIAL STATEMENT REPORT

12/31/2020

<u>CIF</u>	<u>NAME</u>	<u>ACCOUNT</u>	<u>FI DUE</u>	<u>OFF</u>	<u>TOTAL BAL</u>	<u>% OFF</u>	<u>% BANK</u>
B0000169	BAY ENVIRONMENTAL IN	132709745	12/31/2018	AMB	54761.59		
B0000169	BAY ENVIRONMENTAL IN	154211771	12/31/2018	AMB	2743.7		
D0000102	DUNKEN INC	132547070	12/31/2018	AMB			
F0000106	FEDDON HOLDINGS LLC	132622270	3/31/2019	AMB	878933.41		
H0000282	FEDDON HOWARD	132622270	4/19/2018	AMB			
F0000027	FRANCHOT LLC	132547070	12/31/2015	AMB			
P0000161	PATEL MANISHAKUMARI	132612370	5/21/2019	AMB			
P0000161	PATEL MANISHAKUMARI	132663670	5/21/2019	AMB	4331549.98		
P0000161	PATEL MANISHAKUMARI	132739445	5/21/2019	AMB	45000		
P0000302	PNTW VENTURES LLC	132732945	1/7/2020	AMB	12505.42		
P0000015	POWELL AVA S	132324570	9/4/2015	AMB			
P0000145	POWELL DIXIE D	132324570	2/18/2020	AMB			
P0000014	POWELL FAMILY INVEST	132324570	12/31/2016	AMB	58649.32		
P0000013	POWELL FAMILY MANAGE	132324570	12/31/2014	AMB			
P0000149	POWELL GILLIS E JR	132324570	3/2/2017	AMB			
P0000136	PRICE BRIAN K	132547070	2/15/2019	AMB			
T0000072	TRADING POST PAWN SH	132742845	12/31/2014	AMB	42628.12		
W0000206	WILLIAMS ENVIRONMENT	154211771	12/31/2018	AMB			
W0000168	WILLIAMS MALLORY H	132677630	12/31/2018	AMB	148652.33		
W0000168	WILLIAMS MALLORY H	154211771	12/31/2018	AMB			
W0000097	WINE KNOT INCORPORAT	132547070	12/31/2018	AMB	213791.78		
				AMB Total	5789215.65	24.57%	6.88%
A0000067	ALAMO ENTERPRISES IN	154327183	12/31/2019	GMP	200000		
B0000037	BEAN VICTOR M	132432671	2/19/2020	GMP			
B0000037	BEAN VICTOR M	132776645	2/19/2020	GMP	23093.4		
B0000415	BOULET TIMOTHY	132633970	4/12/2019	GMP			
C0000372	CANVAS SPECIALTIES	132633970	12/31/2017	GMP	177882.44		
C0000453	CARROLL JOHN TROTMAN	132679230	5/6/2020	GMP	101045.29		
E0000074	ECM OF BAKER INC	132623070	12/31/2019	GMP	269066.34		
F0000037	FRESH SCENT COIN LAU	132795645	12/31/2017	GMP	17443		
M0000297	MAYHEW EUGENE C	132623070	4/16/2020	GMP			
P0000178	PANHANDLE KEY & SAFE	131957371	12/31/2019	GMP	50000		
P0000178	PANHANDLE KEY & SAFE	132729545	12/31/2019	GMP	57500		
P0000113	PENSACOLA SHADE, LLC	132583670	12/31/2018	GMP	50000		
P0000114	PONS CONSTRUCTION CO	132583670	12/31/2019	GMP			
R0000092	ROBINSON TERRY ALLIS	132582830	9/16/2017	GMP	150000		
R0000092	ROBINSON TERRY ALLIS	132582831	9/16/2017	GMP	50000		
R0000051	ROULHAC INVESTMENTS	132478970	12/31/2017	GMP	50074.7		
R0000048	ROULHAC SHELTON RICA	132478970	7/23/2018	GMP			
R0000048	ROULHAC SHELTON RICA	132795645	7/23/2018	GMP			
S0000473	SHRI ASARAM INC	132612370	12/31/2019	GMP	91877.48		
S0000473	SHRI ASARAM INC	132739445	12/31/2019	GMP			
				GMP Total	1287982.65	5.01%	1.53%
A0000024	ANCHORS STREET PARTN	132477170	11/29/2013	KMJ	496491.81		
I0000016	BETHEA IRIS	132627170	4/8/2020	KMJ	103462.78		
C0000371	CAPTAIN'S TABLE FISH	132640470	10/31/2018	KMJ	122083.64		
C0000054	CHAPMAN JEANNETTE B	132503470	12/31/2019	KMJ			
C0000241	COLE CHERYL A	132119970	8/8/2012	KMJ	49246.67		
C0000241	COLE CHERYL A	132119971	8/8/2012	KMJ	97817.42		
D0000054	D & H PROPERTIES LLC	132537270	12/31/2019	KMJ	950000		
D0000050	DENNIS DON A	132534970	6/3/2015	KMJ			
D0000013	DESTIN OSPREY 402 LL	132432671	7/31/2017	KMJ	234755.97		
	GREAT EXPECTATIONS	S5732	12/31/2018	KMJ	73722.12		
H0000261	HOLMAN THOMAS	132640470	1/16/2019	KMJ			

FINANCIAL STATEMENT REPORT

12/31/2020

<u>CIF</u>	<u>NAME</u>	<u>ACCOUNT</u>	<u>FI DUE</u>	<u>OFF</u>	<u>TOTAL BAL</u>	<u>% OFF</u>	<u>% BANK</u>
H0000261	HOLMAN THOMAS	132738645	1/16/2019	KMJ	14851.67		
J0000021	JENKINS WILLIAM D	132477170	2/6/2015	KMJ			
J0000028	JONES GAGLIO & DENNI	132534970	6/30/2015	KMJ	195565.58		
M0000205	MARGARET C DICKSON R	132119970	12/31/2013	KMJ			
M0000205	MARGARET C DICKSON R	132119971	12/31/2013	KMJ			
P0000210	PATEL RITA S	132499570	1/2/2020	KMJ	98660		
P0000210	PATEL RITA S	132563870	1/2/2020	KMJ	48871.15		
P0000210	PATEL RITA S	132752745	1/2/2020	KMJ	11259.82		
	PATRICIA RIVERA	S5732	2/2/2020	KMJ			
R0000140	REDDY SADHAKAR C	132296570	10/31/2018	KMJ	1125140.09		
R0000061	ROYAL AMERICAN REAL	132503470	12/31/2019	KMJ	900000		
S0000090	SHAH MAHESH D	132662870	4/1/2019	KMJ	1068470.85		
W0000118	WEATHERFORD WILLIAM	132578672	5/31/2020	KMJ	132383.47		
				KMJ Total	5722783.04	18.32%	6.80%
B0000124	BARBARA A LUBIN MD L	132740245	12/31/2018	TBW	4000		
B0000105	BEACHES MOTEL LLC	132539870	12/31/2013	TBW	470273.28		
J0000010	JONES J WESLE	132427670	5/18/2020	TBW	31237.73		
J0000010	JONES J WESLE	132427671	5/18/2020	TBW	31173.48		
L0000100	LUBIN BARBARA A	132243770	6/26/2019	TBW	50000		
L0000100	LUBIN BARBARA A	132740245	6/26/2019	TBW			
M0000069	MARLYN PROPERTIES LL	132545570	12/31/2019	TBW	95932.42		
S0000134	SOKOLOSKI MARK C	132545570	3/10/2020	TBW			
S0000183	ST ANDREW WORSHIP CE	132596870	12/31/2019	TBW	40103.75		
				TBW Total	722720.66	20.07%	0.86%
				Grand Total	13,522,702.00	16.07%	16.07%

FIRST NATIONAL BANK NORTHWEST FLORIDA
OVERDRAWN ACCOUNTS \$100.00 OR MORE THIS MONTH
January 4, 2021

SHORT NAME	ACCOUNT NUMBER	DATE OPENED	OD BALANCE EOM	BALANCE AS OF
POWELL INJURY LAW PA	3200046501	11/20/13	(\$4,859.77)	140.23
CAPTAIN'S TABLE FISH	3200212301	02/02/18	(\$476.39)	2,223.61

CLOSED ACCOUNT REPORT

December-2020

REASON	CHECKING	SAVINGS
Closed by Bank	2	
Closed escrow acct		
Deceased	1	
Dormant		
Estate Closed		
Fees Charged		
Investing in other types of funds		
Moving outside area		
No Longer in Business	2	
No Longer Needed	9	
No On-Line Access or Debit Card		
No Reason Given		
Rates		
System		
Theft, Fraud or Stolen Checks	3	
Transfer internally	4	
Transfer to Another Bank		
	21	0

Teller Short
By Branch and Teller

Branch Number	Account number	Short name	Month to Date	Ending balance	
1	575102	OVER/SHORT-VAULT	.00		
	575110	OVER/SHORT-COIN COUN	.00	52.05	
	575151	OVER/SHORT-ATM	.00	66.00-	
	575201	OVER/SHORT-TELLER 1	.00		
	575202	OVER/SHORT-TELLER 2	.23	81.23	
	575203	OVER/SHORT-TELLER 3	.00	4.00-	
	575204	OVER/SHORT-TELLER 4	.00	10.00	
	575205	OVER/SHORT-TELLER 5	.00		
	575206	OVER/SHORT-TELLER 6	15.00-	61.01-	
	575207	OVER/SHORT-TELLER 7	.00		
	575208	OVER/SHORT-TELLER 8	.00		
	575590	OVER/SHORT-PROOF	.00	396.63-	
	575595	OVER/SHORT-FORMER TE	.00	155.10-	
			Total for Branch #1	14.77-	539.46-
		TOTAL			
2	575102	OVER/SHORT-VAULT	.00		
	575110	OVER/SHORT-COIN COUN	.00		
	575151	OVER/SHORT-ATM	.00	10.00-	
	575201	OVER/SHORT-TELLER 1	.00		
	575220	OVER/SHORT-TELLER 20	.00		
	575221	OVER/SHORT-TELLER 21	.00		
	575222	OVER/SHORT-TELLER 22	.00		
	575223	OVER/SHORT-TELLER 23	.00	.05-	
	575224	OVER/SHORT-TELLER 24	.00	9.25-	
	575225	OVER/SHORT-TELLER 25	.00		
	575590	OVER/SHORT-PROOF	.00		
	575595	OVER/SHORT-FORMER TE	.00		
			Total for Branch #2	.00	19.30-
			TOTAL		
		FINAL TOTALS	14.77-	558.76-	
		TOTAL			

FIRST NATIONAL BANK NORTHWEST FLORIDA
CERTIFICATE OF DEPOSIT NEW THIS MONTH
December 31, 2020

ACCOUNT NUMBER	CUSTOMER NAME	CURRENT BALANCE	TERM	RATE	NEW OR CURRENT CUSTOMER	REASON FOR OPENING ACCOUNT
20914	RIDDLE MAUREEN	\$ 13,499.30	18 M	0.10%	CURRENT	
20915	RIDDLE MAUREEN	\$ 159,630.91	18 M	0.10%	CURRENT	
20916	RIDDLE STEPHEN	\$ 2,669.39	18 M	0.10%	CURRENT	
20917	RIDDLE STEPHEN	\$ 94,717.97	18 M	0.10%	CURRENT	
20911	BALL JILL M	\$ 19,042.76	12 M	0.10%	CURRENT	
20912	PETTY JIMMY R JR	\$ 20,256.33	10 M	1.50%	CURRENT	
20913	PETTY JIMMY R JR	\$ 210,769.19	12 M	0.10%	CURRENT	

TOTAL: **\$ 173,130.21**

NEW \$ 159,630.91
CURRENT \$ 13,499.30

FIRST NATIONAL BANK NORTHWEST FLORIDA
DEMAND DEPOSIT NEW THIS MONTH
December 31, 2020

ACCOUNT NUMBER	CUSTOMER NAME	CURRENT BALANCE	ACCOUNT TYPE	NEW OR CURRENT CUSTOMER	REASON FOR OPENING ACCOUNT
3200254501	SHRI GANESH ENTERPRISES	\$ 1,000.00	SM BUSINESS CHECKING	NEW	NEW LOAN CUSTOMER
3200255201	SHRI GANESH ENTERPRISES	\$ 1,000.00	SM BUSINESS CHECKING	NEW	NEW LOAN CUSTOMER
3201455706	GREEN ANTHONY A	\$ 2,984.70	PERS REGULAR CHECKING SR	CURRENT	
3201464906	STREET WILLIAM S	\$ 2,676.70	PERS REGULAR CHECKING SR	CURRENT	
3203155114	SMITH THOMAS R	\$ 187,495.16	PERSONAL SENIOR ACHIEVER	CURRENT	
3203172614	WALSINGHAM HULON E	\$ 100,099.66	PERSONAL SENIOR ACHIEVER	CURRENT	
3203177514	LAFREANCE ROBERT L	\$ 2,180.00	PERSONAL SENIOR ACHIEVER	NEW	CLOSE TO HOME
3203179114	DILLON NORMA J	\$ 65,989.45	PERSONALFIRST PREFERRED	NEW	SISTER REFERRAL
3203187414	MCLENDON ROBERT C	\$ 546,510.80	PERSONAL FIRST PREFERRED	CURRENT	
4200086901	DOLPHIN LEISURE, INC	\$ 10,000.00	BUSINESS CHECKING	NEW	PPP LOAN
4201049606	HAMBLIN MAHALA C	\$ 582.25	PERSONAL PATRIOTIC	NEW	CLOSE TO HOME
4201051206	HAMBLIN MAHALA C	\$ 1,290.00	PERSONAL PATRIOTIC	NEW	CLOSE TO HOME
4201149406	GIBSON JAMIE K	\$ 208.24	PERSONAL VALUE CHECKING	NEW	CLOSE TO HOME
4201155106	DAVIS STEVEN	\$ 1,500.00	PERS REGULAR CHECKING SR	NEW	EMPLOYER REFERRAL
4206351101	GULF WORLD MARINE PA	\$ 89,116.10	BUSINESS CHECKING	NEW	PPP LOAN
4206351102	GULF WORLD MARINE PA	\$ 5,000.00	BUSINESS CHECKING	NEW	PPP LOAN
4206351114	GULF WORLD MARINE PA	\$ 1,000.00	BUSINESS MONEY MARKET	NEW	PPP LOAN

TOTAL: **\$ 1,018,633.06**

NEW \$ 178,866.04
CURRENT \$ 839,767.02

**FIRST NATIONAL BANK NORTHWEST FLORIDA
SAFE DEPOSIT NEW THIS MONTH
December 31, 2020**

ACCOUNT NUMBER	CUSTOMER NAME	RENT	NEW OR CURRENT CUSTOMER	REASON FOR OPENING ACCOUNT
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NONE

TOTAL:	\$	-
NEW	\$	-
CURRENT	\$	-

Product		Current Balance	Weighted Average Rate
108 Personal Senior Achiever	242	15,248,077.76	.0738
109 Pers Senior Achiever Spec Rate	17	7,865,063.67	.0999
110 Personal Senior Achiever Emp	12	612,861.15	.0580
131 Business First Preferred	10	985,284.76	.0771
132 BUS First Preferred Iolta	3	569,162.05	.0940
133 BUS First Preferred Non Profit	34	6,179,881.04	.0909
137 BUS First Preferred Spec Rate	6	3,296,632.85	.0957
141 Personal First Preferred	112	10,453,615.44	.0800
143 Per First Preferred Spec Rate	15	15,343,079.63	.0997
144 Personal First Preferred Emp	5	2,414,337.09	.0970
161 Business Money Market	48	16,286,450.43	.0954
163 Business MMA Non Profit	3	31,036.23	.0099
164 Business Money Market Public	1	94,881.60	.0499
165 Business Money Market Escrow	1	206,639.26	.0799
167 Business MMA Special Rate	27	25,679,255.05	.0997
171 Personal Money Market	14	1,796,923.86	.0843
173 Personal MMA Special Rate	3	2,012,010.87	.0999
174 Personal Money Market Employee	1	2,735.70	.0098
Type totals for checking accounts:	554	109,077,928.44	.0921
201 Business Savings	11	813,629.40	.0500
211 Personal Savings	101	2,687,054.36	.0500
212 Personal Savings Minor	13	35,888.76	.0499
215 Personal Savings Employee	9	31,374.83	.0500
216 Personal Savings Emp Minor	1	1,033.39	.0503
Type totals for savings accounts:	135	3,568,980.74	.0500
OJT Misc Fixed Employee CD => 100K	1	185,236.91	1.7999
OML 12 Month CD Business Emp >100K	10	4,266,348.78	.9078
O1R Misc Fixed CD Business > 100K	1	1,047,451.30	.7499
UEM 12 Month CD Bus Employee <100K	5	278,397.89	.2850
UF1 Misc Fixed CD Personal < 100K	1	35,098.50	1.5000
U1F Misc Fixed CD Business < 100K	1	33,804.03	1.4999
312 12 Month Employee < 100K	6	226,399.19	.3207
360 60 Month Employee < 100K	2	45,075.16	1.9883
412 12 Month Employee => 100K	7	1,108,920.62	.8789
503 3 Month CD Personal < 100K	1	513.98	.0505
506 6 Month CD Personal < 100K	5	38,784.15	.0999
510 10 Month CD Personal < 100K	1	20,256.33	.1499
512 12 Month CD Personal < 100K	50	1,105,873.06	.3492
515 15 Month CD Personal < 100K	2	31,179.67	.9352
518 18 Month CD Personal < 100K	3	80,513.86	.6060
521 21 Month CD Personal < 100K	1	50,000.00	1.6000
524 24 Month CD Personal < 100K	5	280,611.27	.7113
536 36 Month CD Personal < 100K	3	38,238.23	1.3695
560 60 Month CD Personal < 100K	5	10,513.02	1.5000
607 7 Month CD Personal => 100K	2	209,075.96	.1000
608 8 Month CD Personal => 100K	1	256,469.71	1.0000
612 12 Month CD Personal => 100K	24	5,529,445.02	.5990
615 15 Month CD Personal => 100K	1	208,578.21	1.3999

Optical output queue
Deposit Maturity Analysis Summary

First National Bank Northwest Florida

DD5761

12/31/20 Page 1

Fixed Rate Deposits:

Remaining Maturity of:		
3 months or less:	58	10,069,712.53
3 - 12 months:	176	8,449,516.63
1 - 3 years:	59	1,282,840.46
3 years and over:	1	10,113.02
Total:	294	19,812,182.64

Variable Rate Deposits:

Repricing Frequency:		
Daily to quarterly:	1,578	147,286,497.97
Quarterly to annually:	0	.00
Annually to 3 years:	3	263,920.00
Total:	1,581	147,550,417.97

Total Deposits:	1,875	167,362,600.61
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* * * End of Report * * *

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First National Bank Northwest Florida PAGE 1

New Safe Deposit Boxes This Month

Account number	Short name	CIS key	Product type	Box ID	Branch number	Original date
1000000096	POLITTO CHARLOTTE ULM	P0000106	003	1000000096	1	12/02/20
1000000066	PETTY JIMMY R JR	P0000155	003	1000000066	1	12/23/20

*** END OF REPORT ***

FIRST NATIONAL BANK NORTHWEST FLORIDA

INTERNAL AUDIT BOARD of DIRECTORS REPORT



December 2020

PREPARED BY:

Denise Bunes, Internal Auditor

COMPLIANCE REVIEW:

- ◆ **Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act)**

OPERATIONAL REVIEW:

- ◆ **Internal Controls & Information Security**
- ◆ **Investments & Interest Rate Risk**

Internal Controls & Information Security

The Internal Controls & Information Security audit concluded with **strong** results. The review scope consisted of the following objectives:

Internal Controls

- Determine if an effective organizational structure has been established
- Determine if internal control policy & procedures have been developed
- Determine if appropriate accounting procedures have been established
- Determine if there are provisions for protection of assets

Information Security

- Determine if customer information protection policy & procedures have been developed
- Determine if security system tests are performed
- Determine if annual training is provided
- Determine if an annual risk assessment is completed

Internal Controls

The review of internal controls determined that policy and procedures have been developed and are common practice among all employees. Joint custody, dual control, separation of duties, rotation of personnel and mandatory vacation policies are adhered to reliably. Departments have completed and/or updated an internal control risk assessment of duties in their area. Furthermore, internal controls are also assessed during relevant audits throughout the year.

Information Security

Policy and procedures for Information Security have been developed. In addition, a Cybersecurity Program was approved by the board in 2017 and added to the bank's Annual Information Security Report. Employees are aware of, and abide by, customer information protection practices. Disaster recovery testing is completed on an annual basis to ensure business continuity. Employees receive information security training, upon hire, and annually thereafter. The Information Security/Business Continuity/ Pandemic Planning Committee representing all departments was developed to discuss any current issues and resolve any matters which could ultimately affect the protection of customer information. The Information Security risk assessment is completed and submitted to the Board of Directors annually.

Furthermore, Focus Audits completed the bank's GLBA Risk Assessment with Cybersecurity Framework in June of 2020, with social engineering, and external and internal penetration testing, in May and June of 2020, respectively. Final reports were submitted to the Board of Directors. There were zero vulnerabilities to correct; however, reviewer did suggest the bank develop more robust employee teleworking policy & procedures.

Management Response: *Management developed an effective Work from Home Policy with an Employee Teleworking Agreement. To ensure employee home PCs have up-to-date anti-virus programs, the bank's Remote Operations Center (AaSys Group) remotely updates home PCs to the bank's current standard.*

Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act)

The Internal Auditor performed an annual review of the bank's Secure and Fair Enforcement (S.A.F.E.) for Mortgage Licensing Act. The review verified the following audit objectives were complete and adequate.

Audit Objectives:

- Determine that Bank complies with the requirements of the S.A.F.E. Act
- Review the process to identify and register mortgage loan originators in a timely manner
- Review the adequacy of the policy, procedures, and documentation to ensure compliance with the requirements of the S.A.F.E. Act
- Required annual training is provided

The Bank has a S.A.F.E. Act Policy. Compliance Department schedules a pop-up calendar reminder to remind the Chief Credit Officer to email all bank MLOs to register during the November – December registration period. Kim Johns, Chief Operating & Chief Credit Officer has been appointed to review NMLS registrations each November - December. Auditor schedules an annual review of MLOs at the beginning of each audit year; S.A.F.E. Act will also be included in the Consumer Lending External Review in the fall of 2021.

When a new lender is hired, or an existing employee is re-assigned, their job duties as a lender/officer are reviewed by the Chief Executive Officer and Chief Operations/Chief Credit Officer to determine whether the officer will perform residential mortgages or not. The officers who have been deemed Mortgage Loan Originators (MLOs), immediately complete the registration process. Internal Auditor generates a loan report during the S.A.F.E. Act review to verify MLOs are registered and active. No MLO has originated more than 5 residential loans in the year 2020.

Loan officers deemed MLOs and the backup to the Mortgage Loan Originator have NMLS#. They have their numbers in their email signatures, as well as, their business cards. The bank's NMLS# is on the bottom banner of the bank's webpage.

S.A.F.E. Act Training was completed in January 2021 for all active MLOs.

INVESTMENTS

The Investments Operational Audit included a review of the following objectives with **strong** results:

- Bank investment policy and procedures
- Safekeeping records of securities
- Adherence to policy and national bank guidelines
- Internal controls and procedures of investment record keeping

The bank's current total investment balance totals as of 11/31/20 is \$118,097,548.77 which is 63.53% of total assets – this is out of the benchmark range of 15% to 60% and notated in Investment minutes. A Memo from the CFO states several benchmarks are deviating from normal ranch due to the surge in deposits from Hurricane Michael insurance payments. Documentation reflects investment policy and procedures are followed when purchasing securities.

It was confirmed that Center State Bank maintains accurate inventory records of the bank's Investment Portfolio. Investment activity was properly documented in the Investment Committee and BOD's meeting minutes and internal reports. In addition, the board is presented a current Investment Report and provided the latest information on securities purchased, securities nearing maturity or securities called. As recommended by examiners, the investment report includes a calculation that reflects the total investments as a percentage to total assets. All securities and certificates of deposit are scanned to the bank's network server for secure record keeping.

Benchmarks specified in the Asset/Liability and Investment policy along with the bank's Strategic Plan are reviewed by the Investments Committee quarterly. The EVP/Chief Financial Officer completes an investment benchmark report which the Investment Committee monitors and corrects those areas which fall outside the benchmark. The bank has various reports that keep the committee and the board of directors abreast of the bank's financial highlights. The Investment Committee minutes are comprehensive with detailed backup documentation.

Reconciliations are performed monthly with adequate internal controls and supervisory review.

INTEREST RATE RISK

The Interest Rate Risk Management Operational Audit concluded with **strong** results. The review consisted of the following objectives:

- Verify policy and procedures are written and adhered to.
- Determine whether an Asset Liability Management Committee (ALCO) has been appointed.
- Verify ALCO receives and reviews forecasts, projections and related assumptions, at least quarterly.
- Determine if tolerance limits have been established.
- Determine whether the ALCO submits reports to the Board of Directors.

The Board of Directors, consistent with its duties and responsibilities, has adopted written policies and procedures for all regulatory requirements concerning asset liabilities management. The Investment Committee adheres to guidelines in the policy.

The Investment Committee meets monthly and reviews all reports relevant to the bank's investment portfolio. Center State Bank provides a quarterly detailed interest rate risk analysis which is reviewed and discussed in detail. Detailed investment committee minutes are documented.

Tolerance limits are outlined in the bank's Asset Liability Management policy. Any benchmarks exceeded are discussed and notated in investment committee and board of director minutes.

The board receives financial reports relating to the bank's investment portfolio monthly with more detailed reports quarterly.

Saltmarsh completed their review of the bank's Asset/Liability Management and Interest Rate Risk procedures in April of 2020. Several minor recommendations were notated in report to the board with management response.

The contents of this report are the product of the internal audit and the opinions of the auditor have not been over-ruled in any way.



Denise Bunes
Internal Auditor

Audit Monitoring Tool

Risk Legend:

LOW
Moderate
High

Submitted quarterly to BODs by Denise Bunes, Internal Auditor

January 1 - December 31, 2020

2020

Internal Audit
External Audit
Finding and/or Follow Up complete
OCC Exam
Finding and/or Follow Up needed

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
Bank Secrecy Act (BSA) STRONG	12/6/2019	1. Designation of Exempt Person (DOEP) forms for 2 revocations of exempt status had the digital signature, title, and phone extension of previous BSA Manager.	LOW	BSA Officer	1. BSA Officer revised the DOEP form template.	Complete	Yes
		2. Exemption List should be current, dated and revocations should be individually dated when revoked.	LOW	BSA Officer	2. BSA Officer updated the Exemption List to reflect date of list and revocations.	Complete	Yes
		3. There was one CTR filing omission violation. Cash Report reflected 2 deposits for company; however, one was under the company TIN and the other under the owner's SSN.	MOD	BSA Officer	3. BSA Officer filed a delayed CTR. BSA Officer also requested head teller train her assistant teller to review the report and head teller will be 2nd review for beach and main cash reports.	Complete	Yes
		4. Twp CTRs had errors and required re-filing.	MOD	BSA Officer	4. BSA Officer refiled corrected CTRs.	Complete	Yes
		5. One well-established business customer opened a new account but did not have an initial Beneficial Ownership or re-certification form on file.	LOW	Customer Service Representative	5. The Customer Service Representative had the business complete an initial Beneficial Ownership form and CIS Reviewer will review new CIS work to ensure there is one or the other on file.	Complete	Yes
		6. Cashier's checks purchased with cash were identified as cash transactions but the customer account # was frequently omitted on Main log.	LOW	Tellers	6. Main office head teller corrected the cashier's check log during audit.	Complete	Yes
Investments & Interest Rate Risk STRONG	12/30/19	No Findings	LOW	CFO	N/A	Complete	Yes
Accounting & Fixed Assets STRONG	12/31/19	1. Accounts Payable Policy needed updates to be current.	LOW	Accounting Manager	1. Accounting Manager updated policy.	Complete	Yes

Audit Monitoring Tool

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
SAFE Act STRONG	1/8/2020	No Findings	LOW	Chief Credit Officer	N/A	Complete	Yes
Funds Transfer Audit SATISFACTORY	1/30/20	1. One Daily Money Position sheet did not have initials of a 2nd review.	LOW	Bookkeeping	1. Procedures were revised before audit to not leave at EOD before 2nd review.	Complete	Yes
		2. 8 incoming and 11 outgoing fund transfers were omitted from the wire log.	MOD	Bookkeeping	2. The monthly wire verification review will be re-implemented to reduce omissions.	Complete	Yes
		3. 10 outgoing and 6 incoming domestic wire transfers omitted from the wire log were over \$3000 (BSA Policy infraction)	MOD	Bookkeeping	3. The omitted wires were logged during the course of the audit.	Complete	Yes
		4. 2 OFAC verifications omitted the OFAC verification documentation in the daily work.	LOW	Bookkeeping	4. Auditor verified OFAC for the omitted wire transfers to ensure no OFAC hits.	Complete	Yes
Compliance Program STRONG	2/3/2020	No Findings	LOW	Compliance Officer	N/A	Complete	Yes
Military Lending Act & Servicemember Civil Relief Act STRONG	3/3/2020	No Findings	LOW	Lending	N/A	Complete	Yes
Interest Rate Risk EXTERNAL REVIEW (SATISFACTORY)	3/23/2020	1. FFICIA requires that Boards understand and be regularly informed about the level and trend of their institutions' IRR exposure.	LOW	CFO	1. NII conditions in the static balance sheet were discussed but were not documented in the ALOC minutes. CFO will include out of policy conditions in ALCO minutes in the future.	Complete	Yes
		2. In addition to scenario analysis, recommend: Rate Assumptions - review & document the reasonableness of new/reinvestment volume rate assumptions in declining rates especially related to adjustable/variable rate loans and time deposits.	LOW	CFO	2. ALCO reviews and documents new production/reinvestment loan rate/Floors on a quarterly basis. Also reviews new production/reinvestment deposit rates (including time deposits) on a quarterly basis. ALCO submitted Floors in addition to rates on all Deposits and Time Deposits.	Complete	Yes

Audit Monitoring Tool

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
		3. Evaluate the 0% beta assumption for the surge category relative to all other interest-bearing deposit categories and the beta factors for accounts designated as "Special Rate" accounts.	LOW	CFO	The WAV rate is calculated quarterly ofr Surge Deposits. Changes were made prior to submission for March 2020 report.	Complete	Yes
		4. Stress-testing of Key Assumptions - at least annually, perform alternative assumption stress testing, and present appropriate assumptions sensitivity benchmarking to the ALCO and Board.	LOW	CFO	The cost of stress testing reports is prohibitive (\$3000/yr). Center State has provided a NMD excel worksheet that may assist with analysis if needed.	Complete	Yes
		5. Benchmarking of alternative loan prepayment speeds and time deposit runoff.	LOW	CFO	The bank does not have the time or means to manually track. FiCast tracking would cost approx. \$6000/yr. Not feasible at this time.	Not Feasible at this time.	N/A
Bank Secrecy Act (BSA) EXTERNAL REVIEW (SATISFACTORY)	4/1/20	1. Several CTRs filed had incorrect, TIN/EIN, incorrect beneficiary or incorrect transaction box checked.	MOD	BSA Officer	1. External Auditor recommends a more thorough 2nd review and additional CTR completion training. The internal review will be expanded to include those areas indentified.	Complete	Yes
		2. Two Suspicious Activity Reports had minor errors, Branch Location and Item 46 not checked for currency involved in the transaction.	LOW	BSA Officer	2. External Auditor recommends a more thorough 2nd review of SARs before submission. Greater attention will be given to item 46 whenever currency is involved.	Complete	Yes
		3. Three new account documentation address or failed Qualifile discrepancies were not resolved.	MOD	BSA Officer	3. External Auditor recommends additional discrepancy resolution training. Additional documentation will be sought to better document resolution.	Complete	Yes
		4. No OFAC verification documentation for 2 customers prior to account opening.	MOD	BSA Officer	4. External Auditor recommends additional training be provided to ensure employees check all signers on business accounts against the OFAC list. Although isolated, BSA Officer communicated with CSRs to pull a Qualifile report for all signers prior to opening account.	Complete	Yes
Allowance for Loan & Lease Loss (ALL) STRONG	4/8/2020	No Findings	LOW	Lending	N/A	Complete	Yes

Audit Monitoring Tool

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
Information Technology FOLLOW-UP	4/12/2020	1. IT has a disaster recovery laptop with bank programs loaded; however, this business continuity procedures still needs to be tested.	MOD	Information Security & Cyber Officer	1. ISO is preparing the disaster laptop and plans to test the laptop procedures in the 3rd quarter of 2020.	FOLLOW UP in 90 days	Aug-20
Information Technology FOLLOW-UP	4/12/2020	2. Management needs to update their Business Impact Analysis (BIA) . This was also a recommendation in the bank's GLBA Risk Assessment.	MOD	Information Security & Cyber (ISO) Officer	2. The ISO and Compliance Officer have updated the bank's BIA utilizing the bank's current format.	Complete	Yes
Deposit Compliance EXTERNAL REVIEW (SATISFACTORY)	4/29/2020	1. Exception hold box was selected when not applicable.	LOW	Head Teller	1. New procedures were implemented. Tellers submit hold to Head Teller for her initial review. She emails the hold to Compliance Officer who reviews and approves the same day.	Complete	Yes
		2. Provisional credit method was not documented on Reg E Error Form.	LOW	Bookkeeping	2. Bookkeeping will document the method of provisional credit in the message field on Reg E form.	Complete	Yes
		3. Minimum to open was disclosed incorrectly on the Patriot TISA.	LOW	ISO	3. The TISA was corrected immediately.	Complete	Yes
		4. The types of transactions that can cause an overdraft was not listed on the Patriotic TISA.	LOW	ISO	4. The OD verbiage was added to the Fee Schedule.	Complete	Yes
		5. Fixed rate CD TISAs have interest rate box checked and blank field so not a UDAAP violation.	LOW	ISO	5. This is a repeat finding; however, this was called into Shazam Support after the prior review. This is a "form defect" and has been sent to production to fix. With the recent Shazam version update to 19.1.2, the CD and IRA forms were corrected on 8/20/20.	Complete	Yes
		6. Due to incomplete CSR training, a full TISA disclosure was not mailed with the CD maturity notice.	MOD	CFO/Deposit Ops Officer	6. CFO provided CSR with one-on-one training. Full disclosures are mailed with CD maturity and renewal notices.	Complete	Yes
		7. Four account holders were not eligible for NOW accounts.	MOD	CFO/Deposit Ops Officer	7. CSRs and backups were emailed the NOW Account eligibility PowerPoint to review, as well as, NOW Account Eligibility matrix cheat sheets to reference when opening accounts. A new query was also developed and will be reviewed monthly.	Complete	Yes

Audit Monitoring Tool

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
Annual Loan Review EXTERNAL REVIEW (SATISFACTORY)	4/26/2020	1. Financial statements: 6.23% of loans reviewed have missing financials.	LOW	Chief Credit Officer	1. One guarantor is reluctant to provide financials since he no longer owns an interest in the business. First City is servicing the other loan, therefore, we cannot contact the borrower direct.	Complete	Yes
		2. Past Dues: Past dues totaled \$2,444,219.	LOW	Chief Credit Officer	2. All past due loans are 100% guaranteed by USDA/SBA with the exception of one loan totaling \$198,866. As of 8/31/20: Total past due loan balances total \$3,015,418 with 29% <30 days past due.	Complete	Yes
Business Continuity & Pandemic Preparedness SATISFACTORY	5/4/2020	1. Test backup disaster recovery laptop computer to ensure proof can be run offsite with laptop, proof scanner and Internet connection.	MOD	ISO		Complete	Yes
		2. Several "essential" employees did not possess or could not find their Government Emergency Telecommunications System (GETS) cards during the annual testing exercise.	LOW	ISO	2. ISO needs to order GETS cards for all essential employees who need them during an emergency situation. This was completed during the review.	Complete	Yes
		3. The bank does not have a contract with a mobile banking unit service in the event of a major disaster damages the building structure inoperable. Management needs to review quotes and see if this is an option for the bank.	MOD	ISO	3. Management selected and signed a 1-year contract with MPA for a mobile unit building that provides the bank with a fully-operable mobile bank unit.	Complete	Yes
Community Reinvestment Act (CRA) SATISFACTORY	6/2/20	1. Loan-to-Deposit ratios for 2019 were not current in Public File.	LOW	BSA/CRA Officer	1. Loan -to- Deposit Ratios were updated in Public File.	Complete	Yes
Fair Credit Reporting Act STRONG	6/4/2020	No Findings	LOW	Lending	N/A	Complete	Yes

Audit Monitoring Tool

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
Annual GLBA Risk Assessment Review (STRONG)	6/15/2020	1. Following COVID-19, it is recommended to strategize and develop a more robust teleworking policy and procedures.	MOD	IT	1. IT purchased 10 additional remote licenses for a total of 16. In addition, AaSys Group remotely accesses all employee home PCs to update anti-virus programs up to the bank's standards.	Complete	Yes
Remote Deposit Capture STRONG	6/30/2020	No Findings	LOW	Bookkeeping	N/A	Complete	Yes
Loan Compliance Review EXTERNAL REVIEW (SATISFACTORY)	7/8/2020	1. The ATR worksheet did not include taxes and insurance. This was corrected during the review.	LOW	Loan Officers	1. The ATR worksheet was corrected during the review. Lending was emailed a reminder to always include taxes and insurance in the ATR calculation.	Complete	Yes
		2. One loan did not receive the Homeownership Counseling List within 3 days of application.	LOW	Loan Officers	2. Loan Officers and Lending Dept. were emailed a reminder to include the HUD List of Homeownership Counseling Organizations within 3 days of application.	Complete	Yes
		3. GMI was collected at application when not applicable for one HELOC application	LOW	Loan Officers	3. Loan Officers and Lending Dept. were emailed a reminder not to collect Gov't Monitoring Information for HELOCs unless for refi or purchase of primary residence.	Complete	Yes
Vendor Management STRONG	7/23/2020	No Findings	LOW	ISO Officer	N/A	Complete	Yes
Insider Lending (REG O) STRONG	7/27/2020	No Findings	LOW	Chief Credit Officer	N/A	Complete	Yes
Capital Accounts STRONG	7/28/2020	1. A \$5,000 expense disbursement was omitted in the 9/26/19 Board of Director and Holding Company minutes. This was corrected during the audit.	LOW	Secretary to the Board	1. The \$5,000 expense disbursement	Complete	Yes

Audit Monitoring Tool

AUDIT	Date	Findings	Findings Risk	Employee/Dept Responsible	Management Response	Complete / Ongoing/ Follow Up	Was Response effective?
Expedited Funds Availability (REG CC) STRONG	7/30/2020	1. Two Teller Platform PCs at the beach branch needed to be upgraded to version 19.1.2 in order for the new thresholds to print on hold notices.	LOW	IT	3. IT upgraded the beach teller platforms during the course of the audit.	Complete	Yes
Check Collection (REG CC, Subpart C) STRONG	7/30/2020	No Findings	LOW	Bookkeeping	N/A	Complete	Yes
Panama City Beach Branch Audit STRONG	8/11/2020	1. Minor omissions on new and closed safe deposit box lease agreements were noted.	LOW	CSRs	1. CSRs and CIS Reviewer were reminded to review new & closed SDB leases agreements to ensure completeness.	Complete	Yes
OCC Safety & Soundness Exam STRONG	7/20 - 8/13/20	1. BSA Officer did not file a SAR within the guideline. BSA Examiner requested SAR Filing Training for pertinent employees.	LOW	Compliance Officer	1. Compliance Officer assigned BSA/AML: SAR Filing online courses to BSA Officer and Tellers.	Complete	Yes
Fair Lending & Equal Credit Opportunity Act STRONG	8/31/2020	No Findings	LOW	Lending	N/A	Complete	Yes
Due From Banks STRONG	9/3/2020	No Findings	LOW	Accounting Manager	N/A	Complete	Yes
Credit Administration/ Loan Servicing STRONG	9/10/2020	No Findings	LOW	Lending	N/A	Complete	Yes
Accrued Interest STRONG	9/28/2020	No Findings	LOW	Lending	N/A	Complete	Yes
National Automated Clearing House (NACHA) Operating Rules STRONG	10/5/2020	No Findings	LOW	Bookkeeping	N/A	Complete	Yes

First National Bank Northwest Florida



MONTHLY REPORT to the BOARD OF DIRECTORS

COMPLIANCE PROGRAM

December 2020

COMPLIANCE PROGRAM

This report, submitted by Denise Bunes, Assistant Vice President, Compliance Officer & Internal Auditor, covers the period December 1 through December 31, 2020.

PROGRAM STATUS

The Compliance Program is administered according to the Compliance Program Policy adopted by the Board of Directors.

COMPLIANCE CHANGES / PROJECTS / BANK NEWS

- Compliance Officer mailed IRA Amendments to all bank Roth & Traditional IRA customers.
- Compliance Officer emailed all employees the status of their online training to be completed before year-end. Online Training is 100% complete.
- Compliance Officer completed a year-end vendor review report to be submitted to the board of directors. All vendor documentation is current.
- Officers completed their assigned ERM Risk Assessment sections as of September 30, 2020 and submitted the risk assessment to the board of directors for December's meeting.
- Internal Auditor submitted her 2021 Internal Audit and Risk Assessment for board approval.
- Compliance Officer submitted the bank's Annual Customer Information Protection Report.

POLICY & PROCEDURE CHANGES

- The attached policies were submitted for approval by the Board of Directors for new regulation content:
 - 1) Automated Clearinghouse Policy for Originating and Receiving Depository Financial Institutions (ODFI and RDFI)** – 1) the ACH service products offered was revised to "Credits Only" 2) Same Day ACH Rules section was added 3) paragraph added under Data Breach Notification Requirements stating the bank will ensure we, our originators, and our respective third-party service providers adopt and implement reasonable policies, procedures, and systems to: receive, store, transmit, and destroy consumer-level ACH data in a secure manner and to protect against data breaches and detect the occurrence of a data breach.
 - 2) Federal Benefit Payment Garnishment Policy** – Under Lookback Period heading the sentence "We will document the account review of the Lookback Period by printing or electronically storing screenshots or copies of the account(s) associated with the garnishment for audit purposes" was added.
- The attached policy was submitted for approval by the Board of Directors with no changes:
 - 3) Funds Transfer Policy**

REGULATORY & ECONOMIC NEWS / CHANGES

REGULATORS

CFPB Finalizes Changes to QM Standard

The Consumer Financial Protection Bureau wrapped up its efforts to revise the Qualified Mortgage standard by issuing final rules defining both the general QM category and a “seasoned” QM standard for certain portfolio loans. The final rule aligns with ABA’s recommendations for reforming these regulations, allowing the so-called “GSE patch” to lapse while expanding the general QM definition.

Specifically, to receive the QM safe harbor, the annual percentage rate on covered transactions must not exceed the annual prime offer rate for a comparable transaction by 1.5 percentage points. Loans with an APR that exceeds the APOR by 1.5 to 2.25 percentage points will receive a QM rebuttable presumption of ability to repay, with higher pricing thresholds set for smaller loan amounts, manufactured home loans and certain other transactions.

For purposes of meeting the new general QM requirements, the final rule removes the 43% debt-to-income threshold and the rigid underwriting definition contained in Appendix Q. It retains the product feature and underwriting requirements and points-and-fees limits of the current QM standard and requires creditors to “consider” the consumer’s income or assets, debt obligations and DTI ratio or residual income.

As with the existing QM standard, creditors would need to consider the borrower’s debt-to-income ratio or residual income and verify their obligations and income, but would provide more flexible options. As ABA recommended in its comments, the CFPB added a list of specific standards to its commentary providing a safe harbor for the verification requirement. [Read the general QM final rule](#)

CFPB Finalizes ABA-Supported 'Seasoned QM' Category

Meanwhile, the seasoned QM standard applies to mortgages held in portfolio that have met certain performance requirements over a 36-month seasoning period, including having no more than two delinquencies of 30 or more days and no delinquencies of 60 or more days. To receive seasoned QM status, loans must be secured by a first lien; have a fixed rate with fully amortizing payments and no balloon payments; must not exceed 30 years in term; and have total points and fees under specified limits.

Both the general and seasoned QM standards will take effect 60 days after they are published in the Federal Register. Creditors must comply with the general QM standard by July 1, 2021, but may optionally comply starting on the effective date. July 1, 2021, is also when the temporary "GSE patch" providing QM status to loans eligible for purchase by Fannie Mae or Freddie Mac expires. [Read the seasoned QM final rule](#)

ECONOMY

Fed Maintains Rates as Pandemic-Related Economic Hardship Continues

The Federal Reserve will continue keep its target range for the federal funds rate at zero to 0.25% as the economy remains well below levels of output seen at the start of the year, even as economic recovery continues, the Federal Open Market Committee.

The committee said that it expects to maintain that range until the labor market reaches what the committee assesses to be maximum employment and inflation has risen to 2% and stays on track to moderately exceed 2%. The Fed added that it will continue to increase its holdings of Treasury securities by at least \$80 billion per month and of agency mortgage-backed securities by at least \$40 billion per month until further progress is made toward its goals of maximum employment and price stability.

In a press conference after the release of the FOMC statement, Fed Chairman Jerome Powell said that "recent news on vaccines has been very positive. However, significant challenges and uncertainties remain with regard to the timing, production, and distribution of vaccines, as well as their efficacy across different groups. It remains difficult to assess the timing and scope of the economic implications of these developments. The ongoing surge in new COVID-19 cases, both here in the United States and abroad, is particularly concerning, and the next few months are likely to be very challenging." [Read more](#).

Congress Approves COVID-19 Relief Bill, Reauthorizes PPP

After weeks of negotiations, congressional leaders tonight announced a deal for a \$900 billion bipartisan coronavirus relief package. While the legislative text has not yet been released, the deal reportedly includes \$284 billion in new funds for the Paycheck Protection Program, including a second draw option for prior PPP borrowers, and a new round of \$600 economic impact payments.

It is possible that a large number of EIPs could be sent via ACH on the first day of processing—which could potentially fall before Christmas, depending on the timing of the bill's passage. To be prepared, banks will need to begin planning tomorrow to have call center and ACH operations staffing levels ready as well as ordering and moving sufficient cash to meet a surge in ATM and branch withdrawals as EIPs land in customer accounts.

Once legislative text is available, ABA staff will review it closely for any additional measures affecting banks. The COVID-19 relief package is expected to be voted on tomorrow; meanwhile, Congress is set to pass a short-term government funding measure tonight. ABA Daily Newsbytes will keep members apprised of key developments, including passage of the package and logistical details related to reopening the Small Business Administration's PPP platform and the new round of EIPs.

OCC publishes CMP inflation adjustments

The OCC has published in this morning's *Federal Register* a notice of its maximum civil money penalties as adjusted for inflation. The inflation adjustments are required to implement the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended. The adjusted penalty amounts are applicable to penalties assessed on or after January 1, 2021, for conduct occurring on or after November 2, 2015. Selected common penalties from the list include:

- Flood insurance requirements: \$2,252 per violation
- Appraisal independence requirements: \$11,906 for first violation; \$23,811 for subsequent violations
- Reporting requirements violations: Tier 1, \$10,366; Tier 2, \$51,827; Tier 3, lesser of \$2,073,133 or 1 percent of total assets

Fed Announces Annual Indexing of Reserve Requirements

The Federal Reserve announced the annual indexing of the low reserve tranche and the reserve requirement exemption for 2021. These amounts are used to calculate reserve requirements for depository institutions.

All net transaction accounts in 2021 will be exempt from reserve requirements, following the zero percent ratio set in March 2020. The reserve requirement exemption amount will be set at \$21.1 million, up from \$16.9 million in 2020. A reserve ratio of no greater than 14% may be assessed on net transaction accounts over \$182.9 million.

[Read more.](#)

Regulators Planning Future Updates to BSA/AML Examination Manual

Regulators are currently “in the process of reviewing another update” to the BSA/AML examination manual, Lisa Arquette, associate director of the FDIC’s division of risk management told attendees at the ABA/ABA Financial Crimes Enforcement Conference yesterday. The agencies issued previous updates to the manual—the first since 2014—earlier this year that provided instructions to examiners for tailoring BSA/AML examinations to a bank’s risk profile, assessing the adequacy of an institution’s BSA/AML compliance program, assessing a bank’s BSA/AML risk assessment processes, and developing conclusions and finalizing the exam.

“Our objective is to move this forward as quickly as possible,” Arquette said, but “we have been very cautious about the words we’ve used because we don’t want to in any way issue something that would have unintended consequences.” She said that the agencies would issue updates “on a rolling basis, and then when we have several chapters that have been issued, you’re going to see maybe another press release or financial institution letter.” She added that the agencies would communicate changes via webinars for examiners and bankers, emphasizing that “the message will be delivered to examiners and bankers by the same people.”

The additional updates will continue to emphasize that minor weaknesses, deficiencies, and technical violations are not indicative of an inadequate program, added Suzanne Williams, deputy associate director at the Federal Reserve. Williams also noted that when designing a BSA/AML program, “there’s a variety of different approaches and methods that... can be perfectly fine and meet the bank’s needs.

Those are some other themes that we tried to bring out in the updates and we'll be continuing to emphasize in the revised chapters you will be seeing."

Treasury: Latest COVID-19 Economic Impact Payments Being Processed

The Internal Revenue Service has begun processing ACH files for the \$600-per-person economic impact payments, with a value date of Jan. 4, 2021, the Treasury Department said tonight. ACH files will continue to be sent to banks through Thursday, Dec. 31, Treasury added.

The initial ACH file is expected to include 113 million payments with an estimated value of \$112 billion. The IRS will also send 34 million checks and prepaid debit cards amounting to \$30 billion. Checks will start to be printed and mailed tomorrow, Dec. 30, at a rate of approximately five to seven million per week and are expected to look the same as the previous round of EIPs in the spring. The checks will be dated Jan. 6, but Treasury has confirmed that it will not return any checks deposited or cashed before that day. Prepaid cards totaling about three million per week will start to be mailed on Monday, Jan. 4.

Bankers should be aware that Treasury Secretary Steven Mnuchin and other official sources have signaled that consumers may have immediate access to their EIPs. "These payments may begin to arrive in some accounts by direct deposit as early as tonight and will continue into next week," Mnuchin said on Twitter tonight. However, since banks' practices vary on early access to funds sent by ACH, bank contact centers should be prepared for questions about funds availability.

Meanwhile, the Bureau of the Fiscal Service (which will process the EIPs on behalf of the Treasury Department) and the Federal Reserve will host a free webinar on this second round of EIPs tomorrow, Dec. 30, at 2 p.m. EST. Speakers on the webinar will include Roger Replogle, Cash Product Office manager for the Federal Reserve System, who will discuss the effects of EIPs on banks' cash management. Each bank is asked to register no more than two representatives.

CORONAVIRUS

EEOC Provides Employers with Vaccination Guidance

With the first COVID-19 vaccines being distributed, the Equal Employment Opportunity Commission Tuesday updated its technical assistance question-and-answer document to confirm that banks and other employers may, under the Americans with Disabilities Act, mandate vaccinations when they are available. The Q&A document also provides information on how employers should respond to requests by employees not to be vaccinated because of health or religious reasons.

The guidance clarifies that, if an employee indicates that he or she is unable to receive a COVID-19 vaccination because of a disability, the employer should conduct an individualized assessment to determine if the employee would pose a “direct threat” to the health or safety of others in the workplace because the unvaccinated employee will expose others to the virus at the worksite.

“If an employer determines that an individual who cannot be vaccinated due to disability poses a direct threat at the worksite, the employer cannot exclude the employee from the workplace—or take any other action—unless there is no way to provide a reasonable accommodation (absent undue hardship) that would eliminate or reduce this risk so the unvaccinated employee does not pose a direct threat.” [Read EEOC’s guidance](#)

ECONOMY

Congress Approves COVID-19 Relief Bill, Reauthorizes PPP

House and Senate lawmakers passed a \$900 billion bipartisan coronavirus relief package. ABA has prepared a staff analysis for bankers of the provisions included in the 5,500-page bill that affect the banking industry.

Among other things, the bill includes several ABA-backed provisions, including:

- \$284 billion in new funds for the Paycheck Protection Program, including a second draw option for prior PPP borrowers and \$15 billion set aside specifically for first and second draws issued by community financial institutions, including community development financial institutions and minority depository institutions
- \$12 billion in targeted emergency investments to help low-income and minority communities, including \$9 billion to be used by Treasury to create an

Emergency Capital Investment Program to make direct and indirect capital investments in low- and moderate income financial institutions

- A hold-harmless safe harbor for PPP lenders from enforcement and penalties to include all certifications made by borrowers or applicants connected to initial or second-draw PPP loans
- A simplified PPP forgiveness process allowing PPP loans of \$150,000 or less to be forgiven after the borrower completes a one-page attestation
- Repeal of a CARES Act provision that required PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount
- Enhancements of existing SBA loan programs, including the 7(a), 504 and microloan programs
- A new round of \$600-per-person economic impact payments for eligible recipients (not subject to garnishment)
- An extension of enhanced unemployment insurance
- An extension until Jan. 1, 2022, of the troubled debt restructuring provisions that were included in the CARES Act
- A delay of CECL implementation until Jan. 1, 2022

In a statement ahead of the votes yesterday, ABA President and CEO Rob Nichols commended lawmakers on the bipartisan effort to draft the long-awaited stimulus bill. “The bipartisan agreement reached by congressional leaders will provide much-needed relief to families, workers, and businesses still struggling from COVID-19,” he said. “Importantly, this agreement contains several ABA-supported provisions that will allow banks to provide additional help to individual and business customers under financial stress from the pandemic.” [Read the staff analysis](#)

ECONOMY

Fed Maintains Rates as Pandemic-Related Economic Hardship Continues

The Federal Reserve will continue keep its target range for the federal funds rate at zero to 0.25% as the economy remains well below levels of output seen at the start of the year, even as economic recovery continues, the Federal Open Market Committee.

The committee said that it expects to maintain that range until the labor market reaches what the committee assesses to be maximum employment and inflation has risen to 2% and stays on track to moderately exceed 2%. The Fed added that it will continue to increase its holdings of Treasury securities by at least \$80 billion per month and of

agency mortgage-backed securities by at least \$40 billion per month until further progress is made toward its goals of maximum employment and price stability.

In a press conference after the release of the FOMC statement, Fed Chairman Jerome Powell said that “recent news on vaccines has been very positive. However, significant challenges and uncertainties remain with regard to the timing, production, and distribution of vaccines, as well as their efficacy across different groups. It remains difficult to assess the timing and scope of the economic implications of these developments. The ongoing surge in new COVID-19 cases, both here in the United States and abroad, is particularly concerning, and the next few months are likely to be very challenging.” [Read more](#).

Fair Lending and CRA Complaints & Resolution

There have not been any fair lending or Community Reinvestment Act (CRA) complaints in over fourteen years.

Bank Failures & Assistance – FDIC

Bank Failures List – FDIC	
Total 2020 Y-T-D	4
Total 2019	4
Total 2018	0
Total 2017	8
Total 2016	1
Bank Secrecy Act / Anti-Money Laundering Civil Money Penalties	
ISSUANCES HISTORY	AMOUNT
Total 2020 Y-T-D	\$60,500,000
Total 2019	\$1,335,350
Total 2018	\$656,160,000
Total 2017	\$58,190,000
Total 2016	\$7,500,000
FLOOD Civil Money Penalties	
ISSUANCES HISTORY	AMOUNT
2020 Issuances Y-T-D	\$19,212,802
2019 Issuances	\$611,949
2018 Issuances	\$494,945
2017 Issuances	\$2,837,589
2016 Issuances	\$633,139

POLICIES & PROCEDURES

Policies are reviewed and approved by the Board on an annual schedule. Policies are scheduled by month and officer or manager of responsibility. The Compliance Officer distributes the current bank policy, along with the current LexisNexis/Mathew Bender policy to be updated for Board review and approval. Once approved, the Compliance Officer updates the policy on the server and notifies all employees of the policy and updates. All employees have easy access to the Policies on the bank's Hub. Annually, employees are emailed the bank's Conflict of Interest/Code of Ethics, Bank Secrecy Act and Customer Identification Policies and respond to Compliance Officer's email as evidence they read them. Department procedure manuals are also included in the Policy folder. Procedure manuals are updated as needed throughout the year. Policies are updated throughout the year as needed due to regulation changes, bank procedures, or change in employee responsibilities and/or titles with Board approval. Employees are notified monthly of any policy revisions and emailed the updated policies.

UPDATE: Policies are maintained on the Bank's Intranet "The Hub" under 6 categories: 1) Retail Operations 2) Lending Operations 3) Human Resources 4) Marketing 5) Accounting & Bookkeeping and 6) Compliance. Procedures and forms will follow as these are organized and updated.

TRAINING

***Compliance training**, as well as, pertinent department specific compliance-based training, is scheduled for all employees at the beginning of each year. The classes, for the most part, are Internet training classes through ABA Frontline Compliance. In addition, Compliance Officer emails department-specific webinars to officers & employees to participate in, if appropriate for their department. Classes are assigned according to regulation requirements, department and need, with other training assigned when necessary. Compliance Officer procures specific training deemed by management as necessary for pertinent employees. Michelle Wright, HR Manager/Training Coordinator maintains an individual training record for each bank employee.*

The new ABA Frontline Compliance Courses are assigned by the HR Manager according to regulations and job assignments. Compliance Officer reviewed & approved the assignments. New employees are assigned their job-specific plus regulation required courses upon hire and annually thereafter. They are asked to complete their training within their 90-day probationary period with passing grades of 80% The HR Manager assigned all required job-specific ABA Frontline Compliance Online Training to employees for the training year 2020.

***Note: Due to some possible elderly financial abuse scenarios at the bank, Elderly Financial Abuse online course was added to every employee's assigned online courses.*

Employees have completed 100% of their assigned online training for the 2020 training year.

Regulation CC: Expedited Funds Availability will be revised effective July 1, 2020. In order, to prepare for these changes, compliance has assigned the newly released courses below to all employees for year 2020.

The new courses include:

- **Reg CC: Funds Availability Schedules**. This course explains the maximum hold time periods, called funds availability schedules, which vary depending on the type of deposit.
- **Reg CC: Exceptions to Funds Availability Schedules**. This course explains the statutory exceptions to the funds availability schedules that allow banks to hold funds beyond the general maximum hold periods.
- **Reg CC: Disclosures and Notifications**. This course addresses certain disclosures designed to help customers understand when money from deposits is available for their use.

COMPLIANCE REVIEW PROGRAM

The internal auditor schedules compliance & operational audits after completing an annual risk assessment. Audits are scheduled in 12-, 24-, or 36-month cycles according to risk. The Internal Audit schedule and risk assessment are approved in the December board meeting. All audit reports are submitted to the Board of Directors upon completion. Quarterly, the Directors are presented with an **Audit Findings Tracker** which informs the Board of audits completed, results, any findings, employee or department responsible to correct findings and action taken, if needed, to correct findings.

The bank's OCC Safety & Soundness Examination was held July 27th through August 13th. The IT and BSA areas were delayed until August 21st. Management received and approved the Report of Examination on October 15th. The late SAR filing violation was cleared and closed with no further action during the exam. Julie Freeman, Examiner in Charge, presented her findings in October's board meeting.

Saltmarsh, Cleveland & Gund completed the bank's **EOY Interim Fieldwork** the last week in October. The completion of the EOY CPA Audit is scheduled for February 2021.

External Review 2021 Schedule:

The Enterprise Risk Management Committee met to discuss future external audits. The following is a preliminary external audit/review schedule for 2021 was submitted to the Board and approved:

Saltmarsh, Cleveland & Gund	EOY Interim Fieldwork	Week of 10/26/20
Saltmarsh, Cleveland & Gund	EOY CPA Financials Review	February 2021
Saltmarsh, Cleveland & Gund	Tax Review	February 2021
Saltmarsh, Cleveland & Gund	Annual Interest Rate Risk Model Validation Review	March 2021
Focus Audits	Vulnerability Scans	April 2021
Focus Audits	GLBA Risk Assessment	April 2021
Focus Audits	Internal Penetration Test	April 2021
Focus Audits	External Penetration Test	April 2021
Focus Audits	Social Engineering Test	April 2021
Saltmarsh, Cleveland & Gund	Annual Loan Review	April 2021
Compliance Individualized LLC	Deposit Compliance Review	Fall of 2021
Compliance Individualized LLC	Loan Compliance Review	Fall of 2021
Compliance Individualized LLC	BSA/AML Compliance Review	Fall of 2021

MONITORING

Monitoring consists of a review of deposit and loan Adverse Action, Availability of Funds (Reg CC) review, and Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) daily, monthly, quarterly monitoring, along with, an annual audit. The BSA Officer reviews each deposit and credit denial and CTR filed for accuracy and compliance. The Head Teller reviews and signs off on every deposit hold placed on deposits. The internal auditor performs annual audits of these areas. After conversion, the BSA department is utilizing **GateKeeper** an automated anti-money laundering program to monitor account transactions. Accounts are reviewed for ACH, ATM, deposits, and/or checks outside of the normal parameters, risk ratings for smurfing, structuring, and other criteria are monitored daily in an effort to prevent bank losses due to fraud and avoid use of accounts for money laundering.

Falcon is the bank's debit card fraud manager. This program builds a transaction pattern for each account holder within the first 45-day period. The bank will receive an email from Falcon anytime they work a customer fraud case. They also provide a customer service support line so our debit card customers have 24-hour support.

Respectfully submitted by:

A handwritten signature in blue ink that reads "DBunes". The signature is written in a cursive style with a large initial "D" and "B".

Denise Bunes
Compliance Officer / Internal Auditor

**First National Bank Northwest Florida
Cybersecurity Assessment Tool (CAT)
2020 Annual Report of Goals Achieved**

As of December 31, 2020

The IT and Audit Departments continue to work together to accomplish Declarative Statements in the next Level of each of the 5 Domains in order to complete that level's Cyber Maturity Goals.

Overall Summary:

The bank has achieved 436 of 492 (89%) declarative statement goals since the inception of the CAT in June of 2015.

Inherent Risk Summary: RATED: LEAST Risk Overall

The bank's inherent risk increased in 2017 with the core conversion in February of 2017.

- **Delivery channels:** Mobile Presence- increased with new mobile banking services
- **Online/Mobile Products:** Person-to-person (P2P) offered
- **Organizational Characteristics:** Changes in IT environment increased with new services.

Mitigation Summary:

- In 2018, management contracted with AaSys Group/Prometheus to provide a managed Threat Analysis Mitigation and Incident Response Mitigation service.
- In December of 2019 the bank upgraded email security with a product called Proof Point Essentials. This is monitored by the bank's third-party vendor AaSys Group. If there is a questionable email, the email is quarantined and needs to be previewed, released, released and approved, or blocked.
- In June of 2018, management contracted with Focus Audit's Prometheus to provide the services of Incident Response Team Plan.

Maturity Levels Achieved:

INNOVATIVE Maturity Level 16 of 30 (53%)

ADVANCED Maturity Level 5 of 30 (17%)

INTERMEDIATE Maturity Level 3 of 30 (10%)

EVOLVING Maturity Level 6 of 30 (20%)

BASELINE Maturity Level 0 of 30 (0%)

It should be noted the OCC Examiners have reviewed and approved the bank's Cybersecurity Assessment Tool (CAT) with no exceptions.

Respectfully submitted by:

Brent Brown, Information Security & Cyber Officer

2020 Cybersecurity Assessment Tool (CAT) Summation of Goals

12/31/2020

Domain	Assessment Factor	Component	Maturity Level	Accomplishment
Domain 1: Cyber Risk Mgmt & Oversight	Governance	OVERSIGHT	Intermediate	18 of 25
		STRATEGY / POLICIES	Evolving	13 of 21
		IT ASSET MANAGEMENT	Evolving	9 of 16
	Risk Management	RISK MANAGEMENT PROGRAM	Evolving	23 of 27
		RISK ASSESSMENT	Evolving	9 of 11
		AUDIT	Evolving	14 of 18
	Resources	STAFFING	Innovative	9 of 9
	Training & Culture	TRAINING	Evolving	11 of 15
		CULTURE	Advanced	8 of 9
Domain 2: Threat Intelligence & Collaboration	Threat Intelligence	THREAT INTELLIGENCE & INFO	Innovative	12 of 12
	Monitoring & Analyzing	MONITORING & ANALYZING	Innovative	15 of 18
	Information Sharing	INFORMATION SHARING	Innovative	15 of 15
Domain 3: Cybersecurity Controls	Preventative Controls	INFRASTRUCTURE MGMT	Innovative	28 of 28
		ACCESS & DATA MANAGEMENT	Intermediate	30 of 37
		DEVICE/END-POINT SECURITY	Intermediate	12 of 14
	Detective Controls	SECURE CODING	Innovative	9 of 9
		THREAT & VULNERABILITY DETECTION	Innovative	16 of 16
		ANOMALOUS ACTIVITY DETECTION	Innovative	21 of 21
	Corrective Controls	EVENT DETECTION	Innovative	15 of 15
		PATCH MANAGEMENT	Advanced	11 of 12
		REMEDIATION	Innovative	11 of 11
Domain 4: External Dependency Management	Connections	CONNECTIONS	Advanced	15 of 16
	Relationship Management	DUE DILIGENCE	Innovative	11 of 11
		CONTRACTS	Advanced	12 of 13
		ONGOING MONITORING	Innovative	11 of 11
Domain 5: Cyber Incident Management & Resilience	Incident Resilience Planning & Strategy	PLANNING	Innovative	20 of 20
		TESTING	Advanced	15 of 19
	Detection, Response, & Mitigation	DETECTION	Innovative	12 of 12
		RESPONSE & MITIGATION	Innovative	18 of 18
Escalation & Reporting	ESCALATION & REPORTING	Innovative	13 of 13	
Accomplishment Totals			436 of 492	89%

**BANK SECRECY ACT (BSA) PROGRAM
MONTHLY BOARD REPORT
December 31, 2020**

This report, submitted by Steven Dvorak, BSA Officer, covers the period December 1, 2020 through December 31st.

Training:

With the start of a new year the bank has assigned various computer-based training courses to each employee based on specific job duties. Many of these courses will be BSA/AML related. Last year 100 percent of employees completed their training. As of the end of this month, 100 percent had completed their annual training.

Regulatory News:

Congress Overturns Trump's NDAA Veto, Enacting AML/BSA Reform

The House and Senate this week voted to overturn President Trump's veto of the National Defense Authorization Act for fiscal year 2021. Passed in December, the now-enacted legislation includes several improvements to anti-money laundering rules long advocated by the American Bankers Association.

Among other things, the law directs the Financial Crimes Enforcement Network to establish and maintain a national registry of beneficial ownership information that banks may in turn rely on when complying with customer due diligence requirements. It also requires the Justice Department to report on how law enforcement uses Bank Secrecy Act data; calls for the Treasury Department to review BSA reporting requirements with an eye toward streamlining them, including reviewing current thresholds; and provides for financial institutions to share BSA compliance resources.

Monitoring Activities:

The BSA Officer and other key bank employees continue to review daily, weekly, and monthly reports intended to help identify unusual activity. Accounts are reviewed for ACH, ATM, cash, wires, deposits, and/or checks outside of the normal parameters, for activity that gives the appearance of money laundering. Any potential patterns would be investigated by the BSA Officer for possible reporting to the appropriate government agency (FinCen).

Reported Activity (CTRs/SARs):

During the calendar year 2020 the following reports were filed with FinCen:

<u>Reporting Activity:</u>	<u>Report Month:</u>	<u>YTD Activity:</u>
CTRs Filed	8	157
CTRs Returned for Errors	0	0
SARs Filed	0	3

SARs Not Filed After Investigation:	0	0
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SAR Reports Filed During the Month:			
Date filed	Amount	Reason	How was activity uncovered?



Steven Dvorak
VP Credit Admin / BSA Officer

To: Board or Directors
From: Steven Dvorak 
Subject: 2020 Annual BSA/AML Risk Assessment
Date: January 19, 2021

Criminals often try to use banks to launder money that they have received by illegal means. Once this money is in the “system,” they can use it toward larger schemes such as financing terrorism, or expanding criminal activity to other areas. With this in mind, Federal banking regulations require all banks to perform an annual compliance risk assessment (“BSA/AML risk assessment”) for the purpose of identifying risks associated with products, geographies, and customer characteristics in order to determine the adequacy of the bank’s internal controls over their anti-money laundering program.

This process generally involves two steps. The first step involves the identification of specific products, services, customers, entities, and geographic locations unique to the bank. The idea behind this step is that certain products and office locations may lend themselves better to launder money than other.

The second step entails a more detailed analysis of the data obtained during the identification stage. This step involves evaluating transactional data and seeing how this activity compares to the bank’s Customer Identification Program (CIP) and customer due diligence (CDD) information. This step in the assessment process should give management and the Board a better understanding of the bank’s risk profile in order to develop appropriate policies, procedures, and processes to mitigate the overall risk.

For consistency and comparability, each “risk factor” is assigned a numeric value between 1 (low risk) and 3 (high risk) which is used to calculate an overall composite rating which is presented in the conclusion section.

Conclusion:

The bank’s overall BSA/AML risk profile was considered “low” based on the factors reviewed. The policies, procedures and processes in place were considered adequate for the overall level of risk identified.

The specific details for each risk factor considered are attached for your consideration.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida
September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
01a.	Number of Branches (>4= H, 2-3= M, 1= L)		x		2	In addition to the Main Office, the bank has only one additional branch located approximately 10 miles apart.
01b.	Bank/Branch Locations (Bank/branches located in money center or on U.S. border= H, Highly diverse metropolitan area= M, Rural homogenous community bank= L)			x	1	In addition to the Main Office, the bank has only one additional branch located approximately 10 miles apart. Both locations are in Bay County, Florida, which is part of the Panama City MSA. The population for the county as of 2019 was 174,705 or 230 persons per square mile. There were 104,764 housing units for an average density of 138 per square mile. The racial makeup of the county was 71.9% White, 20.8% Black or African American, 0.2% Native American, 2.0% Asian, .2% Pacific Islander, 3.5% from other races, and 8.1% of the population were Hispanic or Latino.
01c.	Customer Base (Fast growing customer base in a wide and diverse geographic area= H, Recent Merger or increasing customer base due to acquisition or branching= M, Stable customer base over several years or known customer base= L)			x	1	The bank's customer base for transaction (deposit) accounts is stable and slow-growing. During 12-month period ended 9/30/20 the bank's customer base increased by approximately 3.3% in number and only 6% based on deposit balance. Approximately 56.3 percent of all transaction accounts have been open over 5 years. The increase in deposit activity was due primarily to the extraordinary receipt of insurance proceeds stemming from hurricane Michael and COVID-19 stimulus payments.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
02a.	Electronic Banking (Wide array of e-banking products and services including account transfers, bill payment, ACH origination with high customer activity= H, Limited e-banking products and services with moderate customer activity, more than 15% but less than 30% of total customers actively using e-banking=M, Less than 15% of our customers are enrolled in e-banking products or services, or institution web site is completely non-transactional= L)		x		2	<p>The bank offers a full line of e-banking products and services with moderate or limited customer participation. The website the bank owns is informational and non-transactional. Notwithstanding, transactional (online) services are processed through a link to "CSPI Aurora Online Banking," a third party vendor affiliated with the bank's core provider, Shazam. CSPI provides online access, mobile access, and telephone for interested customers with prior authorization by the bank as well as the completion of specific legal forms. P2P transfers are also available using Shazam Brella. This is a limited P2P platform that allows transfers only to other Shazam Brella users and only if they are debit card holders as transfers are made through the regular EFTPOS system.</p> <p>The site host (Aurora) is required to audit each year according to guidelines outlined in Statement on Standards for Attestation Engagements (SSAE) No. 16. As of review date the bank had 394 customers which represented approx. 27.5% of all transaction accounts. This remains similar to last year's 27% of total transaction accounts.</p> <p>The business Remote Deposit Capture (RDC) option is also very limited. This feature is mitigated by requiring a static IP address, properly configured software, duplicate monitoring by Bookkeeping, and proper legal documentation. The bank only has 3 customers with 20 deposit accounts with RDC capabilities. Last year the same number of customers had 18 accounts with RDC.</p>

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida
September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
02b.	Predominant method of delivery system for opening new account (Accounts opened via Internet without prior relationship=H, Some mail and telephone opening of new accounts in addition to in-person account opening=M, In-person account opening= L)			x	1	The bank requires that all new accounts be opened in person. Procedures in this area comply with all OCC customer identification requirements as outlined in various written guidelines such as the bank's CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a software program to identify blocked entities.
03a.	Currency Processing or Structured Transactions (Significant volume of large currency or structured transactions=H, Moderate volume of large currency or structured transactions=M, Few or no large currency or structured transactions=L)	x			3	The bank has a high but stable volume of large currency transaction reports in the most recent year. During the 12-month period ended September 2020 the volume of CTRs was 175 which was slightly lower than 2019 which had 184. The five-year average in 2020 was 123. This activity volume was unusually high and distorted due to the effects of hurricane Michael and the high number of transient construction workers in Bay county during the 12-month period following the disaster. This pattern appeared reasonable given the high volume of cash activity in many of the commercial business accounts maintained at the bank. As indicated earlier, management does actively pursue commercial lending, which leads to high number of commercial deposit accounts.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida
September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
03b.	Commercial customers with high cash activity (Many business customers with high cash activity= H, Limited number but some business customers with high cash activity= M, Very Few or No business customers with high cash activity= L)		x		2	<p>The bank does actively pursue commercial loan customers in the course of their day to day business. This focus on commercial accounts is also evident in the high volume of business deposit activity. During the 12 months ended 9-30-2020 the bank had approximately \$40.3 million in cash credits were posted to all transaction accounts. The top 10 transaction accounts based on cash transaction activity were all commercial accounts that accounted for approximately 34.2 percent of this annual volume while the top 20 commercial accounts accounted for 60.4 percent of the annual volume.</p> <p>While the bank does have a large number of commercial account customers with high cash activity, they also use an automated BSA program designed to monitor daily transactions to identify patterns for smurfing, structuring, and other criteria which may indicate money laundering activity.</p>
03c.	Customers identified as High Risk Money Service Businesses (Many= H, Limited number but some= M, Very Few or None= L)			x	1	The bank has no accounts to businesses that serve as Money Service Businesses.
03d.	Nonlisted entities exempt from cash reporting (>20= H, 11-19= M, <10= L)			x	1	The bank has 5 customers exempt from CTR reporting. All of these were Phase II non-listed entities. While non-listed entities are inherently risky, the bank has adequate policies and procedures outlining the process for exempting customers to ensure compliance with all regulatory requirements.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
03e.	Domestic retail banking customers/accounts: savings, checking, time deposits			x	1	As of September 2020, the bank had a larger number of retail transaction account customers (1025 versus 545) but they held a lower average balance per account. Of the total \$150.02 million in deposits, \$89.9 million or 60% were in commercial accounts while \$60.2 million, or 40 percent was held by retail customers. The risk in this area was considered minimal due to the existence of written CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, BSA Program as well as other automated due diligence tools.
03f.	Domestic retail consumer loans/Domestic commercial loans		x		2	As indicated earlier, the bank does actively pursue commercial loan customers in the course of their day to day business. Based on the current loan balances, as of September 2020 the bank had approximately 93.3% in domestic commercial loans and 6.7% in retail consumer. The risk in this area was considered moderate due to the high volume of cash activity that results from management's desire for commercial loan customers to maintain a deposit relationship with the bank also. The bank is able to mitigate the risks associated with these customers through the existence of written lending policies and procedures, CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, BSA Program as well as other automated due diligence tools.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida
September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls																								
04.	High Risk Customers (Identified a large number of high-risk customers and businesses, with relationships totaling more than 30% of total loans and deposits= H, Moderate number of high-risk customers and businesses representing more than 10%, but not more than 30%= M, Few high-risk customers and businesses, representing less than 10% of total deposits and loans=L)			x	1	<p>As of September 2020, the bank had 14 deposit accounts that were either classified as “moderate” or “high” risk based on the latest month-end dynamic risk model report. These accounts included both commercial and retail customers as follows:</p> <table border="1"> <thead> <tr> <th></th> <th># of Accts</th> <th>\$ Balance</th> <th>% of Total Dep</th> </tr> </thead> <tbody> <tr> <td>Commercial High</td> <td align="center">1</td> <td align="right">\$74,704.80</td> <td align="right">0.1%</td> </tr> <tr> <td>Commercial Mod</td> <td align="center">10</td> <td align="right">\$3,136,222.45</td> <td align="right">2.1%</td> </tr> <tr> <td>Retail High</td> <td align="center">0</td> <td align="right">\$ 0</td> <td align="right">0.0%</td> </tr> <tr> <td>Retail Mod</td> <td align="center">3</td> <td align="right">\$318,077.81</td> <td align="right">0.2%</td> </tr> <tr> <td align="right">Total</td> <td align="center">14</td> <td align="right">\$3,529,005.06</td> <td align="right">2.4%</td> </tr> </tbody> </table> <p>Following conversion to a new core processor (Shazam) in 2017 the BSA officer adopted a dynamic risk model which looks at ongoing monthly patterns of activity. In this manner the high-risk customer list changes monthly rather than annually.</p> <p>The bank is able to mitigate the risks associated with these customers through the existence of written policies and procedures such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, BSA Program as well as other automated monitoring tools.</p>		# of Accts	\$ Balance	% of Total Dep	Commercial High	1	\$74,704.80	0.1%	Commercial Mod	10	\$3,136,222.45	2.1%	Retail High	0	\$ 0	0.0%	Retail Mod	3	\$318,077.81	0.2%	Total	14	\$3,529,005.06	2.4%
	# of Accts	\$ Balance	% of Total Dep																											
Commercial High	1	\$74,704.80	0.1%																											
Commercial Mod	10	\$3,136,222.45	2.1%																											
Retail High	0	\$ 0	0.0%																											
Retail Mod	3	\$318,077.81	0.2%																											
Total	14	\$3,529,005.06	2.4%																											

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
05.	Number of foreign correspondent accounts or offering high risk services such as pouch services and payable through accounts. (Many foreign private banking accounts or foreign correspondent accounts, pouch activity or payable through accounts (PTA) in high-risk areas, representing more than 15% of total deposit base = H, Few foreign correspondent banking accounts from low-risk areas and minimal PTA and pouch activity or US dollar draft services representing more than 5% but 15% or less of total deposit base= M, Foreign private banking or correspondent account representing less than 5% of total deposit base= L)			x	1	The bank has no foreign correspondent accounts.
06.	Private Banking Accounts or Trust accounts with payable through accounts and pouch activity (The bank offers significant domestic and international private bank or trust and asset management products or services, which are growing= H, The bank offers limited domestic private banking services or trust and asset management products or services over which the bank has investment discretion= M, The bank offers limited or no private banking services or trust and asset management products or services= L)			x	1	The bank does not offer private banking nor trust services. Nor does it offer US Dollar drafts, payable through accounts, or pouch activities.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
07a.	Commercial customers with international businesses, including foreign wires (Large number of international accounts with unexplained currency activity= H, Moderate level of international accounts with unexplained currency activity= M, Very low or no international accounts or very low volumes of currency activity in the accounts= L)			x	1	<p>The bank has 9 foreign customers with active deposit accounts. Of these 7 belong to Canadians, one from the Ukraine, and the last from the Bahamas. Most appeared to belong to retirees with local vacation homes, with one belonging to a local hotel owner. Cash activity was considered nominal for the type of customer.</p> <p>The bank had no commercial accounts with known ties to foreign commercial businesses. During the 12-month period ended September 2020, year only 9 foreign wires were originated. These were unique, isolated transactions no unusual pattern noted.</p>
07b.	Commercial and consumer deposits, loans, and funds transfers for international customers including PEP's (politically exposed persons) and non-resident aliens (Frequent funds transfers from personal or business accounts to or from personal or business accounts in high risk areas= H, Moderate number of funds transfers with a few international transfers from personal or business accounts in low risk areas= M, Limited number of funds transfers for customers/noncustomers, limited third party transactions and no foreign fund transfers= L)			x	1	<p>Activity under this risk factor was limited. The bank has only 9 foreign customers with active deposit accounts and processed only 9 wires outside of the US during the 12-month period ended September 2020. Additionally, it had no customers that were politically exposed persons (PEP's) outside of the US. Another mitigating factor was the bank's stable customer base of which approximately 56.3 percent were customers for over 5 years.</p>
08.	OFAC (Large number of accounts have been blocked or rejected due to OFAC matching= H, Limited number of accounts have been blocked or rejected due to OFAC matching=M, No accounts have been blocked or rejected due to OFAC matching=L)			x	1	<p>In the last ten years the bank has had no accounts blocked or rejected due to OFAC matching. Procedures in this area comply with all OCC customer identification requirements as outlined in various written guidelines such as the bank's CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program.</p>

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
09.	Bank/Branch Geographic Locations: HIDTA/HIFCA (The Bank is located in an HIDTA and an HIFCA. A large number of fund transfers or account relationships involve HIDTAs or HIFCAs= H, The bank is located in an HIDTA or an HIFCA. The bank has some fund transfers or account relationships that involve HIDTAs or HIFCAs= M, The bank is not located in a HIDTA or HIFCA. No fund transfers or account relationships involve HIDTAs or HIFCAs= L)			x	1	None of the bank's offices are located either in or adjacent to areas identified as HIDTA or HIFCA according to the most recent program list published by www.whitehouse.gov (most recent map was dated August 2020). In North Florida, HIDTA counties include several in the Jacksonville area and two in Pensacola. HIFCA counties are published by www.fincen.gov and in Florida are located in the most southern part of the State. They include Broward, Miami-Dade, Indian River, Martin, Monroe, Okeechobee, Palm Beach and St Lucie. Other sources for these areas included http://www.nhac.org/news/HIDTA_Countries.htm , https://www.dea.gov/ops/hidta.shtml , and https://www.dataderivatives.com/risk-data-file-download-1 .
10.	Volume of transactions with high risk geographic locations (Significant volume of transactions conducted by more than 15% of our customers within high-risk geographic locations= H, Minimal high-risk transactions conducted by more than 5% but less than 15% of our customers within high-risk geographic locations= M, Less than 5% of our customers send transactions to or receive transactions from transactions high-risk geographic locations= L)	x			3	The bank had 223 incoming wires and 245 outgoing totaling \$20 and \$98 million respectively for the 12-month period ended September 2020. Including international wires, approximately 27 percent and 4.5 percent respectively were from/to high-risk HIDTA or HIFCA areas based on transaction amounts. The purpose of these wires varied greatly but were primarily for real estate transactions, retirement investments, payroll transfers and miscellaneous family matters. The high percent of incoming HIDTA wires was attributed to Hurricane-Michael insurance settlement related matters which should not be as significant in 2021. The bank is able to mitigate the risks associated with these transfers by limiting wires to existing customers, plus through the existence of written guidelines such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a software program to restrict transfers to blocked entities.

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
12.	Cash Reporting Systems (No aggregate cash reporting system or AML monitoring software=H, Automated aggregate cash reporting system but no AML monitoring software=M, Aggregated cash reporting system and AML monitoring software=L)			x	1	The bank does produce and monitor a daily cash aggregation report (Shazam PS5303AP, PS5303FP and BA5901) which is reviewed centrally by the Main Office Head Teller and the BSA Officer, as well as remotely by the Branch Head Teller.
13.	SAR Reporting Systems (No centralized SAR reporting or monitoring system=H, Centralized SAR reporting/monitoring system with informal internal referral system= M, Centralized SAR monitoring/reporting with formalized internal referral system=L)			x	1	The bank has a well-established centralized system of reporting suspicious activity to the BSA Officer for possible SAR reporting consideration. Forms are available for electronic download and all front-line personnel receive annual training covering SAR requirements.
14.	Number of SAR's per year (>20 suspicious activity reports (SAR's) filed per year=H, 10 to 19 SAR's filed per year= M, <10 SAR's filed per year= L)			x	1	During 2020 the bank investigated 3 separate events for possible SAR reporting. All three of these resulted in SARs being filed.
15.	314(a) Requests (Large amount of positive matches from 314(a) search =H, Limited number of positive matches from 314(a) search=M, No positive matches from 314(a) searches=L)			x	1	In the last ten years the bank has had no 314(a) positive matches. This review process is performed by the bank's BSA Officer as new lists are published. Procedures in this area comply with all OCC requirements and have been reduced to writing in the OFAC Policy and Procedures, and the BSA Program.
16.	Stability of Employee Base (Frequent and High turnover especially in key positions= H, Low turnover of key personnel but frontline personnel in branches has changed= M, Low turnover in key positions and frontline personnel= L)			x	1	Employee turnover was 15.6 percent for the 12-month period ended September 2020 which included the departure of two, newly hired full-time retail deposit employees and one seasoned Teller. Additionally, one full-time lending employee and one newly-hired Bookkeeper. Of these, three were involved in BSA as a New Account Representative or a teller. These departures were not viewed as detrimental to BSA compliance because two were very new to banking. No departures that affected the BSA monitoring process were noted. The current BSA Officer has experience working with BSA/AML regulations since 1987 (30+ years).

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

	Risk Factor	High (3)	Mod (2)	Low (1)	Bank Score	Comment and/or Mitigating Controls
17.	BSA/AML Training (Inadequate BSA/AML training program on less than an annual basis=H, Adequate BSA/AML training program on at least an annual basis=M, extensive BSA/AML training program with regular updates throughout the year=L)			x	1	Annual employee BSA/AML training is formalized and in writing, and administered to all employees using an online CBT (computer based training) service through ABA Compliance Training. Progress is monitored monthly and presented to the Board.
18.	Policies/Procedures (Policies/procedures are not effective to appropriately manage the bank's BSA program=H, Policies/procedures are adequate to manage the bank's BSA program but should be reviewed and/or updated on a more regular basis=M, Policies/procedures are effective in managing the bank's BSA program and, policies are adhered to as well as reviewed and updated regularly=L)			x	1	The bank has an effective, written BSA program which addresses all OCC regulatory requirements. The program is reviewed annually by the management and the Board. In 2020 the program was also reviewed independently by Compliance Individualized, LLC, a third-party vendor as well as by the OCC during their annual engagement. In each case no material concerns were noted.
19.	Independent Testing (Independent Testing is not completed on an annual basis=H, Independent Testing is completed and reported to the Board of Directors on an annual basis=L)			x	1	The most recent independent review of BSA/AML compliance was performed by Compliance Individualized, LLC, an independent third-party vendor. The independent review of 2019 activity was presented during the 2 nd quarter of 2020.
Total Score					35	

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida

September 2020

Legend and Historical Trends												
Level of Risk		Risk Score		When determining the risk factor score High Risk =3, Moderate Risk= 2 and Low Risk =1. The highest possible score is 81 with the lowest possible score being 27. To determine total level of risk score ranges, the highest possible score of 81 was divided into thirds. This methodology provides the overall level of risk score for FNB's BSA program.								
High		64-81										
Moderate		46-63										
Low		27-45										
Trend SARs Filed				Trend CTRs Filed				Trend OFAC Matches				
50				500				100				
45				450				90				
40				400				80				
35				350				70				
30				300				60				
25				250				50				
20				200				40				
15				150	x	x		30				
10				100				20				
5				50			x	10				
0	x	x	x	0				0	x	x	x	
Year/Total #	2020	2019	2018	Year/Total #	2020	2019	2018	Year/Total #	2020	2019	2018	
	(3)	(2)	(1)		(175)	(184)	(93)		(0)	(0)	(0)	

BSA/AML/OFAC Risk Assessment 2020

First National Bank Northwest Florida
September 2020

Trend FinCen 314(a) Matches				Trend Exempt Customers				Reserved for Future Use			
50				50							
45				45							
40				40							
35				35							
30				30							
25				25							
20				20							
15				15							
10				10							
5				5	x	x	x				
0	x	x	x	0							
Year/Total #	2020 (0)	2019 (0)	2018 (0)	Year/Total #	2020 (05)	2019 (06)	2018 (06)				

<u>Page</u>	
1 - 2	Loan Officer Status Report & Risk Assessment
3 - 5	Key Graphs
6 - 8	Criticized/Classified Loan Status/Restructured Loan Summary
9	Written Action Plan Status Report
10	Criticized/Classified Loan Status Graph
11	Foreclosure Action Planning on Classified Loans/Legal Judgment Stati
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13	Charge-off/Charge-down/Recoveries by Month Graph
14	OREO Listing
15	OREO - activity for the year
16	Portfolio Concentration Risk Assessment
17	Hotel/Motel Loans Risk Assessment
18	Church Loan Risk Assessment
19	SBA Loans Outstanding (504 & 7a)
20	Loans approved under Supplemental Lending Limits
21	Loan Exception to the Combination Rule
22 - 24	Policy Exceptions by Officer
25	Waived Hazard and Windstorm Insurance Risk Assessment
26	Review of Business Customer Deposit Account Activity

LOAN OFFICER STATUS REPORT AND RISK ASSESSMENT:

Date: <u>December 31, 2020</u>	<u>MARTY PERRETT</u>	<u>KIM JOHNS</u>	<u>ANGIE BARGER</u>	<u>BRENT BROWN</u>	<u>THERESA WALLACE</u>	<u>FNBWFL TOTALS</u>
LOAN PORTFOLIO MANAGEMENT:						
LOANS OUTSTANDING BY OFFICER	\$ 23,394,611	\$ 26,170,013	\$ 19,064,905	\$ -	\$ 3,267,045	\$ 71,896,574
# of Loans	94	79	79	0	32	284
TOTAL SBA 7a LOANS		\$ 357,010				\$ 357,010
# of Loans		5				5
Overdrafts and PURCH. PREM:		\$ (140,433)				\$ (140,433)
TOTAL LOANS OUTSTANDING:	\$ 23,394,611	\$ 26,386,589	\$ 19,064,905	\$ -	\$ 3,267,045	\$ 72,113,151
# of Loans	94	84	79	0	32	289
% of Total Banks Portfolio:	32.44%	36.59%	26.44%	0.00%	4.53%	100.00%
AVERAGE PORTFOLIO APR	4.581%	3.829%	4.465%	0.000%	48706.000%	4.324%
AVG. LOAN SIZE IN PORTFOLIO:	\$ 248,879	\$ 314,126	\$ 241,328		\$ 102,095	\$ 249,526
CRITICIZED & CLASSIFIED LOANS:						
	\$/%	\$/%	\$/%	\$/%	\$/%	\$/%
RISK RATING 5 (FAS 5 & 114)	\$ 1,539,306 3	\$ - 0	\$ -	\$ -	\$ -	\$ 1,539,306
% of Portfolio	6.58%	5.88%	0.00%	0.00%	0.00%	2.13%
RISK RATING 6 - Accruing	\$ -	\$ 950,000 1	\$ -	\$ -	\$ -	\$ 950,000
% of Portfolio	0.00%	3.60%	0.00%	0.00%	0.00%	1.32%
RISK RATING 6 - Non-Accruing	\$ -	\$ 195,566 1	\$ -	\$ -	\$ -	\$ 195,566
% of Portfolio	0.00%	0.74%	0.00%	0.00%	0.00%	0.27%
RISK RATING 7 - Doubtful	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of Portfolio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NON-PERFORMING LOANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,566
% of Portfolio	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%
TOTAL CRITICIZED/CLASSIFIED LOANS:	\$ 1,539,306 3	\$ 1,145,566 2	\$ - 1	\$ -	\$ -	\$ 2,684,871
O.R.E.O.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CRIT/CLASS & OREO:	\$ 1,539,306 3	\$ 1,145,566 2	\$ - 1	\$ -	\$ -	\$ 2,684,871
PAST DUE LOAN STATUS:						
	\$	#	\$	#	\$	#
31-59	\$ -	0	\$ -	0	\$ -	0
60-89	\$ -	0	\$ -	0	\$ -	0
90 >	\$ -	0	\$ 596,442	2	\$ -	0
TOTAL	\$ -	0	\$ 596,442	2	\$ -	0
Lns >30dpd to Tot. Lns.	0.00%	2.26%	0.00%	#DIV/0!	#DIV/0!	0.00%
EXCEPTION TRACKING:						
Policy:	9	16	17	0	0	5
Documentation:	0	0	0	0	0	0
Ins/FS/TR	1	25	9	0	0	2
TOTAL Exceptions:	10	41	26	0	0	7

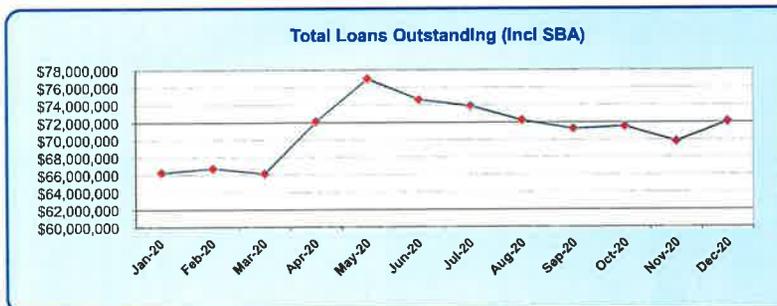
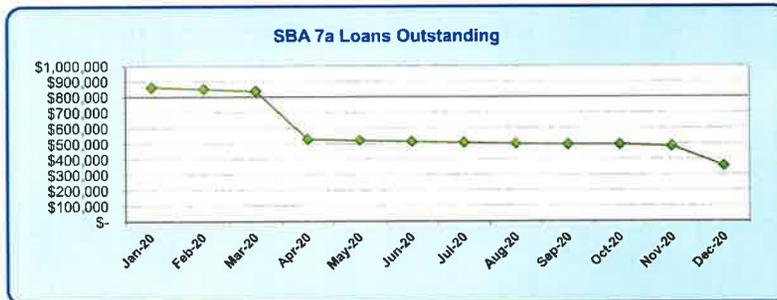
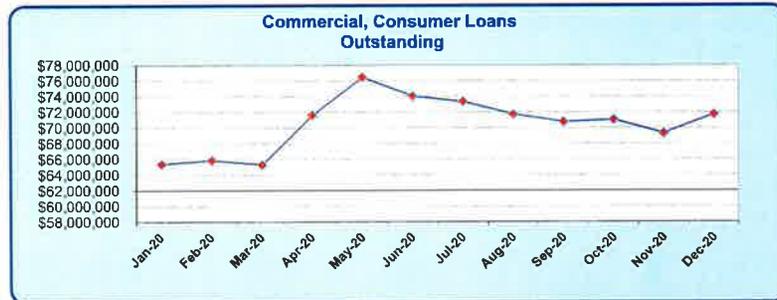
LOAN OFFICER STATUS REPORT AND RISK ASSESSMENT:

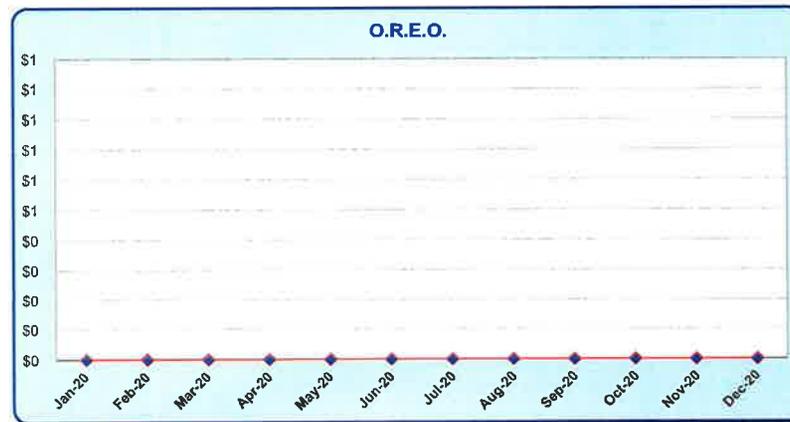
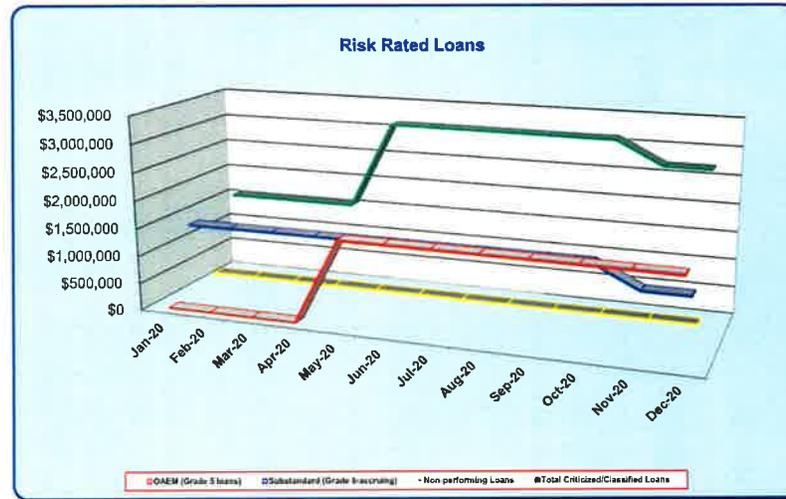
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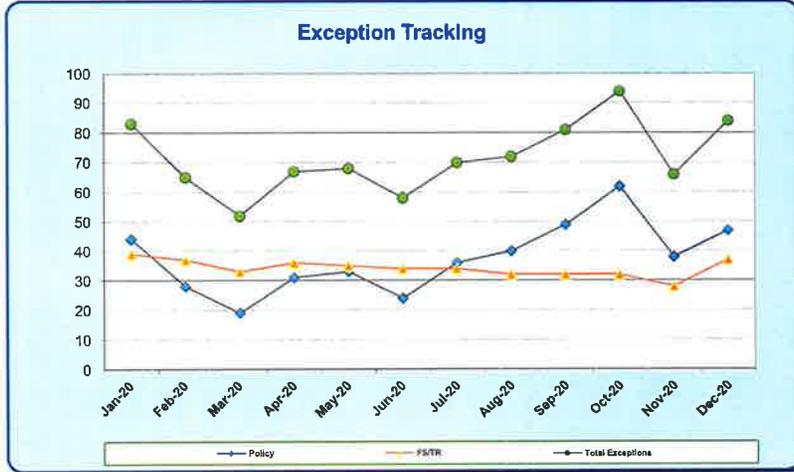
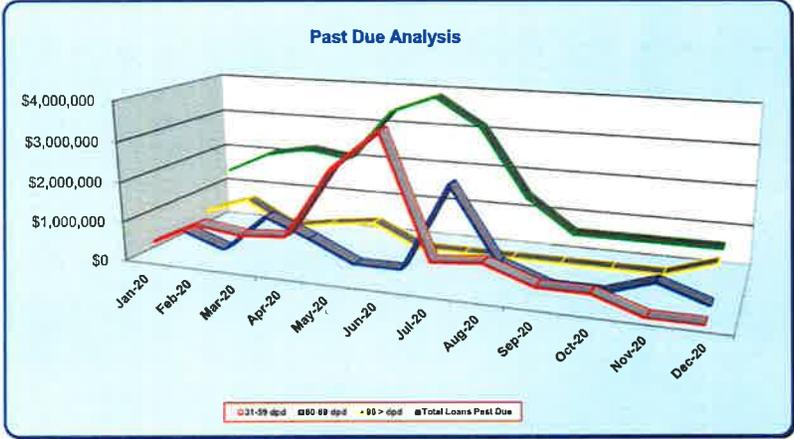
	MARTY PERRETT	KIM JOHNS	ANGIE BARGER		BRENT BROWN	THERESA WALLACE	FBNWFL TOTALS
COMPARISONS from LAST MONTH:							
CURRENT MONTHS OUTSTANDINGS:	23,394,611	26,386,589	19,064,905	0	0	3,267,045	72,113,151
PRIOR MONTHS OUTSTANDINGS:	<u>20,020,761</u>	<u>26,774,311</u>	<u>19,710,922</u>	<u>0</u>	<u>0</u>	<u>3,339,395</u>	69,845,389
INCREASE / DECREASE:	\$3,373,850	(\$387,722)	(\$646,018)	\$0	\$0	(\$72,350)	\$2,267,761
CURRENT MONTHS CRIT/CLASS LOANS:	1,539,306	1,145,566	0	0	0	0	2,684,871
PRIOR MONTHS CRIT/CLASS LOANS:	1,542,711	1,145,465	0	0	0	0	2,688,175
INCREASE / DECREASE:	(\$3,405)	\$101	\$0	\$0	\$0	\$0	(\$3,304)
CURRENT MONTHS O.R.E.O.:	0	0	0	0	0	0	0
PRIOR MONTHS O.R.E.O.:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	0
INCREASE/DECREASE:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CURRENT MONTHS PAST DUES:	0	596,442	0	0	0	0	596,442
PRIOR MONTHS PAST DUES:	<u>0</u>	<u>596,341</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	596,341
INCREASE / DECREASE:	\$0	\$101	\$0	\$0	\$0	\$0	\$101
CURRENT MONTHS EXCEPTIONS:	10	41	26	0	0	7	84
PRIOR MONTHS EXCEPTIONS:	<u>3</u>	<u>25</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>10</u>	66
INCREASE / DECREASE:	7	16	(2)	0	0	(3)	18

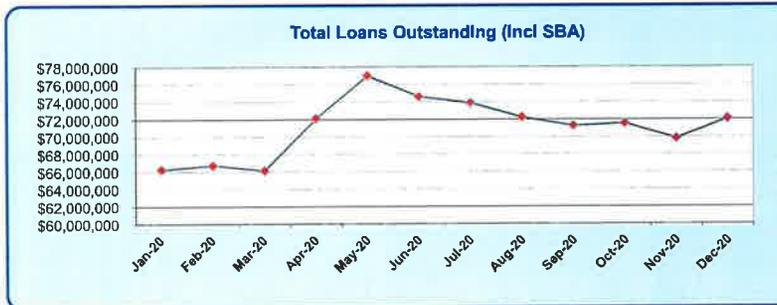
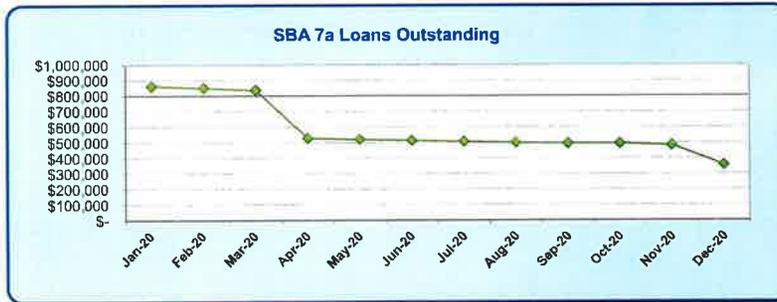
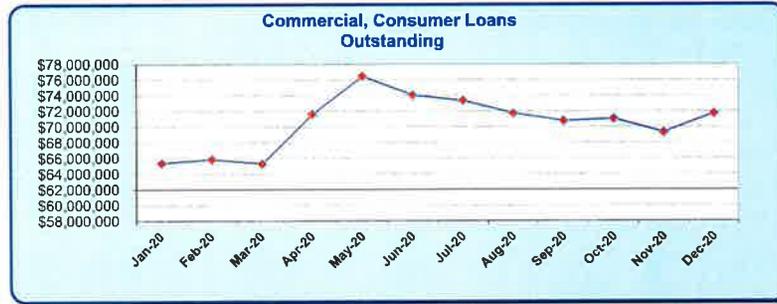
TOTAL LOAN PORTFOLIO STATISTICS:	RISK CATEGORIES:		
	BALANCES	% of TOTAL LOANS	% of TOTAL CAPITAL
TOTAL LOANS OUTSTANDING	\$ 72,113,151		
AVERAGE APR	4.32%		
LOANS 30 TO 89 DPD	\$ -		
% OF TOTAL BANK PORTFOLIO	0.00%		
LOANS 90 AND MORE DPD	\$ 596,442		
% OF TOTAL BANK PORTFOLIO	0.83%		
ALLOWANCE FOR LOAN & LEASE LOSS RESERVE:	1.93%		
UNALLOCATED ALLL/(SHORTAGE) 09/30/2020:	\$ 355,724		
	HOTEL/MOTEL LOANS:	#VALUE!	#VALUE!
	LOAN POLICY EXCEPTIONS:	\$ 332,720	0.46%
	INSURANCE WAIVED EXPOSURE:	\$ 67,198	0.09%
	RESTRUCTURED LNS-REPORTABLE:	\$ -	0.00%
	RESTRUCTURED LNS-NOT REPORTABLE:	\$ 674,957	0.94%
	TOTAL LOANS NON-ACCRUING:	\$ 195,566	0.27%
	TOTAL CRIT/CLASS/OREO LOANS:	\$ 2,684,871	3.72%
	(1) TOTAL NON-PERFORMING ASSETS:	\$ 195,566	0.27%

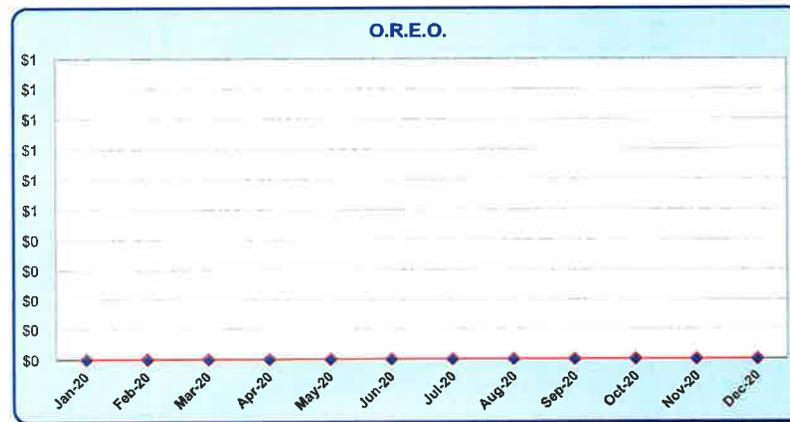
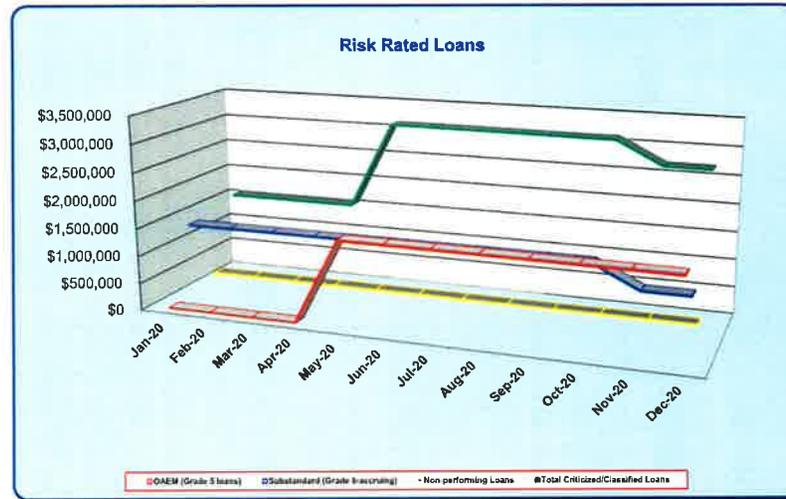
(1) - 90 dpd lns + Non-accruing lns + OREO + Reportable Restructured Lns.

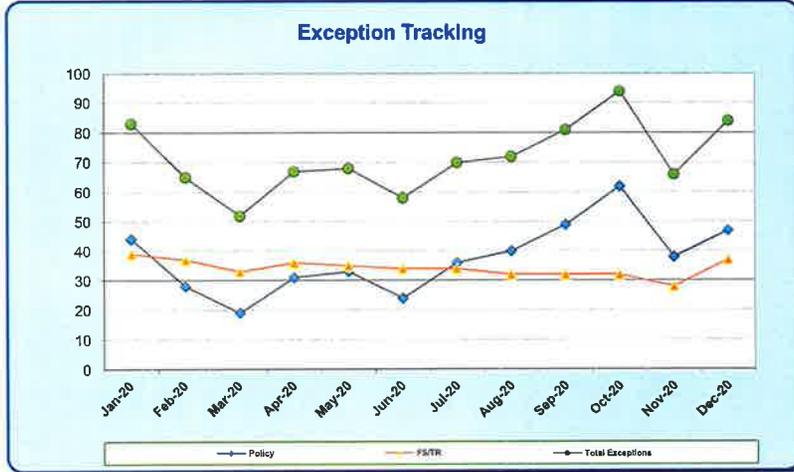
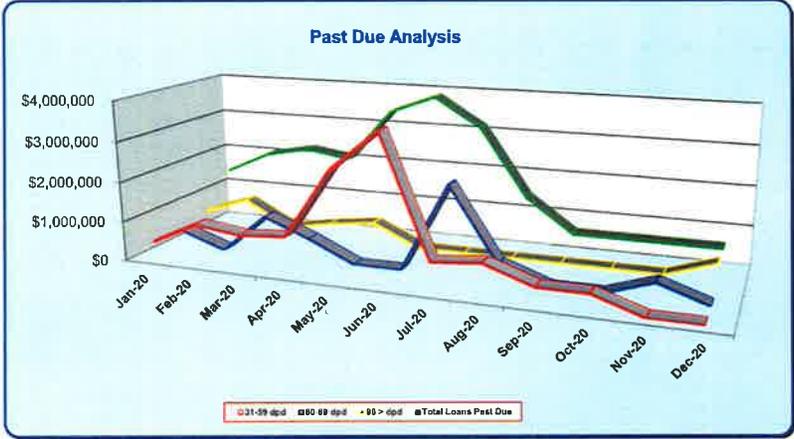












CRITICIZED/CLASSIFIED LOAN LIST BY OFFICER: OAEM Grade 5 Loans

ACCT. NO.	NAME	DATE CRITICIZED	OFFICER	BANK'S BALANCE	SBA 7a GUARANTEE	TOT. DEBT	COLLATERAL IMPAIRMENT-DEP.	ACCRUAL STATUS
			AMB	\$ -				
			TOTAL PERFORMING:	\$ -				
132507570	Harvest Worship Center Inc	5/31/2020	GMP	\$ 607,201.10	N/A	\$ 607,201.10	No	Yes
132507572	Harvest Worship Center Inc	5/31/2020	GMP	\$ 512,104.73	N/A	\$ 512,104.73	No	Yes
132507573	Harvest Worship Center Inc	5/31/2020	GMP	\$ 420,000.00	N/A	\$ 420,000.00	No	Yes
			TOTAL PERFORMING:	\$ 1,539,305.83				
			TBW	\$ -	\$ -	\$ -		
			TOTAL PERFORMING:	\$ -				
			TOTAL PERFORMING:	\$ -				
			TOTAL PERFORMING:	\$ -				
TOTAL OAEM Grade 5 Loans:				\$ 1,539,305.83				

CRITICIZED/CLASSIFIED LOAN LIST BY OFFICER: SUBSTANDARD - (GRADE 6) - SUBSTANDARD - NON-ACCRUAL

ACCT. NO.	NAME	DATE CLASSIFIED	OFFICER	BANK'S BALANCE	SBA 7a GUARANTEE	TOT. DEBT	COLLATERAL IMPAIRMENT-DEP.	ACCRUAL STATUS
			TOTAL PERFORMING:	\$ -				
			TOTAL NON-PERFORMING:	\$ -				
			TOTAL PERFORMING:	\$ -				
			TOTAL NON-PERFORMING:	\$ -				
132534970	Jones, Gaglio & Dennis PA		KMJ	\$ 195,565.58	N/A	\$ 195,565.58	No	No
132537271	D&H Properties LLC		KMJ	\$ 950,000.00	N/A	\$ 950,000.00	No	Yes
			TOTAL PERFORMING:	\$ 950,000.00				
			TOTAL NON-PERFORMING:	\$ 195,565.58				
			TOTAL PERFORMING:	\$ -				
			TOTAL NON-PERFORMING:	\$ -				
TOTAL SUBSTANDARD Performing Grade 6 Loans:				\$ 950,000.00				
TOTAL SUBSTANDARD Non-Performing Grade 6 Loans:				\$ 195,565.58				

CRITICIZED/CLASSIFIED LOAN LIST BY OFFICER: DOUBTFUL - (GRADE 7) - DOUBTFUL NON ACCRUAL

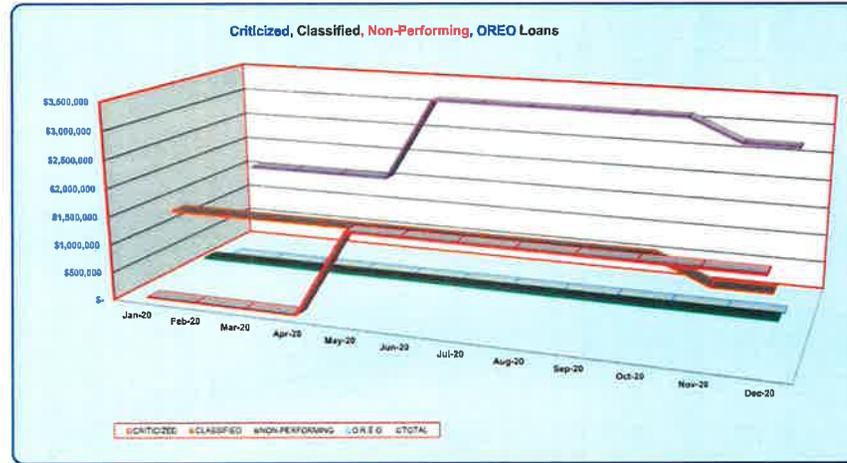
ACCT. NO.	NAME	DATE CLASSIFIED	OFFICER	BANK'S BALANCE	SBA 7a GUARANTEE	TOT. DEBT	COLLATERAL IMPAIRMENT-DEP.	ACCRUAL STATUS
			AMB	\$ -	\$ -	\$ -		
			TOTAL NON-PERFORMING:	\$ -				
			GMP	\$ -	\$ -	\$ -		
			TOTAL NON-PERFORMING:	\$ -				
			KMJ	\$ -	\$ -	\$ -		
			TOTAL NON-PERFORMING:	\$ -				
			TBW	\$ -	\$ -	\$ -		
			TOTAL NON-PERFORMING:	\$ -				
			TOTAL DOUBTFUL, Grade 7, Non-Performing Loans:	\$ -				

RESTRUCTURED LOAN SUMMARY:

ACCT. NO.	NAME	DATE CLASSIFIED	OFFICER	REPORTABLE TDR BALANCE	NON-REPORTABLE TDR BALANCE	LOAN GRADE	COLLATERAL IMPAIRMENT-DEP.	ACCRUAL STATUS
132311270	Pratik & Priyam	1/31/2011	KMJ	\$ -	\$ 674,957.48	4	NO	YES
			TOTAL:	\$ -	\$ 674,957.48			

	NAME	GRADE	L.N. BAL./COMMT. net. of 7a guarantee	NON-ACCRUAL	DATE CRITICIZED	ASC 310 IMPAIRED?	COLL. DEPEND	DATE APPROVAL	VALUE	LTV	STATUS / ACTION PLAN	TARGET DATE
132537270	D & H Properties	B	\$ 950,000.00	No	1/10/2017	No	Yes	10/15/2014	\$ 10,600,000	9%	We originated two loans for D&H on 1/5/15. The first was for \$1,350,000 to develop 40 lots known as Shoreline Village Phase 1B. A portion of this loan was sold to a participant with servicing retained. The second loan was for \$2,250,000 and is secured by approximately 243 acres. This acreage is adjacent to the Shoreline Village development and will be used for future phases. The originator of these loans was based on a contract with the largest homebuilder in the U.S., D.R. Horton. The original contract required Horton to take out all 40 lots in 1B upon completion of the infrastructure by D&H. However, because sales were slower than anticipated in previous phase (1A), Horton stalled the purchase of the 40 lots in 1B and pressured D&H to accept new contract terms. Horton did take down 15 lots in January 2017. The closing of the remaining lots in 1B was scheduled for 7/18/17 but didn't happen. Because of Horton's inability to honor the terms of the original contract, we have decided to discontinue providing development financing at this time for D&H Properties. D&H's attorney sent Horton a default notice which expired on September 5, 2017. D&H has now ceased negotiations with Horton and has the ability to market the lots directly to builders and end users. Also, D&H is discussing the sale of raw land with other developers. We have agreed to carry the loan provided D&H has an interest reserve on deposit with us to make the payments. D&H will provide us with periodic updates on their ongoing plan to sell the lots and raw acreage. In February 2018, D&H sold an 8.24 acre parcel fronting hwy 380. The bank released this parcel for \$150,000 which reduced the land loan to \$2,100,000. In August 2018, the sale of the 27 remaining lots in the subdivision to Adams Homes closed, the development loan was then paid in full, and the land loan was reduced by \$750,000. This reduced the total debt to \$1,350,000. The OCC suggested this loan be classified as substandard following their 2018 examination because without the DR Horton contract there is no verifiable source of repayment. A new appraisal on the property was done by Joan Allenpohl, MAI as of 10/17/19 which valued the 233 acres at \$7.5 million, an 18% loan to value. John David is focused on selling an apartment site and has a contract on 47.8 acres of property. The Bank has agreed to release the property for a \$400,000 principal reduction. The sale of this acreage closed and the loan was reduced by \$400,000 on November 27, 2020. This sale reduced our loan to \$950,000 and leaves us with a mortgage on approximately 187 acres with an estimated adjusted value of \$5,968,084, a 16% loan to value!	12/31/2020
130594371	Jones, Gaglio & Dennis PA	B	\$ 155,565.58	Yes	9/30/2019	No	Yes	1/28/2014	\$ 265,000	74%	The borrower provided me with a contract on his home in Bay Point which was scheduled to close November 22. Although we do not have a mortgage on this property, the proceeds were to be earmarked to bring the loan current. This contract fell through. The loan was then turned over to John Mead to foreclose or take a deed in lieu provided we can reserve the right to pursue a deficiency. A deed could not be accepted. The borrower provided a new contract which was to close by 2/14. We continued the foreclosure process in the meantime. Foreclosure was filed. All parties have been served. Due to the Covid pandemic, the Governor ordered all foreclosures to be suspended through September 1. Unless the stay is extended again, foreclosure will resume September 2. The stay on foreclosures expired as on 9/1 and our attorney, John Mead, has resumed the foreclosure. We have been collecting \$1,450/month in rents from the tenants since the foreclosure started. Kim Johns was appointed receiver by the Court in late September. The Bay Point renter moved out early October. This unit is now vacant. We still are collecting \$500/month from a renter on the Grace Ave property. Locks at both properties have been rekeyed. The Bank is also pursuing the insurance company which insured the Grace Ave property for Jones Gaglio. The insurer failed to notify the bank of insurance cancellation due to non-payment of premium by the insured. This is a violation of the contract. There is damage resulting from Hurricane Michael estimated to be \$31,000 +/- . An in-house evaluation was done on the Bay Point unit which estimates the value to be \$114,000 +/- . We will get a new outside appraisal on the Grace Ave property once we become the owner of the property. The foreclosure sale date is scheduled January 12, 2021. Assuming the bank is high bidder, the bank can take the property into REO after the 10 day redemption period.	12/31/2020
132507570	Harvest Worship Center Inc	B	\$ 807,201.10	No	5/31/2020	No	Yes	3/21/2020	\$ 1,300,000		Last financial spread completed was in May 2020. 1st Qtr. 2020 Income and expense numbers are also in file. Parsonage update from 01-13-2021. Finished all repairs to the parsonage months ago. Insurance has never given a final settlement. They have a public adjuster and an attorney and both assured them it would be settled by the end of the year 2020. Nevertheless, January 1st 2021 came and went with no settlement. It has now been turned into an independent appraiser to act as a referee to try and come to an agreeable settlement. No matter when settlement is agreed upon all repairs have been completed on the church parsonage located at 2816 Tracy Lane. Temporary facilities update as of 01-13-2021: The church purchased the temporary facility however they are still owed the final 6 months of the lease reimbursement. Their project manager for FEMA has approved the reimbursement and is awaiting approval from higher ups in FEMA so that disbursement can be made to the church. Main Sanctuary update as of 01-13-2021: The church is still awaiting the final numbers and approval for the main sanctuary grant. The church has been notified of big increases in the damage description and scoping cost going from 1.7 million to 3.2 million (approximate numbers) but these increases need to be finalized. The church has hired Florida Architect Joe Sero to oversee the project and walk them through the FEMA requirements as well as additional mitigation grant to bring the new building to a 170mph wind load which would award the church an additional \$504,000 dollars eligible grant money. The demolition of the existing sanctuary is almost complete and planning of the new building/structure is in the design stages. The new building will house the entire school.	12/31/2020
132507572	Harvest Worship Center Inc	B	\$ 512,104.73	No	6/1/2020	No	Yes	5/22/2020	\$ 615,000		Last financial spread completed was in May 2020. 1st Qtr. 2020 Income and expense numbers are also in file. Parsonage update from 01-13-2021. Finished all repairs to the parsonage months ago. Insurance has never given a final settlement. They have a public adjuster and an attorney and both assured them it would be settled by the end of the year 2020. Nevertheless, January 1st 2021 came and went with no settlement. It has now been turned into an independent appraiser to act as a referee to try and come to an agreeable settlement. No matter when settlement is agreed upon all repairs have been completed on the church parsonage located at 2816 Tracy Lane. Temporary facilities update as of 01-13-2021: The church purchased the temporary facility however they are still owed the final 6 months of the lease reimbursement. Their project manager for FEMA has approved the reimbursement and is awaiting approval from higher ups in FEMA so that disbursement can be made to the church. Main Sanctuary update as of 01-13-2021: The church is still awaiting the final numbers and approval for the main sanctuary grant. The church has been notified of big increases in the damage description and scoping cost going from 1.7 million to 3.2 million (approximate numbers) but these increases need to be finalized. The church has hired Florida Architect Joe Sero to oversee the project and walk them through the FEMA requirements as well as additional mitigation grant to bring the new building to a 170mph wind load which would award the church an additional \$504,000 dollars eligible grant money. The demolition of the existing sanctuary is almost complete and planning of the new building/structure is in the design stages. The new building will house the entire school.	12/31/2020
132507573	Harvest Worship Center Inc	B	\$ 420,000.00	No	6/2/2020	No	Yes	5/23/2020	\$ 1,300,000		Last financial spread completed was in May 2020. 1st Qtr. 2020 Income and expense numbers are also in file. Parsonage update from 01-13-2021. Finished all repairs to the parsonage months ago. Insurance has never given a final settlement. They have a public adjuster and an attorney and both assured them it would be settled by the end of the year 2020. Nevertheless, January 1st 2021 came and went with no settlement. It has now been turned into an independent appraiser to act as a referee to try and come to an agreeable settlement. No matter when settlement is agreed upon all repairs have been completed on the church parsonage located at 2816 Tracy Lane. Temporary facilities update as of 01-13-2021: The church purchased the temporary facility however they are still owed the final 6 months of the lease reimbursement. Their project manager for FEMA has approved the reimbursement and is awaiting approval from higher ups in FEMA so that disbursement can be made to the church. Main Sanctuary update as of 01-13-2021: The church is still awaiting the final numbers and approval for the main sanctuary grant. The church has been notified of big increases in the damage description and scoping cost going from 1.7 million to 3.2 million (approximate numbers) but these increases need to be finalized. The church has hired Florida Architect Joe Sero to oversee the project and walk them through the FEMA requirements as well as additional mitigation grant to bring the new building to a 170mph wind load which would award the church an additional \$504,000 dollars eligible grant money. The demolition of the existing sanctuary is almost complete and planning of the new building/structure is in the design stages. The new building will house the entire school.	12/31/2020

SBA 504 and 7a Loans:											
TOTAL CRIT/CLASS Loans:			\$	2,684,871.41							
OREQ:			\$	-							
TOTAL CRIT/CLASS ASSETS:			\$	2,684,871.41							



HISTORICAL TRENDS				
	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Com, Cons Lns Outstanding	\$64,468,585	\$69,878,182	\$65,664,476	\$71,756,141
SBA Loans Outstanding	\$1,978,088	\$1,321,550	\$1,112,043	\$357,010
Total Loans Outstanding	<u>\$66,446,673</u>	<u>\$71,199,733</u>	<u>\$66,776,519</u>	<u>\$72,113,151</u>
Risk Rated Loans:				
OEAM (Grade 5 Loans)	\$2,430,000	\$2,538,959	\$193,527	\$1,538,306
Substandard - Accruing (Grade 6)	\$0	\$0	\$1,350,000	\$950,000
Substandard - Non Accruing	\$0	\$0	\$197,443	\$195,566
Doubtful (Grade 7)	\$0	\$0	\$0	\$0
Total Criticized/Classified	<u>\$2,430,000</u>	<u>\$2,538,959</u>	<u>\$1,740,970</u>	<u>\$2,684,871</u>
OREO	\$0	\$0	\$0	\$0
Past Due Loans:				
31-59 Days	\$ 860,349	\$ 965,799	\$ 1,311,382	\$ -
60-89 Days	\$ -	\$ 429,130	\$ 425,921	\$ -
90+ Days	\$ -	\$ -	\$ 197,443	\$ 596,442
Total Loans Past Due	<u>\$ 860,349</u>	<u>\$ 1,394,929</u>	<u>\$ 1,934,745</u>	<u>\$ 596,442</u>
Exception Tracking:				
Policy	39	63	72	47
Documentation	0	0	0	0
Ins/TRFS	97	82	41	37
Total Exceptions	<u>136</u>	<u>145</u>	<u>113</u>	<u>84</u>

LEGAL ACTION PLANNING ON CLASSIFIED LOANS:

Name	Date to Attorney	Named Attorney	Action to be taken		Balance	Notes

JUDGMENTS secured in favor of First National Bank Northwest Florida

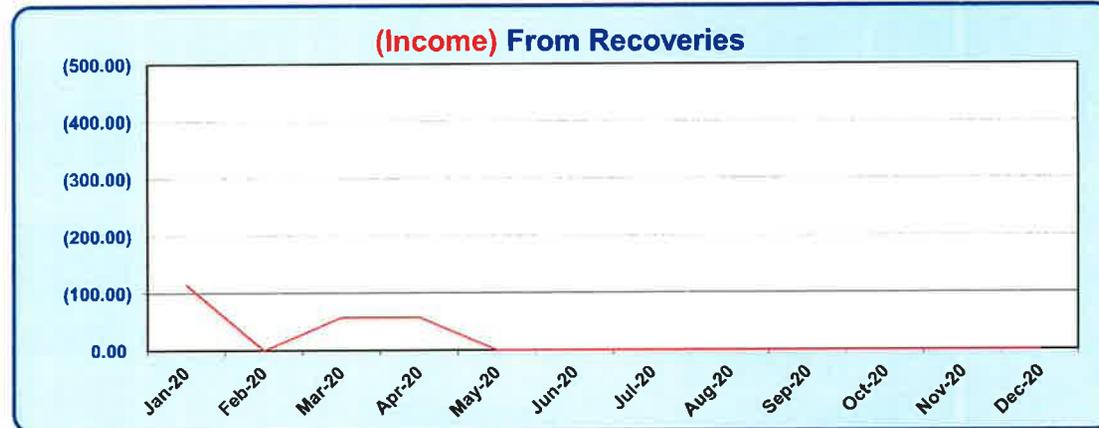
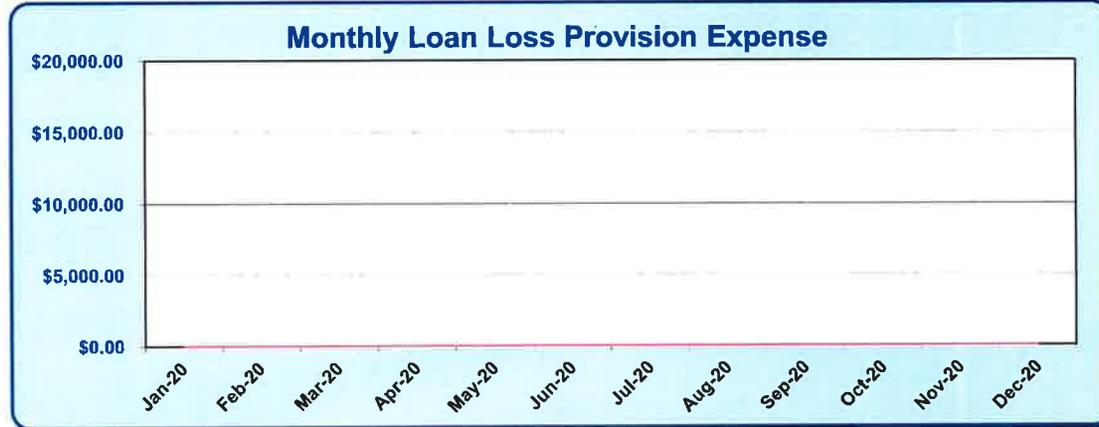
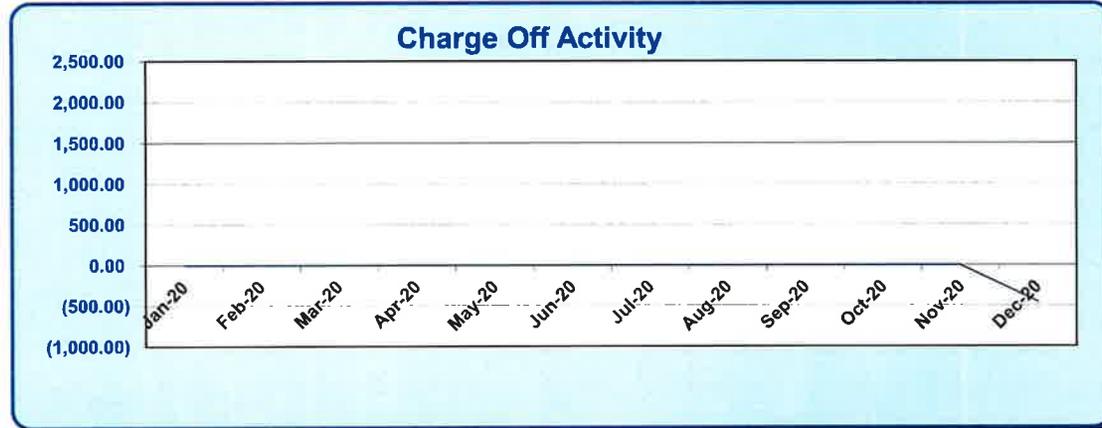
Defendants:	County	Amount	Date	Expires	\$ Charged Down	\$ Recovered	Status
Jeremy Millirons Construction, Inc.	Bay	\$ 248,810.46	4/17/2012	4/16/2022	\$ 80,861.37	\$ 78,129.72	active
DWH Holding, LLC	Bay	\$ 111,324.38	7/3/2012	7/2/2022	\$ 81,091.02	\$ 49,890.24	OREO lot sold in July 2017
Rayos del Sol, LLC	Bay	\$ 130,163.32	7/3/2012	7/2/2022	\$ 42,976.21		active
Dave Hill Company	Bay	\$ 242,489.19	7/3/2012	7/3/2022	\$ 93,248.17		active
Leung/Harrison	Bay	\$ 90,283.36	12/5/2012	12/4/2022	\$ 56,263.33		active
Leung/Harrison	Bay	\$ 52,432.26	12/5/2012	12/4/2022	\$ 42,066.29		active
Shri Jala Bapa, Inc.	Okaloosa	\$ 589,252.24	6/11/2013	6/10/2023	\$ 235,497.53		active

Note: Judgments are active for ten years from the date of recording. They can be renewed one time for an additional 10 year period.

● = Property is in foreclosure.

CHARGE-OFFS / CHARGE-DOWNS BY MONTH & (RECOVERIES):

NAME	OFF	OCT 2019	NOV 2019	DEC 2019	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUN 2020	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020
SHIV Hotels	KMJ	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sunset Bay Pmt (SBA)		(57.02)	(57.17)		(114.83)		(57.66)	(57.66)								
Teresa Haney (checking Acct)																
Michael Dooling (checking Acct)																
INCOME FROM RECOVERIES:		(57.02)	(57.17)	0.00	(114.83)	0.00	(57.66)	(57.66)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recapture of ALLL																
Transfer to Ck Fraud Acct																
Misc Checking Acct Losses																(456.50)
CHARGE-OFF ACTIVITY:		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(456.50)
NET:		(57.02)	(57.17)	0.00	(114.83)	0.00	(57.66)	(57.66)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(456.50)
				(114.19)			(172.49)			(57.66)			0.00			(456.50)



PORTFOLIO CONCENTRATION RISK ASSESSMENT:

	Portfolio Code	12/31/2020 Portfolio Balance	Percent of Capital \$ 21,268,505.06	11/30/2021 Portfolio Balance	Percent of Capital \$ 21,124,683.33	Board Limit	Below Limit?
AUTO/TRUCK	110	\$ -	0.00%	\$ -	0.00%	10.00%	YES
RECREATIONAL VEHICLES	111	\$ 20,996.40	0.10%	\$ 21,471.47	0.10%	2.00%	YES
TRUCKS - COMMERCIAL	112	\$ -	0.00%	\$ -	0.00%	10.00%	YES
EQUIPMENT	120	\$ -	0.00%	\$ -	0.00%	10.00%	YES
BOATS, 4 WHEELERS, JET SKIS TRAILERS-CONSUMER	130	\$ -	0.00%	\$ -	0.00%	5.00%	YES
STOCKS/BONDS/INSURANCE	140	\$ 140,000.00	0.66%	\$ 140,000.00	0.66%	10.00%	YES
LIQUOR LICENSE	145	\$ -	0.00%	\$ -	0.00%	10.00%	YES
UNSECURED	150	\$ 314,696.61	1.48%	\$ 314,696.61	1.49%	10.00%	YES
SAVINGS/CERTIFICATES OF DEPOSIT	160	\$ 101,996.88	0.48%	\$ 102,841.98	0.49%	100.00%	YES
OTHER	180	\$ 82,151.00	0.39%	\$ 83,151.00	0.39%	10.00%	YES
STATE/POLITICAL OBLIGATIONS	190	\$ -	0.00%	\$ -	0.00%	6.00%	YES
ACCTS RECEIVABLE/INVENTORY	300	\$ -	0.00%	\$ -	0.00%	10.00%	YES
VESSELS-PREFERRED SHIP'S MTG	310	\$ 122,083.64	0.57%	\$ 123,338.47	0.58%	5.00%	YES
ASSIGNMENT OF LIFE INSURANCE POLICY	405	\$ -	0.00%	\$ -	0.00%	10.00%	YES
ASSIGNMENT OF NOTE & MORTGAGE - COMMERCIAL R/E MTG	420	\$ -	0.00%	\$ -	0.00%	5.00%	YES
ASSIGNMENT OF NOTE/MORTGAGE - RESIDENTIAL R/E MTG	425	\$ -	0.00%	\$ -	0.00%	5.00%	YES
RESIDENTIAL LOT	500	\$ 243,851.99	1.15%	\$ 244,642.00	1.16%	25.00%	YES
UNDEVELOPED PROPERTY 1ST LIEN	510	\$ 1,082,682.40	5.09%	\$ 1,086,755.39	5.14%	25.00%	YES
RESIDENTIAL SUBDIVISION 1ST LIEN	515	\$ 1,168,517.41	5.49%	\$ 1,168,517.41	5.53%	25.00%	YES
CONSTRUCT RESIDENTIAL-EXISTING SUBDIVISION	520	\$ 251,740.19	1.18%	\$ 251,740.19	1.19%	15.00%	YES
SPEC RESIDENTIAL CONSTRUCTION (ESTABLISHED SUBDIVISION)	525	\$ 454,581.05	2.14%	\$ 454,581.05	2.15%	15.00%	YES
PRIMARY RESIDENCE 1ST LIEN OWNER OCCUPIED	530	\$ 4,992,256.92	23.47%	\$ 5,454,889.17	25.82%	85.00%	YES
PRIMARY RESIDENCE JR LIEN OWNER OCCUPIED	535	\$ 51,523.53	0.24%	\$ 67,827.44	0.32%	40.00%	YES
SECONDARY RESIDENCE 1ST LIEN	540	\$ 210,219.18	0.99%	\$ 172,438.44	0.82%	60.00%	YES
1-4 FAMILY NON-OWNER OCCUPIED INVESTMENT/RENTAL	550	\$ 7,357,092.91	34.59%	\$ 7,506,221.12	35.53%	75.00%	YES
1-4 FAMILY NON-OWNER OCCUPIED RENTAL JR LIEN	555	\$ -	0.00%	\$ -	0.00%	10.00%	YES
NON-OWNER OCCUPIED MOBILE HOMES W/LAND	561	\$ 10,637.46	0.05%	\$ 11,359.44	0.05%	1.00%	YES
CONDOMINIUM 1-4 FAMILY RES	565	\$ 2,622,354.28	12.33%	\$ 2,631,878.10	12.46%	20.00%	YES
TRAILER PARKS 1ST LIEN	575	\$ -	0.00%	\$ -	0.00%	26.00%	YES
FARMLAND/AGRICULTURAL LAND 1ST LIEN	600	\$ -	0.00%	\$ -	0.00%	15.00%	YES
APARTMENTS MULTI-FAMILY HOUSING 1ST LIEN	605	\$ 110,151.88	0.52%	\$ 111,155.96	0.53%	25.00%	YES
COMMERCIAL LOT NOT IN SUBDIVISION	610	\$ 546,639.24	2.57%	\$ 542,433.85	2.57%	15.00%	YES
CHURCH BUILDING & FACILITIES 1ST LIEN	616	\$ 1,689,173.99	7.94%	\$ 1,671,440.66	7.91%	75.00%	YES
RESTAURANT AND PROPERTY 1ST MTG	621	\$ 5,426,116.66	25.51%	\$ 5,374,162.50	25.44%	40.00%	YES
RESTAURANT AND PROPERTY JR MTG	622	\$ -	0.00%	\$ -	0.00%	8.00%	YES
CONVENIENCE STORES/GAS STATIONS 1ST LIEN	625	\$ -	0.00%	\$ -	0.00%	5.00%	YES
INDUSTRIAL FACILITY OWNER OCCUPIED	629	\$ 278,936.09	1.31%	\$ 287,117.54	1.36%	20.00%	YES (1)
INDUSTRIAL FACILITY NON OWNER OCCUPIED	630	\$ -	0.00%	\$ -	0.00%	4.00%	YES
MEDICAL FACILITIES (HOSPITALS, CLINICS, ETC.)	631	\$ 467,537.35	2.20%	\$ 479,142.06	2.27%	20.00%	YES
MINI-WAREHOUSES & SELF STORAGE UNITS 1ST LIEN	635	\$ -	0.00%	\$ -	0.00%	10.00%	YES
HOTEL/HOTEL PROPERTIES (NATIONAL CHAIN) 1ST LIEN	640	\$ 12,717,227.59	59.79%	\$ 9,498,156.64	44.96%	75.00%	YES
HOTEL/HOTEL PROPERTIES (NO NATIONAL CHAIN) 1ST LIEN	642	\$ 3,475,331.72	16.34%	\$ 3,492,025.59	16.53%	25.00%	NO
HOTEL/HOTEL PROPERTIES (NO NATIONAL CHAIN) JR LIEN	643	\$ 1,843,870.00	8.67%	\$ 1,843,870.00	8.73%	See Above Limit	YES
PROFESSIONAL OFFICE SPACE OWNER OCCUPIED 1ST LIEN	645	\$ 1,138,386.81	5.35%	\$ 1,154,554.73	5.47%	25.00%	YES
PROFESSIONAL OFFICE SPACE OWNER OCCUPIED JR LIEN	646	\$ 99,604.15	0.47%	\$ 99,604.15	0.47%	10.00%	YES
PROFESSIONAL OFFICE SPACE NON-OWNER OCCUPIED 1ST LIEN	647	\$ 20,000.00	0.09%	\$ 20,000.00	0.09%	10.00%	YES
RETAIL CENTER OWNER OCCUPIED 1ST LIEN	650	\$ 62,803.97	0.30%	\$ 65,798.64	0.31%	25.00%	YES
RETAIL STAND ALONE BUILDING OWNER OCCUPIED 1ST LIEN	652	\$ 1,054,515.54	4.96%	\$ 1,046,146.39	4.95%	25.00%	YES
RETAIL STAND ALONE BUILDING NON-OWNER OCCUPIED 1ST LIEN	654	\$ 221,198.31	1.04%	\$ 222,583.42	1.05%	10.00%	YES
RETAIL CENTER NON-OWNER OCCUPIED 1ST LIEN	656	\$ -	0.00%	\$ -	0.00%	10.00%	YES
WAREHOUSE SPACE OWNER OCCUPIED 1ST LIEN	660	\$ 990,875.72	4.66%	\$ 996,270.13	4.72%	10.00%	YES (1)
WAREHOUSE SPACE NON OWNER OCCUPIED 1ST LIEN	662	\$ 33,875.16	0.16%	\$ 34,408.75	0.16%	5.00%	YES
SPECIAL PURPOSE FACILITY/SINGLE USE 1ST LIEN	665	\$ 1,627,502.92	7.65%	\$ 1,351,026.00	6.40%	50.00%	YES
SPECIAL PURPOSE FACILITY/SINGLE USE JR LIEN	666	\$ 361,643.56	1.70%	\$ 155,843.56	0.74%	25.00%	YES
PURCHASED GUARANTEED LOANS	667 & 668	\$ 21,823,558.33	102.61%	\$ 22,589,977.66	106.94%	N/A	

(1) Net of government guarantees

CHURCH LOANS & RISK ASSESSMENT

		<u>FNB ORIGINAL</u>	<u>CURRENT</u>	<u>AT</u>	<u>CURRENT</u>	<u>NAME OF</u>	<u>CHANGE IN</u>	<u>APPRAISED</u>	<u>LOAN</u>	<u>NON-</u>
		<u>BALANCE</u>	<u>BALANCE</u>	<u>RISK</u>	<u>PAYMENT</u>	<u>SR PASTOR</u>	<u>SENIOR</u>	<u>VALUE</u>	<u>GRADE</u>	<u>ACCUAL</u>
					<u>DEFERMENT</u>		<u>PASTOR</u>			
132515871	All God's Children Church	\$ 228,000.00	\$ 181,477.02		NO	Walter Williams	NO	\$ 358,000	3	NO
132389872	Berrydale Baptist Church	\$ 427,558.56	\$ 40,018.76		NO	Robert Gandy	NO	\$ 1,426,000	3	NO
132392270	Bibleway Baptist Church	\$ 128,262.51	\$ 68,098.47		NO	William B. Wright	NO	\$ 273,000	3	NO
132507570	Harvest Worship Center	\$ 745,000.00	\$ 607,201.10		NO	John Ramsey	NO	\$ 2,765,000	5	NO
132507572	Harvest Worship Center	\$ 550,000.00	\$ 512,104.73		NO	John Ramsey	NO	\$ 2,765,000	5	NO
132507573	Harvest Worship Center	\$ 420,000.00	\$ 290,071.32		NO	John Ramsey	NO	\$ 2,765,000	5	NO
132507575	Harvest Worship Center (PPP)	\$ 91,506.42	\$ 91,506.42		NO	John Ramsey	NO	\$ 2,765,000	3	NO
132596870	St Andrew Worship Center	\$ 49,706.25	\$ 40,103.75		NO	Thomas Cunningham	NO	\$ 275,000	3	NO
132412870	West Florida Baptist	\$ 750,000.00	\$ 364,866.20		NO	Mike Brown, Baucum	NO	\$ 3,267,950	3	NO
TOTAL		\$ 3,390,033.74	\$ 2,195,447.77					\$ 16,659,950.00		

GRAND TOTAL CHURCH LOANS:

\$ 3,390,033.74	\$ 2,195,447.77	\$ 16,659,950.00
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Total Church Loans at Risk: \$0.00
Church Loans At Risk/Church Loans Outstanding: 0.00%

Total Loans Outstanding Net: \$72,113,150.69
Church Loans/Total Loans Outstanding: 3.04%

Comments: No leadership changes were noted.

SBA 504 & 7A LOANS:

ACCT. NO.	NAME	OFF.	SBA LOAN TYPE	GRADE & ACCRUAL STATUS	BANK'S BALANCE LESS GUARANTEE	TOTAL LOAN	COLL CODE	BANK'S PORTION OAEM (5)	BANK'S PORTION CLASSIFIED (6,7)	BANK'S PORTION - NON PERFORMING	NOTES
S-5680	GEORGE J & MARY JANE BOKOWSKI, d/b/a TROPIC RATAN, 3905 US 1 S, St Aug, FL 32086	KMJ	SBA-7a	3	\$ 24,686.50	\$ 24,686.50	652				75%, Bought no guarantee
S-5707	RIVER CITY FABRICATION, INC., 2911 Burke St., Jacksonville, FL 32254	KMJ	SBA-7a	3	\$ 11,920.52	\$ 11,920.52	629				85%, Bought no guarantee
S-5714	RON JON'S AUTOMOTIVE, 4854 South Orange Ave., Orlando, FL 32806	KMJ	SBA-7a	3	\$ -	\$ -	652				75%, Bought no guarantee
S-5718	NORTH FLORIDA SPRING & BRAKE, CRANSTON ENTERPRISES, LLC, 195 North Ellis Road, Jacksonville, FL 32254	KMJ	SBA-7a	4	\$ 57,521.29	\$ 230,085.15	652				75%
S-5732	GREAT EXPECTATIONS CHILDCARE CORP., 4180 Gun Club Road, West Palm Beach, FL 33406	KMJ	SBA-7a	3	\$ 73,722.12	\$ 294,888.48	652				75%
S-5739	JAI GANESH HOTELS, INC., 809 Apalachee Parkway, Tallahassee, FL 32301	KMJ	SBA-7a	4	\$ 189,159.13	\$ 756,636.53	640				75%

	# LOANS	BANK'S BALANCE	TOTAL LOAN	OAEM (5)	SS (6)	NON-ACCR
Total SBA 504 Loans Outstanding:	4	\$ 357,009.56	\$ 1,318,217.18	\$ -	\$ -	\$ -
Total SBA 7a Loans Outstanding LESS 7a Guarantees:	17	\$ 357,009.56	\$ 1,318,217.18	\$ -	\$ -	\$ -
Total SBA Loans with Guarantees:	21	\$ 714,019.12	\$ 2,636,434.36	\$ -	\$ -	\$ -

SUMMARY:

SBA LOANS TO TOTAL LOANS		0.99%
SBA Loans risk rated OAEM Grade 5:	\$ -	
% of Total SBA Portfolio:		0.00%
SBA Loans Classified Substandard - Performing:	\$ -	
% of Total SBA Portfolio:		0.00%
SBA Loans Classified & Rated Non-Performing:	\$ -	
% of Total SBA Portfolio:		0.00%
Total SBA Criticized/Classified Loans:	\$ -	
% of Total SBA Portfolio:		0.00%

LOANS APPROVED UNDER SUPPLEMENTAL LENDING LIMITS:

Bank's (Relationship) Legal Lending Limit:				\$3,190,275.76										
Supplemental (Relationship) Lending Limit:				\$2,126,850.51										
Total (Relationship) Lending Limit:				\$5,317,126.27						Aggregate Supplemental Lending Limit Avail:		\$ 21,268,505.06		
Account Number	Name	CR Line	Purp Code	Coll Code	Loan Commitment	Current Balance	Loan Maturity	15% of Capital	10% of Capital	100% of Capital	Notes:			
								Remaining Lending Limit Coverage/ Relationship	Remaining Supp Limit Coverage/ Relationship	Aggregate Supp Limit Used				
132810370	Shri Ganesh Enterprises, Inc	1E2	10	640	\$ 3,289,051.76	\$ 3,289,051.76	12/14/2035					\$2,028,074.51	\$98,776.00	Used by this Relationship
	Shri Ganesh Enterprises Relationship:				\$ 3,289,051.76	\$ 3,289,051.76						\$ 2,028,074.51	\$ 21,169,729.06	Remaining Supplemental Limit
132698245	Studentescape LLC (PPP)**	4A	10	668	\$ 23,846.15	\$ 23,846.15	4/17/2022	\$3,190,275.76						***SBA guaranty, not in calculation
132698545	Harpoon Harry's PC Properties (PPP)**	4A	10	668	\$ 183,001.67	\$ 183,001.67	4/17/2022	\$3,190,275.76						***SBA guaranty, not in calculation
132703045	Fun Pass Entertainment (PPP)**	4A	10	668	\$ 6,850.95	\$ 6,850.95	4/8/2022	\$3,190,275.76						***SBA guaranty, not in calculation
132692570	Shannon Passavad	1C2A	10	540	\$ 500,000.00	\$ 140,000.00	1/10/2021	\$2,690,275.76						
132531571	Harpoon Harry's PC Properties	1E1	10	621	\$ 250,000.00	\$ -	2/28/2021	\$2,440,275.76						
132531572	Harpoon Harry's PC Properties	1E1	10	621	\$ 2,203,316.92	\$ 2,203,316.92	11/15/2042	\$236,958.84						
132689170	Fun Pass Entertainment	1E2	10	621	\$ 1,400,000.00	\$ 1,374,810.71	5/4/2040					\$963,809.35	\$1,163,041.16	Used by this Relationship
	Shannon Posavad Total Relationship:				\$ 4,353,316.92	\$ 3,718,127.63						\$ 963,809.35	\$ 20,006,687.90	Remaining Supplemental Limit
132745145	Andrews Cooling & Heating (PPP)**	4A	10	668	\$ 51,901.00	\$ 51,901.00	4/17/2022	\$3,190,275.76						***SBA guaranty, not in calculation
132586970	Rickey Townhomes, LLC	1C2A	10	550	\$ 1,723,429.76	\$ 1,723,429.76	11/23/2037	\$1,466,846.00						
132549770	Gwenhaven Townhomes, LLC	1C2A	10	550	\$ 1,588,478.59	\$ 1,588,478.59	5/28/2036					\$2,005,217.92	\$ 121,632.59	
708115172	Andrews Cooling & Heating (LOC)	1E1	10	645	\$ 200,000.00	\$ 2,000.00	5/20/2020	\$				1,805,217.92	\$ 321,632.59	
132536471	Jerald E. Andrews	1C2A	10	550	\$ 209,453.84	\$ 209,453.84	8/31/2036	\$				1,595,764.08	\$ 531,086.43	Used by this Relationship
	Jerald Andrews Total Relationship:				\$ 3,773,263.19	\$ 3,575,263.19						\$ 1,595,764.08	\$ 19,475,601.47	Remaining Supplemental Limit
132712145	Tej Sai, LLC (PPP)**	4A	10	668	\$ 100,000.00	\$ 100,000.00	4/17/2022	\$3,190,275.76						***SBA guaranty, not in calculation
132663670	Tej Sai, LLC	1E2	10	640	\$ 4,331,549.98	\$ 4,331,549.98	12/24/2030	\$				985,576.28	\$ 1,141,274.22	Used by this Relationship
	Tej Sai, LLC Total Relationship:				\$ 4,331,549.98	\$ 4,331,549.98						\$ 985,576.28	\$ 18,334,327.25	Remaining Supplemental Limit
132661071	Gibson Inn, LLC	1A2	10	643	\$ 1,843,874.00	\$ 524,113.10	8/10/2038	\$ 1,346,401.76						
132661070	Gibson Inn, LLC	1E2	10	642	\$ 2,522,912.82	\$ 2,522,912.82	5/10/2020	\$				950,339.45	\$ 1,176,511.06	Used by this Relationship
	Steven Barton Etchen Total Relationship:				\$ 4,366,786.82	\$ 3,047,025.92						\$ 950,339.45	\$ 17,157,816.19	Remaining Supplemental Limit
Total of All Relationships:					\$ 20,113,968.67									
Capital:					\$ 21,268,505.06									
Less Used Supplemental Limit:					\$ 4,110,688.88									
Remaining Supplemental Limit:					\$ 17,157,816.19									

NOTE: Only loan classified on Call Report lines C2A, 1C1, 1C2a and 1E0 thru 1E4 are eligible for the Supplemental Lending Limit Program. Note that 1C1 is only eligible if secured by residential and is a 1st lien of no more than 80 percent.

LOANS APPROVED AS EXCEPTIONS TO THE COMBINATION RULE:

Account Number	Business Entity	Original Loan Commitment	Current Bank Balance	Participation Balance	Loan Maturity	Common Guarantor	Percent Ownership	Guaranty Percentage	Bank Balance As a Percent of Capital
132662870	Shri Laxmi, Inc	\$ 1,652,081.04	\$ 1,068,470.85	\$ -	4/15/1933	Bob Patel	23.0%	100.0%	
132663670	Tej Sai, LLC	\$ 4,819,998.36	\$ 4,331,549.98	\$ -	12/24/2030	Bob Patel Manisha Patel	23.0% 15.0%	87.5% 87.5%	
132612370	Shri Asaram, Inc	\$ 200,000.00	\$ 91,877.48	\$ -	11/13/2022	Bob Patel Manisha Patel	40.0% 40.0%	100.0% 100.0%	
Total:		<u>\$ 6,672,079.40</u>	<u>\$ 5,491,898.31</u>	<u>\$ -</u>					<u>25.8%</u>

Combination Rule: Normally borrowers that share a "common enterprise" would require a bank to combine loan balances for the purpose of determining lending limit compliance. The relationships presented above were deemed to be excludable from this rule because "substantial financial interdependence" was not observed during underwriting nor were any other shared resources such as collateral, bookkeeping services, comingled funds, etc. In other words, management is satisfied each borrower has resources or revenue (on its own) sufficient to service its debt obligations.

POLICY EXCEPTIONS by OFFICER:

Loan To Value (LTV) Exceeds Policy:

Officer:	Acct. #	Name:	Current Bal.	Type of Loan:	Ln. Grade:	Current LTV:
KMJ	132469830	Hector Martinez	\$ 186,158.20	Res RE	3	98.5%
TBW	132545570	Marlyn Properties, LLC	\$ 96,932.42	CRE	3	91.4%
			<u>\$ 282,090.62</u>			

Term of unsecured Note Exceeds Policy:

Officer:	Acct. #	Name:	Current Bal.	Type of Loan:	Ln. Grade:	Term:
KMJ	132578672	Weatherford, William	\$ 132,383.47	UNSEC/INST	3	Loan Term
			<u>\$ 132,383.47</u>			

All Other Loan Exceptions:

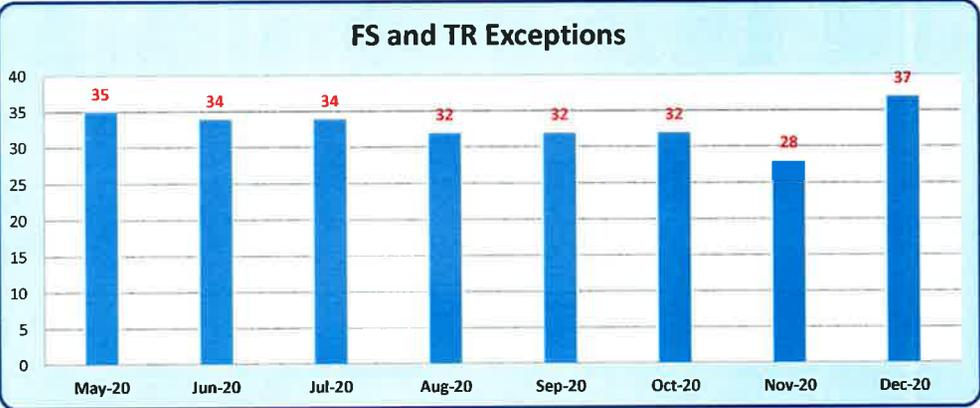
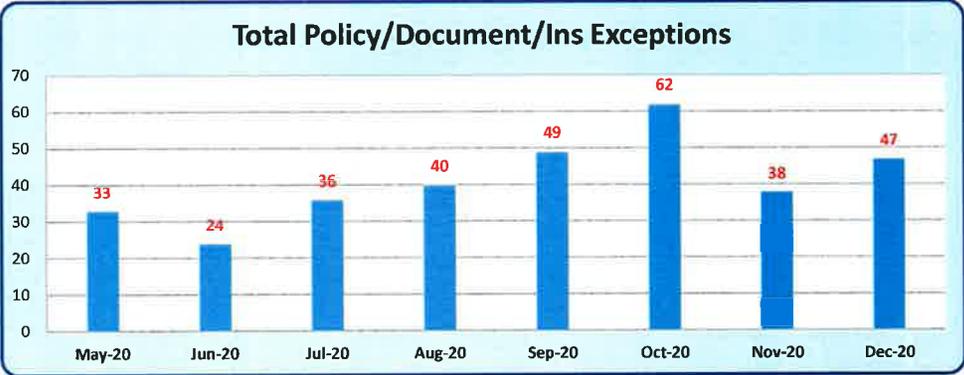
Officer:	Acct. #	Name:	Current Bal.	Type of Loan:	Ln. Grade:	Term/Reason:
AMB	132622270	Feddon Holdings LLC	\$ 878,933.41	CRE	4	Appraiser
AMB	132632170	Miles Richard	\$ 1,168,517.41	CRE	3	Appraiser
AMB	132632155	Miles Richard	\$ 148,227.36	CRE	3	Appraiser
AMB	132639693	Watree Construction	\$ 220,000.00	CRE	3	Survey
AMB	132639693	Watree Construction	Duplicate	CRE	3	Ins Worksheet
AMB	132639693	Watree Construction	Duplicate	CRE	3	Build Risk
AMB	132639694	Watree Construction	\$ 220,000.00	CRE	3	Ins Worksheet
AMB	132639694	Watree Construction	Duplicate	CRE	3	Survey
AMB	132639694	Watree Construction	Duplicate	CRE	3	Build Risk
AMB	132639695	Watree Construction	\$ 220,000.00	CRE	3	Ins Worksheet
AMB	132639695	Watree Construction	Duplicate	CRE	3	Survey
AMB	132639696	Watree Construction	\$ 220,000.00	CRE	3	Survey
AMB	132639696	Watree Construction	Duplicate	CRE	3	Build Risk
AMB	132639696	Watree Construction	\$ 220,000.00	CRE	3	Survey
AMB	132639696	Watree Construction	Duplicate	CRE	3	Build Risk
AMB	132639696	Watree Construction	\$ 220,000.00	CRE	3	Survey
AMB	132639696	Watree Construction	Duplicate	CRE	3	Build Risk
AMB	132639697	Watree Construction	\$ 220,000.00	CRE	3	Survey
AMB	132639697	Watree Construction	Duplicate	CRE	3	Build Risk
AMB	132639697	Watree Construction	Duplicate	CRE	3	Ins Worksheet
GMP	132802070	Birgenheier, Timothy	\$ 248,000.00	CRE	3	Title Ins
GMP	132809530	White, Jeffrey	\$ 21,003.49	CRE	3	Title Ins
GMP	132583670	Pensacola Shade	\$ 20,000.00	CRE	3	Wind Ins
GMP	132810370	Shri Ganesh Enterprises	Duplicate	CRE	3	Rec Mort
GMP	132810370	Shri Ganesh Enterprises	Duplicate	CRE	3	Assign of Rents
GMP	132810370	Shri Ganesh Enterprises	Duplicate	CRE	3	Title Ins
GMP	132810370	Shri Ganesh Enterprises	Duplicate	CRE	3	UCC-1 State
GMP	132810370	Shri Ganesh Enterprises	Duplicate	CRE	3	Approved Appr
KMJ	132684272	Lester Accounting	\$ 73,937.36	CRE	3	Flood Ins
KMJ	132684272	Lester Accounting	Duplicate	CRE	3	Build Risk
KMJ	132684272	Lester Accounting	Duplicate	CRE	3	Ins Worksheet
KMJ	132684271	Lester Accounting	\$ 23,326.85	CRE	3	Flood Ins
KMJ	132684271	Lester Accounting	Duplicate	CRE	3	Build Risk
KMJ	132684271	Lester Accounting	Duplicate	CRE	3	Ins Worksheet
KMJ	S5718	North Florida Spring	\$ 57,521.29	CRE	3	Life Ins
KMJ	132808770	Stow Pros LLC	\$ 290,000.00	CRE	3	Appraisal
KMJ	132808770	Stow Pros LLC	Duplicate	CRE	3	Appr Review
KMJ	132808770	Stow Pros LLC	Duplicate	CRE	3	Approved Appr
KMJ	132808771	Stow Pros LLC	\$ 205,800.00	CRE	3	Appraisal
KMJ	132808771	Stow Pros LLC	Duplicate	CRE	3	Appr Review
KMJ	132808771	Stow Pros LLC	Duplicate	CRE	3	Approved Appr
TBW	132618030	Thomas Johnson	\$ 251,740.19	CRE	3	Survey
TBW	132650330	Ridge, Elaine	\$ 132,959.64	CRE	3	Appraiser
			<u>\$ 7,909,018.76</u>			
		Less Participations:	<u>\$ -</u>			
			<u>\$ 7,909,018.76</u>			

POLICY EXCEPTIONS by OFFICER:

Debt Service Coverage Ratio Less than Policy of 1.25x:

Officer:	Acct. #	Name:	Current Bal.	Type of Loan:	Ln. Grade:	GLOBAL DSCR:
GMP	132478970	Rouillac Investments	\$ 50,074.70	CRE	3	1.12
TBW	132508357	Hughes Resort, Inc. (Let of C)	\$ 19,370.00	CRE	3	1.08
TBW	132508370	Hughes Resort, Inc.	\$ 107,515.82	CRE	3	1.08
KMJ	132625570	George D. Edlund	\$ 155,759.04	CRE	3	1.14
			<u>\$ 332,719.56</u>			
		Less Participations:	\$ -			
			<u>\$ 332,719.56</u>			
		Grand Total:	<u>\$ 8,656,212.41</u>			
TOTAL REPORTABLE LOANS with			Total Net Loans Outstanding: \$	72,113,150.69		
			Total Capital: \$	21,268,505.06		
Exceptions as a % of Total Loans:				12.00%		
Exceptions as a % of Capital:				40.70%		

E = Exception will be removed next month.



WAIVED HAZARD AND WINDSTORM INSURANCE RISK ASSESSMENT:

NAME	ACCT.#	OFF.	INS. TYPE	DATE WAIVED	LOAN MATURITY	CURRENT BALANCE	LINE AVAILABLE	TOTAL LOAN	BANK'S EXPOSURE	NOTES:
Ball Enterprizes, LLC	132483971	KMJ	Windstorm	1/18/2013	1/18/2031	\$ 109,448.18		\$ 109,448.18	\$ -	land value: \$ 325,000.00
Ball Enterprizes, LLC	132483972	KMJ	Windstorm	1/18/2013	1/18/2031	\$ 5,256.75	\$ 44,743.25	\$ 50,000.00	\$ -	land value: See Above
Grease Pro, Inc.	132042370	KMJ	Windstorm	7/13/2010	6/25/2016	\$ 34,466.65	\$ -	\$ 34,466.65	\$ -	land value: \$ 226,100.00
Hancock, Phelon	103796932	GMP	Wind/Hazard	2/10/2017	2/15/2022	\$ 10,637.46	\$ -	\$ 10,637.46	\$ -	land value: \$ 90,552.00
LNK Development, Inc.	132464972	AMB	Wind/Hazard	2/20/2014	2/6/2017	\$ 225,000.00	\$ -	\$ 225,000.00	\$ -	hazard/flood \$ 626,000.00
Lawrence Kline, Rev Trust	132557071	AMB	Windstorm	6/29/2020	10/13/2031	\$ 245,341.75	\$ -	\$ 245,341.75	\$ -	land value: \$ 350,000.00
Lawrence Kline, Rev Trust	132759270	AMB	Windstorm	5/5/2020	5/5/2040	\$ 221,198.31	\$ -	\$ 221,198.31	\$ 67,198.31	land value: \$ 154,000.00
Pensacola Shade LLC	132583670	GMP	Windstorm	10/11/2016	10/11/2017	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00	\$ -	land value: \$ 52,500.00
St Andrew Worship Center	132596870	LCJ	Windstorm	11/30/2016	12/1/2018	\$ 40,103.75	\$ -	\$ 40,103.75	\$ -	land value: \$ 54,384.00
Steven Goodwillier	153486675	KMJ	Condo interior	4/12/2011	3/8/2023	\$ 72,837.74	\$ -	\$ 72,837.74	\$ -	hazard/flood \$ 297,840.00
TOTAL EXPOSURE:						\$ 984,291	\$ 74,743.25	\$ 1,059,034	\$ 67,198	
TOTAL LOANS OUTSTANDING:			\$ 72,113,151							
TOTAL CAPITAL:			\$ 21,268,505							
% of TOTAL LOANS OUTSTANDING:			0.09%							
% of TOTAL CAPITAL:			0.32%							

REVIEW OF DEPOSIT ACCOUNT ACTIVITY:

Name	Account Number	12/21/2020	12/22/2020	12/23/2020	12/28/2020	12/29/2020	12/30/2020	1/1/2021	1/4/2021	1/5/2021	1/6/2021	1/7/2021	1/8/2021
		Avg Collected											
		Balance											
BIRGENHEIER TIMOTHY	3203035514	\$ 439.52	\$ (1,273.57)	\$ (1,260.98)	\$ (1,260.98)	\$ (1,185.44)	\$ (1,172.85)	\$ (1,429.17)	\$ (326.56)				
GIBSON INN, LLC	3200301401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JONES GAGLIO & DENNI	3200104201							\$ 4.98	\$ (136.73)	\$ (472.36)	\$ (638.70)	\$ (1,083.72)	\$ (1,083.72)
LOCAL STEAMER SEAFOO	4206314901							\$ 346.62	\$ 212.94				
PENSACOLA SHADE, LLC	3200176001	\$ 312.84						\$ 74.28	\$ 99.04	\$ 148.56	\$ 173.32	\$ 247.60	\$ 247.60
SALTY GOAT SALOON LL	4206258803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				

Report Purpose:

The schedule of deposit accounts presented above belong to active loan customers of First National Bank. They were selected for inclusion in this report if their daily average collected balance fell below \$499 at any time during the prior 12 business days. This balance can be affected (including dropping below \$0) by a number of adverse operating patterns such as depositing uncollectible checks, paying through check holds, or deteriorating business income.

The purpose of this report is to assist Loan Officers in the early detection of adverse patterns which may eventually impact a loan customer's ability to service their debt. It should never be used exclusively to adversely classify a loan but should be reviewed in conjunction with other pertinent information to help identify systemic problems which may create additional risk exposure to the bank.



Allowance for Loan and Lease Losses (ALLL)

4th Quarter Ending
December 31, 2020

It is mandated that the bank maintain a prudent and conservative loan loss reserve that is at a minimum, compliant with appropriate regulatory guidelines and standards, and enough to meet anticipated future loan losses. The bank's methodology incorporates a five-year historical loss average. Saltmarsh, Cleaveland & Gund, CPA, the bank's independent outside loan review auditors as well as the OCC will review and test the effectiveness of the bank's Allowance for Loan and Lease Losses Reserve.

The bank's senior management continues to thoroughly review the bank's loan portfolio with heavy emphasis on identifying potential/probable problem loans and on a continuing basis, addressing potential losses. Management's review also addresses the proper grading of loans according to their individual levels of risk. Based upon their analysis, senior management has made the necessary allocations and charges to the ALLLR. Reconciliation of the ALLLR year to date ending December 31, 2020 is as follows:

Beginning Balance on December 31, 2019:	\$1,249,589.39
Monthly Provisions:	\$0
Net Recoveries:	\$230.15
Loan-Related Charges to the Reserve:	(\$0)
Deposit-Related Charges to the Reserve:	(\$456.50)
Ending Balance on December 31, 2020:	<u>\$1,249,363.04</u>

Prior to the recommended changes presented in the conclusion section of this report, the amount determined to be unallocated reserves was \$347,676 placing the actual reserve to loans at 1.74 percent (the required reserves to loan ratio according to the bank's internal computation is 1.26 percent). Following this quarter's analysis, the amount of reserves determined to be unallocated would decrease by approximately \$8,047 (See page 1 of the attached ALLLR worksheet). This ratio remains significantly higher than the required ratio of 1.26 percent of outstanding loans.

- During the quarter, total loans outstanding increased by \$815k or 1.14 percent due normal production activity. Other Loans Especially Mentioned (OLEM) decreased slightly due to the receipt of payments from the three loans to Harvest Worship Center. Substandard loans decreased by approximately \$400,000 due to a principal reduction of a loan to D&H Properties. All other classified loan categories remained at \$0 as did the bank's OREO balance. The following analysis reflects the changes during the second quarter to classified/criticized loans outstanding:

	<u>12/31/2020</u>	<u>09/30/2020</u>	<u>Change</u>	<u>Change%</u>
Total Loans Outstanding:	<u>\$72,113,151</u>	<u>\$71,297,735</u>	<u>\$815,416</u>	<u>1.14%</u>
OLEM:	\$1,539,306	\$1,550,958	(\$11,652)	(.75%)
Sub-Standard (Accruing):	\$950,000	\$1,350,000	(\$400,000)	(29.63%)
Sub-Standard (Non-Accruing):	\$195,566	\$194,265	\$1,301	.67%
Doubtful:	\$0	\$0	\$0	0%
Total Crit/Class Loans:	<u>\$2,684,872</u>	<u>\$3,095,223</u>	<u>(\$410,351)</u>	<u>(13.26%)</u>
OREO:	\$0	\$0	\$0	0%
Tot Crit/Clas Loans&OREO:	<u>\$2,684,872</u>	<u>\$3,095,223</u>	<u>(\$410,351)</u>	<u>(13.26%)</u>
Past Due Loans:				
30-59 Days Past Due:	\$0	\$400,876	(\$400,876)	(100.0%)
60-89 Days Past Due:	\$0	\$0	(\$0)	(0%)
>90 Days Past Due:	\$596,442	\$194,265	\$402,177	207.02%
Total Past Due Loans:	<u>\$596,442</u>	<u>\$595,141</u>	<u>\$1,301</u>	<u>.22%</u>

Past-due accounts for the second quarter remained virtually the same which represented 2 loans.

- Activity within the substandard classification remained the same since the fourth quarter in 2019 when management classified a loan to Jones, Gaglio and Dennis, PA. While the two classified loans do have well-defined concerns, management does not believe future losses are likely.

4. Senior management is responsible for assessing current local, state, regional, and national market conditions to determine both positive and negative effects to the bank's loan portfolio. Management's ability to recognize these evolving conditions and their effects is measured through qualitative environmental factors and how they are applied to each pool of loans within the bank's loan portfolio. These factors are compiled on Page 3 of the ALLLR analysis. Degrees of risk are determined through research and assigned by using percentages ranging between .10 and .50 for each of the ten factors. Low risk impact of these environmental factors would be assigned values between .10 and .20 percent; Moderate risk impact is .30 percent and high-risk impact between .40 and .50 percent. If management perceives that certain detrimental trends continue, the upper percentage limits noted above may increase as deemed appropriate.

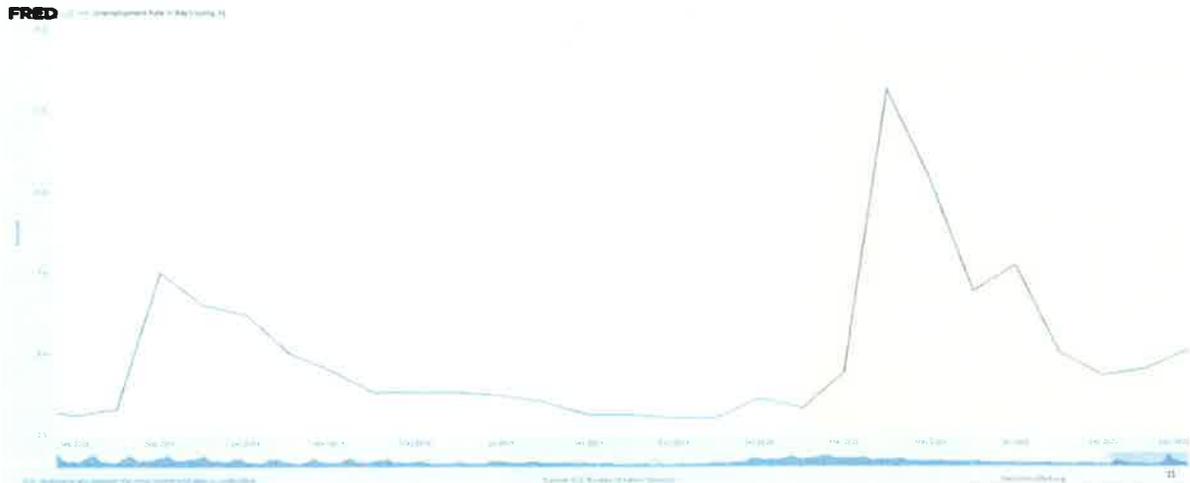
As indicated above, management considers ten qualitative factors for each of the portfolio categories. Nine of these factors were established using the FFIEC interagency guidelines. The tenth factor is reserved as an adjustment factor for conditions that are unique to our bank. After a thorough review of the nine qualitative environmental factors, management believes the factors assigned during the prior quarter are still considered appropriate, with any recommended changes clearly indicated in the Conclusion section of this report. No adjustments for conditions unique to the bank were deemed necessary at this time. Each of these factors is addressed below:

- ***Qualitative Factor #1*** – *Changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices not considered elsewhere in estimating credit losses.*

MINIMAL - No change.

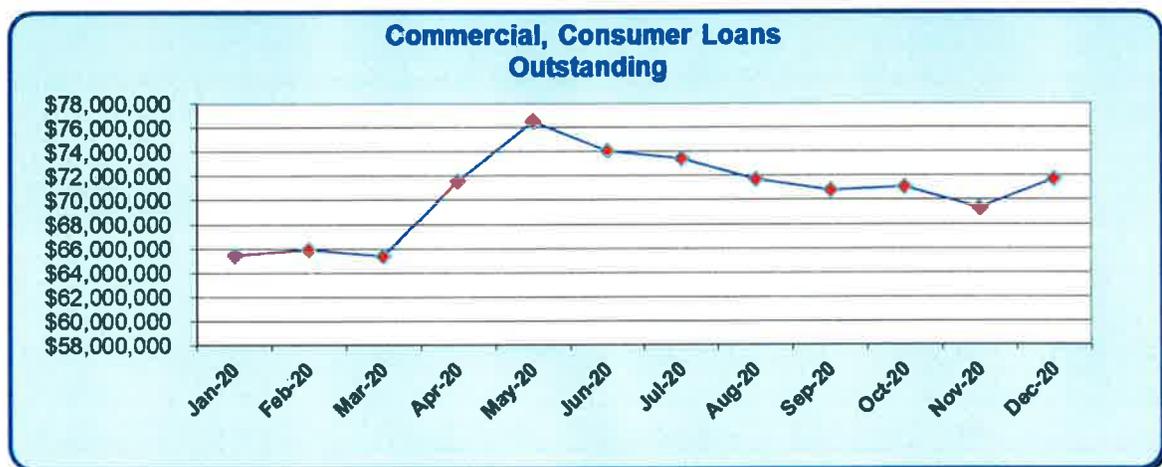
- ***Qualitative Factor #2*** – *Changes in international, national, regional, and local economic and business conditions and developments that affect the collection of the portfolio, including the condition of various market segments.*

MODERATE – Bay county's unemployment rate as of November 2020 was 5.1 percent. This was a significant improvement over the 7.5 percent rate noted during the previous quarter, which was caused by the temporary business closures surrounding Covid-19. Prior to this, unemployment had improved steadily from the 6.8 percent peak noted in November 2018 (post hurricane Michael), to a low of approximately 3.5 percent in February 2020. Based on recent events, management is cautiously optimistic about the short and long-term impact on employment caused by the recent economic shutdown. Many of the small businesses that employed about 30 percent of the workers in the county had been forced to close earlier in the year but have since reopened. Bay county real estate market has rebounded following a brief slow-down following a long period of stability. Between YTD December 2020 and the same period in 2019, real estate sales by dollar volume increased 13.9 percent. According to the Bay County Association of Realtors, closed sales have increased while new listings decreased approximately 3 percent. The "months supply of inventory" over this period has decreased 22 percent from 4 months to 3.1. With decreased inventory, growth in prices will likely increase in the foreseeable future as it has in the last two years. We noted that the average home sales price increased 13 percent to \$211k for the month of December 2020 when compared to the same time in 2019. Local inventory still includes properties that have significant damage from Hurricane Michael. While we still believe there is uncertainty in what might happen to the real estate market due to the pandemic and related economic uncertainty, we believe the worst part may be behind us.



- **Qualitative Factor #3** – Changes in the nature and volume of the portfolio and in terms of loans:

MINIMAL - No material change. Normal loan production volumes were stable for the quarter and showed a slight decreasing trend in recent months.

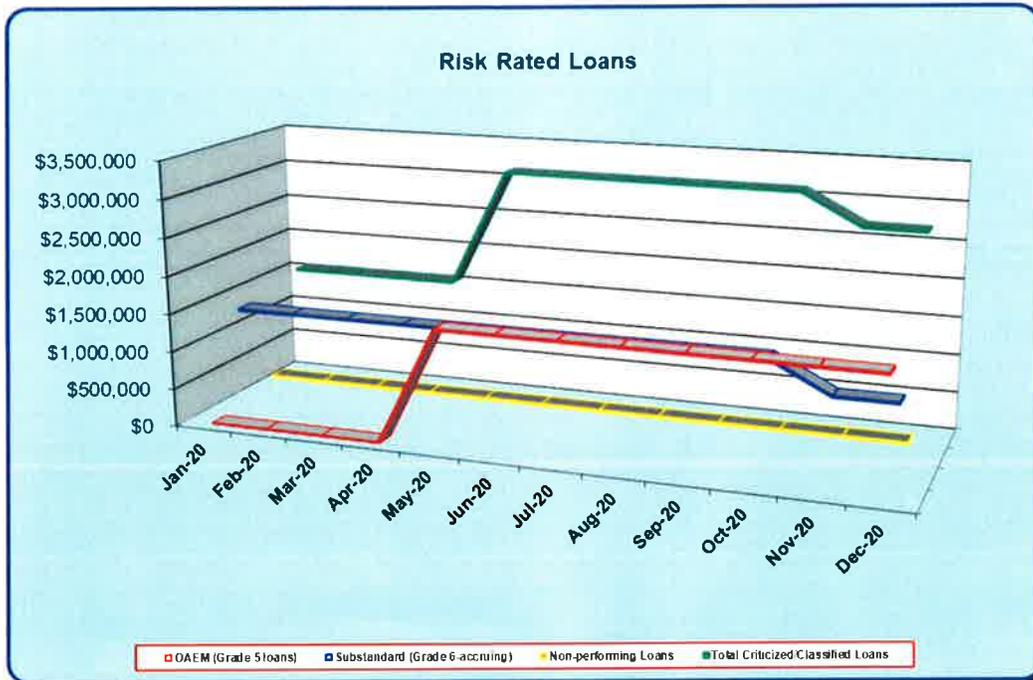


- **Qualitative Factor #4** – Changes in the experience, ability, and depth of lending management and other relevant staff:

MINIMAL – No recent changes in lending personnel.

- **Qualitative Factor #5** – Changes in the volume and severity of past due loans, the volume of non-accrual loans, and the volume and severity of adversely classified loans:

MODERATE – In 2020 management has added three loans to Harvest Worship Center as Special Mention. Due to the significant collateral value, no loss exposure is anticipated. Notwithstanding, to date there have not been any significant problems noted stemming from the COVID-19 business closures in the second quarter.



- **Qualitative Factor #6** – Changes in the quality of the institutions loan review system:

MINIMAL – The OCC has rated the bank’s asset/credit quality risk as satisfactory with a component rating of ‘2’ (stable risk), as of their most recent examination concluded in May 2020. Saltmarsh, Cleaveland, & Gund, CPA continues to conduct annual reviews of the bank’s loan portfolio. The most recent review was concluded as of March 2020. The final report concluded activity in this area was considered satisfactory, and no systemic or material concerns noted with underwriting or credit quality.

- **Qualitative Factor #7** – Changes in the value of the underlying collateral for collateral dependent loans;

MODERATE – As indicated under Qualitative Factor #2, while there are favorable factors affecting collateral values such as the noted increase in selling activity and stable employment, there is also a great deal of uncertainty in the housing and business markets stemming from the devastation created by Hurricane Michael in October 2018 and the current economic stress caused by Covid-19. The increase in the supply of distressed property, and the decrease in population (demand) and the temporary loss of employment noted in the second quarter may ultimately have a detrimental impact on collateral values.

- **Qualitative Factor #8** – Changes in the existence and effect of any concentrations of credit, and changes in the level of concentrations;

MINIMAL - The bank’s most recent quarterly concentrations did not identify any concentrations outside of established Board portfolio limits.

- **Qualitative Factor #9** – Changes in the effect of other external factors such as competition, legal, and regulatory requirements on the level of estimated credit losses in the institution’s existing portfolio;

HIGH – During the first quarter of 2020, qualitative factor #9 was increased significantly to compensate for the effects of Covid-19 stemming from the forced government shut-down of the economy. No additional increases were deemed necessary this quarter.

Management monitors national, regional, and local economic trends in order to make decisions concerning the qualitative factors. While several sources were considered in the assessment process, some of the more significant trends in the analysis are presented below:

Excerpts from the (January 2021) FRB “Beige Book” About National and Regional Economic Conditions:

Most Federal Reserve Districts reported that economic activity increased modestly since the previous Beige Book period, although conditions remained varied: two Districts reported little or no change in activity, while two others noted a decline. Reports on consumer spending were mixed. Some Districts noted declines in retail sales and demand for leisure and hospitality services, largely owing to the recent surge in COVID-19 cases and stricter containment measures. Most Districts reported an intensification of the ongoing shift from in-person shopping to online sales during the holiday season. Auto sales weakened somewhat since the previous report, while activity in the energy sector was said to have expanded for the first time since the onset of the pandemic. Manufacturing activity continued to recover in almost all Districts, despite increasing reports of supply chain challenges. Residential real estate activity remained strong, but accounts of weak conditions in commercial real estate markets persisted. Banking contacts saw little or no change in loan volumes, with some anticipating stronger demand from borrowers in coming months for new government-backed lending programs. Although the prospect of COVID-19 vaccines has bolstered business optimism for 2021 growth, this has been tempered by concern over the recent virus resurgence and the implications for near-term business conditions.

A majority of Districts reported that employment rose, although the pace was slow, and the recovery remained incomplete. However, a growing number of Districts reported a drop in employment levels relative to the previous reporting period. Labor demand was strongest in the manufacturing, construction, and transportation sectors, with some employers noting staffing shortages and difficulty attracting qualified workers, especially for entry-level and on-site positions. These hiring difficulties were exacerbated by the recent resurgence in COVID-19 cases and the resulting workplace disruptions in some Districts. Contacts in the leisure and hospitality sectors reported renewed employment cuts due to stricter containment measures. Firms in most Districts reported that wages increased modestly, as labor market conditions improved somewhat in some areas but generally remained weak. Employers in some Districts reported raising wages or offering more generous benefits, such as year-end bonuses and flexible work arrangements, to limit employee turnover.

Almost all Districts saw modest price increases since the last report, with growth in input prices continuing to outpace that of finished goods and services. Most notably, prices for construction and building materials, steel products, and shipping services were reported to have risen further. Contacts in several Districts noted an improved ability to raise final selling prices to consumers, especially in the retail, wholesale trade, and manufacturing sectors, and some cited plans to increase selling prices in coming months. Energy prices picked up in the reporting period but remained below pre-pandemic levels. Home prices continued to climb, driven by low inventories and rising construction costs.

In the Atlanta district, Economic activity expanded modestly. Labor markets were mixed. Some nonlabor costs continued to rise. On balance, retail sales were down. Tourism activity slowed. Residential real estate demand remained strong and home prices continued to rise. Challenges persisted in commercial real estate markets. Manufacturing activity rose. Conditions at financial institutions were stable.

Employment and Wages (Atlanta/Florida District):

On balance, contacts noted that employment levels and hours worked rose over the reporting period. However, labor conditions were strained in several parts of the District as COVID-19 cases rose and absenteeism slowed activity. Labor markets continued to remain bifurcated with low turn-over and small steady improvements occurring among higher skilled positions where most can work remotely, while markets for positions that require in-person work (many of which are low-skilled) were tighter and had higher turnover. Looking ahead, many employers anticipate adding to headcounts as the pandemic subsides and demand increases. However, because of efficiencies realized during the pandemic, staffing levels for some firms are not expected to return to pre-pandemic levels. Most contacts also agree that flexible work arrangements will be a part of their staffing model going forward, allowing them to retain and attract higher-quality talent, and for some, reducing their real estate footprint.

Despite high demand for low-skilled workers, most employers resisted raising wages, though many increased referral, signing, and productivity bonuses to attract and retain workers. The upward pressure on wages at the lower end of the pay-scale, along with challenges to sourcing the required skills, accelerated talks of increasing automation. In Florida, the majority of employers expect little impact from the mandated increases to minimum wage as market forces have already begun to push wages to \$15 per hour or will before the 2026 deadline.

Prices (Atlanta/Florida District):

Consistent with previous reports, input costs, particularly for lumber, aluminum, and steel, continued to rise notably. Transportation, shipping, and packaging costs increased as well. More contacts mentioned an ability to pass through increased costs to retailers and consumers. The Atlanta Fed's Business Inflation Expectations survey showed year-over-year unit costs increased significantly to 1.7 percent on average in December, up from 1.3 percent in November. Year-ahead expectations remained relatively unchanged at 2 percent.

Consumer Spending and Tourism (Atlanta/Florida District):

Retailers reported that, as expected, holiday sales were softer than in the previous year. Brick-and-mortar stores continued to struggle, while on-line sales were strong. Contacts expressed having little visibility into 2021 as some expect consumer spending behavior to change as a result of the pandemic. After experiencing a slight recovery in vehicle sales levels during the Fall, auto dealers reported softening demand through the end of the year, which was largely attributed to a resurgence in COVID-19 cases.

Travel and tourism activity softened since the previous report. Contacts noted that properties affected by recent hurricanes, primarily in Alabama, had not completed repairs as quickly as anticipated, which led to canceled reservations. Drive-to destinations across the District continued to experience solid activity; however, some contacts anticipate that surges in COVID-19 cases would dampen demand in the near term.

Construction and Real Estate (Atlanta/Florida District):

Home sales throughout the District remained strong as low interest rates continued to fuel demand. Existing home inventory remained extremely low in many markets, continuing to place upward pressure on home prices. The pace of new home construction continued to lag behind demand and lumber and labor costs remained a concern for builders. However, builders noted the ability to pass along rising costs to buyers through higher home prices. Though down from peak levels, mortgages either in forbearance or in delinquency remained elevated throughout the District, especially in rural areas of Alabama, Mississippi, and Louisiana, as well as urban markets in South and Central Florida, and North Georgia.

Commercial real estate (CRE) activity continued to be impacted by the pandemic. Hospitality, which was especially hard hit earlier in the year, experienced declining occupancies over the reporting period. The retail sector remained challenged due to a combination of rising ecommerce activity and an oversupply of retail space. Low levels of tourism and travel were reported as having a notable impact on activity across the hospitality and retail sectors. The number of new CRE borrowers seeking relief continued to moderate. Recent CRE asset valuations confirmed that values have deteriorated and may be creating impediments to new lending along with tighter underwriting standards.

Manufacturing and Transportation (Atlanta/Florida District):

Manufacturing contacts reported a moderate rise in overall business activity since the previous report. While new orders increased only slightly, production levels rose at a stronger pace. Contacts indicated that finished inventory levels had fallen, while purchasing managers described delivery times as getting somewhat longer. Expectations for future production levels increased notably, with over half of contacts expecting higher levels of production over the next six months.

Transportation firms reported increased levels of activity since the previous report. Freight forwarders experienced robust volumes and increased revenue due to sustained growth in ecommerce activity. Air

cargo contacts noted year-over-year revenue growth as capacity constraints pushed up rates and congestion in Asian seaports drove some cargo, particularly high-dollar goods, to air transportation. Distribution of the COVID-19 vaccine is expected to bolster activity for both air cargo carriers and freight forwarders in the near term. Railroads reported considerable improvements in total traffic, including double-digit growth in intermodal freight and increased shipments of grain, food products, non-metallic minerals, iron and steel scrap, and waste and nonferrous scrap. Nevertheless, some industry contacts do not expect a recovery to pre-pandemic levels until 2022 or beyond.

Banking and Finance (Atlanta/Florida District):

Conditions at financial institutions remained stable. Loan balances across most portfolios continued to trend downward, attributed to economic uncertainty, concerns about credit quality, and collateral valuations. Deposit levels remained elevated, and financial institutions continued to hold higher balances in cash accounts and their securities portfolios. Although a majority of loans modified earlier in the year have exited forbearance arrangements, credit quality did not significantly deteriorate. Still, financial institutions reported some higher noncurrent balances, primarily associated with residential mortgages.

Energy and Agriculture (Atlanta/Florida District):

Weak demand for crude oil, fuels, and other energy products persisted over the reporting period. Refinery output remained low, resulting in further consolidation among refiners. Industry contacts reported increasing optimism surrounding COVID-19 vaccine news, which has helped to strengthen crude oil prices, although concerns about oversupply diminished some of that confidence. While many planned petrochemical processing expansion projects and liquified natural gas export terminal construction projects remained stalled, some contacts reported renewed interest in moving projects forward. Within the utilities sector, contacts noted energy usage remained sensitive to COVID-19 conditions. Nevertheless, investments remained solid in renewables, grid modernization, and other infrastructure.

Agricultural conditions were mixed. While drought-free conditions prevailed in most of the District, some abnormally dry conditions were reported. Some counties in Alabama, Florida, Louisiana, and Tennessee were designated as natural disaster areas due to losses suffered from earlier hurricanes and storm damage. December production forecasts for Florida's orange and grapefruit crops were down from the previous report's forecasts and below last year's production. The USDA reported year-over-year prices paid to farmers in November were up for corn, cotton, and soybeans but down for rice, cattle, broilers and eggs while milk prices were unchanged. On a month-over-month basis, prices increased for corn, cotton, rice, soybeans, cattle, broilers, and milk but decreased for eggs.

National Banking Trends:

According to the Fall 2020 release of the OCC Semi-Annual Risk Perspective, the following trends were emerging in late 2020:

General Trends:

The COVID-19 pandemic and efforts to contain its spread in the United States triggered a historic economic downturn beginning in March 2020. Although real economic growth fell in the first quarter at a 5.0 percent annualized rate, the bulk of the contraction occurred in the second quarter, when U.S. real gross domestic product (GDP) contracted at an unprecedented annualized rate of 31.4 percent. The private service sector suffered the most, with massive job losses in high-touch industries, such as leisure, hospitality, and retail trade. For context, real GDP declined 10.1 percent between the fourth quarter of 2019 and the second quarter of 2020, compared with a peak-to-trough decline of 4.0 percent during the 2008–2009 recession.

The rebound in economic growth began in May 2020 when states implemented phased reopening plans that allowed some businesses to resume operations and rehire workers. Economic activity surged in May and June as consumers released pent-up demand and the economy regained 7.5 million jobs. The rebound, however, lost some momentum in late June and July when increases in COVID-19 cases caused southern and western states to pause or partially reverse their reopening plans. Nonetheless, economic growth sharply rebounded in the third quarter with historic GDP growth, resulting in GDP only slightly below first-quarter levels. Consumer spending and small business optimism increased sharply, reflecting improving economic confidence. The September 2020 unemployment rate of 7.9 percent was

down from the April 2020 peak of 14.7 percent, and the labor force participation rate of 61.4 percent, while well off its pre-pandemic level, was essentially flat with the June 2020 rate.

Residential housing has been resilient. U.S. residential investment boomed from rock bottom interest rates and a limited supply of homes. Housing starts are back to late 2019 levels. Existing and new single-family home sales are 4.1 percent and 41.2 percent above their February 2020 levels, respectively. National average single-family home prices continue to appreciate, although the pace of appreciation slowed. Two of the primary risks to the economic recovery are the virus's path and uncertainty around income support from government stimulus programs. The increase in COVID-19 cases over the summer showed that spikes in virus infections can slow economic activity when local authorities restrict business activity. If a second wave of cases occurs, states maintain or increase business restrictions, and concerned consumers pull back spending, the recovery's strength will diminish as incomes decline and businesses close.

At the onset of the COVID-19 pandemic, the government implemented strong fiscal and monetary policies to support the economy. Fiscal support programs under the CARES Act more than offset lost wages from unemployment, pushing U.S. personal income 10 percent higher in April 2020 compared with February 2020. The higher income, in turn, supported consumption and household debt service. Several CARES Act programs, however, have expired. The personal stimulus check program was a one-time benefit distributed mostly in April 2020. The \$600 per week supplemental unemployment insurance benefit program expired at the end of July 2020, and the PPP stopped accepting new applications in August 2020.

Financial Conditions Ease:

Fiscal and monetary policy stimulus helped mitigate some of the initial economic effects of the pandemic that affected financial markets in the first half of 2020. Equity and bond markets stabilized after declining sharply from highs set in the first quarter. The Federal Reserve continued to implement accommodative measures while communicating that policy rates will remain low through 2022. U.S. Treasury market volatility declined to pre-COVID-19 levels as measured by bid-ask spreads and options market indexes. Other measures of financial conditions continued to ease as benchmark equity indexes and other risk assets rose to all-time highs (see graph below). Tightening credit spreads accompanied the upward move in equity markets. Investment grade and high-yield corporate bonds witnessed a record amount of new issuance as borrowing costs fell to record lows. The combination of fiscal and monetary policy stimulus further supported market functioning and credit intermediation.



U.S. equity market volatility, measured by the S&P 500 Index, fell dramatically during the second and third quarter of 2020. Market participants increased allocations to riskier assets while continuing to absorb the rise in supply of safe assets. Risk repricing generally followed announcements by central banks to

establish or increase asset purchase programs, liquidity facilities, and direct lending. In wholesale funding markets, repo and U.S. dollar funding market liquidity improved following the Federal Reserve's introduction of facilities to improve liquidity conditions (e.g., swap lines and commercial paper facilities). Higher demand for U.S. Treasuries and fixed-income assets helped ease broad funding conditions in bond markets despite the rise in issuance. Areas of dislocation persist in some parts of the market as funding and credit conditions remain uncertain. For instance, higher-risk municipal bond indexes continue to trade off their pre-crisis peaks as risks remain despite more aggressive policy actions. As of early October 2020, equity markets have recovered from the COVID-19-related sell-off with the S&P 500 near record highs, although international equity indexes underperformed U.S. benchmarks.

Pandemic Significantly Alters Banking Environment With Related Decline in Economic Activity:

Before the onset of the COVID-19 pandemic and associated economic distress, bank balance sheets were in a strong position with historically high capital ratios and ample liquidity. These strong positions, as well as forbearance and monetary and fiscal policy measures, provide banks with greater resilience to manage through the pandemic. Risk-based ratios had increased over the past decade because of higher capital levels and lower risk in the system as measured by risk-weighted assets.

Bank liquidity levels are sound because of sharp increases in deposits due to a flight to quality by customers resulting in increased cash levels. The federal banking system's liquid assets² to total assets was at 15.3 percent at the end of 2019. Cash reserves created by the Federal Reserve injected additional liquidity, increasing cash balances by almost \$900 billion and raising the share of liquid assets to 22.5 percent as of June 2020.

The financial effects of the credit, strategic, operational, and compliance risks remain uncertain in the near-term as banks adapt to the effects of the COVID-19 pandemic. The declines resulted from continued pressure on NIM and a significant increase in provisions in the first half of 2020. Growth in provisioning was more pronounced for the system, driven by the largest banks that in first-quarter 2020 also had to recognize the impact from the implementation of the current expected credit loss (CECL) accounting standard, with an overall increase of 355 percent compared with 2019. For smaller banks, provisions increased 197 percent; charge-offs and provisions, however, tended to be more predominant in the fourth quarter. Noninterest income for smaller banks increased on gains from loan sales and fees from loan originations. In addition to gains on loan sales, larger banks also saw an increase in trading revenues.

Credit Risk Is Increasing:

Commercial, retail, and mortgage credit risks are increasing. Reduced business activities and record levels of unemployment have adversely affected customers' ability to service debts, and nonperforming loans have increased. Losses, however, have yet to fully materialize across many segments of the banking industry. The system-wide offering of proprietary relief and mandated programs coupled with unprecedented stimulus efforts is likely masking potential losses within the financial services industry.

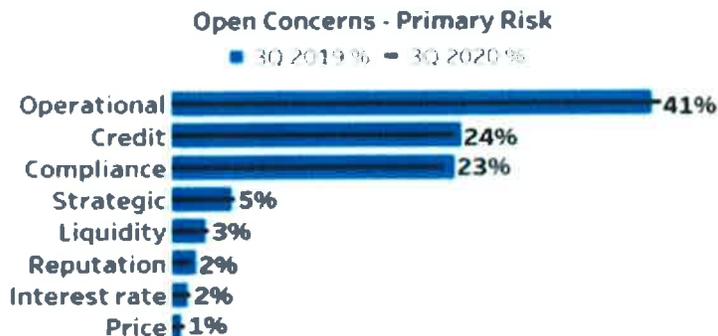
From a commercial lending perspective, challenges are present in most sectors. Businesses that were weak before the pandemic, including highly leveraged borrowers, are especially vulnerable. Commercial real estate, oil and gas, retail businesses, transportation, leisure and hospitality, and agricultural lending are areas of increasing risk exposure. Commercial borrowers' cash flows have been negatively affected, including businesses that do not offer telework flexibility (e.g., high-touch businesses such as retail and hospitality). As a result, levels of special mention and classified assets are increasing.

From a retail lending perspective, quickly emerging credit, operational, reputation, and compliance risks due to widespread COVID-19 crisis stay-at-home orders have resulted in rapidly increasing volumes of business service reductions/closures, unemployment claims, and mandatory (federal/state) or voluntary (financial institutions) payment, foreclosure, or repossession relief programs for all types of retail loans.

Outstanding MRA Concerns:

The OCC communicates supervisory concerns to a bank's board and management in the form of MRA concerns or enforcement actions (EA). Supervisory concerns include practices that deviate from sound governance, internal control, or risk management principles.¹⁵ Such deviations, if not addressed

appropriately, could adversely affect a bank's condition or risk profile, result in violations of laws or regulations, and result in EAs. The number of open MRAs is basically unchanged from the second quarter of 2019. The chart below shows the composition of outstanding MRA concerns.



Note: Figures do not add to 100 percent because of rounding.

Highlights of the November 2020 Florida Forecast:

Each quarter the University of Central Florida publishes their forecast for Florida and its metro areas using the resources available through the Institute for Economic Competitiveness, part of the College of Business Economics. In the most recent report published in November 2020, the following predictions were presented:

- The biggest threat to the state's economic recovery would be a reimplementing of the disastrous economic shutdowns.
- From 2020-2023, Florida's economy, as measured by real Gross State Product, will expand at an average annual rate of 1.5%. After contracting by 2.4% in 2020, real Gross State Product will rise by 4.9% in 2021.
- Payroll job growth in Florida will continue to outpace national job growth as the labor market climbs out of a deep hole. Year-over-year growth should average -0.6% in 2020, 5.6% in 2021, 2.6% in 2022, and 2.7% in 2023. Average job growth over the 2020-2023 period will be 1.9 percentage points faster than the national economy.
- Labor force growth in Florida will average 2.1% from 2020-2023. After 2020, strong payroll job creation will boost Florida's labor market recovery. The improved prospect of finding a job will bring more Floridians back to the hunt for employment, particularly those who dropped out as a result of the lockdowns and recession.
- The task to lower the state's unemployment rate will continue, and Florida's accelerating job creation will help. The unemployment rate jumped from 3.3% in 2019, to 8.5% in 2020, will fall to 5.5% in 2021, 3.5% in 2022, and 2.8% in 2023.
- The sectors expected to have the strongest average job growth during 2020-2023 are Financial Activities (7.1%), Education & Health Services (6.5%), Trade, Transportation & Utilities (6.1%), Professional & Business Services (4.7%), and Construction (2.0%).
- Housing starts will pick up going forward, but not fast enough to ease the large shortage of single-family housing in the short run. Total starts will be 139,438 in 2020; 134,329 in 2021; 132,969 in 2022 and 133,853 in 2023. House price appreciation will slowly decelerate over this period as supply catches up with strong demand.

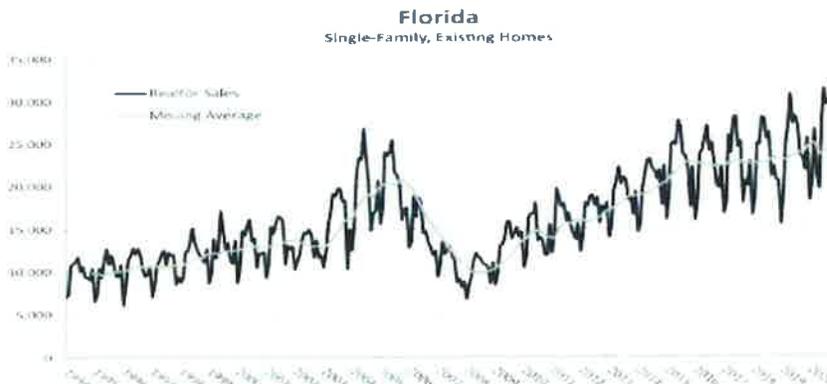
- Real personal income growth will average 1.3% during 2020-2023, starting with 3.3% growth in 2020, turning negative to -3.2% growth in 2021, accelerating to 2.3% in 2022, and then to 2.7% in 2023. Florida's average growth will be 0.4 percentage points lower than the national rate over that four-year span.
- Retail sales will grow at an average pace of over -2.4% during 2020-2023. After contracting year-over-year by 6.6% in 2020 and again in 2021, retail sales will grow at an average rate of 4.0% during 2022-2023.

Plummeting Inventories Fuel Double-digit Price Appreciation:

The September 2020 single-family home report released by Florida Realtors shows a market for existing housing that remains extremely tight, fueling rapid price appreciation that has pushed median prices \$42,200 above the peak price of the housing bubble in June 2006. The median sales price for single-family homes increased by \$35,000 in September 2020, year-over-year, and now stands at \$300,000 a year-over-year price appreciation of 13.2%. Price appreciation in the townhome/condominium market continues as well, with an increase in the median sales price by \$24,500, year-over-year, registering at \$217,500 in September of this year. This price increase represents a 12.7% increase in median prices year-over-year.

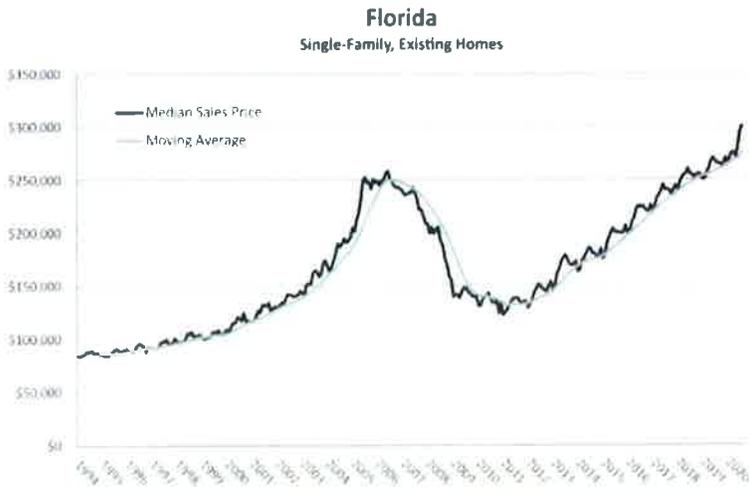
Inventories of single-family homes in June are down from a year ago, and are just 2.2 months of supply, indicating an inventory balance that continues to favor sellers in the single-family market, according to the Florida Realtors report. Inventories of condominiums fell to 5.1 months from 5.3 months back in September of 2019 to this June. This indicates that the condo market is still tilted in the seller's favor. Distressed sales of single-family homes in the form of short sales continue to plummet year-over-year (-20.5%), as have foreclosure/REO sales versus September 2019, which declined (-49.8%). Traditional sales are up 23.9% year-over-year versus September 2019. Distressed sales of condos in the form of short sales are still rapidly contracting year-over-year as well (-50.0%), and foreclosure/REO sales are down sharply from September 2019 (-44.8%). Traditional sales were up 27.2% in September 2020 when compared to September 2019.

In September 2020, the percentage of closed sales of single-family homes that were cash transactions stood at 21.5%. For condos, that figure is much higher, as 42.4% of all closings were cash transactions. Both markets' shares of cash transactions have declined year-over-year, which points to a diminishing role of cash investors in Florida's housing market. This is occurring despite a sharp COVID-19 related decline in mortgage availability year-over-year. The chart below depicts the monthly realtor sales of existing single-family homes as well as the 12-month moving average of these sales. This smoother moving average line levels out the seasonality and other statistical noise in monthly housing market data. Sales have been on a strong upward path, and the 12-month moving average and monthly sales have exceeded their peak value during the housing bubble. Sales growth coming out of the bottom has been on a stronger trend than the pre-bubble housing market, but over the past couple of years, the 12-month moving average flattened out before resuming its climb. This is a reflection of decreasing affordability in the face of the rapid price appreciation over the past several years and the depleted inventory of houses for sale.



The COVID-19 plunge in sales during April and May has pulled down the moving average in 2020, but the post-shutdown rebound has been strong. The housing market in Florida continues to be robust. Economic and job growth in Florida are forecasted to continue to outperform the U.S. labor market as the economy recovers from a self-inflicted recession. More baby boomers will reach the end of their working lives which bodes well for continued population growth via the in-migration of retirees and job seekers to Florida. We expect this upward trend in sales to continue as increases in the supply of new housing help ameliorate rapid price appreciation in an environment with recovering strength in the economic and demographic drivers of the demand for housing, as well as historically low mortgage rates despite declining mortgage availability.

The chart below displays median sales prices for existing single-family homes. Median sales prices continue to climb since bottoming out in 2011. The double-digit pace of price increases in 2016 and 2017 that eased in 2018 and in 2019 has again resumed in 2020. Over the past year, the 12-month moving average of median sales prices has risen by more than \$16,263.



Extremely low inventories of existing homes for sale and lagging housing starts growth contribute to an environment where home prices continue to rise. The shortage in the single-family market will be partially ameliorated as the pace of single-family housing starts to ramp up over the next several years. Single-family housing starts in 2023 are expected to increase by nearly 68% from 2014 levels.

Gross State Product:

We believe that public health lockdowns contributed to a plunge in real Gross State Product (GSP) in the 2nd quarter of 2020 by 8.2% year-over-year. For the full year 2020, we anticipate that real GSP will decline by 2.4% compared to 2019. This decline will be smaller than both of the declines that occurred during the Great Recession (-3.9% in 2008 and -5.5% in 2009.) The second quarter year-over-year decline in 2020 was steeper than any quarter during the Great Recession. Fortunately, the COVID-19 recession, while more severe than the last, was also very short-lived.

During 2020-2023, Florida's real GSP is expected to grow an average of 1.5% annually. This average growth includes a sharp contraction in 2020 followed by a sharp acceleration of growth in 2021 to 4.9% and average growth of 1.8% during 2022-2023. 2.6% growth from 2020 through 2023 is a slower pace for growth compared to the prior four years (when growth averaged 3.2%) thanks to COVID-19. This projected average rate of growth for Florida's economy over the next four years is slightly faster than the average of our forecasted real GDP growth for the U.S. economy over the same time frame (1.4%).

Housing prices have made substantial progress from the bottom of the housing crisis. During the crisis, median existing home prices fell to a low of \$122,200 but now stand at \$300,000. This ongoing price appreciation continues to improve household balance sheets in Florida. With the price appreciation to date, Florida has more than recovered the aggregate housing value lost during the housing market collapse. Housing prices plummeted from the median price high of \$257,800 in June of 2006.

In 2018, Florida's economy broke the \$1 trillion threshold with nominal Gross State Product (GSP) of \$1.036 trillion that increased to \$1.093 trillion in 2019, before falling to \$1.082 trillion in 2020, then rising again to \$1.1259 trillion in 2021, \$1.210 trillion in 2022 and \$1.2664 trillion in 2023.

Employment Forecast (near Panama City):

The Pensacola–Ferry Pass–Brent Metropolitan Statistical Area (MSA) is expected to see low levels of growth in most of the economic indicators, relative to the other areas studied. Personal income growth is expected to average 2.6 percent annually, the second lowest of the studied MSAs. The real per capita income level is expected to average \$42,900. The average annual wage growth rate should be 4.3 percent, while the average annual wage level is expected to be \$57,200. Population growth will be the second lowest of the MSAs at an average rate of 0.7 percent. The Gross Metro Product is expected to average \$18,058.59 million.

Employment growth is expected to average 1.6 percent each year. The unemployment rate will average 3.6 percent. The Professional & Business Services sector will be the fastest growing sector in Pensacola, with a 4.0 percent average annual growth rate. The Leisure and Hospitality sector will follow with an average growth rate of 3.9 percent. The Trade, Transportation and Utilities; Federal Government; and Manufacturing sectors will all experience contractions of -1.2, -0.8, and -0.6 respectively.

Local (Bay County) Real Estate Sales:

According to the November 2020 REAL Trend Report published by Metro Market Media, the number YTD of total single-family real estate sales was \$1.481 billion, up 21 percent from the same YTD period in 2019. Total condominium sales for (YTD) 2020 totaled \$634m up 19 percent over the same time frame. During this same year-to-date time frame foreclosures decreased 61 percent from \$15.4m to \$6m. Average monthly (12-month average) new housing permits remained in an upward trend when viewed over a 24-month period.

According to RealtyTrac, a firm that specializes in foreclosure sales, foreclosure activity is down 90 percent from a year ago. Similarly, bank owned properties are down 86.7 percent. According to Zillow.com, they indicated the average "home value" in Panama City (average all zip codes) was \$291k as of November 2020 which represents a 6.3 percent increase compared to the same period last year. This value was 9.2 percent higher than the average national "home value" (value was \$266k as of November).

While we still believe there is significant uncertainty of what might happen to the local economy, management remains cautiously optimistic that the worst of the COVID-19 lockdown effect occurred during the second quarter of 2020. Prior to the economic shut-down, the economic prospects for Bay county were very positive. After a significant deterioration in employment totals seen during the second quarter, the third quarter appears to have rebounded to near pre-pandemic levels. We believe the State of Florida as well as the Panama City market could experience a reasonably fast recovery in light of the Governor's early action to open businesses rather than remain in continuous lock-down state. According to the Bay County Association of Realtors, closed sales have increased while new listings decreased approximately 3 percent. The "months supply of inventory" over this period has decreased 22 percent from 4 months to 3.1. With decreased inventory, growth in prices will likely increase in the foreseeable future as it has in the last two years. We noted that the average home sales price increased 13 percent to \$211k for the month of December 2020 when compared to the same time in 2019. Local inventory still includes properties that have significant damage from Hurricane Michael. While we still believe there is uncertainty in what might happen to the real estate market due to the pandemic and related economic uncertainty, we believe the worst part may be behind us.

Local (Bay County) Employment Trends:

Bay county's unemployment rate as of November 2020 was 5.1 percent. This was a significant improvement over the 7.5 percent rate noted during the previous quarter, which was caused by the temporary business closures surrounding Covid-19. Prior to this, unemployment had improved steadily from the 6.8 percent peak noted in November 2018 (post hurricane Michael), to a low of approximately 3.5 percent in February 2020. Based on recent events, management is cautiously optimistic about the short and long-term impact on employment caused by the recent economic shutdown. Many of the small businesses that employed about 30 percent of the workers in the county had been forced to close earlier

in the year but have since reopened. Bay county real estate market has rebounded following a brief slow-down following a long period of stability. Between YTD December 2020 and the same period in 2019, real estate sales by dollar volume increased 13.9 percent.

According to the University of Central Florida "Florida & Metro Forecast", published in November 2020, they concluded that "The sectors expected to have the strongest average job growth during 2020-2023 are Financial Activities (7.1%), Education & Health Services (6.5%), Trade, Transportation & Utilities (6.1%), Professional & Business Services (4.7%), and Construction (2.0%)."

According to the Bay County Chamber of Commerce, the top 15 employers represented by the following list provide approximately half the jobs in Bay county. According to recent news reports there are no plans for any of these companies to either leave the area or scale back their workforce.

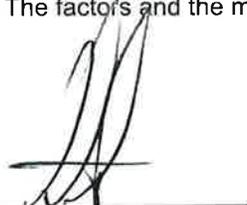
1) Tyndall Air Force Base	6416
2) Naval Support Activity (NSA PC)	4931
3) Bay District Schools	3943
4) Bay Medical Sacred Heart	1864
5) TRANE	807
6) Goodwill Industries – Big Bend	800
7) Eastern Shipbuilding Group	746
8) Gulf Coast Regional Medical Center	690
9) Edgewater Beach & Gulf Resort	650
10) Bay County Government	636
11) City of Panama City	557
12) Bay County Sheriff's Office	522
13) WestRock	470
14) Berg Steel Pipe Corp.	405
15) Gulf Coast State College	400

Conclusion:

The trends noted above suggest a continuing improvement trend from the second quarter in 2020. Management remains cautious but optimistic that the markets that First National Bank Northwest Florida serves are likely to remain economically stable in the foreseeable future. Out of an abundance of caution, the qualitative factor changes implemented during the second quarter should remain in effect in the event a second wave of government-mandated shut-downs is required. We believe that Florida was spared significant economic impact caused by business closures due to the Governor's prompt actions.

Based on current ratios, the amount of reserves determined to be unallocated (surplus reserve) would decrease by approximately \$8,047 to a balance of \$347,676 placing the actual reserve/loans ratio at 1.74 percent (See page 1 of the attached ALLLR worksheet). This ratio remains significantly higher than the required ratio of 1.26 percent of outstanding loans.

Management continues to provide the necessary reserves for potential losses the bank may incur in the loan portfolio. The factors and the methodology used to calculate reserves were still considered adequate.



Steven Dvorak
Vice President Credit Administration
January 19, 2021

**Commercial Real Estate
Concentration of Credit Risk**

2020

Supervisory Criteria-#1				
Total Reported Loans for Construction, Land Development, & Other Land Loans represent 100 percent or more of the institutions's total risk based capital:				
Year	2020			
Call Report Date	31-Dec	30-Sep	30-Jun	31-Mar
Call Report RC-C line 1a -(1) 1-4 Family	706	2,086	2,675	2,739
*+Adjustment for Unfunded Commitments (RC-L 1.c.(1)(a))	-	1,938	50	108
Call Report RC-C line 1a -(2) Other Const & Land Dev & Other Land	3,638	4,277	3,864	4,396
*+Adjustment for Unfunded Commitments (RC-L 1.c.(1)(b))	1,156	1,683	2,870	2,500
Call Report RC-R line 47 Total Risk-Based Capital	20,767	20,429	20,144	19,870
Percent of Total Risk-Based Capital	26.5%	48.9%	47.0%	49.0%
Target - less than 100% more than 100%	26.5%	48.9%	47.0%	49.0%
A green figure indicates pass & a red figure indicates fail				

OR

Supervisory Criteria-#2				
Total Commercial Real Estate Loans, as defined by guidance, represent 300 percent or more of the institutions's total risk-based capital, AND the outstanding balance of the institution's Commercial Real Estate Loan portfolio has increased by 50 percent or more during the prior 36 months.				
Year	2020			
Call Report Date	31-Dec	30-Sep	30-Jun	31-Mar
Call Report RC-C line 1a -(1) 1-4 Family	706	2,086	2,675	2,739
*+Adjustment for Unfunded Commitments (RC-L 1.c.(1)(a))	-	1,938	50	108
Call Report RC-C line 1a -(2) Other Const & Land Dev & Other Land	3,638	4,277	3,864	4,396
*+Adjustment for Unfunded Commitments (RC-L 1.c.(1)(b))	1,156	1,683	2,870	2,500
Call Report RC-C line 1d Secured by Multi-Family Residential Properties	110	113	116	119
Call Report RC-C line 1e (1) Owner Occupied Nonfarm Nonresidential	15,855	16,540	17,486	19,902
Call Report RC-C line 1e (2) Other Nonfarm Nonresidential	22,390	18,958	18,837	19,282
Total Commercial Real Estate Loan Portfolio	43,855	45,595	45,898	49,046
Total Commercial Real Estate Loan Portfolio Excluding Owner Occupied Nonfarm Nonresidential Properties RC-C M10a	28,000	29,055	28,412	29,144
Call Report RC-R line 47 Total Risk-Based Capital	20,767	20,429	20,144	19,870
Percent of Total Risk-Based Capital	134.8%	142.2%	141.0%	146.7%
Target - less than 300% more than 300%	134.8%	142.2%	141.0%	146.7%
A green figure indicates pass & a red figure indicates fail				
AND				
If the Target is greater than 300%, - has the portfolio had 50% or more increase during the prior 36 months.				
Call Report Date	31-Dec	30-Sep	30-Jun	31-Mar
Increase/Decrease during prior 36 months.	-11.65%	-1.49%	-5.56%	-5.13%
A green figure indicates a decrease in portfolio & a red figure indicates an increase in portfolio. There is a FAIL when the increase is 50% or more.				

FIRST NATIONAL BANK NORTHWEST FLORIDA
ALLOWANCE FOR LOAN LOSS ANALYSIS
 December 31, 2020

Pools of Loans		Analysis of Total Loans			Loss and Environmental Factors			Reserves Needed per Pool			
RC-C	LOAN POOL TYPE	Total Loans by Pool	Non-Impaired Loans under ASC 310 (FAS 114)	Impaired Loans under ASC 310 (FAS 114)	Total Loans under ASC 450 (FAS 5)	5 Year Historical Loss Average	Environmental Loss Factor	Factor %	Allowance under ASC 450 (FAS 5)	Specific Reserves under ASC 310 (FAS 114)	Total required reserve
1.a.1	1-4 family residential construction loans	\$ 706,000	\$ -	\$ -	\$ 706,000	0.000%	1.2800%	1.280%	\$ 9,037	\$ -	\$ 9,037
1.a.2	Other Construction Lns, Land Development and other Land Loans	\$ 3,637,000	\$ -	\$ 950,000	\$ 2,687,000	0.000%	1.2800%	1.280%	\$ 34,394	\$ -	\$ 34,394
1.b	Secured by farmland	\$ 918,000	\$ -	\$ -	\$ 918,000	0.000%	1.2800%	1.280%	\$ 11,750	\$ -	\$ 11,750
1.c.1	Revolving, Open-ended loans secured by 1-4 Family Residential Prop.	\$ 308,000	\$ -	\$ -	\$ 308,000	0.000%	1.2800%	1.280%	\$ 3,942	\$ -	\$ 3,942
1.c.2.a	Secured by 1-4 Family 1st lien Prop.	\$ 14,936,000	\$ -	\$ -	\$ 14,936,000	0.000%	1.2800%	1.280%	\$ 191,181	\$ -	\$ 191,181
1.c.2.b	Secured by 1-4 Family Junior lien Prop.	\$ -	\$ -	\$ -	\$ -	0.000%	1.2800%	1.280%	\$ -	\$ -	\$ -
1.d	Secured by Multifamily (5 or more) Residential Properties	\$ 110,000	\$ -	\$ -	\$ 110,000	0.000%	1.2800%	1.280%	\$ 1,408	\$ -	\$ 1,408
1.e.1	Loans secured by Owner occupied Non-Residential prop.	\$ 15,855,000	\$ -	\$ 195,566	\$ 15,659,434	0.000%	1.2800%	1.280%	\$ 200,441	\$ -	\$ 200,441
1.e.2	Loans secured by Non-Owner occupied , Non-farm, non-residential prop.	\$ 22,201,000	\$ -	\$ -	\$ 22,201,000	0.000%	1.2800%	1.280%	\$ 284,173	\$ -	\$ 284,173
4	Commercial and Industrial Loans	\$ 12,894,000	\$ -	\$ -	\$ 12,894,000	0.000%	1.2800%	1.280%	\$ 165,043	\$ -	\$ 165,043
6.d	Other Consumer Loans	\$ 51,000	\$ -	\$ -	\$ 51,000	0.000%	1.2800%	1.280%	\$ 653	\$ -	\$ 653
8	Obligations of State & Political Subdivisions in US	\$ -	\$ -	\$ -	\$ -	0.000%	1.2800%	1.280%	\$ -	\$ -	\$ -
9	All Other loans	\$ 5,000	\$ -	\$ -	\$ 5,000	0.000%	1.2800%	1.280%	\$ 64	\$ -	\$ 64
	Substandard - NOT IMPAIRED		\$ -					15.000%			\$ -
	TOTAL	\$ 71,621,000		\$ 1,145,566	\$ 70,475,434				\$ 902,086	\$ -	\$ 902,085.56

ALLLR per Statement of Condition: **\$ 1,249,762**

Excess / (Shortfall) **\$347,676.32**

Actual ALLL to Loans: **1.74%**

Required ALLL to Loans: **1.26%**

FIRST NATIONAL BANK NORTHWEST FLORIDA
QUALITATIVE ENVIRONMENTAL FACTORS FOR LOAN LOSS CALCULATION
 December 31, 2020

<u>Loan pools evaluated under ASC 450:</u>		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	Qualitative Factors
RC-C												
1.a.1	1-4 family residential construction loans	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.a.2	Other construction loans and all land development and other land loans	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.b	Secured by farmland	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.c.1	Revolving, Open-ended loans secured by 1-4 family residential properties	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.c.2.a	Secured by 1st liens	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.c.2.b	Secured by junior liens	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.d	Secured by Multifamily (5 or more) residential properties	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.e.1	Loans secured by owner occupied non-residential properties	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
1.e.2	Loans secured by other nonfarm nonresidential properties	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
4	Commercial and Industrial Loans	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
6.d	Other consumer loans	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
8	Obligations of states and political subdivisions in the U.S	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
9	All other loans	0.0100%	0.0700%	0.0100%	0.0100%	0.0300%	0.0100%	0.0800%	0.0100%	1.0000%	0.0500%	1.2800%
Totals per Environmental & Qualitative Factors		0.13%	0.91%	0.13%	0.13%	0.39%	0.13%	1.04%	0.13%	13.00%	0.65%	16.64%

The Bank has established the .01% as the base line for all categories except factor #10. The Bank will adjust the range from a base of .01% to a high of .05% based on forecasted increases in risk each quarter. Upper limit may be increased if noted patterns continue.

Environmental & Qualitative Factors:

- (1) Changes in lending policies and procedures, including changes in underwriting standards and collection, charge-off, and recovery practices not considered elsewhere in estimating credit losses.
- (2) Changes in international, national, regional, and local economic and business conditions and developments that affect the collection of the portfolio, including the condition of various market segments.
- (2) Changes in economic and business conditions and developments that affect the collection of the portfolio, including the condition of various market segments.
- (3) Changes in the nature and volume of the portfolio and in the terms of loans.
- (4) Changes in the experience, ability, and depth of lending management and other relevant staff.
- (5) Changes in the volume and severity of past due loans, the volume of nonaccrual loans, and the volume and severity of adversely classified or graded loans.
- (6) Changes in the quality of the institution's loan review system.
- (7) Changes in the value of underlying collateral for collateral-dependent loans.
- (8) Changes the existence and effect of any concentrations of credit, and changes in the level of such concentrations.
- (9) Changes in the effect of other external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the institution's existing portfolio.
- (10) Changes in the effect of other factors unique to First National Bank Northwest Florida as determined by management.

FIRST NATIONAL BANK NORTHWEST FLORIDA
ALLOWANCE FOR LOAN AND LEASE LOSS CALCULATION
 December 31, 2020

Not Impaired Loans Under ASC 310 (FAS 114)

Borrower Name	Loan Type	Loan #	Principal Balance
	(1.a.1) 1-4 family residential construction loans		\$ -
	(1.a.1) 1-4 family residential construction loans		\$ -
		Total:	\$ -
	(1.a.2) Other construction loans, land development and other land loans		\$ -
	(1.a.2) Other construction loans, land development and other land loans		\$ -
		Total:	\$ -
	(1.b) Loans secured by farmland		\$ -
	(1.b) Loans secured by farmland		\$ -
		Total:	\$ -
	(1.c.1) Revolving, Open-ended loans secured by 1-4 family residential prop.		\$ -
	(1.c.1) Revolving, Open-ended loans secured by 1-4 family residential prop.		\$ -
		Total:	\$ -
	(1.c.2.a) Secured by 1st liens		\$ -
	(1.c.2.a) Secured by 1st liens		\$ -
		Total:	\$ -
	(1.c.2.b) Secured by junior liens		\$ -
	(1.c.2.b) Secured by junior liens		\$ -
		Total:	\$ -
	(1.d) Secured by Multifamily (5 or more) residential properties		\$ -
	(1.d) Secured by Multifamily (5 or more) residential properties		\$ -
		Total:	\$ -
	(1.e.1) Lns secured by Owner occupied non-farm, non-resid. Prop.		\$ -
	(1.e.1) Lns secured by Owner occupied non-farm, non-resid. Prop.		\$ -
		Total:	\$ -
	(1.e.2) Loans secured by Non-owner occupied, non-farm, non-resid. Prop.		\$ -
	(1.e.2) Loans secured by Non-owner occupied, non-farm, non-resid. Prop.		\$ -
		Total:	\$ -
	(4) Commercial and Industrial Loans		\$ -
	(4) Commercial and Industrial Loans		\$ -
		Total:	\$ -
	(6.d) Other consumer loans		\$ -
	(6.d) Other consumer loans		\$ -
		Total:	\$ -
	(8) Obligations of State & Political Subdivisions in US		\$ -
	(8) Obligations of State & Political Subdivisions in US		\$ -
		Total:	\$ -
	(9) All other loans		\$ -
	(9) All other loans		\$ -
		Total:	\$ -
		Grand Total:	\$ -

Total Non-Impaired Loans Under FAS 114

** Denotes Trouble Debt Restructure (TDR)
 → Denotes loan is in legal/foreclosure

FIRST NATIONAL BANK NORTHWEST FLORIDA
ALLOWANCE FOR LOAN AND LEASE LOSS CALCULATION
 December 31, 2020

Impaired Loans Under ASC 310 (FAS 114)

Borrower Name	Loan Type	Loan #	Principal Balance	Impairment Date	Identified Impairment Amount
	(1.a.1) 1-4 family residential construction loans		\$ -		\$ -
	(1.a.1) 1-4 family residential construction loans		\$ -		\$ -
		Total:	\$ -		\$ -
D&H Properties, LLC	(1.a.2) Other Const. loans, A&D loans, other land loans		\$ 950,000.00	06/30/19	\$ -
	(1.a.2) Other Const. loans, A&D loans, other land loans		\$ -		\$ -
		Total:	\$ 950,000.00		\$ -
	(1.b) Secured by farmland		\$ -		\$ -
	(1.b) Secured by farmland		\$ -		\$ -
		Total:	\$ -		\$ -
	(1.c.1) Revolving, Open-ended lns sec. by 1-4 family resid. prop.		\$ -		\$ -
	(1.c.1) Revolving, Open-ended lns sec. by 1-4 family resid. prop.		\$ -		\$ -
		Total:	\$ -		\$ -
	(1.c.2.a) Secured by 1st liens		\$ -		\$ -
	(1.c.2.a) Secured by 1st liens		\$ -		\$ -
		Total:	\$ -		\$ -
	(1.c.2.b) Secured by junior liens		\$ -		\$ -
	(1.c.2.b) Secured by junior liens		\$ -		\$ -
		Total:	\$ -		\$ -
	(1.d) Secured by Multifam (5 or more) resid. Prop.		\$ -		\$ -
	(1.d) Secured by Multifam (5 or more) resid. Prop.		\$ -		\$ -
		Total:	\$ -		\$ -
Jones, Gaglio & Dennis PA	(1.e.1) Lns sec. by owner occupied non-resid. properties		\$ 195,565.58	09/30/19	\$ -
	(1.e.1) Lns sec. by owner occupied non-resid. properties		\$ -		\$ -
		Total:	\$ 195,565.58		\$ -
	(1.e.2) Lns sec. by Non-owner occupied, non-farm, non-resid. Prop.		\$ -		\$ -
	(1.e.2) Lns sec. by Non-owner occupied, non-farm, non-resid. Prop.		\$ -		\$ -
		Total:	\$ -		\$ -
	(4) Commercial and Industrial Loans		\$ -		\$ -
	(4) Commercial and Industrial Loans		\$ -		\$ -
		Total:	\$ -		\$ -
	(6.d) Other consumer loans		\$ -		\$ -
	(6.d) Other consumer loans		\$ -		\$ -
		Total:	\$ -		\$ -
	(8) Obligations of State & Political Subdivisions in US		\$ -		\$ -
	(8) Obligations of State & Political Subdivisions in US		\$ -		\$ -
		Total:	\$ -		\$ -
	(9) All other loans		\$ -		\$ -
	(9) All other loans		\$ -		\$ -
		Total:	\$ -		\$ -
Total Impaired Loans Under FAS 114		Grand Total:	\$ 1,145,565.58		\$ -

** Denotes Trouble Debt Restructure (TDR)
 → Denotes loan is in legal/foreclosure

Bank Secrecy Act (BSA) Risk Assessment

Completed by:

Steven Dvorak

Date:

9/30/2020

Quantity of BSA Risk is:

Low	Moderate	High	Comments
			Based on the factors addressed below.

Quality of BSA Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments
				Based on the factors addressed below.

Aggregate BSA Risk is:

Low	Moderate	High	Comments
			Based on the factors addressed below.

The Direction is expected to be:

Decreasing	Stable	Increasing	Comments
			Based of the factors addressed below.

Quantity of BSA/AML/OFAC Risk Indicators

BSA/AML/OFAC Risk Indicators

Low	Moderate	High	Comments																		
Stable, known customer base.	Customer base increasing due to branching, merger, or acquisition.	Large and growing customer base in a wide and diverse geographic area.	The bank's customer base for transaction (deposit) accounts is stable and slow-growing. During 12-month period ended 9/30/20 the bank's customer base increased by approximately 3.3% in number and only 6% based on deposit balance. Approximately 56.3 percent of all transaction accounts have been open over 5 years. The increase in deposit activity was due primarily to the extraordinary receipt of insurance proceeds stemming from hurricane Michael and COVID-19 stimulus payments.																		
No e-banking or Web site is informational or nontransactional.	Bank offers limited products and services.	Bank offers a wide array of e-banking products and services (e.g., account transfers, e-bill payment, or accounts opened via the Internet).	<p>The bank offers a full line of e-banking products and services with moderate or limited customer participation. The website the bank owns is informational and non-transactional. Notwithstanding, transactional (online) services are processed through a link to "CSPI Aurora Online Banking," a third party vendor affiliated with the bank's core provider, Shazam. CSPI provides online access, mobile access, and telephone for interested customers with prior authorization by the bank as well as the completion of specific legal forms. P2P transfers are also available using Shazam Brella. This is a limited P2P platform that allows transfers only to other Shazam Brella users and only if they are debit card holders as transfers are made through the regular EFTPOS system.</p> <p>The site host (Aurora) is required to audit each year according to guidelines outlined in Statement on Standards for Attestation Engagements (SSAE) No. 16. As of review date the bank had 394 customers which represented approx. 27.5% of all transaction accounts. This remains similar to last year's 27% of total transaction accounts.</p> <p>The business Remote Deposit Capture (RDC) option is also very limited. This feature is mitigated by requiring a static IP address, properly configured software, duplicate monitoring by Bookkeeping, and proper legal documentation. The bank only has 3 customers with 20 deposit accounts with RDC capabilities. Last year the same number of customers had 18 accounts with RDC.</p>																		
On the basis of information received from the BSA-reporting database, there are few or no large currency or structured transactions.	On the basis of information received from the BSA-reporting database, there is a moderate volume of large currency or structured transactions.	On the basis of information received from the BSA-reporting database, there is a significant volume of large currency or structured transactions.	The bank has a high but stable volume of large currency transaction reports in the most recent year. During the 12-month period ended September 2020 the volume of CTRs was 175 which was slightly lower than 2019 which had 184. The five-year average in 2020 was 123. This activity volume was unusually high and distorted due to the effects of hurricane Michael and the high number of transient construction workers in Bay county during the 12-month period following the disaster. This pattern appeared reasonable given the high volume of cash activity in many of the commercial business accounts maintained at the bank. As indicated earlier, management does actively pursue commercial lending, which leads to high number of commercial deposit accounts.																		
A few high-risk customers and businesses	A moderate number of high-risk customers and businesses.	A large number of high-risk customers and businesses.	<p>As of September 2020, the bank had 14 deposit accounts that were either classified as "moderate" or "high" risk based on the latest month-end dynamic risk model report. These accounts included both commercial and retail customers as follows:</p> <table border="0"> <tr> <td>(# of Accts)</td> <td>\$ Balance</td> <td>(% of Total Dep)</td> </tr> <tr> <td>Commercial High(1)</td> <td>\$74,704.80</td> <td>(0.1%)</td> </tr> <tr> <td>Commercial Mod(10)</td> <td>\$3,136,222.45</td> <td>(2.1%)</td> </tr> <tr> <td>Retail High(0)</td> <td>\$</td> <td>(0.0%)</td> </tr> <tr> <td>Retail Mod(3)</td> <td>\$318,077.81</td> <td>(0.2%)</td> </tr> <tr> <td>Total(14)</td> <td>\$3,529,005.06</td> <td>(2.4%)</td> </tr> </table> <p>Following conversion to a new core processor (Shazam) in 2017 the BSA officer adopted a dynamic risk model which looks at ongoing monthly patterns of activity. In this manner the high-risk customer list changes monthly rather than annually.</p> <p>The bank is able to mitigate the risks associated with these customers through the existence of written policies and procedures such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, BSA Program as well as other automated monitoring tools.</p>	(# of Accts)	\$ Balance	(% of Total Dep)	Commercial High(1)	\$74,704.80	(0.1%)	Commercial Mod(10)	\$3,136,222.45	(2.1%)	Retail High(0)	\$	(0.0%)	Retail Mod(3)	\$318,077.81	(0.2%)	Total(14)	\$3,529,005.06	(2.4%)
(# of Accts)	\$ Balance	(% of Total Dep)																			
Commercial High(1)	\$74,704.80	(0.1%)																			
Commercial Mod(10)	\$3,136,222.45	(2.1%)																			
Retail High(0)	\$	(0.0%)																			
Retail Mod(3)	\$318,077.81	(0.2%)																			
Total(14)	\$3,529,005.06	(2.4%)																			

Bank Secrecy Act (BSA) Risk Assessment

Completed by:

Steven Dvorak

Date:

9/30/2020

Quantity of BSA Risk is:

Low	Moderate	High	Comments
			Based on the factors addressed below.

Quality of BSA Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments
				Based on the factors addressed below.

Aggregate BSA Risk is:

Low	Moderate	High	Comments
			Based on the factors addressed below.

The Direction is expected to be:

Decreasing	Stable	Increasing	Comments
			Based of the factors addressed below.

Quantity of BSA/AML/OFAC Risk Indicators

BSA/AML/OFAC Risk Indicators

Low	Moderate	High	Comments
Stable, known customer base.	Customer base increasing due to branching, merger, or acquisition.	Large and growing customer base in a wide and diverse geographic area.	The bank's customer base for transaction (deposit) accounts is stable and slow-growing. During 12-month period ended 9/30/20 the bank's customer base increased by approximately 3.3% in number and only 6% based on deposit balance. Approximately 56.3 percent of all transaction accounts have been open over 5 years. The increase in deposit activity was due primarily to the extraordinary receipt of insurance proceeds stemming from hurricane Michael and COVID-19 stimulus payments.
No e-banking or Web site is informational or nontransactional.	Bank offers limited products and services.	Bank offers a wide array of e-banking products and services (e.g., account transfers, e-bill payment, or accounts opened via the Internet).	<p>The bank offers a full line of e-banking products and services with moderate or limited customer participation. The website the bank owns is informational and non-transactional. Notwithstanding, transactional (online) services are processed through a link to "CSPI Aurora Online Banking," a third party vendor affiliated with the bank's core provider, Shazam. CSPI provides online access, mobile access, and telephone for interested customers with prior authorization by the bank as well as the completion of specific legal forms. P2P transfers are also available using Shazam Brella. This is a limited P2P platform that allows transfers only to other Shazam Brella users and only if they are debit card holders as transfers are made through the regular EFTPOS system.</p> <p>The site host (Aurora) is required to audit each year according to guidelines outlined in Statement on Standards for Attestation Engagements (SSAE) No. 16. As of review date the bank had 394 customers which represented approx. 27.5% of all transaction accounts. This remains similar to last year's 27% of total transaction accounts.</p> <p>The business Remote Deposit Capture (RDC) option is also very limited. This feature is mitigated by requiring a static IP address, properly configured software, duplicate monitoring by Bookkeeping, and proper legal documentation. The bank only has 3 customers with 20 deposit accounts with RDC capabilities. Last year the same number of customers had 18 accounts with RDC.</p>
On the basis of information received from the BSA-reporting database, there are few or no large currency or structured transactions.	On the basis of information received from the BSA-reporting database, there is a moderate volume of large currency or structured transactions.	On the basis of information received from the BSA-reporting database, there is a significant volume of large currency or structured transactions.	The bank has a high but stable volume of large currency transaction reports in the most recent year. During the 12-month period ended September 2020 the volume of CTRs was 175 which was slightly lower than 2019 which had 184. The five-year average in 2020 was 123. This activity volume was unusually high and distorted due to the effects of hurricane Michael and the high number of transient construction workers in Bay county during the 12-month period following the disaster. This pattern appeared reasonable given the high volume of cash activity in many of the commercial business accounts maintained at the bank. As indicated earlier, management does actively pursue commercial lending, which leads to high number of commercial deposit accounts.
A few high-risk customers and businesses	A moderate number of high-risk customers and businesses.	A large number of high-risk customers and businesses.	<p>As of September 2020, the bank had 14 deposit accounts that were either classified as "moderate" or "high" risk based on the latest month-end dynamic risk model report. These accounts included both commercial and retail customers as follows:</p> <p>(# of Accts)\$ Balance(% of Total Dep)</p> <p>Commercial High(1)\$74,704.80(0.1%)</p> <p>Commercial Mod(10)\$3,136,222.45(2.1%)</p> <p>Retail High(0)\$ 0(0.0%)</p> <p>Retail Mod(3)\$318,077.81(0.2%)</p> <p>Total(14)\$3,529,005.06(2.4%)</p> <p>Following conversion to a new core processor (Shazam) in 2017 the BSA officer adopted a dynamic risk model which looks at ongoing monthly patterns of activity. In this manner the high-risk customer list changes monthly rather than annually.</p> <p>The bank is able to mitigate the risks associated with these customers through the existence of written policies and procedures such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, BSA Program as well as other automated monitoring tools.</p>

Low	Moderate	High	Comments
<p>Bank has no overseas branches and no foreign correspondent financial institution accounts. Bank does not engage in pouch activities, offer special-use accounts, or offer payable through accounts (PTA), or provide U.S. dollar draft services.</p>	<p>Bank has overseas branches or a few foreign correspondent financial institution accounts, typically with financial institutions with adequate AML policies and procedures from low-risk countries, and minimal pouch activities, special-use accounts, PTAs, or U.S. dollar draft services.</p>	<p>Bank has overseas branches or maintains a large number of foreign correspondent financial institution accounts with financial institutions with inadequate AML policies and procedures, particularly those located in high-risk jurisdictions, or offers substantial pouch activities, special-use accounts, PTAs, or U.S. dollar draft services.</p>	<p>In addition to the Main Office, the bank has only one additional branch located approximately 10 miles apart. Both locations are in Bay County, Florida, which is part of the Panama City MSA. The population for the county as of 2019 was 174,705 or 230 persons per square mile. There were 104,764 housing units for an average density of 138 per square mile. The racial makeup of the county was 71.9% White, 20.8% Black or African American, 0.2% Native American, 2.0% Asian, .2% Pacific Islander, 3.5% from other races, and 8.1% of the population were Hispanic or Latino.</p>
<p>Few international accounts or very low volume of currency activity in the accounts.</p>	<p>Moderate level of international accounts with unexplained currency activity.</p>	<p>Large number of international accounts with unexplained currency activity.</p>	<p>The bank has 9 foreign customers with active deposit accounts. Of these 7 belong to Canadians, one from the Ukraine, and the last from the Bahamas. Most appeared to belong to retirees with local vacation homes, with one belonging to a local hotel owner. Cash activity was considered nominal for the type of customer.</p> <p>The bank had no commercial accounts with known ties to foreign commercial businesses. During the 12-month period ended September 2020, year only 9 foreign wires were originated. These were unique, isolated transactions no unusual pattern noted.</p>
<p>Bank offers limited or no private banking services or trust and asset management products or services.</p>	<p>Bank offers limited domestic private banking services or trust and asset management products or services over which the bank has investment discretion. Strategic plan may be to increase trust business.</p>	<p>Bank offers significant domestic and international private banking or trust and asset management products or services. Private banking or trust and asset management services are growing. Products offered include investment management services, and trust accounts are predominantly nondiscretionary versus where the bank has full investment discretion.</p>	<p>The bank does not offer private banking nor trust services. Nor does it offer US Dollar drafts, payable through accounts, or pouch activities.</p>
<p>Limited number of funds transfers for customers, noncustomers; limited third-party transactions, and no foreign funds transfers.</p>	<p>Moderate number of funds transfers. Few international funds transfers from personal or business accounts with typically low-risk countries.</p>	<p>Large number of noncustomer funds transfer transactions and payable upon proper identification (PUPID) transactions. Frequent funds from personal or business accounts to or from high-risk jurisdictions, and financial secrecy havens or jurisdictions and financial secrecy havens or</p>	<p>Activity under this risk factor was limited. The bank has only 9 foreign customers with active deposit accounts and processed only 9 wires outside of the US during the 12-month period ended September 2020. Additionally, it had no customers that were politically exposed persons (PEP's) outside of the US. Another mitigating factor was the bank's stable customer base of which approximately 56.3 percent were customers for over 5 years.</p>

Bank Secrecy Act (BSA) Risk Assessment

Completed by:

Steven Dvorak

Date:

9/30/2020

Quantity of BSA Risk is:

Low	Moderate	High	Comments
			Based on the factors addressed below.

Quality of BSA Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments
				Based on the factors addressed below.

Aggregate BSA Risk is:

Low	Moderate	High	Comments
			Based on the factors addressed below.

The Direction is expected to be:

Decreasing	Stable	Increasing	Comments
			Based of the factors addressed below.

Quantity of BSA/AML/OFAC Risk Indicators

BSA/AML/OFAC Risk Indicators

Low	Moderate	High	Comments																		
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Low	Moderate	High	Comments
<p>Bank has no overseas branches and no foreign correspondent financial institution accounts. Bank does not engage in pouch activities, offer special-use accounts, or offer payable through accounts (PTA), or provide U.S. dollar draft services.</p>	<p>Bank has overseas branches or a few foreign correspondent financial institution accounts, typically with financial institutions with adequate AML policies and procedures from low-risk countries, and minimal pouch activities, special-use accounts, PTAs, or U.S. dollar draft services.</p>	<p>Bank has overseas branches or maintains a large number of foreign correspondent financial institution accounts with financial institutions with inadequate AML policies and procedures, particularly those located in high-risk jurisdictions, or offers substantial pouch activities, special-use accounts, PTAs, or U.S. dollar draft services.</p>	<p>In addition to the Main Office, the bank has only one additional branch located approximately 10 miles apart. Both locations are in Bay County, Florida, which is part of the Panama City MSA. The population for the county as of 2019 was 174,705 or 230 persons per square mile. There were 104,764 housing units for an average density of 138 per square mile. The racial makeup of the county was 71.9% White, 20.8% Black or African American, 0.2% Native American, 2.0% Asian, .2% Pacific Islander, 3.5% from other races, and 8.1% of the population were Hispanic or Latino.</p>
<p>Few international accounts or very low volume of currency activity in the accounts.</p>	<p>Moderate level of international accounts with unexplained currency activity.</p>	<p>Large number of international accounts with unexplained currency activity.</p>	<p>The bank has 9 foreign customers with active deposit accounts. Of these 7 belong to Canadians, one from the Ukraine, and the last from the Bahamas. Most appeared to belong to retirees with local vacation homes, with one belonging to a local hotel owner. Cash activity was considered nominal for the type of customer.</p> <p>The bank had no commercial accounts with known ties to foreign commercial businesses. During the 12-month period ended September 2020, year only 9 foreign wires were originated. These were unique, isolated transactions no unusual pattern noted.</p>
<p>Bank offers limited or no private banking services or trust and asset management products or services.</p>	<p>Bank offers limited domestic private banking services or trust and asset management products or services over which the bank has investment discretion. Strategic plan may be to increase trust business.</p>	<p>Bank offers significant domestic and international private banking or trust and asset management products or services. Private banking or trust and asset management services are growing. Products offered include investment management services, and trust accounts are predominantly nondiscretionary versus where the bank has full investment discretion.</p>	<p>The bank does not offer private banking nor trust services. Nor does it offer US Dollar drafts, payable through accounts, or pouch activities.</p>
<p>Limited number of funds transfers for customers, noncustomers; limited third-party transactions, and no foreign funds transfers.</p>	<p>Moderate number of funds transfers. Few international funds transfers from personal or business accounts with typically low-risk countries.</p>	<p>Large number of noncustomer funds transfer transactions and payable upon proper identification (PUPID) transactions. Frequent funds from personal or business accounts to or from high-risk jurisdictions, and financial secrecy havens or jurisdictions and financial secrecy havens or</p>	<p>Activity under this risk factor was limited. The bank has only 9 foreign customers with active deposit accounts and processed only 9 wires outside of the US during the 12-month period ended September 2020. Additionally, it had no customers that were politically exposed persons (PEP's) outside of the US. Another mitigating factor was the bank's stable customer base of which approximately 56.3 percent were customers for over 5 years.</p>

Low	Moderate	High	Comments
No other types of international transactions, such as trade finance, cross border ACH, and management of sovereign debt.	Limited other types of international transactions.	A high number of other types of international transactions.	<p>The bank had 223 incoming wires and 245 outgoing totaling \$20 and \$98 million respectively for the 12-month period ended September 2020. Including international wires, approximately 27 percent and 4.5 percent respectively were from/to high-risk HIDTA or HIFCA areas based on transaction amounts. The purpose of these wires varied greatly but were primarily for real estate transactions, retirement investments, payroll transfers and miscellaneous family matters. The high percent of incoming HIDTA wires was attributed to Hurricane-Michael insurance settlement related matters which should not be as significant in 2021.</p> <p>The bank is able to mitigate the risks associated with these transfers by limiting wires to existing customers, plus through the existence of written guidelines such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a</p>
No history of OFAC actions. No evidence of apparent violation or circumstances that might lead to a violation.	A small number of recent actions (e.g., actions within the last five years) by OFAC, including notice letters, or CMPs, with evidence that the bank addressed the issues and is not at risk of similar violations in the future.	Multiple recent actions by OFAC, where the bank has not addressed the issues, thus leading to an increased risk of the bank undertaking similar violations in the future.	In the last ten years the bank has had no accounts blocked or rejected due to OFAC matching. Procedures in this area comply with all OCC customer identification requirements as outlined in various written guidelines such as the bank's CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program.
Bank is not located in a high-intensity drug trafficking area (HIDTA) or high-intensity financial crime area (HIFCA). No fund transfers or account relationships involve HIDTAs or HIFCAs.	Bank is located in an HIDTA or HIFCA. Bank has some fund transfers or account relationships that involve HIDTAs or HIFCAs.	Bank is in a HIDTA and an HIFCA. Large number of fund transfers or account relationships involve HIDTAs or HIFCAs.	None of the bank's offices are located either in or adjacent to areas identified as HIDTA or HIFCA according to the most recent program list published by www.whitehouse.gov (most recent map was dated August 2020). In North Florida, HIDTA counties include several in the Jacksonville area and two in Pensacola. HIFCA counties are published by www.fincen.gov and in Florida are located in the most southern part of the State. They include Broward, Miami-Dade, Indian River, Martin, Monroe, Okeechobee, Palm Beach and St. Lucie. Other sources for these areas included http://www.nhac.org/news/HIDTA_Counties.htm , https://www.dea.gov/ops/hidta.shtml , and https://www.dataderivatives.com/risk-data-file-download-1 .
No transactions with high-risk geographic locations.	Minimal transactions with high-risk geographic locations.	Significant volume of transactions with high-risk geographic locations.	<p>The bank had 223 incoming wires and 245 outgoing totaling \$20 and \$98 million respectively for the 12-month period ended September 2020. Including international wires, approximately 27 percent and 4.5 percent respectively were from/to high-risk HIDTA or HIFCA areas based on transaction amounts. The purpose of these wires varied greatly but were primarily for real estate transactions, retirement investments, payroll transfers and miscellaneous family matters. The high percent of incoming HIDTA wires was attributed to Hurricane-Michael insurance settlement related matters which should not be as significant in 2021.</p> <p>The bank is able to mitigate the risks associated with these transfers by limiting wires to existing customers, plus through the existence of written guidelines such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a</p>
Low turnover of key personnel or frontline personnel (e.g., customer service representatives, tellers, or other branch personnel).	Low turnover of key personnel, but frontline personnel in branches may have changed.	High turnover, especially in key personnel positions.	Employee turnover was 15.6 percent for the 12-month period ended September 2020 which included the departure of two, newly hired full-time retail deposit employees and one seasoned Teller. Additionally, one full-time lending employee and one newly-hired Bookkeeper. Of these, three were involved in BSA as a New Account Representative or a teller. These departures were not viewed as detrimental to BSA compliance because two were very new to banking. No departures that affected the BSA monitoring process were noted. The current BSA Officer has

Low	Moderate	High	Comments
No other types of international transactions, such as trade finance, cross border ACH, and management of sovereign debt.	Limited other types of international transactions.	A high number of other types of international transactions.	<p>The bank had 223 incoming wires and 245 outgoing totaling \$20 and \$98 million respectively for the 12-month period ended September 2020. Including international wires, approximately 27 percent and 4.5 percent respectively were from/to high-risk HIDTA or HIFCA areas based on transaction amounts. The purpose of these wires varied greatly but were primarily for real estate transactions, retirement investments, payroll transfers and miscellaneous family matters. The high percent of incoming HIDTA wires was attributed to Hurricane-Michael insurance settlement related matters which should not be as significant in 2021.</p> <p>The bank is able to mitigate the risks associated with these transfers by limiting wires to existing customers, plus through the existence of written guidelines such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a</p>
No history of OFAC actions. No evidence of apparent violation or circumstances that might lead to a violation.	A small number of recent actions (e.g., actions within the last five years) by OFAC, including notice letters, or CMPs, with evidence that the bank addressed the issues and is not at risk of similar violations in the future.	Multiple recent actions by OFAC, where the bank has not addressed the issues, thus leading to an increased risk of the bank undertaking similar violations in the future.	In the last ten years the bank has had no accounts blocked or rejected due to OFAC matching. Procedures in this area comply with all OCC customer identification requirements as outlined in various written guidelines such as the bank's CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program.
Bank is not located in a high-intensity drug trafficking area (HIDTA) or high-intensity financial crime area (HIFCA). No fund transfers or account relationships involve HIDTAs or HIFCAs.	Bank is located in an HIDTA or HIFCA. Bank has some fund transfers or account relationships that involve HIDTAs or HIFCAs.	Bank is in a HIDTA and an HIFCA. Large number of fund transfers or account relationships involve HIDTAs or HIFCAs.	None of the bank's offices are located either in or adjacent to areas identified as HIDTA or HIFCA according to the most recent program list published by www.whitehouse.gov (most recent map was dated August 2020). In North Florida, HIDTA counties include several in the Jacksonville area and two in Pensacola. HIFCA counties are published by www.fincen.gov and in Florida are located in the most southern part of the State. They include Broward, Miami-Dade, Indian River, Martin, Monroe, Okeechobee, Palm Beach and St. Lucie. Other sources for these areas included http://www.nhac.org/news/HIDTA_Counties.htm , https://www.dea.gov/ops/hidta.shtml , and https://www.dataderivatives.com/risk-data-file-download-1 .
No transactions with high-risk geographic locations.	Minimal transactions with high-risk geographic locations.	Significant volume of transactions with high-risk geographic locations.	<p>The bank had 223 incoming wires and 245 outgoing totaling \$20 and \$98 million respectively for the 12-month period ended September 2020. Including international wires, approximately 27 percent and 4.5 percent respectively were from/to high-risk HIDTA or HIFCA areas based on transaction amounts. The purpose of these wires varied greatly but were primarily for real estate transactions, retirement investments, payroll transfers and miscellaneous family matters. The high percent of incoming HIDTA wires was attributed to Hurricane-Michael insurance settlement related matters which should not be as significant in 2021.</p> <p>The bank is able to mitigate the risks associated with these transfers by limiting wires to existing customers, plus through the existence of written guidelines such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a</p>
Low turnover of key personnel or frontline personnel (e.g., customer service representatives, tellers, or other branch personnel).	Low turnover of key personnel, but frontline personnel in branches may have changed.	High turnover, especially in key personnel positions.	Employee turnover was 15.6 percent for the 12-month period ended September 2020 which included the departure of two, newly hired full-time retail deposit employees and one seasoned Teller. Additionally, one full-time lending employee and one newly-hired Bookkeeper. Of these, three were involved in BSA as a New Account Representative or a teller. These departures were not viewed as detrimental to BSA compliance because two were very new to banking. No departures that affected the BSA monitoring process were noted. The current BSA Officer has

Quality of BSA/AML/OFAC Risk Management Indicators

Strong	Satisfactory	Insufficient	Weak	Comments
Management fully understands the aspects of compliance risk and exhibits strong commitment to compliance.	Management reasonably understands key aspects of compliance and commitment is generally clear and satisfactorily communicated.	Management may not have a sufficient understanding of key aspects of compliance risk. The importance of compliance may not be adequately emphasized or communicated throughout the organization.	Management does not understand or has chosen to ignore key aspects of compliance risk. Importance of compliance is not emphasized or communicated throughout the organization.	Annual employee BSA/AML training is formalized and in writing, and administered to all employees using an online CBT (computer based training) service through ABA Compliance Training. Progress is monitored monthly and presented to the Board.
Compliance considerations are effectively incorporated into all products and areas of the bank.	Compliance considerations are generally incorporated into products and areas of the bank.	Compliance considerations may not be adequately incorporated into a key product or area of the bank.	Compliance considerations are not adequately incorporated into several key products or areas of the bank.	The bank has an effective, written BSA program which addresses all OCC regulatory requirements. The program is reviewed annually by the management and the Board. In 2020 the program was also reviewed independently by Compliance Individualized, LLC, a third-party vendor as well as by the OCC during their annual engagement. In each case no material concerns were noted.
Deficiencies are usually self-identified. Such deficiencies are minor, and when identified, management promptly implements meaningful corrective action.	Deficiencies are generally self-identified, and management is responsive to identified deficiencies. Problems can be corrected in the normal course of business without significant investment of money or management attention.	Deficiencies may not be self-identified. Management may not be sufficiently responsive to identified deficiencies. Problems may not be correctable in the normal course of business.	Deficiencies are not self-identified. Management may only respond when violations are cited. Problems are significant and may require substantial time and resources to correct.	Deficiencies are usually identified before they become a matter of regulatory concern through the use of an internal auditor as well as outside independent reviews.
Authority and accountability for compliance are clearly defined and enforced, including designation of a qualified BSA officer.	Authority and accountability are defined, but some refinements are needed. A qualified BSA officer has been designated.	Authority and accountability for compliance need improvement. A qualified BSA officer may have been designated, but the role and responsibilities of the BSA officer may not be clear.	Authority and accountability for compliance have not been clearly established. No BSA officer or an unqualified one may have been appointed. The role of the BSA officer is unclear.	A qualified BSA Officer has been appointed by the Board of Directors.
Independent testing is in place and is effective.	Overall, independent testing is in place and effective. However, some weaknesses are noted.	Independent testing is in place, but may not be sufficiently effective.	Independent testing is not in place and/or is ineffective.	The most recent independent review of BSA/AML compliance was performed by Compliance Individualized, LLC, an independent third-party vendor. The independent review of 2019 activity was presented during the 2nd quarter of 2020.

Strong	Satisfactory	Insufficient	Weak	Comments
Board has approved a BSA compliance program that includes well-defined policies, procedures, controls, and information systems.	Board has approved a BSA compliance program that addresses most policies, procedures, controls, and information systems.	Board has approved a BSA compliance program, but the program may not sufficiently address policies, procedures, controls, and information systems.	Board may not have approved a BSA compliance program. Policies, procedures, controls, and information systems are significantly deficient. For example, there may be substantial failures to file currency transaction reports (CTR) and/or suspicious activity reports.	A qualified BSA Officer has been appointed by the Board of Directors.
Training is appropriate and effective, and covers applicable personnel, and necessary resources have been provided to appropriate personnel.	Training is conducted and management provides adequate resources given the bank's risk profile; some areas, however, are not covered within the training program.	Training is conducted consistently but may not sufficiently cover important regulatory and risk areas. Management may need to provide additional resources given the bank's risk profile.	Training is either not performed or is not consistent and does not cover important regulatory and risk areas. Management does not provide necessary resources given the bank's risk profile.	Annual employee BSA/AML training is formalized and in writing, and administered to all employees using an online CBT (computer based training) service through ABA Compliance Training. Progress is monitored monthly and presented to the Board.
Effective customer and beneficial ownership identification processes and account-opening procedures are in place.	Customer and beneficial ownership processes and account-opening procedures are generally in place but not well applied to all high-risk areas.	Customer and beneficial ownership processes and account-opening procedures may not be adequately in place or effective.	Customer and beneficial ownership identification processes and account-opening procedures are absent or ineffective.	The bank requires that all new accounts be opened in person. Procedures in this area comply with all OCC customer identification requirements as outlined in various written guidelines such as the bank's CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, and the BSA Program. The bank also uses a software program to identify blocked entities.
Management has identified and developed controls that are applied appropriately to high-risk areas, products, services, and customers of the bank.	Management is aware of high-risk areas, products, services, and customers, but controls are not always appropriately applied to manage this risk.	Management is not sufficiently aware of high-risk areas, products, services, and customers, and controls to manage this risk may need improvement.	Management is not aware of or chooses to ignore high-risk areas of the bank. Inadequate policies, procedures, and controls have resulted in instances of unreported suspicious activity, unreported large currency transactions, structured transactions, and/or substantive violations of law.	The bank is able to mitigate the risks associated with customers, products, and services through the existence of written policies and procedures such as CIP Policies and Procedures, New Acct Opening Procedures, OFAC Policy and Procedures, BSA Program as well as other automated monitoring tools.

Strong	Satisfactory	Insufficient	Weak	Comments
Compliance systems and controls quickly adapt to changes in various government lists (e.g., OFAC, Financial Crimes Enforcement Network [FinCEN], and Other Government Provided List).	Compliance systems and controls are generally adequate and adapt to changes in various government lists (e.g., OFAC, FinCEN, and Other Government Provided List).	Compliance systems and controls need improvement to comply with and adapt to changes in various government lists (e.g., OFAC, FinCEN, and Other Government Provided List).	Compliance systems and controls are inadequate to comply with and adapt to changes in various government lists (e.g., OFAC, FinCEN, and Other Government Provided List).	Scanning names for OFAC compliance is immediate and effective. The bank is made aware of new information on the same day of publication. Automated systems are maintained immediately to ensure timely verification.
Compliance systems and controls effectively identify and appropriately report suspicious activity. Systems are commensurate with risk.	Compliance systems and controls identify suspicious activity. Monitoring systems, however, are not fully comprehensive or may have some weaknesses.	Compliance systems and controls need improvement to identify suspicious activity. Monitoring systems may need improvement.	Compliance systems and controls are ineffective in identifying and reporting suspicious activity.	The bank has a well-established centralized system of reporting suspicious activity to the BSA Officer for possible SAR reporting consideration. Forms are available for electronic download and all front-line personnel receive annual training covering SAR requirements.
Low volume of correspondence from IRS indicates that Currency Transaction Reports (CTRs) are accurate.	Volume of correspondence from IRS indicates minor errors in CTR reporting.	Volume of correspondence from IRS indicates an elevated level of errors in CTR reporting.	Volume of correspondence from IRS indicates a substantive volume of CTR reporting errors.	The bank has a high but stable volume of large currency transaction reports in the most recent year. During the 12-month period ended September 2020 the volume of CTRs was 175 which was slightly lower than 2019 which had 184. The five-year average in 2020 was 123. This activity volume was unusually high and distorted due to the effects of hurricane Michael and the high number of transient construction workers in Bay county during the 12-month period following the disaster. This pattern appeared reasonable given the high volume of cash activity in many of the commercial business accounts maintained at the bank. As indicated earlier, management does actively pursue commercial lending, which leads to high number of commercial deposit accounts.
Appropriate compliance controls and systems are implemented to identify compliance problems and assess performance.	No shortcomings of significance are evident in compliance controls or systems. Probability of serious future violations or noncompliance is within acceptable tolerance.	Compliance controls or systems need improvement. Probability of future violations or noncompliance may be outside the acceptable tolerance.	Likelihood of continued compliance violations or noncompliance is high because a corrective action program does not exist or extended time is needed to implement such a program.	The bank has an effective, written BSA program which addresses all OCC regulatory requirements. The program is reviewed annually by the management and the Board. In 2020 the program was also reviewed independently by Compliance Individualized, LLC, a third-party vendor as well as by the OCC during their annual engagement. In each case no concerns were noted.

Consumer Lending Regulations Risk

FDPA/RESPA/TRUTH IN LENDING ACT (TILA)/HOMEOWNERS PROTECTION ACT (HPA)/HMDA

Completed by: Steven Dvorak

Date: 9/30/2020

Quantity of Consumer Lending Risk is:

Low	Moderate	High	Comments
			The bank engages in very little or no consumer lending.

Quality of Consumer Lending Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments

Aggregate Consumer Lending Risk is:

Low	Moderate	High	Comments
			The bank engages in very little or no consumer lending.

The Direction is expected to be:

Decreasing	Stable	Increasing	Comments
			The bank is not planning to engage in consumer lending activity beyond what is currently done.

Consumer Lending Regulations Risk Indicators

Quantity of Consumer Lending Regulations Risk Indicators

- 1) Flood Disaster Protection Act 2) Real Estate Settlement Protection Act (RESPA) 3) Truth in Lending Act (TILA) 4) Homeowners Protection Act
5) Home Mortgage Disclosure Act (HMDA)

Low	Moderate	High	Comments
Noncomplex and stable types of products offered (e.g., fixed-rate long-term mortgages, simple consumer loans).	Limited number of complex loan products offered. Products change occasionally.	Complex loan products offered (e.g., adjustable rate mortgages, home equity lines of credit, or construction loans). Products change frequently.	Products are generic and non-complex.
Consistent, high volume of loan originations with no recently identified violations of law/regulation indicating bank is accustomed to dealing with technical regulations.	Consistent high volume of loan originations with occasional technical violations noted.	Low level or infrequent loan originations and/or frequent violations noted.	The bank engages in very little or no consumer lending.
Experienced, knowledgeable staff in key lending control positions. May be indicated by low staff turnover or frequency of training.	Experienced, knowledgeable staff in moderately critical lending control positions.	Inexperienced or untrained staff in key or high volume critical lending control positions. High turnover or infrequent training may be an indicator.	Only one loan department employee departure in the last 12 months. The position was filled before employee's last day.
Stable software and processes with low errors in technical requirements (disclosures, notices, APRs, changes in indices, etc.).	Implementation of new software, or software conversions with some errors in technical requirements.	System conversions or software changes due to vendor changes or merger activity. Problems indicated by high level of errors in technical requirements.	The bank relies on a popular loan documentation software program published by Wolters Kluwer. This program, once properly configured, will allow the bank to comply with all regulatory disclosure content and timing requirements.

Low	Moderate	High	Comments
Electronic banking is not offered or is limited to account inquiries.	Electronic banking is limited to nontransactional functions, and is informational only. Information includes triggering terms. No on-line loan applications permitted.	Loan application and transactions accepted via the Internet increasing the difficulty of delivering disclosures and makes bank more susceptible to fraud.	Electronic banking is offered on a limited basis and does not offer any loan application functionality.
Marketing activities are limited to local area, stable environment, centralized.	Marketing activities are limited to standard products, decentralized channels (branches), and wider geographical area.	Active marketing of new products offered through multiple channels (Internet, direct mail, solicitations, etc.).	The bank does not actively market consumer lending products.
Interest rate environment is stable.	Interest rate environment is changing but loan volume is manageable.	Interest rates environment is unstable causing unmanageable loan volume.	Rate environment is increasing slowly with changes to WS Prime.
Few competitors.	Multiple competitors. May result in bank offering some loan products they are not experienced in handling.	High level of competition causing increased loan volume, particularly in complex loan products they are not experienced in handling.	The bank engages in very little or no consumer lending. Management does not actively compete for this type of business. It is offered out of convenience to our existing commercial loan customers.
Few or no consumer complaints are received. There is no obvious pattern as to regulation type when complaints are reviewed.	Some consumer complaints are received. There is no obvious pattern as to regulation type.	Several consumer complaints are received and may represent a pattern.	No consumer complaints relating to lending have been received in recent years.
No special flood hazard areas in lending area. (FDPA)	Lending area has few special flood hazard areas.	Lending area has numerous special flood hazard areas.	While the bank does operate in market with numerous flood hazard areas, the bank does not actively engage in consumer lending products.
No broker relationship or limited broker relationships with low amount of unearned fees either paid or received. (RESPA)	Moderate use of broker and moderate amount of unearned fees either paid or received.	Broker relationship coupled with high amount of unearned fee income either paid or received.	The bank does not use brokers.

Low	Moderate	High	Comments
<p>Bank does not offer products or services that require expanded, detailed regulatory compliance such as: Credit cards (TILA) - Home equity loans/lines (TILA) - Consumer leases (Leasing) - Escrow (RESPA, HPA) - Private mortgage insurance (TILA, HPA) - Required service providers (RESPA) - Controlled business arrangements</p>	<p>Bank may offer some products or services that require expanded, detailed regulatory compliance such as: Credit cards (TILA) - Home equity loans/lines (TILA) - Consumer leases (Leasing) - Escrow (RESPA, HPA) - Private mortgage insurance (TILA, HPA) - Required service providers (RESPA) - Controlled business arrangements</p>	<p>Bank offers numerous products or services that require expanded, detailed regulatory compliance such as: Credit cards (TILA) - Home equity loans/lines (TILA) - Consumer leases (Leasing) - Escrow (RESPA, HPA) - Private mortgage insurance (TILA, HPA) - Required service providers (RESPA) - Controlled business arrangements</p>	<p>Credit Cards Offered through a third party that assumes all compliance risk. HELOC activity is still extremely low, however, management has made the decision to increase activity in this area. Consumer leases Not offered, Escrow/Private Mortgage Insurance/RESPA - Activity in this area is limited. Typically the bank may engage in 10-15 consumer loan transaction per calendar year. In 2020 the bank was exempt from HMDA reporting. This exemption will likely continue for calendar-year-end 2021.</p>
<p>Low number of consumer complaints received. No pattern as to type of complaint. Few or no substantive issues.</p>	<p>Moderate number of consumer complaints received without a pattern as to compliance type. Moderate number of substantive issues.</p>	<p>Several consumer complaints are received and may represent a pattern. Significant number of substantive issues. OCC Customer Assistance Group has notified the supervisory office.</p>	<p>No consumer complaints relating to lending have been received in recent years.</p>
<p>Bank does not provide disclosures electronically.</p>	<p>Bank provides electronic and paper disclosures. Staff is knowledgeable of E-Sign Act and there is effective consumer opt-in as required by the act.</p>	<p>Bank only provides disclosures electronically. Staff has some knowledge of E-Sign Act. Effective consumer opt-in, as required by the act, is inconsistent.</p>	<p>The bank does not provide loan disclosures electronically. Scanned disclosure are occasionally emailed as a form of delivery but this process is manual and not automated.</p>
<p>No loans subject to the Servicemembers Civil Relief (SCRA) Act and the Military Lending Act (MLA).</p>	<p>Some loans subject to the SCRA and the MLA.</p>	<p>Significant number of loans subject to the SCRA and MLA.</p>	<p>The bank has not had a request for relief under the Servicemembers Civil Relief Act.</p>

Quality of Consumer Lending Regulations (FDPA/RESPA/TILA/HPA/HMDA) Risk Management Indicators

Strong	Satisfactory	Insufficient	Weak	Comments
<p>Management fully understands all aspects of lending compliance risk and exhibits clear commitment to compliance. Commitment is communicated throughout affected areas of the institution.</p>	<p>Management reasonably understands the key aspects of lending compliance risk. Commitment to lending compliance is reasonable and satisfactorily communicated throughout affected areas of the institution.</p>	<p>Management has a marginal understanding of key aspects of lending compliance risk. The importance of compliance may not be adequately emphasized or consistently communicated throughout the affected areas of the institution.</p>	<p>Management does not understand or has chosen to ignore key aspects of lending compliance risk. Importance of lending compliance is not emphasized or communicated throughout affected areas of the institution.</p>	<p>Compliance risk is effectively managed through clearly written policies and procedures as well as required annual compliance training for all employees.</p>
<p>Authority and accountability for lending compliance are clearly defined and enforced.</p>	<p>Authority and accountability for lending compliance are defined, although some refinements may be needed.</p>	<p>Authority and accountability for lending compliance may not be clearly defined or communicated.</p>	<p>Management has not established or enforced accountability for lending compliance performance.</p>	<p>Yes it is.</p>
<p>Management anticipates and responds well to changes of a market, technological, or regulatory nature that affect lending regulations compliance.</p>	<p>Management adequately responds to changes of a market, technological, or regulatory nature that affect lending regulations compliance.</p>	<p>Management may not consistently respond to changes of a market, technological, or regulatory nature that affect lending regulations compliance.</p>	<p>Management does not anticipate or take timely or appropriate actions in response to changes of a market, technological or regulatory nature that affect lending regulations compliance.</p>	<p>Yes they do.</p>
<p>Lending compliance considerations are incorporated into products and system development processes, including changes made by third parties or affiliates.</p>	<p>Lending compliance considerations may not always be formally considered when developing products and systems, although issues are typically addressed before products and systems are fully implemented.</p>	<p>Lending compliance considerations may not be consistently considered when developing products and systems. Issues may not be addressed before products and systems are fully implemented.</p>	<p>Lending compliance considerations are not incorporated into product and systems development.</p>	<p>Loan compliance concerns would be discussed prior to any new loan product being introduced.</p>

Strong	Satisfactory	Insufficient	Weak	Comments
When lending compliance deficiencies are identified, management promptly implements meaningful corrective action.	Lending compliance problems can be corrected in the normal course of business without a significant investment of money or management attention. Management is responsive when lending deficiencies are identified.	Lending compliance problems may require a greater degree of management attention and may not have been self-identified. Management may not consistently respond to identified lending compliance deficiencies.	Lending compliance errors are often not detected internally, corrective action is often ineffective, or management is unresponsive.	Deficiencies are usually identified before they become a matter of regulatory concern through the use of an internal auditor as well as outside independent reviews. Any problems are typically resolved quickly.
Appropriate lending compliance controls and systems (e.g., quality control functions, compliance reviews, compliance audits, and self-assessments) are implemented to identify compliance problems and assess performance.	Lending compliance controls or systems (e.g., quality control functions, compliance reviews, compliance audits, and self-assessments) do not indicate any shortcomings of significance, although minor enhancements may be required. Probability of serious future violations or noncompliance is within acceptable tolerance.	Lending compliance controls or systems (e.g., quality control functions, compliance reviews, compliance audits, and self-assessments) may indicate some shortcomings. Probability of serious future violations or noncompliance may not be within acceptable tolerance.	Significant deficiencies are evident in lending compliance controls or systems (e.g., quality control functions, compliance reviews, compliance audits, and self-assessments). Likelihood of continued lending compliance violations or noncompliance is high because a corrective action program does not exist, or extended time is needed to implement such a program.	Compliance risk is effectively managed through clearly written policies and procedures as well as required annual compliance training for all employees. Both of these provide employees with a strong control culture. In addition, internal audit and risk assessments are performed on a recurring basis based on a risk-based schedule.
Lending compliance training programs are effective, and the necessary resources have been provided to appropriate personnel.	Management provides adequate resources and training for compliance.	Management may not provide sufficient resources and training for compliance in all areas	Management has not provided resources or training for compliance with lending regulations, or the resources or training provided are inadequate.	All bank employees are required to take annual computer-based compliance training of regulations that relate to their areas of employment. Lending personnel are required to take courses that relate to fair lending regulations.

Strong	Satisfactory	Insufficient	Weak	Comments
Compliance risk management processes and information systems are sound, and the bank has a strong control culture that has proven effective for lending compliance.	Compliance risk management processes and information systems are adequate to avoid significant or frequent violations or noncompliance with lending regulations.	Compliance risk management processes and information systems may not be sufficient to avoid significant or frequent violations or noncompliance with lending regulations.	Compliance risk management processes and information systems are deficient in identifying violations and noncompliance with lending regulations.	Compliance risk is effectively managed through clearly written policies and procedures as well as required annual compliance training for all employees. Both of these provide employees with a strong control culture.
Effective control systems are in place to assure maintenance of flood insurance throughout the loan term. This includes an effective mechanism to force placement of flood insurance if necessary. (FDPA)	Control systems are in place to detect the expiration of insurance, but there is not a fully effective mechanism to provide for the timely forced placement of insurance (gaps in insurance can occur).	Control systems to detect the expiration of insurance and mechanisms to provide for timely forced placement of insurance need improvement.	Bank does not have an effective control system to detect the expiration of flood insurance or there is no mechanism to provide for the timely forced placement of insurance.	Employees are properly trained in flood insurance requirements each year. Additionally, The bank is able to effectively track current insurance coverage by using an automated tracking system linked to the bank's core processor.
Control systems are effective to collect and accurately report all HMDA and CRA loans.	Control systems do not capture all loans or there are errors. Bank's internal control systems found data errors and corrected them.	Control systems do not capture all loans or there may be some errors. Bank's internal control systems may not consistently find and correct data errors.	Control systems are not capturing a significant percentage of loans or entire categories of loans. Bank does not have a quality control system to detect errors.	Activity in this area is limited. Typically the bank may engage in 10-15 consumer loan transaction per calendar year. As a control measure, all HMDA reportable loans are reviewed by the bank's Credit Administrator.
HMDA or Fair Housing Home Loan Data (FHHL) system data are evaluated quarterly for trends and accuracy.	HMDA or FHHL system data may not be consistently evaluated for trends, but accuracy is reviewed quarterly.	HMDA or FHHL system data may not be evaluated for trends or consistently reviewed for accuracy.	HMDA or FHHL system data are not evaluated for trends or reviewed for accuracy until prepared for submission to the FFIEC.	Activity in this area is limited. Typically the bank may engage in 10-15 consumer loan transaction per calendar year.

Credit Risk Assessment

Credit risk is the risk to current or projected financial condition and resilience arising from an obligor's failure to meet the terms of any contract with the Bank or otherwise to perform as agreed. Credit risk is found in all activities in which settlement or repayment depends on counterparty, issuer, or borrower performance. Credit risk exists any time bank funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. (Updated 9/30/2019)

Credit risk is the most recognizable risk associated with banking. This definition encompasses more than the traditional definition associated with lending activities. Credit risk also arises in conjunction with a broad range of bank activities; including selecting investment portfolio products, derivatives trading partners, or foreign exchange counterparties. Credit risk also arises due to country or sovereign exposure as well as, indirectly through guarantor performance.

Completed by: Steven Dvorak

9/30/2020

Quantity of Credit Risk is:

Low	Moderate	High	Comments

Quality of Credit Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments

Aggregate Credit Risk is:

Low	Moderate	High	Comments
			For the reason indicated below, aggregate credit risk was considered low.

The Direction is expected to be:

Decreasing	Stable	Increasing	Comments
			For the reason indicated below, market trends as well as internal trends appear to indicate a stable outlook.

The Quantity of Credit Risk is:

Low	Moderate	High	Comments
<p>The level of loans outstanding is low relative to total assets and equity capital.</p>	<p>The level of loans outstanding is moderate relative to total assets and equity capital.</p>	<p>The level of loans outstanding is high relative to total assets and equity capital.</p>	<p>Loan portfolio composition is maintained within the OCC bank charter requirements. Credit concentration limits are monitored.</p>
<p>Growth rates are supported by local, regional and/or national economic and demographic trends, and level of competition. Growth (including off-balance sheet activities) has been planned for, and appears consistent with Management and staff expertise and /or operational capabilities.</p>	<p>Growth rates exceed local, regional and/or national economic and demographic trends and level of competition. Some growth (including off-balance sheet activities) has not been planned or exceeds planned levels, and may test Management and staff expertise or operational capabilities.</p>	<p>Growth rates significantly exceed local, regional and/or national economic and demographic trends, and level of competition. Growth (including off-balance sheet activities) was not planned or exceeds planned levels, and stretches Management and staff expertise and/or operational capabilities. Growth may be in new products or with out-of area borrowers.</p>	<p>Management has adopted a low growth rate in the area of loan origination. Currently the planned growth has been set for 3% for the 2021 calendar year. Based on quarterly assessments of regional and local market conditions, this growth rate should be easily achievable.</p>
<p>The Bank has well diversified income and dependence on interest and fees from loans and leases is commensurate with asset mix. Loan yields are low and risks/returns are well balanced.</p>	<p>The Bank is dependent on interest and fees from loans and leases for the majority of its income, but income sources within the loan portfolio are diversified. Loan yields are moderate. Imbalances between risk and return may exist but are not significant.</p>	<p>The Bank is highly dependent on interest and fees from loans and leases, and may target higher risk loan products for their earnings potential. Loan income is highly vulnerable to cyclical trends. Loan yields are high and reflect an imbalance between risk and return, and /or risk is disproportionately high relative to return.</p>	<p>The bank has well established credit concentration limits that are monitored monthly. Average portfolio yields are also monitored monthly and tracked by Officer code. Management and the Board also review a monthly comprehensive report designed to address material risk factors within the lending portfolio.</p>
<p>The bank's portfolio is well diversified with no single large concentrations and/or a few moderate concentrations. Concentrations are well within internal limits. Change in portfolio mix is neutral or reduces overall risk profile.</p>	<p>The bank has one or two material concentrations. Concentrations are in compliance with internal guidelines but may be approaching the limits. Change in portfolio mix may increase overall risk profile.</p>	<p>The bank has one or more large concentrations. Concentrations may have exceeded internal limits. Change in portfolio mix significantly increases overall risk profile.</p>	<p>The bank has well established credit concentration limits that are monitored monthly. Average portfolio yields are also monitored monthly and tracked by Officer code. Management and the Board also review a monthly comprehensive report designed to address material risk factors within the lending portfolio.</p>

Low	Moderate	High	Comments
Existing and/or new extensions of credit reflect conservative underwriting and risk selection standards. Policies are conservative and exceptions are nominal.	Existing and/or new extensions of credit generally reflect conservative to moderate underwriting and risk selection standards. Policies and exceptions are moderate.	Existing and/or new extensions of credit reflect liberal underwriting and risk selection standards. Policies either allow such practices or practices have resulted in a high amount of exceptions.	All loan renewals must meet original underwriting standards and global cash flow ratio requirements. Afterwards loans are graded and monitored to assess ALLL adequacy.
Underwriting policies are reasonable. Underwriting standards for loans held for sale or originated to distribute are reasonable and consistent with loans made with the intention of being held for the bank's portfolio. The bank has only occasional of loans with structural weaknesses and/or underwriting exceptions. Those loans are well mitigated and do not constitute an undue risk.	Underwriting policies are satisfactory. Underwriting standards for loans held for sale or originated to distribute are reasonable but are inconsistent with loans made with the intention of being held for the bank's portfolio. The bank has an average level of loans with structural weaknesses and/or underwriting exceptions to sound underwriting standards consistent with balancing competitive pressures and reasonable growth objectives.	Underwriting standards for loans held for sale or originated to distribute are inconsistent with loans made with the intention of being held for the bank's portfolio. The bank has a high level of loans with structural weaknesses and/or underwriting exceptions that expose the bank to heightened loss in the event of default.	LTV and appraisal requirements are well established and closely monitored. Written policies and procedures are clear, comprehensive, and monitored as part of the monthly lending risk management reports. LTV requirements are conservative by industry standards.
Collateral requirements are conservative. Collateral valuations are timely and well supported.	Collateral requirements are acceptable. Bank practices result in moderate deviations from policy. A moderate number of collateral valuations are not well supported or reflect inadequate protection. Soft (intangible) collateral is sometimes used in lieu of hard (tangible) collateral.	Collateral requirements are liberal, or if policies incorporate conservative requirements, there are substantial deviations. Collateral valuations are not always obtained, frequently unsupported and/or reflect inadequate protection. Soft (intangible) collateral is frequently used rather than hard (tangible) collateral.	Collateral requirements are clearly articulated in written policies and procedures. The Board rarely deviates from these standards. As of this writing there were only two such deviations which are monitored monthly in a policy exception report.
Loan documentation and/or collateral exceptions are low and have minimal impact on risk of loss.	The level of loan documentation and/or collateral exceptions is moderate, but exceptions are corrected in a timely manner and generally do not expose the Bank to risk of loss.	The level of loan documentation and/or collateral exceptions is high. Exceptions are outstanding for inordinate periods and the Bank may be exposed to heightened risk of loss.	Loan documentation and collateral exceptions remained low for the prior 12-month period. These exceptions are tracked and reported monthly to each loan officer and presented to the Board for their review.

Low	Moderate	High	Comments
<p>Distribution across pass categories is consistent with a conservative risk appetite. Migration trends within the pass category are balanced or favor the higher or less risky ratings. Lagging indicators, such as past dues and nonaccruals, are low and the trend is stable.</p>	<p>Distribution across pass categories is consistent with a moderate risk appetite. Migration trends within the pass category are starting to favor the lower or riskier pass ratings. Lagging indicators, such as past dues and nonaccruals, are moderate and the trend is stable or rising slightly.</p>	<p>Distribution across pass categories is heavily skewed toward the lower or riskier pass ratings. Downgrades dominate rating changes within the pass category. Lagging indicators, such as past dues and nonaccruals, are moderate or high and the trend is rising.</p>	<p>Loan grading and appraisal requirements are clearly defined and closely monitored. Similarly, underwriting standards are clear, comprehensive, and monitored as part of the monthly lending risk management reports. The distribution of credit concentration is clearly established and also monitored each month. In recent months past due loans have fluctuated between none and negligible.</p>
<p>Classified and special mention loans represent a low percentage of loans and capital, and are not skewed to the more severe categories (doubtful or loss).</p>	<p>Classified and special mention loans represent a moderate percentage of loans and capital and are not skewed to the more severe categories (doubtful or loss).</p>	<p>Classified and special mention loans represent a high percentage of loans and capital or a moderate percentage of loans and capital and are growing or are skewed to the more severe categories (doubtful or loss).</p>	<p>Currently there are no loans that are classified.</p>
<p>Bank re-aging, extension, renewal, and refinancing practices raise little or no concern about the accuracy/transparency of reported problem loan, past due, nonperforming and loss numbers.</p>	<p>Bank re-aging, extension, renewal, and refinancing practices raise some concern about the accuracy/transparency of reported problem loan, past due nonperforming and loss numbers.</p>	<p>Bank re-aging, extensions, renewal, and refinancing practices raise substantial concern about the accuracy/transparency of reported problem loan past due nonperforming and loss numbers.</p>	<p>All loan renewals must meet original underwriting standards and global cash flow ratio requirements. Afterwards loans are graded and monitored to assess ALLL adequacy.</p>
<p>Loan losses to total loans are low. ALLL coverage of problem and noncurrent loans and loan losses is high. Provision expense is stable.</p>	<p>Loan losses to total loans are moderate. ALLL coverage of problem and noncurrent loans and loan losses is moderate, but provision expense may need to be increased.</p>	<p>Loan losses to total loans are high. ALLL coverage of problem and noncurrent loans is low. Special provisions expense may be needed to maintain acceptable coverage.</p>	<p>For the 12-month period ended 9/30/2020 net loan losses were zero.</p>

The Quality of Credit Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments
<p>There is a clear, sound credit culture. Board and Management risk appetite is well-communicated and fully understood.</p>	<p>The credit culture is generally sound but may vary by product line or business unit. Risk appetite may not be clearly communicated throughout the institution</p>	<p>Credit culture may not be well understood. Risk appetite may be inconsistent with strategic goals or not uniformly communicated throughout the institution</p>	<p>Credit culture is absent or materially flawed. Risk appetite may not be well understood.</p>	<p>LTV and appraisal requirements are well established and closely monitored. Written policies and procedures are clear, comprehensive, and monitored as part of the monthly lending risk management reports. These policies together with management's interaction with the Board provide clear understanding of the bank's credit culture.</p>
<p>Strategic and/or business plans are consistent with risk appetite and promote an appropriate balance between risk-taking and growth and earnings objectives. New loan products and initiatives are well-researched, tested, and approved before implementation.</p>	<p>Strategic and/or business plans are consistent with risk appetite. Anxiety for income may lead to some higher risk transactions. Generally there is an appropriate balance between risk-taking and growth and earnings objectives. New loan products/initiatives may be launched with some limited testing and risk analysis. This analysis is likely not robust but is sufficient to quantify the potential risk.</p>	<p>Strategic and/or business plans are not fully consistent with risk appetite. Anxiety for income may lead to some higher-risk transactions that may not be well understood. There are concerns between risk-taking and growth and earnings objectives. New loan products/initiatives may be launched without sufficient testing and risk analysis.</p>	<p>Strategic and/or business plans are inconsistent with risk appetite or may encourage taking on excessive levels of risk. Anxiety for income dominates planning activities. The bank engages in new loan products/initiatives without conducting sufficient due diligence testing.</p>	<p>The bank has a 1-year budget and a three-year strategic plan. Currently, the planned growth for lending has been set for 3% for the 2021 calendar year. Based on quarterly assessments of regional and local market conditions, this growth rate should be easily achievable and appeared reasonable given the Board's conservative credit risk appetite.</p>
<p>Management is effective. Loan management and personnel possess sufficient expertise to effectively administer the risk assumed. Responsibilities and accountability are clear, and appropriate remedial or corrective action is taken when they are breached.</p>	<p>Management is adequate to administer assumed risk, but improvements may be achieved in one or more areas. Loan management and personnel generally possess the expertise required to effectively administer assumed risks, but additional expertise may be required in one or more areas. Responsibilities and accountability may require some clarification. Generally appropriate remedial or corrective action is taken to address the root causes of problems.</p>	<p>Management requires improvement and strengthening in one or more key areas. Responsibilities and accountability likely require some clarification or do not reflect the bank's current structure. Management may take remedial or corrective actions to address root causes of problems, but these actions are not always effective or timely.</p>	<p>Management is deficient. Loan management and personnel may not possess sufficient expertise and/or experience, or otherwise may demonstrate an unwillingness to effectively administer the risk assumed. Responsibilities and accountability are not clear. Remedial or corrective actions are lacking or do not address root causes of problems.</p>	<p>Management's level of expertise in underwriting, servicing and risk management was considered adequate for the size and complexity of the bank.</p>

Strong	Satisfactory	Insufficient	Weak	Comments
<p>Diversification management is active and effective. Concentration limits are set at reasonable levels. The Bank identifies and reports concentrated exposures and initiates actions to limit, reduce or otherwise mitigate the risk. Management identifies and understands correlated exposure risks.</p>	<p>Diversification management is adequate. Concentrated exposures are identified, and reported. Management has set reasonable concentration but these limits may require minor enhancements or further stratification. Management generally takes action to limit, reduce, or otherwise mitigate risk. Correlated exposures are understood but may not be formally discussed or well documented.</p>	<p>Diversification management needs improvement. Management has set concentration limits, but these limits may not be reasonable, are outdated, or may not adequately address the primary exposures at the bank. Management may identify when the bank exceeds these limits but does not always take appropriate actions to reduce or mitigate risk when limits are exceeded. Correlated exposures are not well understood or clearly identified.</p>	<p>Diversification management is deficient. The bank takes little or no action to limit, reduce, or mitigate risk. Management does not understand exposure correlations. Concentration limits, if any, may be exceeded or are raised frequently.</p>	<p>The bank has well established credit concentration limits that are monitored monthly. These limits also promote portfolio diversification.</p>
<p>Loan management and personnel compensation structures provide appropriate balance between loan/revenue production, loan quality, and portfolio administration, including risk identification.</p>	<p>Loan management and personnel compensation structures provide reasonable balance between loan/revenue production, loan quality and portfolio administration.</p>	<p>Loan management and personnel compensation structures may be skewed toward loan/revenue production. There may be inadequate incentives and/or accountability for loan quality and portfolio administration.</p>	<p>Loan management and personnel compensation structures are skewed to loan/revenue production. There is little evidence of substantive incentives and/or accountability for loan quality and portfolio administration.</p>	<p>Staffing levels were considered adequate with only one employee turnover in the 12-month period ended 9/30/2020. Compensation did not appear to be a significant risk factor in the area of lending.</p>
<p>Staffing levels and expertise are robust for the size and complexity of the loan portfolio. Staff turnover is reasonable and allows for the orderly transfer of responsibilities. Training programs facilitate on-going staff development.</p>	<p>Staffing levels and expertise are generally adequate for the size and complexity of the loan portfolio. Staff turnover is moderate but management addresses gaps in portfolio management timely. Training initiatives are effective but may need minor enhancements.</p>	<p>Staffing levels need improvement. High turnover may result in significant gaps in some areas. Management and the board do not respond to these needs timely. Training initiatives may be present but are likely inconsistent.</p>	<p>Staffing levels are inadequate in numbers or skill level. Turnover is high and management and the board are ineffective at addressing staffing gaps or shortfalls. Training is lacking or wholly insufficient.</p>	<p>Staffing levels were considered adequate with only one employee turnover in the 12-month period ended 9/30/2020. Management's level of expertise in underwriting, servicing and risk management was considered adequate for the size and complexity of the bank.</p>
<p>Lending policies effectively establish and communicate portfolio objectives, risk tolerances, and loan underwriting and risk selection standards.</p>	<p>Policies are fundamentally adequate. Enhancements can be achieved in one or more areas, but are generally not critical. Specificity of risk tolerance, or underwriting and risk selection standards may need improvement to fully communicate policy requirements.</p>	<p>Credit-related policies require improvement. They may not be sufficiently clear or are too general to adequately communicate portfolio objectives and loan-underwriting and risk appetite or risk-selection standards. Policies may be outdated or do not reflect the board's appetite.</p>	<p>Policies are deficient in one or more ways and require significant improvement in several areas. Key policies may be absent or lack basic credit guidance on loan-underwriting criteria, risk appetite, or risk-selection standards.</p>	<p>Written LTV and appraisal requirements are well established and closely monitored. Written policies and procedures are clear, comprehensive, and monitored as part of the monthly lending risk management reports. LTV requirements are conservative by industry standards.</p>

Strong	Satisfactory	Insufficient	Weak	Comments
Bank effectively identifies, approves, tracks, and reports significant policy, underwriting, and risk selection exceptions individually and in aggregate including risk exposures associated with off-balance sheet activities.	Bank identifies, approves, and reports significant policy, underwriting, and risk selection exceptions on a loan-by-loan basis including risk exposures associated with off-balance sheet activities. However, little aggregation or trend analysis is conducted to determine the affect on portfolio quality.	Bank approves significant policy exceptions, but may not report them individually or in aggregate, or may not analyze their affect on portfolio quality. Risk exposures associated with off-balance sheet activities may not be considered.	Bank does not have an effective process to identify or approve significant policy exceptions. Risk exposures associated with off-balance sheet activities are not considered or understood.	Policy, underwriting, and insurance (waiver) exceptions are isolated and closely monitored each month as part of the lending risk management reports. These reports are reviewed by loan officers, management, and board members.
Credit analysis is thorough and timely both at underwriting and periodically thereafter.	Credit analysis appropriately identifies key risks and is conducted within reasonable timeframes. Analysis after underwriting is effective but may need minor enhancements.	Credit analysis needs improvement. Moderate errors maybe evident, key risks may be overlooked or analyses may not be consistently timely. Further employee training or assistance is likely required.	Credit analysis is deficient. Analysis is not timely, accurate, or complete and cannot be relied on for underwriting or risk-rating decisions. Employees lack basic knowledge or understanding of how to complete these analyses.	In addition to well-established appraisal and underwriting guidelines, the bank relies on a third-party vendor provided global cash flow analysis (CRM) software program. This program is used for all new and renewed loans.
Internal or outsourced risk rating and problem loan review/identification systems are accurate and timely. They effectively stratify credit risk in both problem and pass-rated credits. They serve as an effective early warning tool, and support risk-based pricing, ALLL, and capital allocation processes.	Internal or outsourced risk rating and problem loan review/identification systems are effective in identifying problem and emerging problem credits. Examiners or loan review may have identified a small but explainable number of exceptions. The graduation of pass ratings may need to be expanded to facilitate early warning; risk-based pricing or capital allocation.	Internal or outsourced risk rating and problem loan review/identification systems require improvement. Problem credits may be identified, but not in a timely manner, and exceptions are moderate to high. The graduation of pass ratings is insufficient to stratify risk in pass credits for early warning or other purposes (loan pricing, ALLL, capital allocation).	Internal or outsourced risk rating and problem loan review/identification systems are deficient. The bank does not have an effective system to accurately or timely identify problem credits; as a result, portfolio risk is significantly misstated.	The bank has an internal 8-tier based loan grading system it acquired from Sheshunoff. All loans regardless of type or size are graded and monitored using this scale.

Strong	Satisfactory	Insufficient	Weak	Comments
<p>Loan review (either internal or external) is comprehensive, timely, and effective. Loan review identifies underwriting, financial, and collateral exceptions and also evaluates the adequacy of overall credit risk management. Management and personnel are qualified, experienced, independent, and report directly to the board or its designated committee. Identified issues are resolved timely and effectively. Work papers fully support conclusions.</p>	<p>Loan review (either internal or external) is adequate in scope, timely, and generally effective. Minor weaknesses may be evident. Loan review identifies underwriting, financial, and collateral exceptions but may not evaluate the overall credit risk management function. Management and personnel are qualified, experienced, independent (whenever possible), and report directly to the board or its designated committee. Identified issues are generally resolved timely and effectively. Work papers fully support conclusions.</p>	<p>The scope of loan review (either internal or external) may require some expansion to ensure it is sufficient, or reviews may not always be timely. Review may not consistently identify underwriting, financial, and collateral exceptions and likely do not include an evaluation of overall credit risk management. Management or personnel may lack extensive experience, require further training, or may not be fully independent. Reporting to the board or a designated committee may be indirect. Work papers may not fully support all findings.</p>	<p>The scope of loan review (either internal or external) is inadequate and reviews are not timely resulting in excessive lapses in coverage. The bank does not have a system to accurately identify underwriting, financial, or collateral exceptions. Management and personnel lack experience and competence, and independence is in question. Key issues are not properly reported to the board or designated committee. Work papers are inadequate to support findings.</p>	<p>External loan reviews are performed independently each year by the bank's audit firm, Saltmarsh, Cleveland and Gund. The sample selection is comprehensive and usually covers 40 percent of the bank credit portfolio.</p>
<p>Special mention ratings do not indicate any Management problems administering the loan portfolio.</p>	<p>Special mention ratings generally do not indicate Management problems administering the loan portfolio.</p>	<p>Special mention ratings may indicate management problems administering the loan portfolio.</p>	<p>Special mention ratings clearly indicate management is not properly administering the loan portfolio.</p>	<p>Special mention assets do not reveal any systemic weaknesses either in the underwriting or collection processes.</p>
<p>Management information systems (MIS) provides accurate, timely and complete portfolio information. Management and the Board receive comprehensive reports to analyze and understand the Bank's credit risk profile including off-balance sheet activities. MIS facilitate exception reporting, and MIS infrastructure can support <i>ad hoc</i> queries in a timely manner.</p>	<p>Management information systems (MIS) may require minor improvement in one or more areas, but Management and the Board generally receive appropriate reports to analyze and understand the Bank's credit risk profile. MIS facilitates exception reporting, and MIS infrastructure can support queries in a timely manner.</p>	<p>Management information systems (MIS) requires improvement. Reports may be incomplete or are not consistently proceed in a timely fashion. As a result, Management and the Board may not be receiving complete information to fully analyze and understand the Bank's credit risk profile. Exception reporting requires improvement, and MIS infrastructure may not support <i>ad hoc</i> queries in a timely manner.</p>	<p>Management information systems (MIS) are deficient, lacks key information, are not timely, or are not reliable due to significant inaccuracies. As a result, Management and the Board are not receiving accurate or sufficient information to analyze and understand the Bank's credit risk profile. The Bank lacks exception reporting, and MIS infrastructure does not support <i>ad hoc</i> queries.</p>	<p>The bank uses Shazam as their core provider for all commercial loans excluding SBA guaranteed products. For SBA loans it uses a separate software solution by PCFS. Both software providers offer timely and comprehensive reporting features that allow management to manage all appropriate risks.</p>

FAIR LENDING RISK ASSESSMENT

Completed by: *Steven Dvorak*

Date: *3/31/2020*

Quantity of Fair Lending Risk is:

Low	Moderate	High	Comments
			Based on the observations noted below.

Quality of Fair Lending Risk Management is:

Strong	Satisfactory	Insufficient	Weak	Comments
				Based on the observations noted below.

Aggregate Fair Lending Risk is:

Low	Moderate	High	Comments
			Based on the observations noted below.

The Direction is expected to be:

Decreasing	Stable	Increasing	Comments
			Based on the observations noted below.

Fair Lending Risk Indicators

Quantity of Fair Lending Risk Indicators

Low	Moderate	High	Comments
Significant and explainable volume of consumer lending.	Lower volume of consumer lending, but explainable.	Low and unexplainable volume of consumer lending. (Bank could be discouraging applicants).	The bank engages in very little or no consumer lending.
Generic, noncomplex products offered.	Limited number of complex products offered.	Several complex products offered (e.g., subprime high-cost mortgages).	Products are generic and non-complex.
Low number of policy exceptions/overrides.	Modest number of policy exceptions/overrides and may exceed guidelines.	High number of policy exceptions/overrides.	As of 4/30/2020 the bank had approximately 31 loan exceptions. Of these, none were for consumer purposes.
Lending policies allow little or no lender discretion in the loan decision process.	Lending policies allow some lender discretion in the loan decision process.	Lending policies allow high level of lender discretion in the loan decision process.	Policy guidelines are well-defined, in writing, and conservative.
Little or no disparities among approval/denial rates or pricing by prohibited basis groups.	Some disparities among approval/denial rates or pricing by prohibited basis groups.	Substantive disparities among approval/denial rates or pricing by prohibited basis groups.	The bank has too few loans in this area to establish a pattern.
Low proportion of withdrawn/incomplete applications for prohibited basis groups.	Moderate proportion of withdrawn/incomplete applications for prohibited basis groups.	Higher proportion of withdrawn/incomplete applications for prohibited basis groups.	HMDA reportable loans are usually fewer than 20 per year.

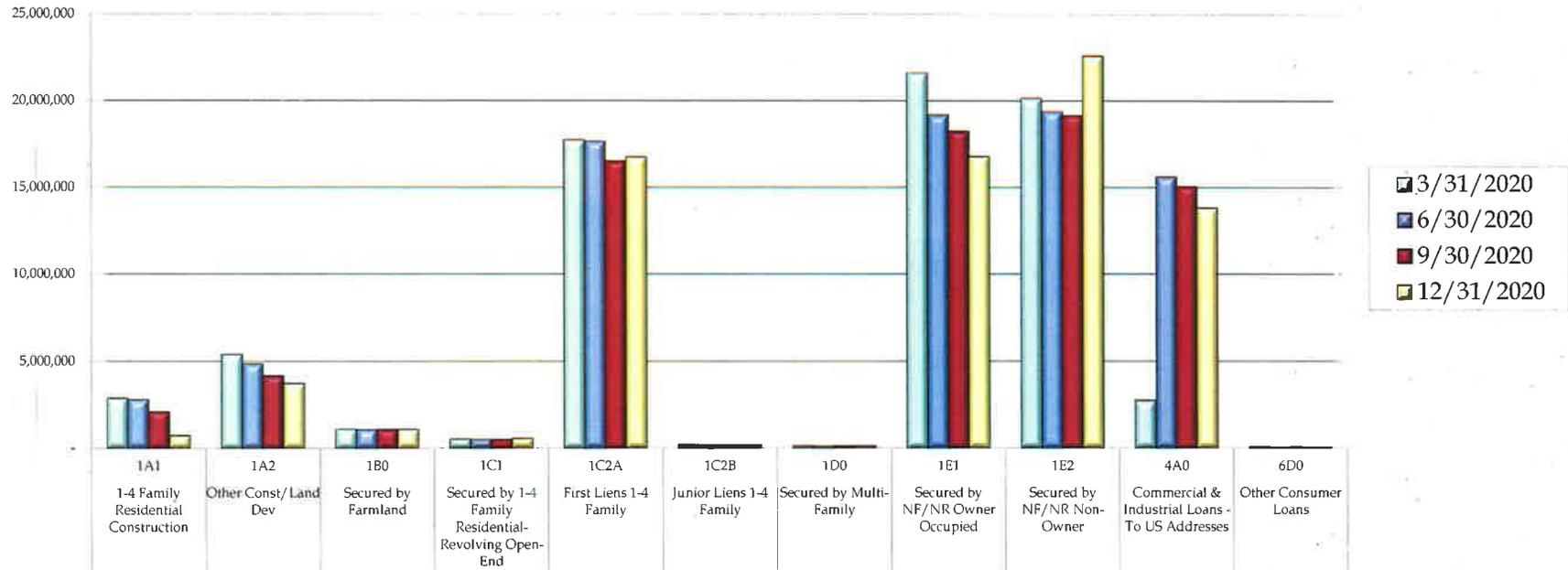
Low	Moderate	High	Comments
No conspicuous gaps in lending patterns.	Explainable conspicuous gaps in lending patterns.	Unexplainable conspicuous gaps in lending.	The bank has too few loans in this area to establish a pattern.
Centralized underwriting and makes own loans.	Local brokers originate a low volume of loans.	Decentralized underwriting and high volume of loans originated by multiple statewide or nationwide brokers.	Underwriting is centralized.
No marketing practices or products that are targeted to any specific group or location.	Limited marketing practices or products that are targeted to specific groups. Activity is commensurate with strategic focus.	Marketing practices or products are targeted to specific groups or locations, (e.g., advertising sub- prime or higher cost consumer loans in a language other than English).	Management does not use targeted marketing based on demographics.
No fair lending complaints or complaints to the U.S. Departments of Justice (DOJ) or Housing and Urban Development (HUD) regarding discrimination or discouraged applications.	Limited number of fair lending- related complaints.	Numerous fair lending-related complaints.	No complaints were noted.
No fair lending lawsuits or claims regarding discrimination or discouraged applicants.	Community groups have raised fair lending issues. Some potential lawsuits (e.g., allegations of predatory lending).	Actual fair lending lawsuits or claims. Investigations of fair lending complaints by the DOJ or HUD.	No lawsuits were noted.
No special compensation incentives for lenders	Lenders do receive incentives for number of loans made, but activity is closely monitored.	Lenders receive incentives for number of loans made without review.	No special compensation incentives for lender are used.

Quality of Fair Lending Risk Management Indicators

Strong	Satisfactory	Insufficient	Weak	Comments
Bank conducts an effective fair lending risk assessment. Results are discussed with the board.	Bank conducts a fair lending risk assessment that is generally effective, but there may be some weaknesses in the system.	Bank conducts a fair lending risk assessment, but the system may need improvement to be fully effective.	Little or no monitoring of fair lending compliance.	Fair lending internal audit reviews performed on a recurring basis based on a risk-based schedule.
Centralized decision making with ongoing monitoring for consistency. Bank adheres to well-defined underwriting standards and override procedures.	Centralized decision making, but some aspects of monitoring could be improved to achieve greater consistency. Staff generally adheres to underwriting standards and override procedures.	Decision-making processes may need greater centralization. Monitoring may be limited. Staff may not fully understand or adhere to underwriting standards and override procedures.	Decentralized decision making without monitoring of discretionary pricing, overrides, or policy exceptions.	All lending decisions are centralized.
Bank has an effective second review process in place.	Bank has a second review process, but it may have minor weaknesses in some areas.	Bank has implemented a second review process, which may have resulted in inconsistent consideration of denied applications, exceptions, or overrides.	No second review process.	The bank has a second review process before each loan denial. Management implemented an action plan for adverse action notice reviews.
Fair lending considerations are incorporated into all areas of the bank, (e.g., rollout of new products, advertising, changes in forms, disclosures, etc.)	Fair lending considerations are generally well incorporated, although a few areas may be overlooked or not fully incorporated. Management affects corrective action when the need is identified.	Fair lending considerations need improvement, as several areas may be overlooked or not incorporated. Management generally affects corrective action when weaknesses are identified.	Fair lending considerations are not incorporated in numerous areas of the bank. Management does not affect corrective action.	Loan compliance concerns would be discussed prior to any new loan product being introduced.
Policies and procedures are strong.	Policies and procedures are satisfactory, but minor weaknesses are noted.	Policies and procedures need improvement, as several weaknesses may be noted.	Policies and procedures are significantly flawed and do not provide meaningful guidance to explain why business reasons or other factors are not discriminatory.	Policies and written lending guidelines meet all regulatory requirements designed to protect loan customers.
When deficiencies are identified in the normal course of business or second review process, management promptly implements meaningful corrective action.	Management is responsive when deficiencies are identified in the normal course of business or second review process, but corrective actions may not always be fully effective.	Management is not consistently responsive when deficiencies are identified. Some deficiencies may not be self-identified.	Errors and deficiencies are not self-identified. Management may only respond when violations are cited.	Management has a well established history of responding to any regulatory matter identified during an internal or external review.

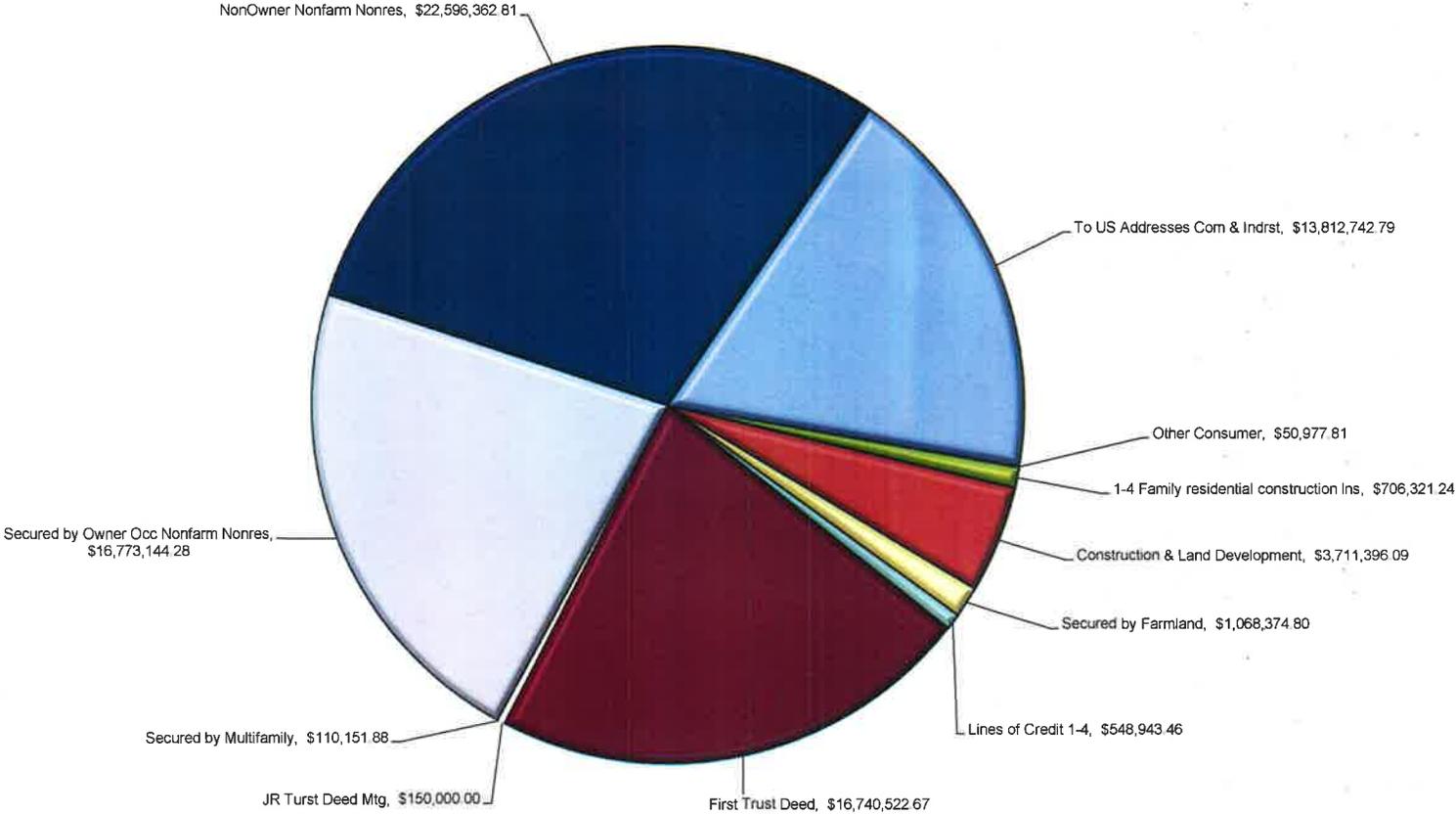
Strong	Satisfactory	Insufficient	Weak	Comments
Training regarding consistent treatment is appropriate and effective. Necessary resources have been provided to govern compliance. Bank has experienced, well- trained, and knowledgeable staff.	Training regarding consistent treatment is generally appropriate and effective. Resources are generally adequate to govern compliance. Overall, the staff is satisfactory in terms of its experience, training, and knowledge.	Training is conducted, but may be conducted infrequently or not in a timely manner. Resources may not be adequate to govern compliance.	Training is sporadic and ineffective (as evidenced by inconsistent application of underwriting standards); high volume of withdrawn/incomplete applications may indicate bank is discouraging applicants.	All bank employees are required to take annual computer-based compliance training of regulations that relate to their areas of employment. Lending personnel are required to take courses that relate to fair lending regulations.
Bank is responsive and resolves complaints promptly when received.	In general, complaints are promptly and adequately addressed.	Management needs to improve its monitoring of and responsiveness to complaints.	Management does not monitor or adequately and promptly address complaints.	No complaints have ever been received
Appropriate fair lending compliance controls and systems (e.g., quality control functions, compliance audits, and self-assessments) are implemented to identify compliance problems and assess performance.	No significant shortcomings are evident in fair lending compliance controls or systems (e.g., compliance reviews, compliance audits, and self-assessments). Probability of serious future violation or noncompliance is within acceptable tolerance.	Modest shortcomings are evident in fair lending compliance controls or systems (e.g., compliance reviews, compliance audits, and self-assessments). Probability of serious future violation or noncompliance may not be within acceptable risk tolerances.	Significant shortcomings are evident in fair lending compliance controls or systems (e.g., quality control functions, compliance reviews, compliance audits, and self-assessments). The probability of serious future violation or noncompliance is high.	The volume of activity in this area is so low that a formal QC process was not deemed appropriate at this time. Notwithstanding, the bank does perform internal compliance reviews of Fair Lending from time to time.
Clear and objective standards exist for referring applicants to subsidiaries or affiliates, classifying applicants as prime or subprime, and deciding what alternative loan products should be offered. Standards are clearly communicated and well understood by staff.	Objective standards exist for referring applicants to subsidiaries or affiliates, classifying applicants as prime or subprime, and deciding what alternative loan products should be offered, but the standards may not be clearly communicated to staff.	Objective standards for referring applicants to subsidiaries or affiliates, classifying applicants as prime or subprime, and deciding what alternative loan products should be offered may exist for some but not all areas. Standards may not be consistently communicated to staff.	Missing clear and objective standards for referring applicants to subsidiaries or affiliates, classifying applicants as prime or subprime, or deciding what kinds of alternative loan products should be offered.	The bank does not engage in this type of activity.

Concentration of Credit Quarterly Comparison by CALL Code 12/31/2020



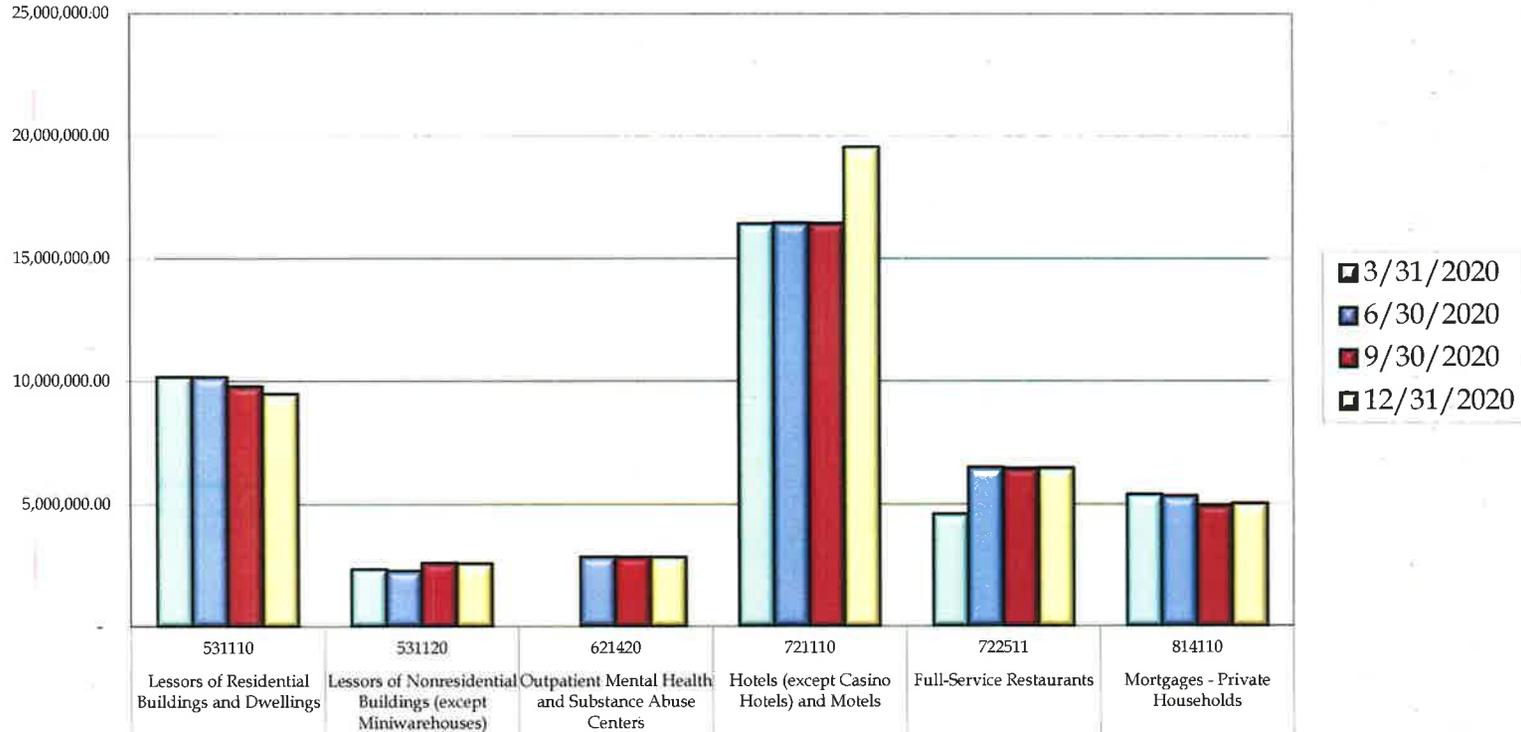
		<u>3/31/2020</u>	<u>6/30/2020</u>	<u>9/30/2020</u>	<u>12/31/2020</u>
1-4 Family Residential Construction	1A1	2,862,467.53	2,797,553.09	2,085,964.58	706,321.24
Other Const/Land Dev	1A2	5,395,704.40	4,863,800.27	4,156,167.71	3,711,396.09
Secured by Farmland	1B0	1,082,360.48	1,071,629.34	1,070,010.15	1,068,374.80
Secured by 1-4 Family Residential-Revolving Open-End	1C1	510,615.04	501,988.22	486,894.47	548,943.46
First Liens 1-4 Family	1C2A	17,743,437.46	17,652,903.92	16,500,302.75	16,740,522.67
Junior Liens 1-4 Family	1C2B	185,000.00	170,000.00	170,000.00	150,000.00
Secured by Multi-Family	1D0	119,224.54	116,366.65	113,339.33	110,151.88
Secured by NF/NR Owner Occupied	1E1	21,613,682.19	19,185,704.51	18,243,121.45	16,773,144.28
Secured by NF/NR Non-Owner	1E2	20,144,911.25	19,382,939.48	19,173,344.96	22,596,362.81
Commercial & Industrial Loans - To US Addresses	4A0	2,727,130.98	15,607,276.39	15,044,159.78	13,812,742.79
Other Consumer Loans	6D0	57,936.66	55,601.77	53,438.78	50,977.81

FIRST NATIONAL BANK NORTHWEST FLORIDA - CALL CODES 12/31/2020



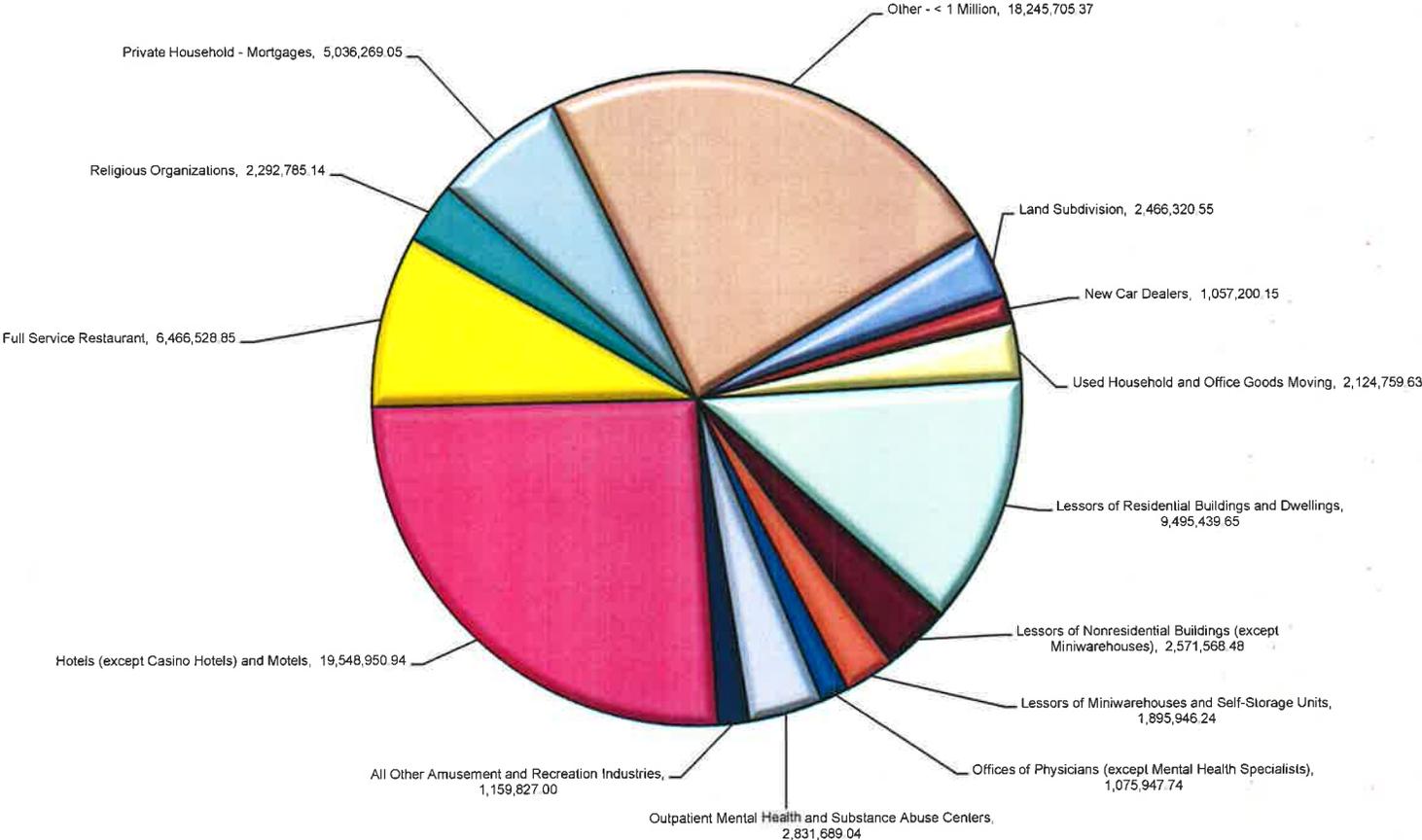
QRYBAL	CALL CODE	DESCRIPTION
706321.24	1A1	1-4 Family residential construction Ins
3711396.09	1A2	Construction & Land Development
1068374.8	1B	Secured by Farmland
548943.46	1C1	Lines of Credit 1-4
16740522.67	1C2A	First Trust Deed
150000	1C2B	JR Turst Deed Mtg
110151.88	1D	Secured by Multifamily
16773144.28	1E1	Secured by Owner Occ Nonfarm Nonres
22596362.81	1E2	NonOwner Nonfarm Nonres
13812742.79	4A	To US Addresses Com & Indrst
50977.81	6D	Other Consumer

Concentration of Credit Quarterly Comparison by NAICS Code 12/31/2020



		<u>3/31/2020</u>	<u>6/30/2020</u>	<u>9/30/2020</u>	<u>12/31/2020</u>
Lessors of Residential Buildings and Dwellings	531110	10,180,713.27	10,174,662.61	9,796,092.19	9,495,439.65
Lessors of Nonresidential Buildings (except Miniwarehouses)	531120	2,329,077.05	2,264,052.57	2,592,145.04	2,571,568.48
Outpatient Mental Health and Substance Abuse Centers	621420	2,831,689.04	2,831,689.04	2,831,689.04	2,831,689.04
Hotels (except Casino Hotels) and Motels	721110	16,426,075.65	16,456,774.31	16,446,661.18	19,548,950.94
Full-Service Restaurants	722511	4,579,561.45	6,493,813.41	6,442,942.36	6,466,528.85
Mortgages - Private Households	814110	5,379,035.84	5,319,724.25	4,930,987.65	5,036,269.05

FIRST NATIONAL BANK NORTHWEST FLORIDA - NAICS CODES 12/31/2020



QRYBAL	INDCOD	NAICS
2,466,320.55	237210	Land Subdivision
1,057,200.15	441110	New Car Dealers
2,124,759.63	484210	Used Household and Office Goods Moving
9,495,439.65	531110	Lessors of Residential Buildings and Dwellings
2,571,568.48	531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
1,895,946.24	531130	Lessors of Miniwarehouses and Self-Storage Units
1,075,947.74	621111	Offices of Physicians (except Mental Health Specialists)
2,831,689.04	621420	Outpatient Mental Health and Substance Abuse Centers
1,159,827.00	713990	All Other Amusement and Recreation Industries
19,548,950.94	721110	Hotels (except Casino Hotels) and Motels
6,466,528.85	722511	Full Service Restaurant
2,292,785.14	813110	Religious Organizations
5,036,269.05	814110	Private Household - Mortgages
18,245,705.37		Other - < 1 Million

INFORMATION TECHNOLOGY OFFICERS REPORT DECEMBER 31, 2020

This report is required by the (FFIEC) Federal Financial Institutions Examination Council handbook to inform the board of director's of First National Bank NW FL of the status of the Information Technology (IT) Department. This report will show with management involvement where we stand in securing the network and the data that is stored in our servers, who maintains this information and the security devices used to protect the network. One of the FFIEC agencies, The Office of the Comptroller of the Currency (OCC) examines the bank on a regular basis to determine if the bank has established and maintains an adequate IT program. This report covers the period of October 1, 2020 through December 31, 2020.

INFORMATION TECHNOLOGY STAFF

The IT Department has an Information Security and Cyber Officer, Brent Brown and (2) local administrators, Corissa Oyler and Donny Qualls that handle in-house issues such as PC's, printers etc... First National Bank has contracted with the Aasys Technology Group to be the network administrator for the bank. They will make changes to files and folders and maintain and monitor the network security. First National Bank has also contracted with Silversky Perimeter Security to monitor our security firewall devices.

BOARD OF DIRECTORS

It is the responsibility of the board of directors to oversee the development, implementation, and maintenance of the institution's information security program. Oversight requires the board to provide management with guidance and receive reports on the effectiveness of management's response.

RESULTS OF TESTING AND PLANS FOR TESTING

Results -

Plans –

GLBA & Pen testing in the 2nd Quarter

NETWORK SECURITY

Overview of Network Security

BAE/Silversky monitors our security device 24 hours a day, 365 days a year. They monitor for attacks that could damage our network. I have attached an Intrusion Protection Summary Report. This report breaks down the number of attacks and the severity of the attack. An event is information that is logged by a sensor when activity matches the criteria we have established. Silversky enhanced their sensors and it logs more events than previously. Majority of these events were unreachable to our port and network. An alert is a collection of related events that meet the criteria for analysis or automated correlation and an incident is a set of related alerts that are investigated, documented, and escalated to First National Bank for further attention. If an incident occurs, Silversky will quarantine the item and call, text, and email the IT Officer and local administrator.

Security Breaches or Violations					
	12/31/19	03/31/20	06/30/20	09/30/20	12/31/20
Events	149521	216362	248174	256468	368544
Alerts	360	174	237	260	260
Incidents	106	128	107	172	221

Cybersecurity

The Internal Auditor and I completed the Cyber Risk Assessment Tool and the Inherent Risk Profile. The CAT was reviewed and approved by the OCC in January 2016. They reviewed again in June 2017, March of 2019 and August 2020 with no issues. This tool is an ongoing assessment and will continue to be evaluated annually. The Cyber Maturity Goals are presented to the Enterprise Risk Committee for approval.

Equipment and Software Upgrades

The IT Department maintains a Fortinet 100E Router/Firewall at the main office. This is our network router to let traffic flow through the network and is our Firewall and security device to protect the bank from penetration attacks from the outside. We have a Fortinet 100D Router/Firewall at the beach office that routes the traffic between the main office and beach branch. Both Firewalls filter all web activity and looks for suspicious content. If a site is deemed inappropriate, it will block the site and not allow further access to that area.

The bank's information is also protected by Symantec Corporate anti-virus software version 14.2.770 that updates nightly. This filters everything from any new virus from the internet or e-mail that could be brought in from the outside.

The bank also installed an internet connection from Comcast to assist the bank in multiple areas. The primary reason for this connection was for a backup to our T1 line connection to the Federal Reserve. The proof department transmits and

receives cash letter files from the Fed daily. Due to time restraints on these files, we needed this line to meet their guidelines. If the bank's T1 line went down for an extended period of time, we could hook that line to our network and keep parts of the bank working. This line is located in our First Floor communication room and provides a password protected WIFI for employees to use during their lunch or breaks to check their personal mail. Limiting web mail reduces the risk further from spam and phishing occurrences from attempting to enter our network. The OCC requires us to perform a penetration test annually.

Patch Monitoring and Installation

Aasys Technology Group monitors and applies all updates and patches on all computers and servers. If Microsoft sends out a security patch that requires immediate attention those are applied at that time.

Business Continuity Preparedness

The bank has formed a risk committee that meets periodically to review and prepare for many different types of emergencies. The information that has been gathered will help prepare the IT department to maintain business continuity in the event of an emergency. The committee meets on a regular basis to discuss changes necessary to make sure the bank is prepared.

Vendor Management

Contracts with vendors are in place, as well as, SSAE 16 reports, financials, and insurance. Controls and SOC2 reports are received from our major Vendors annually.

RECOMMENDATIONS FOR CHANGES IN THE IT PROGRAM

Implementation:

Brent Brown
Information Security Officer

		Actual			
		31-Mar	30-Jun	30-Sep	31-Dec
POLICY GUIDELINES		2020	2020	2020	2020
COMMON EQUITY TIER 1 CAPITAL		\$ 19,372,274	\$ 19,372,274	\$ 19,684,339	\$ 20,019,142
TOTAL RISKED BASED CAPITAL	>= 20%	38.42%	32.90%	34.59%	35.00%
TIER 1 CAPITAL RATIO	>= 20%	37.15%	31.64%	33.33%	33.74%
COMMON EQUITY TIER 1 CAPITAL	>= 20%	37.15%	31.64%	33.33%	33.74%
TIER 1 LEVERAGE RATIO	>= 10%	9.95%	10.32%	10.31%	10.59%
CONSERVATION BUFFER-EQUALS THE LOWEST OF THE FOLLOWING:		31-Mar	30-Jun	30-Sep	31-Dec
POLICY GUIDELINES		2020	2020	2020	2020
TOTAL RISKED BASED CAPITAL	>=18%	30.42%	24.90%	26.59%	27.00%
TIER 1 CAPITAL RATIO	>=14%	31.15%	25.64%	27.33%	27.74%
COMMON EQUITY TIER 1 CAPITAL	>=11%	32.65%	27.14%	28.83%	29.24%

		Actual			
		31-Mar	30-Jun	30-Sep	31-Dec
POLICY GUIDELINES		2019	2019	2019	2019
TOTAL RISKED BASED CAPITAL	>= 20%	34.56%	36.41%	36.56%	37.98%
TIER 1 CAPITAL RATIO	>= 20%	33.30%	35.14%	35.29%	36.72%
COMMON EQUITY TIER 1 CAPITAL	>= 20%	33.30%	35.14%	35.29%	36.72%
TIER 1 LEVERAGE RATIO	>= 10%	10.47%	10.46%	9.88%	10.73%
CAPITAL BUFFER		26.56%	28.41%	28.56%	29.98%

		Actual			
		31-Mar	30-Jun	30-Sep	31-Dec
POLICY LIMITS		2018	2018	2018	2018
TOTAL RISKED BASED CAPITAL	>= 15%	34.74%	34.20%	30.93%	33.75%
TIER 1 CAPITAL RATIO	>= 13%	33.47%	32.94%	29.67%	32.49%
COMMON EQUITY TIER 1 CAPITAL	>= 13%	33.47%	32.94%	29.67%	32.49%
TIER 1 LEVERAGE RATIO	>= 9%	12.71%	12.16%	11.92%	11.15%
CAPITAL BUFFER		26.74%	26.20%	22.93%	25.75%

		Actual			
		31-Mar	30-Jun	30-Sep	31-Dec
POLICY LIMITS		2017	2017	2017	2017
TOTAL RISKED BASED CAPITAL	>= 15%	31.68%	33.66%	34.48%	35.02%
TIER 1 CAPITAL RATIO	>= 13%	30.42%	32.39%	33.21%	33.75%
COMMON EQUITY TIER 1 CAPITAL	>= 13%	30.42%	32.39%	33.21%	33.75%
TIER 1 LEVERAGE RATIO	>= 9%	12.94%	12.65%	12.43%	12.58%
CAPITAL BUFFER		23.68%	25.66%	26.48%	27.02%

		Actual			
		31-Mar	30-Jun	30-Sep	31-Dec
POLICY LIMITS		2016	2016	2016	2016
TOTAL RISKED BASED CAPITAL	>= 15%	28.55%	30.04%	30.94%	31.37%
TIER 1 CAPITAL RATIO	>= 13%	27.29%	28.78%	29.67%	30.10%
COMMON EQUITY TIER 1 CAPITAL	>= 13%	27.29%	28.78%	29.67%	30.10%
TIER 1 LEVERAGE RATIO	>= 9%	13.90%	13.08%	12.83%	12.77%
CAPITAL BUFFER		20.55%	22.04%	22.94%	23.37%

ANNUAL-Year Security Officers Report For 2020

Bank Security Program:

I hereby certify, to the best of my knowledge and belief, that:

- 1) This bank has developed and administers a security program that equals or exceeds the standards prescribed by #326.4 of the rules and regulations of the Federal Deposit Insurance Corporation;
- 2) That such security program has been reduced to writing, approved by the bank's Board of Directors, and retained by the bank in such form as will readily permit determination of its adequacy and effectiveness;
- 3) That the bank security officer, after seeking the advice of law enforcement officers, has provided for the installation, maintenance, and operation of appropriate security devices, as prescribed by #326.3 of the rules and regulations of the Federal Deposit Insurance Corporation, in each of the bank's banking offices.
- 4) That the bank security officer will Report on Security Devices following annual assessments of the Main and Beach Offices as of calendar year end.
- 5) The bank security officer will submit reports on the security program in the Security Officer Report quarterly in addition to annually per regulation.

Restricted Access Areas:

Three areas of the main office have been designated access restricted for security precautions:

- *IT area on the first floor where the servers are located-which also includes the records vault
- *Postage room, records filing & storage on the second floor
- *All loan file rooms on the third floor containing active and paid out loan files

The beach office has one area designated access restricted for security precautions:

- *The record storage area

All of these areas are under lock and key separate from the front door key which restricts access to these areas to specific employees and denies access to anyone outside of bank staff unless accompanied by an authorized staff member. This includes cleaning personnel and other vendors.

Fire Drill:

Fire Drills were performed at both branches on May 29th. A horn was sounded to signify the alarm and staff evacuated the buildings to the assigned meeting place. Main Office time of evacuation one minute and Beach Office time of evacuation was forty seconds.

Implementation:

A separate IT server room with a separate locked door with restricted access was built during the remodel after the Hurricane. This room has interior walls only and a separate air conditioning system for climate control.

Camera locations at the Beach and Main Office were updated and the bank now has two outside cameras at each location showing the entrance to the bank and part of the parking lot. Lobby Monitors discontinued at both locations.

Bank Security Training:

Annual Staff training for all main office and beach branch staff is completed via online through the ABA Frontline Compliance Training and through an annual staff meeting. This training covers various aspects of security including robbery, other threats, physical security, etc. Annual in-person training was completed December 16, 2020 and Check Fraud Training February 24, 2020.

Future Requirements:

At the present time the main office has the ability to retain only 5 months of data. An upgrade is available which would increase storage capacity for \$1,745.00.

The room which contains the telephone equipment and computer equipment at the beach branch should be under restricted access to non-employees at all times. Access is restricted during business hours because the room is located behind the teller line. However, the door to this room is not lockable and is never closed due to heat affecting the computer systems. A small air conditioner should be installed in the room to provide the ability to restrict access and protect the climate control of the servers – Approximately \$7,200.00.

Right to Financial Privacy (RFP) Reporting

- No changes in the policies, procedures, training, or program.
- No significant changes in service provider arrangements.
- No significant incidents involving attempted or actual identity theft.
- No recommendations for any changes to the program.

Requests For Research of Information/Records									
YEAR	BSA/AML/OFAC RELATED Federal and state banking agencies, the U.S. Treasury (Office of the Secretary and Department of the Treasury, Internal Revenue Service, FinCEN, Detroit Computing Center, and OFAC)	Civil	Criminal	Court Proceedings (Divorce, etc)	Garnishment	Reclamations	Notice of Tax Levies	Customer Requests-Bank Requests-Miscellaneous	TOTAL
2020	0	1	0	0	0	0	0	49	50
2019	0	0	0	3	1	0	1	64	69
2018	0	0	0	3	2	2	2	106	115
2017	0	6	0	0	5	0	2	71	84
2016	0	1	0	0	0	1	1	16	19
2015	0	0	0	0	4	2	13	47	66
2014	0	0	0	0	0	1	2	11	68
2013	0	0	0	0	0	2	1	64	67

Identity Fraud/Theft

Identity fraud includes any type of crime where someone wrongfully obtains and uses another person's personal data in some way that involves fraud or deception, typically for economic gain.

Identity theft is one type of identity fraud and is probably the most recognized form. Although identity theft is defined in many different ways, fundamentally, it is the misuse of another individual's personal information to commit fraud. Identity theft occurs when someone uses personally identifying information, like name, Social Security number, or credit card number, without permission to commit a crime.

Summary

The Identity Theft Prevention Program Policy is approved by the Board annually. Development and implementation of the Identity Theft Prevention Program was completed in 2006. Incidents related to identity theft have been tracked since the implementation of the program to determine the effectiveness of the policies and procedures and identify any training gaps in the program. All information is reported quarterly in the Quarterly Security Officer Report in addition to annually per regulation.

Effectiveness of Policies and Procedures

Annual Staff training for the main, branch, lending and servicing staff on identity theft is done online through ABA Frontline Compliance Training (a computer based training program) along with communicating periodic updates to policies and procedures as needed. The identity theft policies and procedures adequately address detecting and preventing identity theft.

Service Provider Arrangements-(Covered by IT/IS Officer).

In accordance with our Vendor Due Diligence Policy, service provider contracts contain a provision that addresses the service provider's responsibility for security and confidentiality of our resources (e.g., consumer account information, hardware). The agreement prohibits the service provider and its agents from using or disclosing any information received from us, except as necessary to or consistent with providing the contracted services.

Incidents Related to Identity Theft and Management's Response

Since implementation of the program, the EVP/CFO has tracked identity theft "red flags" which were reported to the bank and required additional steps to protect the customer from identity theft. The majority of these incidents involved customers notifying the bank to report a theft of their personal information, or customers reporting unauthorized transactions on their periodic statements. Policies and procedures were followed to protect the customer from identity theft and prevent loss to the bank.

FRAUD CASES - 2020

DATE	CUSTOMER NAME		TOTAL LOSS	DESCRIPTION
1/20/2020	CORREIA	DONALD	-36.63	RECOVERY DB FRAUD 2019/\$36.63 LOSS/1 REISSUE
1/23/2020	ABY-WRIGHT	LYDIA	0	DB FRAUD/COMPROMISED - NO LOSS/1 REISSUE
2/19/2020	ROUSSEAU II	RICHARD	0	DB FRAUD/COMPROMISED - NO LOSS/1 REISSUE
2/26/2020	WEBB	SUZANNE	0	DB FRAUD/COMPROMISED - NO LOSS
3/3/2020	ROCHELLE	SHY'ELA	0	DB FR/CASH APP*-55.00 CHGBK RIGHTS/1 REISSUE
3/12/2020	SNIPES	JILL E	0	DB FRAUD/COMPROMISED - NO LOSS
3/12/2020	SINDY	BARRY	0	DB FRAUD/9.95 AWAITING CHGBK RIGHTS/1 REISSUE
3/19/2020	CULMER	CALVIN	103.50	DB FRAUD/NO CHGBK RIGHTS/1 REISSUE
3/29/2020	GRAMMER	TERRY	0	DB FRAUD/COMPROMISED - NO LOSS/ 1 REISSUE
3/29/2020	SALTY GOAT SALOON		72.00	DB FRAUD/BRT-AFRICA NO CHGBK RIGHTS/1 REISSUE
4/13/2020	PATEL	BIRAN	0	DB FRAUD-MBI*PROBILLER.COM-NO LOSS-CUSTOMER WITHDRAWN/1 REISSUE
4/23/2020	HEALEY	NANCY	0	DB FRAUD/COMPROMISED - NO LOSS/ 1 REISSUE
4/28/2020	DUCRE	ANITA	0	DB FRAUD/COMPROMISED - NO LOSS/ 1 REISSUE
05/08/2020	WEBB	SUZANNE	0	DB FRAUD/AWAITING CHARGEBACK RIGHTS/NO REISSUE
05/11/2020	MITCHELL	BOBBY	0	DB FRAUDAWAITING CHARGEBACK RIGHTS/1 REISSUE
06/09/2020	WHITTEMORE	DERRYL	0	DB FRAUD /COMPROMISED-NO LOSS/1 REISSUE
06/19/2020	HAWKINS	ROBIN	0	DB FRAUD /COMPROMISED-NO LOSS/1 REISSUE
7/10/2020	ROCHELL	SHY'ELA	0	DB FRAUD/COMPROMISED \$172.03 NO LOSS/ 1 REISSUE
7/15/2020	ALEXNDER	TEDDY	0	CHECK FRAUD/ \$1,700.00 NO LOSS CHECK RETURNED
7/21/2020	DELCAMBRE	RANDY	\$99.80	DB FRAUD/COMPROMISED-CHEVERON -NO LOSS/1 REISSUE
7/30/2020	KUCZENSKI	BRANDY	0	DB NON-FRAUD/\$325.00-AWAITING CHARGEBACK RIGHTS/1 REISSUE
8/5/2020	DILLMAN	LAINA	0	DB FRAUD/COMPROMISED NO LOSS/ 1 REISSUE
8/27/2020	SAADA	MICHELLE	\$100.00	DB FRAUD/COMPROMISED-CHEVERON- NO LOSS/1 REISSUE
9/1/2020	MARSHALL	AMY L	0	DB FRAUD/COMPROMISED -\$110.78 NO LOSS/ 1 REISSUE
9/3/2020	HAWKINS	ROBIN	0	DB FRAUD/COMPROMISED-NO LOSS/ 1 REISSUE
9/28/2020	SALTY GOAT SALOON		0	DB FRAUD/HOME DEPOT \$853.86 NO LOSS/ 1 REISSUE
9/30/2020	GILES	MARTHA	0	DB FRAUD/MAXSLIMSERUM.COM \$179.46/AWAITING CHARGEBACK RIGHTS/1 REISSUE
10/16/2020	MILNER	DARREN	322.75	CHARGE OFF - DB NON-FRAUD/\$322.75 -MASTERCARD ARBITRATION-CUSTOMER REFUSED TO COMPLETE PAPERWORK
11/5/2020	SHEPARD	JANE		DB FRAUD/COMPROMISED - NO LOSS/ 1 REISSUE
11/22/2020	ADKINS	CAROLYN		ACH FRAUD NO LOSS 183.46, 33.00, 366.92
11/23/2020	GLENN SALYER PLUMBING			ACH FRAUD NO LOSS 174.09, 697.63, 500.00, 500.00, 5000.00, 411.00
11/30/2020	ROBINSON	CHLOE		DB FRAUD/COMPROMISED - NO LOSS/ 1 REISSUE
12/1/2020	COOLEY	JEFFERY	99.61	DB FRAUD/ CHARGEBACK RIGHTS \$99.61 /1 REISSUE
12/9/2020	NORMAN	RUBY		DB FRAUD/COMPROMISED - NO LOSS/ 1 REISSUE
ACTUAL LOSSES			658.61	
CHARGE-OFF			322.75	
PENDING Debit Card/Fraud Loss - YTD			188.90	
TOTAL YTD LOSSES - ACTUAL & PENDING			1,170.26	

Check Fraud

Incidents of check fraud have increased within the last several years. Procedures are in place for physical review of all personal checks =>\$1,000 and all commercial checks =>\$1,500. These items appear on a list daily and the images of the items are reviewed manually by staff in the bookkeeping department. Staff review the date, payee, numeric and legal amounts, signature of remitter, endorsement of payee. Staff also compare the image to images of previous checks posted to the account. One Incident of Check Fraud occurred during the year with No Loss.

ACH-

Two Incidents of ACH Fraud occurred both with no loss to the bank.

Debit Card Fraud

Thirty-one incidents of debit card fraud occurred with a loss of \$981.36. Of that total one resulted in a charge-off in the amount of \$658.61 and thirty were no chargeback rights.

Recommendations for Material Changes to the Program:

For all staff, it is recommended that communications reinforcing training continue to be sent as new incidents and methods of identity theft are reported, and all procedures updated as needed.

Implementation –Fraud Related Security Measures

FALCON FRAUD was implemented in the first quarter of 2017 with the core service provider conversion to SHAZAM. This monitoring system utilizes fraud scoring based on rules designated by Falcon Fraud and the bank. Monitoring is 24hrs a day, cases and/or alerts are created at different levels of fraud score, and the customer is contacted to verify transactions. Until the fraud score limit is reached transactions will continue to be approved and may be fraudulent. As a result of this 24 HR monitoring, the bank has saved \$31,802.88.

Authorization Blocking: Allows the bank to define specific rules which will decline transactions as they occur. Rules were implemented to block authorizations in foreign countries. The transactions will be declined. All foreign countries except Canada will be blocked. Auth Blocking is at Bin level not at customer level so blocking is for all customers and cannot be lifted at the individual customer level. Part of the monitoring done by Falcon Fraud is tracking of trending fraud activity. When new trends become apparent then Falcon Fraud institutes additional Fraud Rules for all their process banks. An example of this is fraud rules concerning money transfer programs abuse (Zelle, Venmo, Square, etc). These programs are used by online and mobile banking apps to transfer money via Person to Person (P2P). The bank instituted a block on all CASHAPP P2P transfers in April due to the fraud which occurred in March. New rules were automatically instituted by Falcon Fraud for all banks earlier in 2019 and additional rules in 2020.

Wire Transfer Fraud Prevention: Beginning November 15, 2015 the bank will no longer initiate wires to specific high-risk countries:

Countries requiring Officer Approval for Fund Transfers

Africa	Amsterdam (in Netherlands)	Bulgaria
Belgium	China	Egypt
Eastern Europe	Ghana	India
Indonesia	Israel	Kenya
Lithuania	Malaysia	Morocco
Mexico	Malmö in Sweden	Nigeria
Pakistan	Palestine	Philippines
Russia	Saudi Arabia	Southwest Asia
Turkey	Ukraine	Yemen
Yugoslavia		

These specific countries have been designated as high risk for wire transfer fraud.

In addition due to the email wire fraud in May 2018, procedures are being enforced to prevent the acceptance of wire transfer instructions without a signed wire agreement and call back procedures either by the officer accepting the wiring instructions or the bookkeeping staff prior to sending the wire transfer.

Submitted by:

Barbara A McCullough,
EVP/CFO
Security Officer

Report on Security Devices

Pursuant to the Bank Protection Act of 1968, we must maintain minimum security procedures and devices for our institution. To ensure that we meet all requirements, we will complete periodic assessments of every office. Generally, the procedure will be to update the prior assessment so that we have accurate records for review by the regulatory agencies. Below is the assessment of our minimum security devices, which should be completed for each office and maintained with our security files.

I. Physical Specifications of Banking Office

Name of institution First National Bank Northwest Florida

Name and address 101 EAST 23RD STREET, PANAMA CITY FL 32405-4501

Reporting office MAIN

1. 35 x 32 Dimensions of lobby (length and width in whole feet of banking floor)
2. 2 Number of entrances or exits to lobby (Front Door & Back Door with Two Teller Line Lobby Doors for access behind Teller Line)
3. 5 Number of teller stations serving lobby (3 Active)
4. 2 Number of teller stations serving walk-up or drive-in stations or windows (1 Active)
5. Design of inside teller stations (check one)
 - a. Open style, low partition
 - b. Closed, with open grill barriers
 - c. Protected with bullet-resistant materials
 - d. Other-specify: _____
6. Design of walk-up or drive-in teller windows (check all applicable items)
 - a. Protected by bullet-resistant materials
 - b. Protected by camera-Outside Drive Way
 - c. Protected by alarms
 - d. Not protected by any of these

7. Location (check one only)
- a. Center city
 - b. Suburban
 - c. Town
 - d. Rural
 - e. Other-specify: _____

II. Crimes Against Reporting Office

8. 0 Number of robberies or attempted robberies since last report. Check here if initial report _____
9. 0 Number of burglaries or attempted burglaries since last report. Check here if initial report _____
10. 0 Number of nonemployee larcenies or attempted larcenies since last report. Check here if initial report _____

III. Armed Guard Protection

11. 0 Number of guards in lobby during banking hours
12. 0 Number of guards in office during non-banking hours

IV. Surveillance System

13. Type of equipment
- a. 10 Number of photographic cameras used (Color)
 - b. 2 Number of televisions and monitors used (IT Officer & Security Officer)
 - c. 1 Number other equipment used, specify type:
(1) Digital Video Recorder
14. Specifications-size of film
- a. _____ 16mm or larger
 - b. X Other-specify: -NVR Storage Internal 6 Terabit hard drive approximately 5 months storage capacity.

15. Specifications-photographing capabilities
- 120** Number of frames per second continuous all cameras
 - Number of frames per hour
16. Coverage (fill in all applicable categories)
- 1** Number of devices used at exits (Color)
 - 3** Number of devices used at teller positions (Color)
 - 3** Drive Thru/Night Drop (Color)
 - 1** ATM (Color)
 - 2** Parking Lot Building Main Entrance (Color)
17. Method of activation (check all applicable items)
- X** Automatic and continuous
 - X** Activating device at each teller position
 - Other-specify: _____
18. Audibility of system when in operation
- X** Relatively silent so as not to attract attention
 - Clearly audible
19. System visible to public view?
- X** Yes-Cameras visible-
 - X** No
20. Public informed through decals or other means of use of surveillance system?
- Yes
 - X** No
21. Installation by
- X** Equipment supplier
 - Central station alarm service
 - Other-specify: _____

22. Maintenance by
- a. Bank employee
 - b. Installer
 - c. Other-specify: _____

V. Accessibility of Law Enforcement Officers

23. 4 Distance (in miles) from banking office to nearest local law enforcement station having jurisdiction
24. 5 Estimate of shortest time (in minutes) within which enforcement officers could be expected to arrive at banking office after being summoned

VI. Alarm Systems

25. Installation
- a. By equipment supplier
 - b. By central station alarm company
 - c. By other-specify: _____
26. Single transmission method
- a. Wires or cables
 - b. Wireless equipment (for some or all signals) (handhelds)
 - c. Means to instantly indicate circuit failure, malfunction or tampering attempts in system?
 - 1. Yes
 - 2. No
 - d. Emergency power supply for use in case of failure of regular power supply:
 - 1. Yes
 - 2. No

27. Reporting location for alarms
- a. At central station alarm company that is in service 24 hours per day
 - b. At local law enforcement office that is in service 24 hours per day
 - c. Other-specify: _____
28. Activation of robbery alarms
- a. At teller stations
 - b. Elsewhere-specify: By use of handhelds at lobby desks and switchboard on 2nd Floor
29. Does burglary alarm system have a loud bell outside the banking office?
- a. Yes
 - b. No
30. Can activating devices be inconspicuously operated?
- a. Yes
 - b. No
31. Door-type, window-type, or other intrusion detection alarms?
- a. Yes-specify: Contacts on doors & Motion Detectors
 - b. No
32. If institution has intrusion detection alarm, is noise-generating device audible outside banking office?
- a. Yes
 - b. No

VII. Vaults and Safes

33. Vault construction

- a. 18 Thickness (in inches) if concrete and steel
- b. Thickness (in inches) if other construction, specify:

- c. 07 Thickness of vault doors (in inches)

34. Vault equipment

- a. Combination keypad locks?
 - 1. X Yes
 - 2. No
- b. "Time" lock?
 - 1. X Yes
 - 2. No
- c. Lockable day-gate?
 - 1. X Yes
 - 2. No
- d. Alarm?
 - 1. X Yes – Vault has sound device (1500 feet radius) that is monitored by installer.
 - 2. No

35. Vault is visible from outside office?

- a. X Yes
- b. No

36. Vault is in illuminated area?

- a. X Yes
- b. No

37. Safes
- a. Construction in conformance with standards in appendix A?
 - 1. Yes
 - 2. No
 - b. Alarm?
 - 1. Yes-15 min delay alarm
 - 2. No

Other Security Devices

38. Night depository
- a. Alarm?
 - 1. Yes
 - 2. No
 - b. Construction
 - 1. In conformance with regulatory standards
 - 2. Other-specify: _____
39. Safe deposit boxes
- a. Yes
 - b. No—Not alarmed themselves but are inside the day gate in the vault.
40. Are all exterior doors and windows that can be opened equipped with tamper-resistant locks ?
- a. Yes
 - b. No

41. Is there a back up device in place for interruption of primary telecommunication?

a. Yes- Cell Phone connection through Installer

b. No

Signature:

(Security Officer)

Name : BARBARA A MCCULLOUGH

Title: EVP/CFO

Date: December 31, 2020

Handheld Alarms:

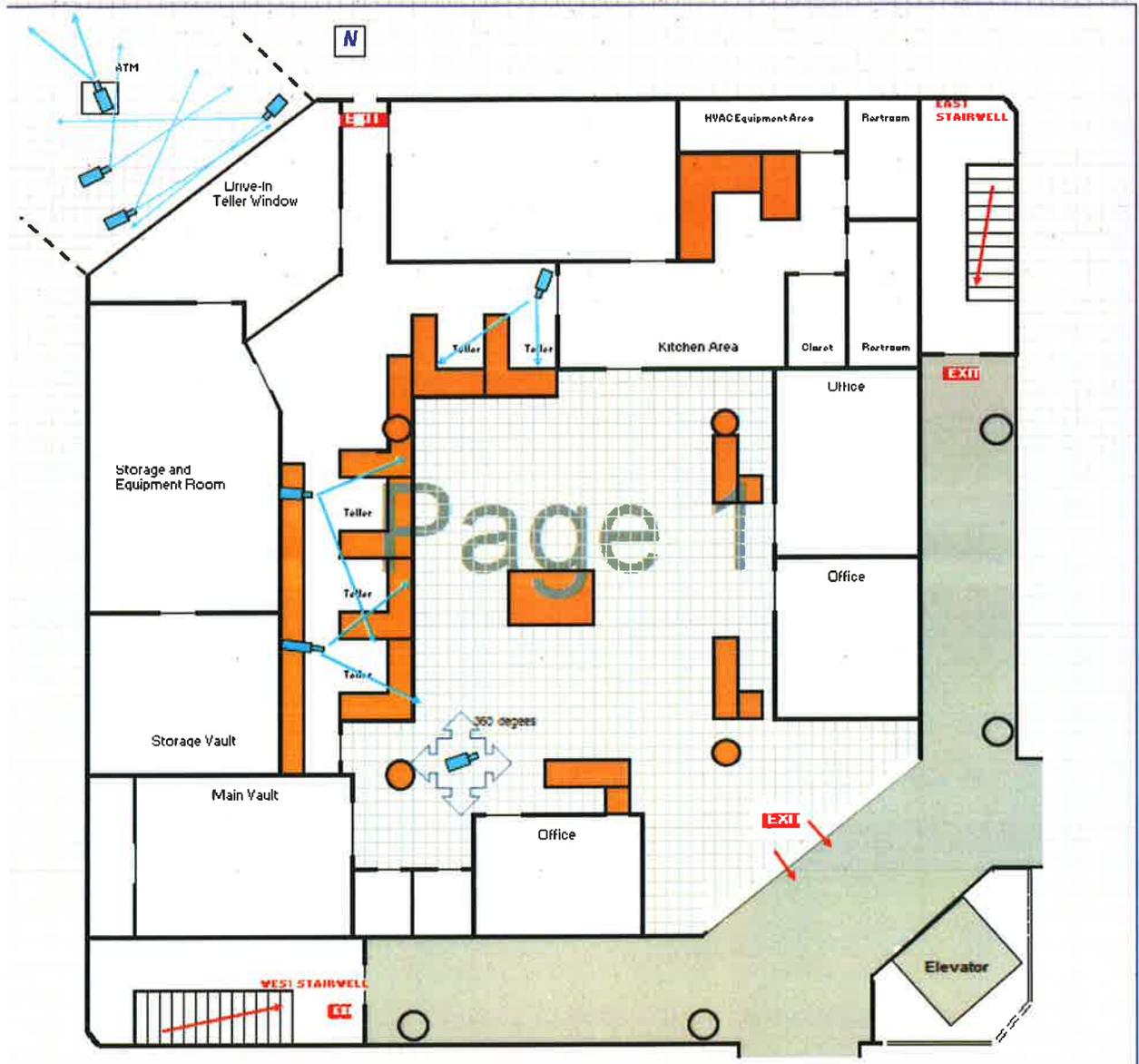
Lobby Desks	3
Office Desks	3
ATM bag	1

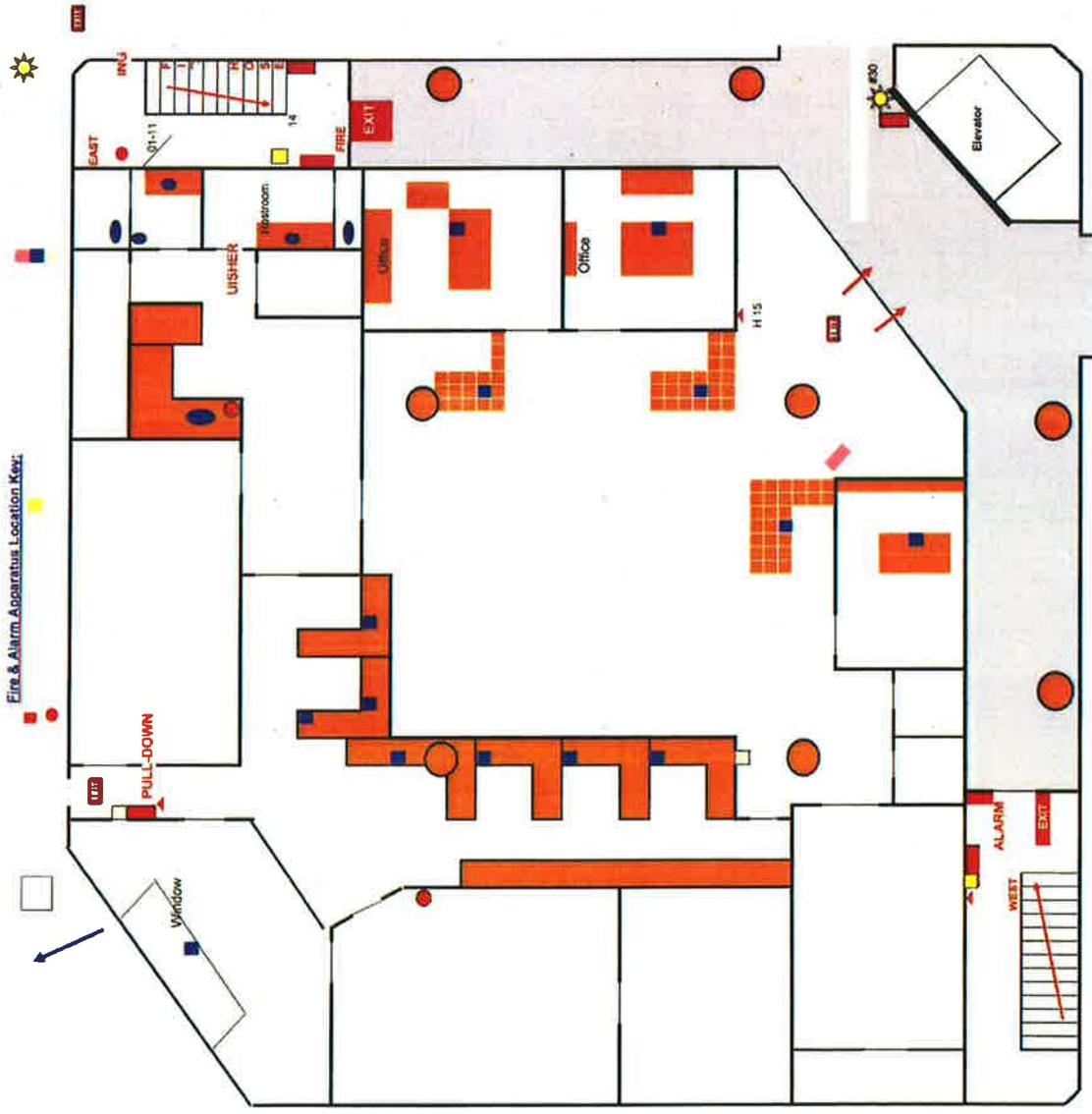
Wired Alarm Buttons

Drive Thru	1
Teller area (corner where printer is)	1
Head Teller Window	1
2 ND Floor Monitor	1

Bait Traps:

Lobby Tellers	4
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Report on Security Devices

Pursuant to the Bank Protection Act of 1968, we must maintain minimum security procedures and devices for our institution. To ensure that we meet all requirements, we will complete periodic assessments of every office. Generally, the procedure will be to update the prior assessment so that we have accurate records for review by the regulatory agencies. Below is the assessment of our minimum security devices, which should be completed for each office and maintained with our security files.

I. Physical Specifications of Banking Office

Name of institution First National Bank Northwest Florida

Name and address 12501 Hutchison Blvd, Panama City Beach FL 32407

Reporting office BEACH BRANCH

1. 46 x 32 Dimensions of lobby (length and width in whole feet of banking floor)
2. 2 Number of entrances or exits to lobby
3. 5 Number of teller stations serving lobby (3 Active)
4. 2 Number of teller stations serving walk-up or drive-in stations or windows (1 Active)
5. Design of inside teller stations (check one)
 - a. Open style, low partition
 - b. Closed, with open grill barriers
 - c. Protected with bullet-resistant materials
 - d. Other-specify: _____
6. Design of walk-up or drive-in teller windows (check all applicable items)
 - a. Protected by bullet-resistant materials
 - b. Protected by camera-Outside Drive Way
 - c. Protected by alarms
 - d. Not protected by any of these

7. Location (check one only)
- a. Center city
 - b. Suburban
 - c. Town
 - d. Rural
 - e. Other-specify: _____

II. Crimes Against Reporting Office

8. 0 Number of robberies or attempted robberies (last five years if initial report, otherwise since last report). Check here if initial report **Occurred 07/03/19**
9. 0 Number of burglaries or attempted burglaries (last five years if initial report, otherwise since last report). Check here if initial report
10. 0 Number of nonemployee larcenies or attempted larcenies (last five years if initial report, otherwise since last report). Check here if initial report

III. Armed Guard Protection

11. 0 Number of guards in lobby during banking hours
12. 0 Number of guards in office during non-banking hours

IV. Surveillance System

13. Type of equipment
- a. 11 Number of photographic cameras used (8 color)
 - b. 2 Number of televisions and Monitors used (2 IT Officer & Security Officer)
 - c. 1 Number other equipment used, specify type : (1) Digital Video Recorder
14. Specifications-size of film
- a. 16mm or larger
 - b. Other-specify: -NVR Storage Internal 6 Terabit hard drive approximately 8 months storage.

15. Specifications-photographing capabilities
 - a. 120 Number of frames per second continuous all cameras
 - b. Number of frames per hour

16. Coverage (fill in all applicable categories)
 - a. 1 Number of devices used at exits (Color -- back door)
 - b. 4 Number of devices used at teller positions (Color- lobby and exit coverage)
 - c. 3 Drive Thru/Night Drop (Color)
 - d. 1 ATM (Color)
 - e. 2 Parking Lot Building Main Entrance (Color)

17. Method of activation (check all applicable items)
 - a. X Automatic and continuous
 - b. X Activating device at each teller position
 - c. Other-specify: _____

18. Audibility of system when in operation
 - a. X Relatively silent so as not to attract attention
 - b. Clearly audible

19. System visible to public view?
 - a. X Yes -Cameras Visible
 - b. No

20. Public informed through decals or other means of use of surveillance system?
 - a. Yes
 - b. X No – Not required by Florida Law

21. Installation by
- a. Equipment supplier
 - b. Central station alarm service
 - c. Other-specify: _____

22. Maintenance by
- a. Bank employee
 - b. Installer
 - c. Other-specify: _____

V. Accessibility of Law Enforcement Officers

(In developing this information, it may be necessary to consult with local law enforcement officials.)

23. 5.1 Distance (in miles) from banking office to nearest local law enforcement station having jurisdiction
24. 5 Estimate of shortest time (in minutes) within which enforcement officers could be expected to arrive at banking office after being summoned

VI. Alarm Systems

25. Installation
- a. By equipment
 - b. By central station alarm company
 - c. By other-specify: _____

26. Single transmission method
- a. Wires or cables
 - b. Wireless equipment (for some or all signals) (handhelds)
 - c. Means to instantly indicate circuit failure, malfunction or tampering attempts in system?
 - 1. Yes
 - 2. No

- d. Emergency power supply for use in case of failure of regular power supply:
1. Yes
 2. No
27. Reporting location for alarms
- a. At central station alarm company that is in service 24 hours per day
 - b. At local law enforcement office that is in service 24 hours per day
 - c. Other-specify: _____
28. Activation of robbery alarms
- a. At teller stations
 - b. Elsewhere-specify: By use of handhelds at lobby desks
29. Does burglary alarm system have a loud bell outside the banking office?
- a. Yes
 - b. No
30. Can activating devices be inconspicuously operated?
- a. Yes
 - b. No
31. Door-type, window-type, or other intrusion detection alarms?
- a. Yes-specify: Contacts on doors & Motion Detectors
 - b. No
32. If institution has intrusion detection alarm, is noise-generating device audible outside banking office?
- a. Yes
 - b. No

VII. Vaults and Safes

33. Vault construction

- a. 18 Thickness (in inches) if concrete and steel
- b. Thickness (in inches) if other construction, specify:

- c. 3 1/2 Thickness of vault doors (in inches)

34. Vault equipment

a. Combination keypad locks?

- 1. X Yes
- 2. No

b. "Time" lock?

- 1. X Yes
- 2. No

c. Lockable day-gate?

- 1. X Yes
- 2. No

d. Alarm?

- 1. X Yes
- 2. No

35. Vault is visible from outside office?

- a. X Yes
- b. No

36. Vault is in illuminated area?

- a. X Yes
- b. No

37. Safes
- a. Construction in conformance with standards in appendix A?
 1. Yes
 2. No
 - b. Alarm?
 1. Yes-15 min delay alarm
 2. No

VIII. Other Security Devices

38. Night depository
- a. Alarm?
 1. Yes
 2. No
 - b. Construction
 1. In conformance with regulatory standards
 2. Other-specify: _____
39. Safe deposit boxes
- a. Yes
 - b. No—Not alarmed themselves but are inside the day gate in the vault.
40. Are all exterior doors and windows that can be opened equipped with tamper-resistant locks ?
- a. Yes
 - b. No

41. Is there a back up device in place for interruption of primary telecommunication?

a. Yes – Cell Phone connection thru the installer

b. No

Signature:

(Security Officer)

Name : BARBARA A MCCULLOUGH

Title: EVP/CFO

Date: December 31, 2019

Handheld Alarms:

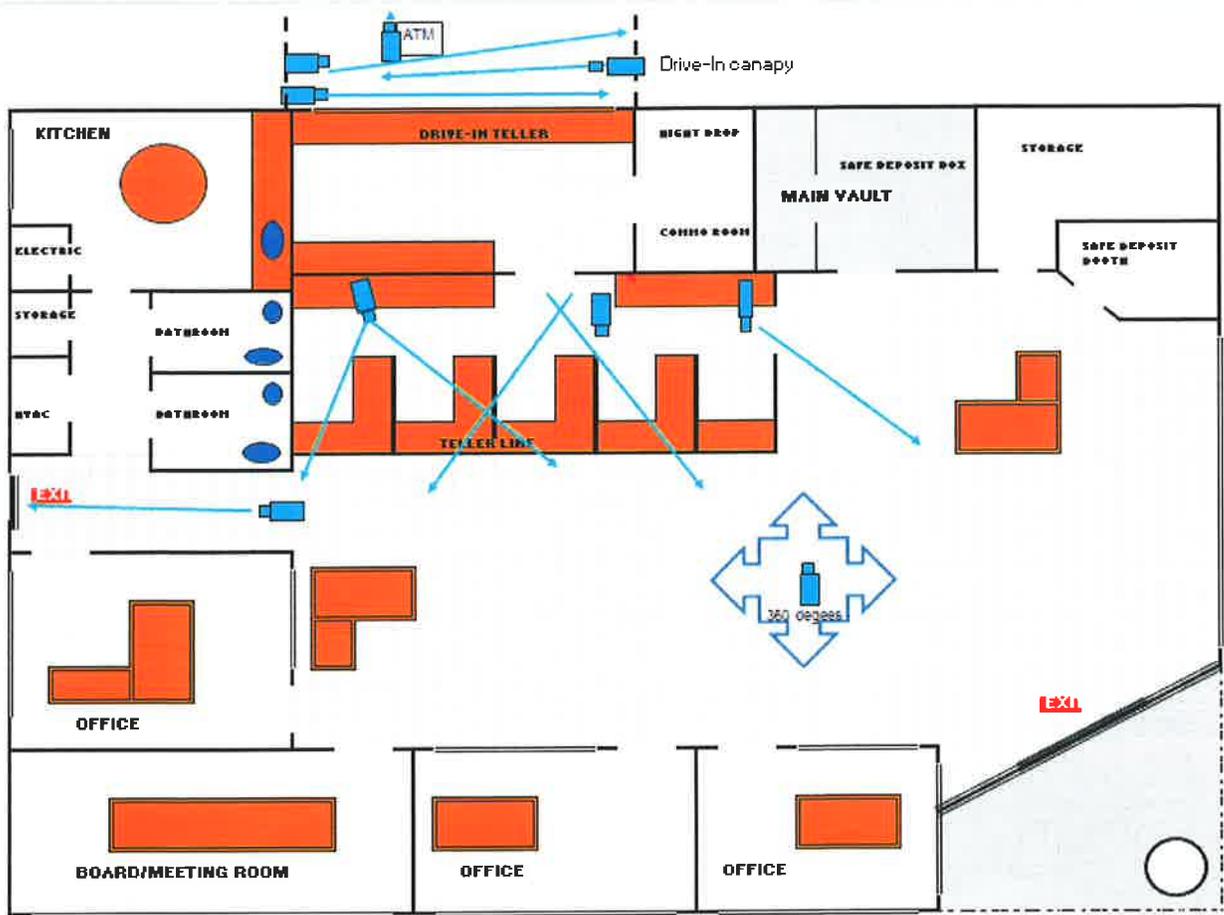
Managers Office Desk	1
Vault Area Lobby Desk	1
Drive-Thru/ATM bag	1

Wired to Desk Alarm Buttons

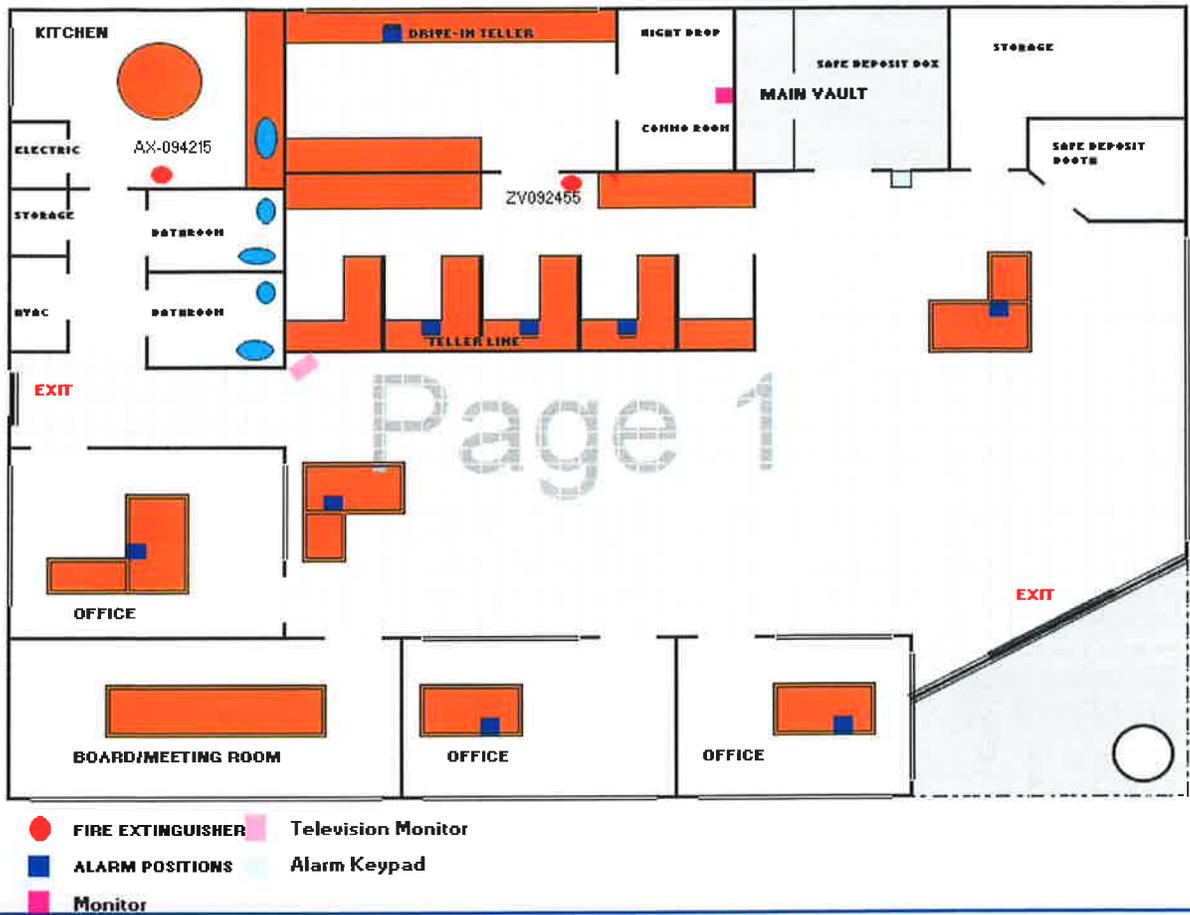
Lobby Desk by Managers Office	1
New Accounts Office Desk	1
Assistant Branch Mgr Office Desks	1

Bait Traps:

Lobby Tellers	3
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BEACH OFFICE FIRE/ALARM PLAN



FIRST NATIONAL BANK NORTHWEST FLORIDA
ALCO - INVESTMENT COMMITTEE MEETING
December 17, 2020

Present: Kim M Johns, Barbara A McCullough, and Al P Qualls Jr. Absent: Angie Barger

The Investment Committee was called to order.

Minutes from the previous meeting were read and approved.

Federal Reserve Discount Window Borrower In Custody (BIC) Annual Certification: The bank completed and submitted on December 10, 2020, its annual BIC Certification with no changes from previous submission.

OCC & FDIC Assessments: The bank received notice the OCC is reducing the rates in all Fee Schedules by 3 percent for the 2021 calendar year. This reduction is in addition to the 10 percent reduction in 2019. The reduced assessments go into effect January 1, 2021. Projecting the assessments for 2021 based on \$192 Million in Assets would result in \$29,672.00 each for the March and September periods or a total of \$59,344.00 per year. The 2020 assessments were based on Assets of \$177.204 Million and totaled \$58,145.00 per year. With an increase of almost \$13 Million in assets the increased assessment will be \$1200.00 per year. Projected FDIC Assessments for 2021 based on Assets of \$192 Million result in total of \$49,193.40 per year or an increase of \$8,796.76 over 2020. This increase is related to the partial use of an FDIC Credit in March 2020 and the decrease adjustment related to PPP Loans-otherwise the increase in assessment fee would have been much larger based on asset size of \$12.6 Million

FDIC Brokered Deposit Rule, Interest Rate Restrictions, & Permit Additional Exemptions to Suspicious Activity Reporting: Recent final rules were issued by the FDIC. The bank does not utilize Brokered Deposits and the bank is not subject to Interest Rate Restrictions. The committee reviewed all the information.

Banking and Climate Change: The committee reviewed an email concerning the President Elect Biden having the FED stress test the banking industry on the climate control issue. This is related to the Network for Greening the Financial System which is a group of central banks and regulatory agencies focused on climate change issues.

FOMC-Federal Open Market Committee: The committee reviewed a press release dated December 16, 2020 stating the FOMC intends to maintain the target range for federal funds rate at 0% to 0.25%. The IOER (Interest on Excess Reserves) rate has been maintained at 0.10% since March 2020 and is projected to continue.

Bank Comparison Data and Economic Data – Various Sources: The committee reviewed bank data comparisons and various articles on economic data from various sources. These included articles specific to the Economic impact of COVID-19.

Historic Balance Sheet 2015 thru 2020: This spreadsheet utilizes Average Balances and depicts changes in balance sheet/profit-loss composition. The largest change in the balance sheet has been the increase Asset Size & Composition (\$72.2 million) especially in Due-From-Interest-Bearing Bank balances and Due-From-CDs. In comparison of current year to prior year: Average Assets have increased by \$9.3 Million. Total Cash & Due-From increased by \$7.6 Million and Net Loans increased by \$2.6 Million. Average Deposits increased from prior year by \$8.1 Million - Average Capital increased by almost \$1.2 Million. Average Monthly Net Interest Income has decreased \$63,744.89 with a large portion of this related to Investments (\$70 Thousand) and Loans (\$48 Thousand) not including Provision for Loan Loss (\$0.00) and Average Interest Expense also decreased (\$54 Thousand). Average Monthly Total Non-Interest Income decreased by \$1,134.28 and Average Monthly Non-Interest Expense increased by over \$13.9 Thousand. Average Monthly Net Income decreased by \$78,780.48. The committee also reviewed a report showing monthly and YTD with averages figures for the balance sheet and income/expense statement.

Total Deposits Change 2007-2020: Next the committee reviewed a report showing monthly changes in deposits for the years 2007 through 2020 - showing both dollar volume and percentage of change. There are sometimes significant fluctuations month to month, especially during summer months of March thru Aug. The pandemic has affected the local tourism economy and the bank is monitoring the effect on bank customers. Deposits have also increased with the corresponding PPP Loans made in April, May & June. YTD 2020 shows an average increase of 1,075,557.43 or 0.71% and 2007-2020 overall average change in deposits is an increase of \$396,666.39 or less than 1% (0.26%).

Total Loans Change 2007-2020: Next the committee reviewed a report showing monthly changes in Total Loans for the years 2007 through 2020 showing both dollar volume and percentage of change. The pandemic has affected the local tourism economy and the bank is monitoring the effect on bank customers. Actual Loans decreased following Hurricane Michael, the committee continues to discuss this prepayment/payoff of loans which appear to be related to insurance settlements and sales of real estate after the storm. Loans increased the second quarter with the SBA PPP loans by over \$12.6 Million. The committee will continue to monitor loans. YTD 2020 shows an average increase of \$316,290.03 or 0.40% and 2007-2020 overall average change in loans is a decrease of (-\$142,357.92) or less than 1% (-0.20%).

Ratio Report – The ratio report was reviewed – noting Past Dues % increased from 0.56% to 0.58% (the majority of which are partially Guaranteed by SBA). Non-Accruals increased from 0.27% to 0.28%. No OREO. NIM remained the same at 2.16% (last year same month was 2.91%). Cost of Funds changed from 0.25% to 0.20% (last year same month was 0.95%). Liquidity Ratio was 63.44% up from 62.45% and the Investments % to Total Assets decreased to 63.53% from 63.85% - this is outside the ranch of (15% to 60%). Loan to Deposit Ratio changed from 40.50% to 40.23%. The Loan to Deposit Ratio is out of compliance with policy and is a result of a surge in deposits due to Hurricane Michael, Covid-19 & changes in the economy between October 2018 and current. There has been an increase in loans through the SBA PPP program but also a corresponding increase in deposits with loan proceeds deposited. Capital Ratios remain strong. See report for details.

Financial Statement and comparison to budget - it was noted that the overall variance of Current Average MTD to Budget was 7.09% for the Balance Sheet and -20.29% for the Profit/Loss Statement.

ASSETS- Budget Total Assets compared to Actual - \$12,604,812.63 Over budget.

Total Cash & Due From	Over Budget	\$7,187,185.07
Total Investments	Under Budget	\$427,603.23
Total Net Loans	Over Budget	\$5,637,570.23
Total Property	Under Budget	\$13,026.48
Total Other Assets	Over Budget	\$20,687.04

LIABILITIES & CAPITAL-

Total Deposits Over budget \$12,853,058.53

DDA	Over Budget	\$1,338,919.87
NOW	Over Budget	\$7,561,563.64
MMDA	Over Budget	\$6,099,624.85
SAV	Under Budget	\$251,245.62
CDS <100	Under Budget	\$135,623.27
CDS >100	Under Budget	\$1,760,180.94

Total Other Liabilities Over budget \$60,711.26

Total Capital Under budget \$308,957.16.

Capital Stock	Budget	\$0.00
Surplus	Budget	\$0.00
Undivided Profits	Over Budget	\$148,097.36
Net Unrealized Gain	Under Budget	\$75,420.62
Current Period Earnings	Under Budget	\$381,633.90

INCOME AND EXPENSE

Profit and Loss - Net Income Under budget \$328,261.87.

The major differences:

Total Investment Income	Over Budget	\$30,412.56
Total Loan Income	Under Budget	\$363,623.88
Total Other Income	Under Budget	\$10,351.58

Net Effect Total Income Under Budget \$343,562.90
(Anticipated FASB Income From PPP Loans)

Total Interest Expense	Under Budget	\$27,569.65
Total Sal/Benefits Expense	Over Budget	\$54,985.51
Total Other Expense	Under Budget	\$42,716.89

Net Effect Total Expense Under Budget \$15,301.03

Non-Interest Income

NON-INTEREST INCOME-OPERATIONS	\$120,914.32
NON-INTEREST INCOME & SERVICING FEES-LOANS	\$29,615.59
TOTAL NON-INTEREST INCOME	\$154,529.91

Non-Interest Expense-Excluding Loan Loss Provision

NON-INTEREST EXPENSE SAL/BEN	\$1,923,397.45
NON-INTEREST EXPENSE OTHER	\$1,186,419.51
TOTAL NON-INTEREST EXPENSE	\$3,109,816.96

NET NON-INTEREST INCOME (EXPENSE): (2,955,287.05)

Director Fees: Totals for Director Fees were submitted in December to issue 1099NEC for non-employee directors and inclusion on payroll for w-2 reporting for employee Directors/Board Secretary..

Estimated Taxes-Earnings & Distributions: There will be no distributions in December for estimated taxes. Director Bill Hutto died in October and his 105 shares have been transferred back to Mr. Qualls.

Check Fraud and Debit Card Losses: The bank has had thirty-three total cases YTD; thirty debit card cases with a total loss of \$559.00, two ACH Unauthorized with 0.00 loss, and one check fraud case with loss of zero. Currently there is a total of \$608.37 in disputed transactions awaiting resolution through the charge-back process. CASHAPP transactions were blocked as of 10/31/2020 and the bank has one account with an overdraft related to CASHAPP that has not been recovered and will be charged off in December.

Fraud Monitoring: With the conversion to SHAZAM, our debit card monitoring is now handled by FALCON FRAUD through the core processor SHAZAM – 24-hour monitoring in addition to the SHAZAM BRELLA App available for download by customers with debit cards who may receive immediate text or email notification of transaction activity and can warm their own card if necessary. Falcon Fraud Monitoring has resulted in early detection of numerous cases and savings of \$2,584.19 YTD in 2020 and a total of \$31,801.88 since monitoring started 2015.

Fraud Trends and Data Breach Information: The committee discussed an article from SHAZAM about recent fraud trends increasing related to P2P payment apps-the bank has already blocked CASHAPP. A recent Data Breach was reported concerning SilverSky Solar Winds by a Russian Government hacking group. This has been ongoing since March 2020 and was used to infiltrate FireEye and multiple US Government agencies. The bank IT department has worked closely with our network administrators AASYS to ensure the integrity of our network.

Yield Report was reviewed by the committee. Total Interest Earning Assets Yield 2.30% and Total Interest-Bearing Liabilities 0.20%. Net Interest Spread 2.10% and Net Interest Margin 2.16%.

80% Depositors Report – reflects 80% is \$135,717,452.46 out of total deposits \$169,805,804.07. Out of the total 80% depositors, Employees, Officers, Directors & their families account for 13.26% and an additional 1.99% is held by Former Employees, Officers, Directors & their families.

Investments Report- The report reflects book value of total investments of \$118,097,548.77 which is 63.53% of Total Assets - this is outside the benchmark range of 15% to 60%.

The book value of the portfolio is broken down into the following categories:

- \$5,006,369.64 - AFS Securities - \$371,794.98 pledged (22 securities <\$6,000 balance)
- \$1,194,889.27 - HTM Securities – \$184,152.20 pledged (4 securities <\$1,400 balance)
- \$91,590,000.00 - Certificates of Deposit with other financial institutions @ 1.123% W AVG Rate
- \$20,306,289.86 - Due from Interest Bearing Bank Balances (FED IOER 0.10% & FHLB 0.05%)

Public Funds: As of September, Public Funds required pledge amount is \$100,000.00. Market value of pledged securities is \$575,842.44. The Quarterly Public Deposit Ranking Letter was received November 23, 2020 and the bank average ranking was 66. The four-quarter average is now 71.25 with the required pledge level at 25%. When the four-quarter averaged falls below 70 the required pledge level will be 50%. The amount over-pledged is \$475,842.44.

FED & FHLB Stock: Federal Reserve Stock (FED) (3963 Shares) were \$198,150.00. FED dividend is 6.00%. Federal Home Loan Bank Stock (FHLB) (2394 shares) were \$259,400.00. FHLB dividends change quarterly. Accrual for the Fourth Quarter will be 3.75%.

QUARTER YEAR	DIVIDEND
Fourth 2020	
Third 2020	4.00%
Second 2020	4.35%
First 2020	5.53%
Fourth 2019	5.93%
Third 2019	6.05%
Second 2019	6.36%
First 2019	6.54%

CD Maturities: The committee then reviewed projected maturities of CDs purchased from other financial institutions-all CDs are under \$250,000 balance and FDIC insured. The value of the portfolio is \$91,590,000.00 and the WAR (Weighted Average Rate) on the CD portfolio is 1.122940% down from 1.165271%. The committee reviewed the CD maturities and evaluated options during the month as CDs matured via meetings, email, and telephone calls. Ten CDs matured in November and eleven mature in December. Seven CDs were closed, five CDs were renewed, and twelve new CDs opened. The net result was an increase of \$1,751,000.00. See Report for details.

Securities Purchased/Sold/Called/Matured/Pledged Year-to-Date for 2020:

The reports show:

Purchased – No Activity.

Sold – No Activity

Called – No Activity

Matured –No Activity.

Pledged – Three Securities Pledged for Public Funds Currently.

Information for multiple securities were received and reviewed by the committee during the month. Additionally, daily the committee receives information on various securities and CD's from at least six different vendors. The Investment Committee continues to monitor the bank's investment portfolio (including securities, SBA Pools & Loans, & CD's through various vendors) has reviewed several securities this month, and reviewed several SBA Pools and SBA Loans, Certificate of Deposits, etc. offered during the month. There are 26 securities with balances less than \$6,000.

Detail Security Inventory Report - The report reflects the bank currently owns two callable securities. The State of Georgia Taxable GO @ 3.200% with a call date of 07/01/2022 and the McAllen TX GO BQ PSF @ 4.000% with a call date of 02/15/2023.

FASB 157 Unrealized Loss Position Report - The report reflects Unrealized Loss data for the entire portfolio. The following securities have an unrealized loss:

LESS THAN 12 MONTHS: Loss (0.00)

12 MONTHS OR MORE: Loss (1,237.53)

SBA Pool 523408-83190AAH6-00-AFS-loss for 91 months- (1,237.53)-No Credit Risk

Total market loss for all securities is (\$1,237.53) - The overall portfolio has a market gain of \$318,338.61. The committee will continue to monitor this report monthly

Any security with an OTTI (Other Than Temporary Impairment) for 12 months will be reported to the board. GNMA securities, SBA Pool, & US Treasury Notes are backed by the full faith and credit of the US Government including the payment of principal and interest - these will not be considered as OTTI. As these securities are guaranteed by the US Government for principal and interest and the bank can maintain its investment until the anticipated recovery/call/maturity - the conclusion from the evaluations is the impairment for these types of securities are not considered a credit risk.

Municipal Credit Review of the two municipal bonds was conducted as of October 06, 2020. The ST of GA Muni has an Unemployment Rate that remains in the middle trend, a Poverty Rate that remains in the > 105% -119% of National Average range and Total Operating Expenses remain the same in the last 3 Years are growing 10% to 19% faster than revenue. This is the same as prior quarter and the overall rating remains at 93.25. The McAllen TX Muni has an Unemployment Rate that remains in the middle trend, a Poverty Rate and an unemployment rate that remains in the > 120% of National Average range. This is the same as prior quarter and the overall rating increased to 93.50 from prior quarter 93.25. The committee will continue to monitor on a quarterly basis. Both municipal bonds are designated held to maturity, are government obligations of the municipalities supported by Ad-Valorem Property Taxes, and the bank can maintain its investment until the anticipated recovery/call/maturity-the municipal bonds are not considered as OTTI.

Rate Sheets/Changes, Deposit Ranking Reports & Special Rate Accounts. Monthly all officers review the RateWatch Deposit Ranking Report. Special Rate Accounts are reviewed weekly by Committee members & Officers. On December 9, 2020, the committee made changes to the Rate Sheet for various categories. Wall Street Prime changed on March 16, 2020 to 3.25%. Overnight Fed Funds changed to a range of 0.00% to 0.25%. IOER Fed Interest on Excess Reserves at 0.10%, FHLB & CenterState at 0.05%. Special Rate Accounts were reviewed and changed on December 9, 2020. Variable Rate IRA CDs adjust with the One Year T-Bill on the 1st Tuesday of each Calendar Quarter. CDARS/ICS Rates for One-Way Sell & Buy adjust weekly. CDs with bumps to stated board rate now have a calendar reminder for the CSR Officer to review rate at maturity, confirm the bump has expired, and renewal is at stated board rate..

Line of Credit/Advances:

The committee reviewed the quarterly calculated line of credit (LOC) with Federal Home Loan Bank (FHLB) as of September 30, 2020 and shows a lendable collateral line of \$7,821,162.00. Pledged for this LOC are the eligible 1-4 Family First Mortgage Loans. The FHLB LOC is reviewed on a quarterly basis. Credit Rating for the bank with FHLB is "101". FHLB changed the credit risk rating score as of September 16, 2020. The committee reviewed pages from the Member Products and Services Guide explaining the new credit risk ratings. June 24, 2020, the bank did a test of the LOC in the amount of \$100. The test was successful.

The Federal Reserve Discount Window (FED) LOC is calculated monthly and is based on specifically pledged Commercial Real Estate Loans. On November 30, 2020, the available LOC was \$2,669,054.05 with a collateral value percentage of 0.31%. June 24, 2020, the bank did a test of the LOC in the amount of \$1000.00. The test was successful.

The bank has available an additional Fed Funds Line of Credit with CenterState Bank in the amount of \$5.2 Million. A letter dated January 24, 2020 approving the line was received and accepted in January. On June 23, 2020, the bank made an error in settlement causing a LOC in the amount of \$228,000.00. The LOC Advance was successful so no further testing is required in 2020..

Bond Portfolio Analysis. Next, the committee reviewed and discussed the Bond Portfolio Analysis dated 11/30/2020.

From the Investment Overview sheet (Pages 2 & 3) the total portfolio \$6.201 Million has an Average Life of 3.22, an Effective Duration of 1.75%, a Convexity of Negative (-0.31%), a Gain % of 5.13%, and a Market Value Change % of (-1.90) in Up 1%.

The committee reviewed the remainder of the packet.

Page 8 shows an overview of Market Value Change by % and Dollar including Price Risk, Yield & Gain/Loss – both the greatest/highest or least/lowest.

Page 9 is an overview of convexity and effective duration.

Additionally, Annual Principal Cash flows page 30 and Cumulative Principal Cash Flows page 31 were reviewed. Principal cash flow shows \$1.225 Million or 19.85% cash flow for Year 1 with level rates and \$1.411 Million or 42.73% cumulative cash flow for Year 2 with Level Rates. The committee also noted the cash flows for down and up by 100 bp, 200 bp & 300 bp.

Liquidity Analysis: In reviewing the monthly Liquidity Analysis the bank has a 62.44% ratio - this is above the 20% benchmark as per policy and has a surplus of \$120.578 Million.

Scenario Comparisons of Net Interest margin report was also reviewed. The bank had a 0.00% percent change over previous month.

The Lending Limit is calculated monthly for tracking loans which may become non-conforming with the limit and is also calculated on a quarterly basis.

SLLP Approved 07/24/2014	
General Lending Limit – 12CFR32.3	3,168,702.50
Supplemental Lending Limit Program (SLLP 12 CFR 32.7) 10% of Tier 2 Capital	2,112,468.33
Total Aggregate to One Borrower General + SLLP (12 CFR 32.3 + 12 CFR 32.7)	5,281,170.83

Loan to Deposit Ratio: The Loan to Deposit Ratio is 40.23% for month end. This ratio had been steadily decreasing (48.23% as of Jan 2019). The committee will continue to monitor.

Loans Fixed & Tied to Index: The committee reviewed the Fixed Rate Loan Report as of November 2020, there were \$20,951,761.42 fixed rate loans. The committee reviewed the Loans Tied to Index report, 69.95% of all loans are tied to an index and 57.14% of all loans have floors.

Loan Participations: The bank's Loan Participations report reflects last purchase activity in February 2018. The participation purchased portfolio had a current balance of \$2.525 Million with a current weighted average rate of 4.877%. Current balance of participations purchased is 3.622% of Total Loans and 13.557% of Capital. The bank's purchase of participations has greatly enhanced earnings and the net interest margin. Current balance of (\$281,281.46) of participations sold is -0.403 of Total Loans and -1.510% of Capital.

Guaranteed Loan Purchases: The committee also reviewed the Guaranteed Loan Purchases report. Total current balance is \$10.318 Million with a weighted average amortized yield of 2.610%. These Guaranteed Loan Purchases are 100% full faith and credit of the United States Government. Several possible purchases were reviewed during the month.

Overdrawn Accounts \$100 or More as of Month End reflects three customers overdrawn as of month end in the amount over \$100.00. Two customers had positive balances as of review date December 4, 2020. One customer negative balance remained at (-152.89) as of report date.

New Accounts reports for this month were reviewed. These reports indicate the amount of money from new or current customers for Demand Deposit, Certificate of Deposit and Safe Deposit Boxes. During the month, the bank opened new DD accounts totaling \$1,326,850.79 with \$462,219.80 from new customers. The New CD report indicates a total of \$0.00 opened with \$0.00 from new customers. New Safe Deposit Box report indicates no new boxes opened.

Certificate of Deposit (CDs) reports (matured/transferred and closed) were reviewed. The reports indicate the amounts, which are less than or over \$100,000 and whether the account was transferred internally to a new account or funds left the bank. For month end matured CDs, the bank closed \$10,237.76 and transferred internally/renewed \$51,090.37. Reasons for Closing were reviewed.

Reasons for Closing DD/SAV - Reasons for closing accounts were reviewed for DD & SAV accounts for 16 accounts closed this month. Closed account forms are sent to the account officer at the time of closing and a weekly closed account report is sent to Executive Officers for review. See the report for details.

Memo

To: Board of Directors
From: Barbara McCullough, EVP/CFO
Date: 01/19/2021
Re: 2021/2022 Budget

The 2021 / 2022 Budget is being submitted to the Board of Directors for approval and is based on actual figures thru November 30, 2020 with projections thru December 2022. This budget is a two year projection including assumptions related to changes in balances of Assets, Liabilities & Capital, acquisition/sales of OREO property and projected income & expenses. Please review the Assumptions pages 2 & 9 for detailed information concerning the basis used for budget projections.

Page 1 is a Summary of Percentages used in Projections and Projection Results as of year-end. Percentage projections for growth are included for the balance sheet and income and expense statement.

Projections are also included for Distributions to the Holding Company and ROAA/ROAE.

Interest Income/Expense (rate-related) are calculated by projecting monthly rates over the period and multiplying the projected balance of the respective asset or liability account over the term by month.

to Projected monthly rates are based on projected changes to Prime and Fed Funds over the period as determined by the Asset/Liability Committee (ALCO). Please see pages 3 & 10 for rate projection details.

Projections for NON-Interest income and expense on the assumptions pages are based on increases or decreases to the projected year-end balance of the prior year.

The 2021 budget includes:

Assumptions: (Please see Page 2 for details)

DEPOSITS - Hurricane Michael caused major damage to Bay County on October 10, 2018-during the six months following (November thru March) the bank had a surge in deposits going from \$123,137,532.31 at September 30, 2018 to \$154,992,137.82 at March 31, 2019 – an increase of \$31,854,605.51 Million. Deposit have continued to increase not decrease. As of December 31, 2020, deposits were \$167,368,937.77 which is an increase of \$44,028,517.25 over the September 30, 2018 deposit balance. The changing banking landscape with mergers and acquisitions has assisted in the increased deposit balances – the bank is the last local community bank. The ALCO has tracked deposits (account by account level detail) for the last two years. The bank has primarily commercial customers which have benefited from the rebuilding in the area. With the onset of COVID-19 and the drastic decrease in rates (minus 1.50% March 2020) the ALCO expects for interest income and expense to decrease in 2021. When \$12.6 Million PPP loans were funded in 2020 deposit relationships were encouraged and deposits increased to over \$172 Million in August. The ALCO believes it is more conservative to project a decrease in deposits over the year 2021 as the decreased interest rates will influence depositors to seek higher yields. The ALCO has projected approximately \$26,000,000 will leave over the course of the year. Year-end 2021 total deposits are projected to be \$140,695,540.

Projections for the Building/Property - Normal Yearly Repair and Maintenance of the Main/Beach Office of \$10,000.00.

Projection for IT/IS computer services/etc. – this section indicates the additional planned asset purchases and expenses - related specifically to IT/IS for the coming year and total \$4,000 which includes: Normal replacement of various desktop computers.

Projection for extraordinary income (included in the Other Income line item) = NONE.

Projection for NON-Interest Increase/Decreases in Expenses: Salaries/Benefits, depreciation for fixed assets/leasehold improvements, training outside the bank in the BSA, the amount of increases/decreases to specific budget line items such as insurance over prior year, etc. \$10,000 added for Fraud/Forgery Losses.

Projection for IT/IS computer services/etc. expenses are included as a separate line item in the assumptions sheet per FFIEC recommendations along with a separate budget line item for Forensic cost in case of a data breach \$2,000. Cyber Security insurance is already included in the line-item insurance (non-building) in the amount of \$2,677.00 per year. Additionally, 2 Yrs of IT Training Online for IT Staff has been included at \$1,245.00 per year.

Projected Net Income for the year of \$759,617.20 - This budget also now reflects the projected ROAA of 0.44%, ROAE of 3.55% and a Dividend Payout Ratio of 68.21%.

Projection for Distributions to the Holding Company - The budget for distributions to the holding company is projected at \$0.00 per quarter. Additionally, a quarterly distribution for taxes is projected based on the previous quarter-end. (Dec 2020 projected for distribution in March 2021, etc.).

The 2022 budget includes:

Assumptions: (Please see Page 9 for details)

Projections for Building/Property totaling \$10,000.00 – Normal Yearly Repair and Maintenance of the Main/Beach Office.

Projection for IT/IS computer services/etc. – this section indicates the additional planned asset purchases and expenses - related specifically to IT/IS for the coming year and total \$4,000 which includes: Normal replacement of various desktop computers.

Projection for NON-Interest Increase/Decreases in Expenses: Salaries/Benefits, depreciation for fixed assets/leasehold improvements, training outside the bank in the BSA, the amount of increases/decreases to specific budget line items such as insurance over prior year, etc.

Projection for IT/IS computer services/etc. expenses are included as a separate line item in the assumptions sheet per FFIEC recommendations along with a separate budget line item for Forensic cost in case of a data breach. Cyber Security insurance is already included in the line item insurance (non-building) in the amount of \$2,677.00 per year.

Projected Net Income for the year of \$587,660.70- This budget also now reflects the projected ROAA of 0.37%, ROAE of 2.70% and a Dividend Payout Ratio of 36.08%.

Projection for Distributions to the Holding Company - The budget for distributions to the holding company is projected at \$0.00 per quarter. Additionally, a quarterly distribution for taxes is projected based on the previous quarter-end. (Dec 2021 projected for distribution in March 2022, etc.).

YEAR 1

YEAR ONE - 2021

ASSUMPTIONS PROJECTIONS		
-26.79%	CASH & DUE FROM	ESTIMATE \$15 MILL DECREASE IN DUE FROM CDS - ESTIMATE \$5 MILL DECREASE IN FED BALANCE
19.39%	INVESTMENT	PURCH \$1.5 MILL IN MUNIS
-7.44%	GROSS LOANS	DECREASE \$12.6 MILL PPP LOANS JUN TO NOV 2020 INCREASE 2020 BY NEW \$5 MILL PPP APR -MAY AND 5% LOAN GROWTH
0.00%	ALLL	
-19.04%	DEPOSIT LIABILITIES	DECREASE \$26 MILL (12.6 MILL PPP) \$7.4 MILL DUE TO REDUCED INT RATES
1.98%	OTHER LIABILITIES	
1.37%	CAPITAL	
-154.97%	INTEREST INCOME - INVESTMENTS	INTEREST INC DOWN DUE TO 1.50% DECREASE IN RATES MAR 2020
-2.63%	INTEREST & FEE INCOME - LOANS	INCLUDES PPP FASB INCOME
-145.19%	OTHER INCOME - NON INT	INSUR CHECK \$75,000 IN 2020 - \$0.00 IN 2021 & 2022
-427.40%	INTEREST EXPENSE - DEPOSITS	COST OF FUNDS DECREASE TO 0.10 IN 2021 - 2022
-0.56%	SALARIES	NO RAISES OFFICERS - EMPLOYEES 3% MAX - \$200 K BONUS
-4.50%	BENEFITS	
-0.68%	OTHER EXPENSE - NON INT	

PROJECTIONS RESULTS	
-16.41%	ASSET GROWTH RATE
0.44%	ROAA
3.55%	ROAE
68.21%	Dividend Payout Ratio

END OF YEAR		
759,617.20	NET INCOME	
-	DISTRIBUTION	NO DISTRIBUTION OTHER THAN TAXES
518,121.05	ADDTL DIST - EST TAXES (37%)	
161,474,724.15	TOTAL ASSETS	
66,337,100.00	TOTAL NET LOANS	
140,695,540.00	TOTAL DEPOSITS	
20,626,496.15	CAPITAL	

YEAR 2

YEAR TWO - 2022

ASSUMPTIONS PROJECTIONS		
-18.59%	CASH & DUE FROM	CONTINUED DECREASE IN DEPOSIT ACCOUNTS INCREASE IN LOANS
1.86%	INVESTMENT	
4.76%	GROSS LOANS	
0.00%	ALLL	
-7.84%	DEPOSIT LIABILITIES	DEPOSITS DECREASE BY \$9 MILL
1.96%	OTHER LIABILITIES	
1.72%	CAPITAL	
-51.97%	INTEREST INCOME - INVESTMENTS	CONTINUED DECREASE IN INTEREST INCOME DUE FROM CDS
-2.11%	INTEREST & FEE INCOME - LOANS	INCLUDES PPP FASB INCOME
1.49%	OTHER INCOME - NON INT	
-23.81%	INTEREST EXPENSE - DEPOSITS	COST OF FUNDS STABLE AT 0.10 IN 2021 - 2022
-6.25%	SALARIES	NO RAISES OFFICERS - EMPLOYEES 3% MAX - \$100 K BONUS
3.84%	BENEFITS	
-1.86%	OTHER EXPENSE - NON INT	

PROJECTIONS RESULTS	
-6.51%	ASSET GROWTH RATE
0.37%	ROAA
2.70%	ROAE
36.08%	Dividend Payout Ratio

END OF YEAR		
587,660.70	NET INCOME	
-	DISTRIBUTION	NO DISTRIBUTION OTHER THAN TAXES
212,024.69	ADDTL DIST - EST TAXES (37%)	
151,607,324.01	TOTAL ASSETS	
69,719,900.00	TOTAL NET LOANS	
130,464,440.00	TOTAL DEPOSITS	
20,987,136.01	CAPITAL	

YEAR ONE - 2021
BASIS FOR ALL BUDGET OPTIONS:

Actual OCT 2020 Balance Sheet & P/L Projected to December 31, 2020
2021 Assumptions for the year based on Projected EOY 2020
See separate Assumption Sheet for Summary Growth Projections

2021 Assumptions

Non Accrual with projected changes:	\$	
Non Accrual Balance as of Year End	\$	-
OREO with projected changes:	\$	
OREO Balance as of	\$	-
ALLL with projected changes		
ALLL Balance as of	\$	-

<u>Building/Property</u>	<u>Leasehold Improvements</u>	<u>Fixed Assets:</u>	<u>Completion</u>
	Building Maintenance - Depreciate over 5 years	\$ 10,000.00	May
	<u>FF&E</u>		
	<u>Vehicle</u>		
	<u>Sign</u>		
		\$	10,000.00
<u>Information Technology</u>	Main & Beach Computers - Replace - Depreciated over 5 years	\$ 4,000.00	May
		\$	4,000.00
INCREASE TO FIXED ASSETS		\$	14,000.00

INCOME & EXPENSE ASSUMPTIONS			
INCOME			
		\$	
ADJUSTMENT TO INCOME		\$	-
EXPENSE			
Increase in Employee Salaries @ 1.5% Minus Staff Changes	(9,297.00)		Year
Increase in Benefits Expense 4% over 2019	\$ (17,028.69)		Year
net Additional expense	\$	(26,325.69)	
BUILDING / FF&E / VEHICLE	Increase in Depreciation Expense for Fixed Assets Listed Above <u>Excluding IT - Running this year</u>	\$ 2,000.00	Year
	net Additional expense	\$	2,000.00
OTHER EXPENSES			
	SHAZAM User Group Meeting - Tennessee	\$ 1,500.00	May
	FBA Meetings 4 QTRLY- INC ANNUAL -	\$ 3,500.00	
	Other Losses Fraud & Forgery		
	net Additional expense	\$	5,000.00
Increase in IT Computer Services & Maintenance Expense	Increase in Depreciation Expense for IT Fixed Assets Listed Above - Running this Year	\$ 800.00	Year
	AASYS Total Managed Service -\$24,180 YR Already included in Budget		
	Prometheus Monitoring Service - \$15,600 YR Already included in Budget		
	CECL Estimator Tool - Software \$2000 YR Already included in Budget		
	FS Isaac - \$200 Already included in Budget		
	Meetings/Training Expense Quarterly \$500 Already included in Budget		
	Forensic Cost if Data Breach Occurs \$2,000 Already included in Budget		
	Cyber Security Insurance \$2,677 Already included in Budget		
	Storm Wind LLC - IT Training Online - 2 Yrs - All IT Staff \$2,490 (\$1,245 per yr)	\$ 1,245.00	Year
	net Additional expense	\$	2,045.00
ADJUSTMENT TO EXPENSE		\$	(17,280.69)
NET ADJUSTMENTS TO INCOME (EXPENSE) OVER PRIOR YEAR		\$	17,280.69
PROJECTED NET INCOME FOR YEAR		\$	759,617.20

Distributions to Holding Company			
Regular Quarterly Distributions \$0.00 per quarter		\$	
Distribution for Taxes Quarterly		\$	518,121.05
		\$	518,121.05

Projected Year Average		31	29	31	30	31	30	31	31	30	31	30	31	30	31
		PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
YEAR ONE-2021	FOMC Meetings	JAN 26-27		MAR 16-17	APR 27-28		JUN 15-16	JUL 27-28		SEPT 21-22		NOV 2-3	DEC 14-15		
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
Prime		3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	
Fed Funds		0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
Based on projections of NO RATE CHANGES in 2020 - 2021 - 2022															
		31 Days	28 Days	31 Days	30 Days	31 Days	30 Days	31 Days	31 Days	30 Days	31 Days	30 Days	31 Days		
	YIELDS	12/31/2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Due Froms-Time Deposits		1.13%	1.06%	0.87%	0.67%	0.56%	0.54%	0.54%	0.52%	0.45%	0.38%	0.37%	0.36%	0.35%	0.56%
Due Froms-Interest Bearing Demand		0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Securities		2.74%	2.64%	2.54%	2.45%	2.44%	2.35%	2.39%	2.31%	2.28%	2.25%	2.22%	2.26%	2.18%	2.36%
FHLB Stock		3.74%	3.50%	3.50%	3.50%	3.25%	3.24%	3.25%	3.24%	3.24%	3.08%	3.08%	3.00%	3.00%	3.24%
FRB Stock		5.63%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Fed Funds Sold		0.00%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
Commercial		1.36%	1.36%	1.36%	1.34%	1.34%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.34%	
Real Estate		4.94%	4.94%	4.94%	4.92%	4.92%	4.91%	4.90%	4.87%	4.86%	4.86%	4.86%	4.84%	4.89%	
Consumer		2.47%	2.47%	2.45%	2.42%	2.40%	2.39%	2.37%	2.35%	2.34%	2.32%	2.31%	2.31%	2.37%	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
Achiever		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
First Preferred		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
Money Market		0.10%	0.10%	0.10%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
Savings		0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
T.D.'s Under 100M Fixed		0.53%	0.40%	0.25%	0.23%	0.22%	0.22%	0.21%	0.21%	0.21%	0.20%	0.20%	0.20%	0.23%	
T.D.'s Under 100M Variable		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
T.D.'s Over 100M Fixed		0.78%	0.40%	0.25%	0.23%	0.13%	0.13%	0.13%	0.13%	0.13%	0.12%	0.12%	0.12%	0.17%	
T.D.'s Over 100M Variable		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
IRA's Under 100M Fixed		0.73%	0.40%	0.25%	0.20%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.18%	
IRA's Under 100M Variable		0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	
IRA's Over 100M Fixed		0.69%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	
IRA's Over 100M Variable		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Fed Funds Purchased		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Other Borrowings - LOCs & Advances		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INT EARNING ASSETS		2.29%	2.30%	2.23%	2.17%	2.16%	2.16%	2.20%	2.19%	2.17%	2.17%	2.18%	2.20%	2.21%	2.20%
INT EARNING LIABILITIES		0.19%	0.13%	0.11%	0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.10%	
NET INTEREST SPREAD		2.10%	2.17%	2.12%	2.07%	2.07%	2.07%	2.11%	2.10%	2.08%	2.08%	2.10%	2.11%	2.10%	
NET INTEREST MARGIN		2.15%	2.21%	2.15%	2.10%	2.09%	2.10%	2.14%	2.13%	2.11%	2.11%	2.12%	2.14%	2.13%	
		2.15%	2.21%	2.15%	2.10%	2.09%	2.10%	2.14%	2.13%	2.11%	2.11%	2.12%	2.14%	2.13%	

INVESTMENTS												
DUE FROM CDS	JAN	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
AVG Rate	1.06%	0.87%	0.67%	0.56%	0.54%	0.54%	0.52%	0.45%	0.38%	0.37%	0.36%	0.35%
TOTAL BY MONTH	\$ 3,495,000.00	\$ 8,485,000.00	\$ 13,974,000.00	\$ 6,734,000.00	\$ 4,241,000.00	\$ 3,247,000.00	\$ 1,732,000.00	\$ 7,240,000.00	\$ 6,494,000.00	\$ 1,250,000.00	\$ 250,000.00	\$ 1,249,000.00
LIABILITIES												
CUSTOMER TIME DEPOSITS	JAN	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
UNDER 100K AVG RATE AS OF REPORT	2.63%	2.79%	1.60%	1.51%	1.09%	1.35%	1.44%	0.81%	0.44%	0.15%	0.15%	0.15%
UNDER 100k	147,561.64	169,346.71	235,475.54	263,770.74	351,912.81	296,139.31	296,409.92	487,315.10	93,009.09	538,027.60	470,841.04	327,780.03
UNDER 100K AVG RATE AS OF REPORT	0.98%	0.43%	0.18%	1.43%	0.31%	0.22%	0.22%	0.20%	0.00%	0.15%	0.15%	0.15%
OVER 100K	2,294,995.88	728,386.88	344,894.34	397,869.53	405,354.68	1,045,365.18	675,996.11	990,021.92	-	2,092,280.13	3,832,958.47	2,943,796.50
TOTAL BY MONTH AVG RATE AS OF REPORT	1.03%	0.60%	0.43%	1.01%	0.44%	0.23%	0.29%	0.24%	0.44%	0.15%	0.15%	0.15%
TOTAL BY MONTH	2,442,557.52	897,733.59	580,369.88	661,640.27	757,267.49	1,341,504.49	972,406.03	1,477,337.02	93,009.09	2,630,307.73	4,103,789.51	3,271,576.53

YEAR ONE - 2021 ASSETS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	% CHANGE FROM DEC 2020
Cash and Cash Items	822,490	880,075	1,114,588	1,110,254	1,115,139	1,056,936	1,033,249	974,998	949,057	884,170	851,033	950,229	-14.62%
Due Froms-Time Deposits	90,090,000	87,690,000	85,093,000	82,768,000	81,768,000	80,268,000	80,001,000	79,751,000	77,501,000	77,001,000	75,251,000	73,751,000	-22.49%
Due Froms-Interest Bearing Demand	17,306,300	15,906,300	14,306,300	12,306,300	11,991,300	10,491,300	10,686,702	10,669,019	10,776,019	10,756,019	10,911,019	10,611,019	-58.39%
Due Froms- NON Interest Bearing Demand	246,911	247,322	247,733	248,144	248,555	248,966	248,377	248,788	250,199	250,610	251,021	251,432	1.97%
TOTAL CASH & DUE FROM BANKS	108,465,701	104,623,697	100,761,621	96,432,698	95,122,994	92,065,202	91,970,328	91,644,805	89,476,275	88,891,799	87,264,072	85,593,680	-26.79%
INVESTMENTS													
Securities	6,314,907	6,825,414	7,335,921	7,846,428	7,856,935	7,867,442	7,877,949	7,888,456	7,899,963	7,909,470	7,919,977	7,930,484	20.50%
FHLB Stock	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	0.00%
FRB Stock	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	0.03%
Fed Funds Sold	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
TOTAL INVESTMENTS	6,772,507	7,283,014	7,793,521	8,304,028	8,314,535	8,325,042	8,335,549	8,346,056	8,356,563	8,367,070	8,377,577	8,388,084	19.39%
Loans													
Commercial	11,679,888	13,234,576	14,789,264	15,843,952	14,898,640	12,953,328	11,038,016	9,092,704	7,147,392	5,202,080	5,256,768	5,311,456	-147.11%
Real Estate	59,843,112	59,886,424	60,134,736	60,383,048	60,631,360	60,879,672	61,127,984	61,376,296	61,624,608	61,872,920	62,121,232	62,369,544	4.45%
Consumer	51,112	51,324	51,536	51,748	51,960	52,172	52,384	52,596	52,808	53,020	53,232	53,444	4.72%
Overdrafts & Loan Unposted	1,305	1,310	1,315	1,320	1,325	1,330	1,335	1,340	1,345	1,350	1,355	1,360	7.73%
TOTAL GROSS LOANS	71,575,417	73,173,634	74,976,851	76,280,068	75,583,285	73,886,502	72,219,719	70,522,936	68,826,153	67,129,370	67,432,587	67,735,804	-7.44%
Unearned Reserve for Loan Losses	(142,792)	(143,384)	(143,976)	(144,568)	(145,160)	(145,752)	(146,344)	(146,936)	(147,528)	(148,120)	(148,712)	(149,304)	4.76%
	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	0.00%
NET LOANS	70,183,225	71,780,850	73,583,475	74,886,100	74,188,725	72,491,350	70,823,975	69,126,800	67,429,225	65,731,850	66,034,475	66,337,100	-7.60%
PROPERTY													
Land/Building/Leasehold	383,600	377,600	371,600	365,600	359,600	353,600	347,600	341,600	335,600	329,600	323,600	317,600	-22.67%
Vehicle	17,600	17,100	16,600	16,100	15,600	15,100	14,600	14,100	13,600	13,100	12,600	12,100	-49.82%
FF&E	298,200	290,200	282,200	274,200	266,200	258,200	250,200	242,200	234,200	226,200	218,200	210,200	-45.67%
TOTAL PROPERTY-AUTO-FF&E	699,400	684,900	670,400	655,900	641,400	626,900	612,400	597,900	583,400	568,900	554,400	539,900	-32.23%
Letters of Credit	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	
Letters of Credit (Contra)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	
TOTAL LETTERS OF CREDIT	-												
OTHER ASSETS													
IEU Loans	346,476	347,052	347,628	348,204	348,780	349,356	349,932	350,508	351,084	351,660	352,236	352,812	1.96%
IEU Investments	127,512	127,724	127,936	128,148	128,360	128,572	128,784	128,996	129,208	129,420	129,632	129,844	1.98%
Other Real Estate	-	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	#DIV/0!
Other Assets	160,367	160,634	160,901	161,168	161,435	161,702	161,969	162,236	162,503	162,770	163,037	163,304	1.97%
TOTAL OTHER ASSETS	634,355	840,410	841,465	842,520	843,575	844,630	845,685	846,740	847,795	848,850	849,905	850,960	1.97%
TOTAL ASSETS	186,755,187.70	185,212,871.20	183,650,482.45	181,121,246.05	179,111,228.65	174,353,123.82	172,382,936.82	170,357,100.62	168,488,257.82	164,203,488.92	162,875,429.42	161,474,724.15	-16.41%
													Assets Growth Rate
													-16.409%
													ROAA
													0.44%
													ROAE
													3.55%
													Dividend Payout Ratio
													68%
													Page 4

YEAR ONE - 2021

LIABILITIES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Deposits													
Demand	35,279,988	35,127,376	34,974,764	34,822,152	34,666,540	32,812,928	32,657,316	32,502,704	31,348,092	31,193,480	31,035,868	30,878,256	-14.75%
Achiever	23,429,310	23,052,320	22,675,330	22,298,340	21,921,350	21,544,360	21,167,370	20,790,380	19,413,390	19,036,400	18,659,410	18,282,420	-30.21%
First Preferred	37,734,713	37,381,526	37,028,339	36,675,152	35,571,965	33,518,778	33,165,591	32,062,404	31,709,217	31,356,030	31,002,843	30,649,656	-24.27%
Money Market	46,125,775	45,553,550	45,214,325	43,640,100	43,300,875	42,961,650	41,922,425	41,583,200	40,743,975	40,404,750	40,065,525	39,726,300	-16.96%
Savings	3,571,142	3,577,084	3,583,026	3,589,968	3,594,910	3,600,852	3,606,794	3,612,736	3,618,678	3,624,620	3,630,562	3,636,504	1.96%
T D 's Under 100M Fixed	2,690,677	2,695,154	2,699,631	2,704,108	2,708,585	2,713,062	2,717,539	2,722,016	2,726,493	2,730,970	2,735,447	2,739,924	1.96%
T D 's Under 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	-
T D 's Over 100M Fixed	15,070,386	14,929,072	14,787,758	14,646,444	14,505,130	14,363,816	14,222,502	14,081,188	13,939,874	12,798,560	12,657,246	12,515,932	-21.54%
T D 's Over 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	-
IRA's Under 100M Fixed	1,469,245	1,471,690	1,474,135	1,476,580	1,479,025	1,481,470	1,483,915	1,486,360	1,488,805	1,491,250	1,493,695	1,496,140	1.96%
IRA's Under 100M Variable	45,275	45,350	45,425	45,500	45,575	45,650	45,725	45,800	45,875	45,950	46,025	46,100	1.86%
IRA's Over 100M Fixed	711,284	712,468	713,652	714,836	716,020	717,204	718,388	719,572	720,756	721,940	723,124	724,308	1.96%
IRA's Over 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEPOSITS	166,127,795	164,545,590	163,196,385	160,612,180	158,508,975	153,759,770	151,707,585	149,806,360	145,755,155	143,403,950	142,049,745	140,695,540	-19.04%
OTHER LIABILITIES													
Accrued Expenses	149,949	150,198	150,447	150,696	150,945	151,194	151,443	151,692	151,941	152,190	152,439	152,688	1.98%
Fed Funds Purchased	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Borrowings - LOCs & Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER LIABILITIES	149,949	150,198	150,447	150,696	150,945	151,194	151,443	151,692	151,941	152,190	152,439	152,688	1.98%
CAPITAL													
Capital	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	0.00%
Surplus	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	0.00%
Undivided Profits	13,419,000	13,419,000	13,135,831	13,135,831	13,135,831	13,051,907	13,051,907	13,051,907	12,975,157	12,975,157	12,975,157	12,900,879	7.13%
Net Unrealized Gain/Loss	327,000	332,000	337,000	342,000	347,000	352,000	357,000	362,000	367,000	372,000	367,000	362,000	11.05%
Current Period Earnings	127,444	162,083	226,820	276,539	363,478	434,253	511,021	581,141	635,005	696,172	727,088	759,617	-89.24%
TOTAL CAPITAL	20,477,444	20,517,083	20,303,650	20,358,370	20,450,309	20,442,160	20,523,929	20,599,049	20,581,162	20,647,329	20,673,245	20,626,496	1.37%
TOTAL LIAB. & CAPITAL	186,755,187.70	185,212,871.00	183,650,482.00	181,121,246.00	179,111,229.00	174,353,124.00	172,382,937.00	170,357,101.00	166,488,258.00	164,203,469.00	162,875,429.00	161,474,724.00	-16.41%
Distributions	0.00	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributions for Taxes	0.00	0.00	\$ -	\$ 283,169	\$ -	\$ 83,923	\$ -	\$ 76,750	\$ -	\$ -	\$ -	\$ -	\$ -
Total Distributions	0.00	0.00	\$ -	\$ 283,169	\$ -	\$ 83,923	\$ -	\$ 76,750	\$ -	\$ -	\$ -	\$ -	\$ 518,121

YEAR ONE - 2021 INCOME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
INVESTMENTS														
Due From-Time Deposits	81,411	139,619	188,369	226,601	264,247	299,723	335,294	365,953	390,283	414,207	436,770	458,452	-195.78%	
Due From-Interest Bearing Demand	1,470	2,682	3,898	4,909	5,927	6,790	7,697	8,603	9,489	10,403	11,299	12,201	-774.94%	
US Govt Securities	14,159	27,459	42,723	58,459	74,141	89,595	105,051	120,327	134,935	149,848	164,559	179,243	-24.32%	
FHLB Dividends	771	1,468	2,239	2,932	3,645	4,338	5,052	5,766	6,423	7,101	7,741	8,402	-33.83%	
FED Dividends	1,010	1,922	2,932	3,910	4,920	5,897	6,907	7,917	8,895	9,905	10,882	11,892	-0.52%	
Fed Funds Sold	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
INVESTMENT	98,821	173,149	240,161	286,810	352,881	406,344	460,002	508,566	550,024	591,462	631,251	670,189	-154.97%	
LOANS														
Commercial	13,491	27,299	44,130	61,580	78,409	92,569	105,038	115,309	123,122	128,998	134,745	140,744	-17.83%	
Real Estate	251,079	478,024	729,304	973,484	1,226,325	1,471,511	1,724,347	1,977,688	2,223,849	2,479,240	2,726,363	2,982,745	-9.67%	
Consumer	107	204	310	412	517	619	723	828	929	1,033	1,134	1,238	-28.42%	
Servicing Fees - SBA & USDA	917	1,834	2,751	3,668	4,585	5,502	6,419	7,336	8,253	9,170	10,087	11,004	-1.58%	
Loan Fees & Income	47,917	57,584	67,251	76,918	116,508	152,348	188,188	224,029	259,868	295,708	311,625	327,542	68.03%	
Gain (LOSS) Repossessions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain (LOSS) Residential Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain (LOSS)-SBA-USDA	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL LOAN INCOME	313,511	564,944	843,746	1,116,061	1,426,344	1,722,549	2,024,715	2,325,188	2,616,020	2,914,148	3,183,953	3,483,273	-2.63%	
Other Income														
Service Charges	2,981	5,962	8,943	11,924	14,905	17,886	20,867	23,848	26,829	29,810	32,791	35,772	1.49%	
Operations	1,387	2,774	4,161	5,548	6,935	8,322	9,709	11,096	12,483	13,870	15,257	16,644	1.48%	
Other Income (INC GAIN/LOSS NOT LOANS)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	
TOTAL OTHER INCOME	4,368	8,736	13,104	17,472	21,840	26,208	30,576	34,944	39,312	43,680	48,048	52,416	-145.19%	
TOTAL INCOME	416,700	746,828	1,097,011	1,430,344	1,801,065	2,155,101	2,515,293	2,868,699	3,205,356	3,549,291	3,863,252	4,185,877	-28.81%	

YEAR ONE - 2021	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
EXPENSES														
Achiever		1,592	3,007	4,547	6,014	7,503	8,920	10,358	11,770	13,047	14,340	15,567	16,809	-309.33%
First Preferred		2,564	4,858	7,374	9,785	12,202	14,406	16,660	18,838	20,923	23,054	25,092	27,175	-404.55%
Money Market		3,918	7,412	10,484	13,354	16,296	19,121	21,969	24,794	27,474	30,219	32,853	35,552	-364.23%
Savings		152	289	441	589	741	889	1,043	1,196	1,345	1,499	1,648	1,802	-17.76%
T D's Under 100M Fixed		914	1,431	1,958	2,447	2,954	3,422	3,907	4,392	4,840	5,304	5,754	6,219	-395.84%
T D's Under 100M Variable		-	-	-	-	-	-	-	-	-	-	-	-	0.00%
T D's Over 100M Fixed		5,120	7,983	10,872	12,437	14,038	15,573	17,143	18,698	20,187	21,492	22,740	24,016	-654.47%
T D's Over 100M Variable		-	-	-	-	-	-	-	-	-	-	-	-	0.00%
IRA's Under 100M Fixed		499	781	1,032	1,202	1,378	1,548	1,724	1,901	2,072	2,250	2,422	2,600	-484.94%
IRA's Under 100M Variable		6	11	16	21	27	32	37	43	48	54	59	64	-938.20%
IRA's Over 100M Fixed		97	185	282	376	474	568	666	765	860	959	1,054	1,153	-556.86%
IRA's Over 100M Variable		-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Fed Funds Purchased		-	-	-	-	-	-	-	-	-	-	-	-	0.00%
LOC Advances- (FHLB & FED Disc Window)		-	-	-	-	-	-	-	-	-	-	-	-	0.00%
INTEREST	14,881	25,956	37,008	46,224	55,612	64,478	73,507	82,397	90,796	99,169	107,189	115,390	-427.40%	
Salaries	138,709	277,418	416,127	554,836	693,545	832,254	970,963	1,109,672	1,248,381	1,387,090	1,525,799	1,664,508	1,803,217	-0.56%
Benefits	31,512	63,024	94,536	126,048	157,560	189,072	220,584	252,096	283,608	315,120	346,632	378,144	409,656	-4.50%
SALARIES & BENEFITS	170,221	340,442	510,663	680,884	851,105	1,021,326	1,191,547	1,361,768	1,531,989	1,702,210	1,872,431	2,042,652	2,212,873	-1.29%

YEAR ONE - 2021	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
EXPENSES													
Advertising & Sponsorships	667	1,334	2,001	2,668	3,335	4,002	4,669	5,336	6,003	6,670	7,337	8,004	-81.44%
Assessments-FDIC/OCC	9,045	18,090	27,135	36,180	45,225	54,270	63,315	72,360	81,405	90,450	99,495	108,540	7.92%
Building-Depr, Rent Exp, Maint, & Ins (NET RENT INC)	27,000	54,000	81,000	108,000	135,000	162,000	189,000	216,000	243,000	270,000	297,000	324,000	0.95%
Check Printing Charges	113	226	339	452	565	678	791	904	1,017	1,130	1,243	1,356	9.13%
Communications-Telephones	1,625	3,250	4,875	6,500	8,125	9,750	11,375	13,000	14,625	16,250	17,875	19,500	-0.82%
Computer - Core	23,508	47,016	70,524	94,032	117,540	141,048	164,556	188,064	211,572	235,080	258,588	282,096	-22.83%
Computer - Network-Depreciation	7,738	15,476	23,214	30,952	38,690	46,428	54,166	61,904	69,642	77,380	85,118	92,856	100.00%
Computer - Other	1,063	2,126	3,189	4,252	5,315	6,378	7,441	8,504	9,567	10,630	11,693	12,756	100.00%
Computer - Maintenance, & Supplies	479	958	1,437	1,916	2,395	2,874	3,353	3,832	4,311	4,790	5,269	5,748	-810.60%
Computer Information Security	167	334	501	668	835	1,002	1,169	1,336	1,503	1,670	1,837	2,004	100.00%
Consulting Fees	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Contributions & Donations	167	334	501	668	835	1,002	1,169	1,336	1,503	1,670	1,837	2,004	-68.21%
Customer/Public Relations	733	1,466	2,199	2,932	3,665	4,398	5,131	5,864	6,597	7,330	8,063	8,796	3.50%
Debit Card Fees	(1,833)	(3,666)	(5,499)	(7,332)	(9,165)	(10,998)	(12,831)	(14,664)	(16,497)	(18,330)	(20,163)	(21,996)	3.64%
Delivery - Courier - Postage - Other	2,754	5,508	8,262	11,016	13,770	16,524	19,278	22,032	24,786	27,540	30,294	33,048	7.52%
Director's Fees	2,550	5,100	7,650	10,200	12,750	15,300	17,850	20,400	22,950	25,500	28,050	30,600	-12.82%
Dues & Memberships	1,325	2,650	3,975	5,300	6,625	7,950	9,275	10,600	11,925	13,250	14,575	15,900	-19.32%
Education & Training	180	360	540	720	900	1,080	1,260	1,440	1,620	1,800	1,980	2,160	13.88%
Entertainment	467	934	1,401	1,868	2,335	2,802	3,269	3,736	4,203	4,670	5,137	5,604	38.72%
External Exam & Audit	6,050	12,100	18,150	24,200	30,250	36,300	42,350	48,400	54,450	60,500	66,550	72,600	6.74%
FF&E-Depreciation, Maintenance & Supplies	8,343	16,686	25,029	33,372	41,715	50,058	58,401	66,744	75,087	83,430	91,773	100,116	-23.55%
Insurance (Non Building)	733	1,466	2,199	2,932	3,665	4,398	5,131	5,864	6,597	7,330	8,063	8,796	10.91%
Legal Fees - Excluding Foreclosure	54	108	162	216	270	324	378	432	486	540	594	648	-2.24%
Licenses	157	314	471	628	785	942	1,099	1,256	1,413	1,570	1,727	1,884	0.90%
Loan Loss Provision	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Miscellaneous Expense -Other	940	1,880	2,820	3,760	4,700	5,640	6,580	7,520	8,460	9,400	10,340	11,280	-4.45%
Miscellaneous Loan Expense-Including Foreclosure	1,117	2,234	3,351	4,468	5,585	6,702	7,819	8,936	10,053	11,170	12,287	13,404	28.86%
Other losses - Fraud Related	417	834	1,251	1,668	2,085	2,502	2,919	3,336	3,753	4,170	4,587	5,004	79.84%
Other losses	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
Other Real Estate Owned - OREO	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100.00%
Over/Short	2	4	6	8	10	12	14	16	18	20	22	24	2429.13%
Professional Services - Temp Help	125	250	375	500	625	750	875	1,000	1,125	1,250	1,375	1,500	-736.18%
Repossessions	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Service Charges - Due From Banks	1,921	3,842	5,763	7,684	9,605	11,526	13,447	15,368	17,289	19,210	21,131	23,052	0.49%
Stationery & Supplies	3,104	6,208	9,312	12,416	15,520	18,624	21,728	24,832	27,936	31,040	34,144	37,248	-0.06%
Subscriptions - Publications - Manuals	775	1,550	2,325	3,100	3,875	4,650	5,425	6,200	6,975	7,750	8,525	9,300	-5.37%
Taxes (Non Building)	767	1,534	2,301	3,068	3,835	4,602	5,369	6,136	6,903	7,670	8,437	9,204	-5.40%
Travel	817	1,634	2,451	3,268	4,085	4,902	5,719	6,536	7,353	8,170	8,987	9,804	51.38%
Vehicle - Depreciation, Maintenance & Supplies	1,104	2,208	3,312	4,416	5,520	6,624	7,728	8,832	9,936	11,040	12,144	13,248	-0.67%
OTHER EXPENSES	104,174	218,348	322,522	426,696	530,870	635,044	739,218	843,392	947,566	1,051,740	1,155,914	1,260,088	-0.68%
TOTAL EXPENSE	289,256	584,746	870,191	1,153,804	1,437,587	1,720,848	2,004,272	2,287,557	2,570,351	2,853,119	3,136,164	3,426,260	-15.41%
NET INC BEFORE TAX	127,444	162,083	226,820	276,539	363,478	434,253	511,021	581,141	635,005	696,172	727,068	759,617	-89.24%
Income Taxes													0.00%
Net Income	127,444	34,640	64,737	49,720	86,939	70,774	76,769	70,120	53,863	61,167	30,917	32,529	0.00%
Current Earnings	127,444	34,640	64,737	49,720	86,939	70,774	76,769	70,120	53,863	61,167	30,917	32,529	0.00%
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Non Int Inc		Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	Non Int Inc	
	4,368	8,736	13,104	17,472	21,840	26,208	30,576	34,944	39,312	43,680	48,048	52,416	
Non Int Exp		Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	Non Int Exp	
	274,395	558,790	833,185	1,107,580	1,381,975	1,656,370	1,930,765	2,205,160	2,479,555	2,753,950	3,028,345	3,310,870	
AVG NI Inc		AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	AVG NI Inc	
	4,368	4,368	4,368	4,368	4,368	4,368	4,368	4,368	4,368	4,368	4,368	4,368	
AVG NI Exp		AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	AVG NI Exp	
	274,395	279,395	277,728	276,895	276,395	276,062	275,824	275,645	275,506	275,395	275,361	275,906	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
NON ACCRUAL LOANS-Projected													
ALL % of Total Gross Loans-Projected	1.75%	1.71%	1.67%	1.64%	1.65%	1.69%	1.73%	1.77%	1.82%	1.86%	1.85%	1.84%	

Dec 2021 Budget EOY Projected to EOY 2022
2022 Assumptions based on projected EOY 2021
See separate Assumption Sheet for Summary Growth Projections
2022 Assumptions:

Non Accrual with projected changes:	\$	-
Non Accrual Balance as of	\$	-
OREO with projected changes:	\$	-
OREO Balance as of	\$	-
ALLL with projected changes	\$	-
ALLL Balance as of	\$	-

FIXED ASSETS		Completion
<u>Building/Property</u>	<u>Leasehold Improvements</u>	
	Building Maintenance - Depreciate over 5 years	May
	\$ 10,000 00	
	<u>FF&E</u>	
	<u>Vehicle</u>	
	<u>Sign</u>	
	\$ 10,000 00	
<u>Information Technology</u>	Main & Beach Computers - Replace - Depreciated over 5 years	May May
	\$ 4,000 00	
	\$ 4,000.00	
INCREASE TO FIXED ASSETS		\$ 14,000.00

INCOME & EXPENSE ASSUMPTIONS		
INCOME		
ADJUSTMENT TO INCOME		
\$ -		
EXPENSE		
Increase in Employee Salaries @ 1.5% Minus Staff Changes	(97,947.61)	Year
Increase in Insurance Expense 4% over 2021	15,125.76	Year
net Additional expense	\$ (82,821.85)	
BUILDING / FF&E / VEHICLE		
Increase in Depreciation Expense for Fixed Assets Listed Above <u>Excluding IT - Running this year</u>	\$ 1,166.67	Year
net Additional expense	\$ 1,166.67	
OTHER EXPENSES		
SHAZAM User Group Meeting - \$1,500 - Already included in Budget		
FBA Meetings 4 QTRLY- INC ANNUAL - \$3,500 - Already included in Budget		
Other Losses Fraud & Forgery- Already included in Budget		
net Additional expense	\$ -	
Increase in IT Computer Services & Maintenance Expense		
Increase in Depreciation Expense for IT Fixed Assets Listed Above	\$ 466.67	
AASYS Total Managed Service -\$24,180 YR Already included in Budget		
Prometheus Monitoring Service - \$15,600 YR Already included in Budget		
CECL Estimator Tool - Software \$2000 YR Already included in Budget		
FS Isaac - \$200 Already included in Budget		
Meetings/Training Expense Quarterly \$500 Already included in Budget		
Forensic Cost if Data Breach Occurs \$2,000 Already included in Budget		
Cyber Security Insurance \$2,677 Already included in Budget		
Storm Wind LLC - IT Training Online - 2 Yrs - All IT Staff \$2,490 YR Already included in Budget		Year
net Additional expense	\$ 466.67	
ADJUSTMENT TO EXPENSE		
\$ (81,188.52)		
NET ADJUSTMENTS TO INCOME (EXPENSE) OVER PRIOR YEAR		
\$ 81,188.52		
PROJECTED NET INCOME FOR YEAR		
\$ 587,660.70		

Distributions to Holding Company		
Regular Quarterly Distributions \$0.00 Per quarter	\$	-
Distribution for Taxes Quarterly	\$	212,024.69
	\$	212,024.69

YEAR TWO 2022	Projected PRIOR Year Average	31	28	31	30	31	30	31	31	30	31	30	31	30	31	AVG
		PROJECTED														
		JAN 25-26	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
YIELDS		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
Prime		3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	
Fed Funds		0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
Based on projections of NO RATE CHANGES in 2020 - 2021 - 2022																
		31 Days	28 Days	31 Days	30 Days	31 Days	30 Days	31 Days	31 Days	30 Days	31 Days	30 Days	31 Days	30 Days	31 Days	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
Due Froms-Time Deposits		0.56%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Due Froms-Interest Bearing Demand Securities		0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
FHLB Stock		2.36%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
FRB Stock		3.24%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Fed Funds Sold		6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
		0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
		DEC	DEC													
Commercial		1.34%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%	1.33%
Real Estate		4.89%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
Consumer		2.37%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%	2.29%
		DEC	DEC													
Achiever		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
First Preferred		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Money Market		0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Savings		0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
T D's Under 100M Fixed		0.23%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
T D's Under 100M Variable		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
T D's Over 100M Fixed		0.17%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%
T D's Over 100M Variable		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IRA's Under 100M Fixed		0.18%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
IRA's Under 100M Variable		0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
IRA's Over 100M Fixed		0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
IRA's Over 100M Variable		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fed Funds Purchased		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Borrowings - LOCs & Advances		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INT EARNING ASSETS		2.20%	2.23%	2.23%	2.24%	2.26%	2.28%	2.30%	2.33%	2.36%	2.39%	2.41%	2.42%	2.44%	2.44%	2.32%
INT EARNING LIABILITIES		0.10%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
NET INTEREST SPREAD		2.10%	2.14%	2.14%	2.16%	2.17%	2.19%	2.21%	2.24%	2.27%	2.30%	2.32%	2.34%	2.35%	2.35%	2.23%
NET INTEREST MARGIN		2.13%	2.17%	2.17%	2.18%	2.20%	2.22%	2.24%	2.27%	2.30%	2.33%	2.35%	2.36%	2.38%	2.38%	2.26%
		2.13%	2.17%	2.17%	2.18%	2.20%	2.22%	2.24%	2.27%	2.30%	2.33%	2.35%	2.36%	2.38%	2.38%	2.26%

INVESTMENTS												
DUE FROM CDS	JAN	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
AVG Rate	0.35%	0.32%	0.24%	0.21%	0.20%	0.20%	0.19%	0.18%	0.18%	0.17%	0.17%	0.16%
TOTAL BY MONTH	\$ 250,000.00	\$ 1,247,000.00	\$ 5,241,000.00	\$ 2,740,000.00	\$ 748,000.00	\$ 250,000.00	\$ 1,498,000.00	\$ 1,494,000.00	\$ 2,248,000.00	\$ 500,000.00	\$	\$ 249,000.00
LIABILITIES												
CUSTOMER TIME DEPOSITS	JAN	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
UNDER 100K AVG RATE AS OF REPORT	0.15%											
UNDER 100k	563,277.18											
UNDER 100K AVG RATE AS OF REPORT	0.15%											
OVER 100k	540,202.93											
TOTAL BY MONTH AVG RATE AS OF REPORT	0.15%											
TOTAL BY MONTH	1,103,480.11											

YEAR TWO 2022													% CHANGE
ASSETS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FROM DEC
													2021
Cash and Cash Items	941,057	1,014,513	1,071,222	1,077,963	1,082,759	1,079,411	1,086,166	1,093,304	1,085,810	1,093,958	1,085,804	1,064,685	10.75%
Due Froms-Time Deposits	72,721,918	73,094,836	71,967,754	72,090,672	71,213,590	70,336,508	68,209,426	67,332,344	65,455,262	64,578,180	63,451,098	63,074,016	-16.93%
Due Froms-Interest Bearing Demand	10,628,685	10,646,370	10,664,055	9,519,337	9,387,022	9,204,707	9,321,392	8,189,077	8,006,762	7,874,447	7,984,983	7,757,668	-36.78%
Due Froms- NON Interest Bearing Demand	251,819	252,235	252,657	253,076	253,495	253,914	254,333	254,752	255,171	255,590	256,009	256,428	1.95%
TOTAL CASH & DUE FROM BANKS	84,543,479	85,007,957	83,955,688	82,941,047	81,936,866	80,874,540	78,871,316	76,869,477	74,803,004	73,802,175	72,777,693	72,152,796	-18.59%
INVESTMENTS													
Securities	7,943,717	7,956,934	7,970,151	7,983,368	7,996,585	8,009,802	8,023,019	8,036,236	8,049,453	8,062,670	8,075,887	8,089,104	1.96%
FHLB Stock	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	259,400	0.00%
FRB Stock	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	198,200	0.00%
Fed Funds Sold													0.00%
TOTAL INVESTMENTS	8,401,317	8,414,534	8,427,751	8,440,968	8,454,185	8,467,402	8,480,619	8,493,836	8,507,053	8,520,270	8,533,487	8,546,704	1.86%
Loans													
Commercial	5,333,631	5,355,762	5,377,893	5,400,024	5,422,155	5,444,286	5,466,417	5,488,548	5,510,679	5,532,810	5,554,941	5,577,072	4.76%
Real Estate	62,629,373	62,889,246	63,149,118	63,408,992	63,668,865	63,928,738	64,188,611	64,448,484	64,708,357	64,968,230	65,228,103	65,487,976	4.76%
Consumer	53,623	53,846	54,069	54,292	54,515	54,738	54,961	55,184	55,407	55,630	55,853	56,076	4.69%
Overdrafts & Loan Unposted	1,406	1,412	1,418	1,424	1,430	1,436	1,442	1,448	1,454	1,460	1,466	1,472	7.61%
TOTAL LOANS	68,018,033	68,300,266	68,582,499	68,864,732	69,146,965	69,429,198	69,711,431	69,993,664	70,275,897	70,558,130	70,840,363	71,122,596	4.76%
Unearned Reserve for Loan Losses	(152,549)	(152,798)	(153,047)	(153,296)	(153,545)	(153,296)	(153,047)	(153,296)	(153,545)	(153,296)	(153,545)	(153,296)	2.60%
	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	(1,249,400)	0.00%
NET LOANS	66,616,084	66,898,068	67,180,052	67,462,036	67,744,020	68,026,502	68,308,984	68,590,968	68,872,952	69,155,434	69,437,418	69,719,900	4.85%
Land/Building/Leasehold	317,071	316,542	316,013	315,484	314,955	314,426	313,897	313,368	312,839	312,310	311,781	311,252	-2.04%
Vehicle	12,080	12,060	12,040	12,020	12,000	11,980	11,960	11,940	11,920	11,900	11,880	11,860	-2.02%
FF&E	209,850	209,500	209,150	208,800	208,450	208,100	207,750	207,400	207,050	206,700	206,350	206,000	-2.04%
TOTAL PROPERTY-AUTO-FF&E	539,001	538,102	537,203	536,304	535,405	534,506	533,607	532,708	531,809	530,910	530,011	529,112	-2.04%
Letters of Credit	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	273,900	
Letters of Credit (Contra)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	(273,900)	
TOTAL LETTERS OF CREDIT	-												
IEU Loans	353,388	353,976	354,564	355,152	355,740	356,328	356,916	357,504	358,092	358,680	359,268	359,856	1.96%
IEU Investments	130,016	130,232	130,448	130,664	130,880	131,096	131,312	131,528	131,744	131,960	132,176	132,392	1.92%
Other Real Estate													0.00%
Other Assets	163,572	163,844	164,116	164,388	164,660	164,932	165,204	165,476	165,748	166,020	166,292	166,564	1.96%
TOTAL OTHER ASSETS	646,976	648,052	649,128	650,204	651,280	652,356	653,432	654,508	655,584	656,660	657,736	658,812	1.95%
TOTAL ASSETS	160,746,857	161,506,713	160,749,822	160,030,559	159,321,756	158,555,306	156,847,958	155,141,497	153,370,402	152,665,449	151,936,545	151,607,324	-6.51%

Assets Growth Rate	-6.509%
ROAA	0.37%
ROAE	2.70%
Dividend Payout Ratio	36.05%

YEAR TWO - 2022
LIABILITIES

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Deposits													
Demand	30,929,764	32,481,228	31,532,692	31,584,156	31,135,620	30,167,084	30,238,548	30,290,012	29,341,476	29,392,940	28,944,404	28,450,868	-8.53%
Achiever	18,312,871	18,343,342	18,373,813	18,404,284	17,934,755	17,965,226	17,995,697	17,026,168	17,056,639	17,087,110	16,617,581	16,648,052	-9.82%
First Preferred	30,700,783	29,751,866	29,802,949	29,354,032	29,405,115	29,456,198	28,507,281	28,558,364	28,609,447	27,660,530	27,711,613	27,762,696	-10.40%
Money Market	38,792,511	38,656,722	38,924,933	38,491,144	38,557,355	38,623,566	37,689,777	36,755,988	35,822,199	35,888,410	35,954,621	36,020,632	-10.29%
Savings	3,642,561	3,648,622	3,654,683	3,660,744	3,666,805	3,672,866	3,678,927	3,684,988	3,691,049	3,697,110	3,703,171	3,709,232	1.96%
T D's Under 100M Fixed	2,744,467	2,749,034	2,753,601	2,758,168	2,762,735	2,767,302	2,771,869	2,776,436	2,781,003	2,785,570	2,790,137	2,794,704	1.96%
T D's Under 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	-
T D's Over 100M Fixed	12,536,760	12,557,620	12,578,480	12,599,340	12,620,200	12,641,060	12,661,920	12,682,780	12,703,640	12,724,500	12,745,360	12,766,220	1.96%
T D's Over 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	-
IRA's Under 100M Fixed	1,498,594	1,501,088	1,503,582	1,506,076	1,508,570	1,511,064	1,513,558	1,516,052	1,518,546	1,521,040	1,523,534	1,526,028	1.96%
IRA's Under 100M Variable	46,177	46,254	46,331	46,408	46,485	46,562	46,639	46,716	46,793	46,870	46,947	47,024	1.96%
IRA's Over 100M Fixed	725,507	726,714	727,921	729,128	730,335	731,542	732,749	733,956	735,163	736,370	737,577	738,784	1.96%
IRA's Over 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEPOSITS	139,929,995	140,664,490	139,898,985	139,133,480	138,367,975	137,602,470	135,836,665	134,071,460	132,305,955	131,540,450	130,774,945	130,464,440	-7.84%
Other Liabilities													
Accrued Expenses	152,954	153,208	153,462	153,716	153,970	154,224	154,478	154,732	154,986	155,240	155,494	155,748	1.96%
Fed Funds Purchased	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Other Borrowings - LOCs & Advances	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
TOTAL OTHER LIABILITIES	152,954	153,208	153,462	153,716	153,970	154,224	154,478	154,732	154,986	155,240	155,494	155,748	1.96%
Capital													
Capital	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	1,904,700	0.00%
Surplus	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	4,699,300	0.00%
Undivided Profits	13,660,500	13,660,500	13,614,393	13,614,393	13,614,393	13,565,560	13,565,560	13,565,560	13,510,034	13,510,034	13,510,034	13,448,475	4.07%
Net Unrealized Gain/Loss	347,000	347,000	347,000	347,000	347,000	347,000	347,000	347,000	347,000	347,000	347,000	347,000	-4.32%
Current Period Earnings	52,408	77,515	131,981	177,970	234,417	282,052	339,955	398,745	448,427	508,725	545,072	587,661	-29.26%
TOTAL CAPITAL	20,663,908	20,589,015	20,597,375	20,743,363	20,799,811	20,798,612	20,856,515	20,915,305	20,909,461	20,969,759	21,006,106	20,987,136	1.72%
TOTAL LIAB & CAPITAL	160,746,857	161,506,713	160,749,822	160,030,559	159,321,756	158,555,306	156,847,958	155,141,497	153,370,402	152,665,449	151,936,545	151,607,324	-6.51%
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Distributions			\$ -			\$ -			\$ -			\$ -	Distributions
Distributions for Taxes			\$ 46,107			\$ 48,833			\$ 55,628			\$ 61,559	
													Total Distributions
													\$ 212,025

YEAR TWO - 2022 INCOME INVESTMENTS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Due From-Time Deposits	21,380	40,790	61,948	82,459	103,395	123,407	143,460	163,255	181,878	200,864	218,917	237,460	-93.07%
Due From-Interest Bearing Demand	903	1,719	2,625	3,408	4,205	4,961	5,753	6,449	7,107	7,776	8,432	9,091	-34.21%
US Govt Securities	14,708	28,014	42,771	57,076	71,881	86,233	101,088	115,967	130,390	145,318	159,788	174,765	-2.56%
FHLB Dividends	661	1,258	1,919	2,558	3,219	3,859	4,520	5,181	5,820	6,481	7,121	7,782	-7.97%
FED Dividends	1,010	1,922	2,932	3,910	4,920	5,897	6,907	7,917	8,895	9,905	10,882	11,892	0.00%
Fed Funds Sold	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
INVESTMENT	38,661	73,704	112,195	149,410	187,620	224,357	261,728	298,769	334,090	370,343	405,139	440,969	-51.97%
LOANS													
Commercial	6,025	11,489	17,564	23,467	29,592	35,543	41,718	47,918	53,942	60,192	66,264	72,564	-93.96%
Real Estate	257,450	490,950	750,536	1,002,782	1,264,505	1,518,818	1,782,678	2,047,605	2,305,020	2,572,084	2,831,567	3,100,767	3.81%
Consumer	104	199	304	406	512	615	722	830	934	1,042	1,147	1,256	1.48%
Servicing Fees - SBA & USDA	917	1,834	2,751	3,668	4,585	5,502	6,419	7,336	8,253	9,170	10,087	11,004	0.00%
Loan Fees & Income	19,667	39,334	59,001	78,668	98,335	118,002	137,669	157,336	177,003	196,670	201,337	206,004	-59.00%
Gain (LOSS) Repossessions	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Gain (LOSS) Residential Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Gain (LOSS)-SBA-USDA	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
TOTAL LOAN INCOME	284,163	543,806	830,156	1,108,991	1,397,529	1,678,481	1,969,206	2,261,024	2,545,152	2,839,158	3,110,402	3,391,595	-2.11%
Other Income													
Service Charges	3,026	6,052	9,078	12,104	15,130	18,156	21,182	24,208	27,234	30,260	33,286	36,312	1.49%
Operations	1,408	2,816	4,224	5,632	7,040	8,448	9,856	11,264	12,672	14,080	15,488	16,896	1.49%
Other Income (INC GAIN/LOSS NOT LOANS)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
TOTAL OTHER INCOME	4,434	8,868	13,302	17,736	22,170	26,604	31,038	35,472	39,906	44,340	48,774	53,208	1.49%
TOTAL INCOME	327,258	626,377	955,653	1,276,137	1,807,319	2,299,442	2,261,971	2,595,265	2,919,147	3,253,841	3,564,315	3,885,793	-7.72%

YEAR TWO - 2022	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	
EXPENSES													
Achiever	1,244	2,370	3,618	4,829	6,047	7,228	8,451	9,608	10,729	11,890	12,983	14,114	-19.09%
First Preferred	2,086	3,912	5,937	7,867	9,865	11,802	13,739	15,679	17,560	19,440	21,262	23,148	-17.40%
Money Market	2,636	5,021	7,665	10,196	12,816	15,356	17,917	20,414	22,769	25,208	27,572	30,019	-18.43%
Savings	155	295	450	600	756	907	1,063	1,220	1,371	1,528	1,680	1,838	1.95%
T D 's Under 100M Fixed	466	888	1,356	1,809	2,278	2,733	3,204	3,676	4,133	4,606	5,065	5,540	-12.27%
T D 's Under 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
T D 's Over 100M Fixed	1,278	2,434	3,716	4,958	6,245	7,491	8,782	10,075	11,328	12,624	13,882	15,183	-58.18%
T D 's Over 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
IRA's Under 100M Fixed	178	339	518	692	871	1,045	1,225	1,405	1,580	1,761	1,936	2,118	-22.76%
IRA's Under 100M Variable	6	11	16	21	27	32	38	43	49	54	60	65	1.38%
IRA's Over 100M Fixed	99	188	287	383	482	578	678	777	874	974	1,071	1,172	1.60%
IRA's Over 100M Variable	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Fed Funds Purchased	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
LOC Advances- (FHLB & FED Disc Window)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
INTEREST	8,147	15,457	23,563	31,355	39,387	47,172	55,095	62,896	70,393	78,086	85,510	93,196	-23.81%
Salaries	130,547	261,094	391,641	522,188	652,735	783,282	913,829	1,044,376	1,174,823	1,305,470	1,436,017	1,566,564	-6.25%
Benefits	32,772	65,544	98,316	131,088	163,860	196,632	229,404	262,176	294,948	327,720	360,492	393,264	3.84%
SALARIES & BENEFITS	163,319	326,638	489,957	653,276	816,595	979,914	1,143,233	1,306,552	1,469,871	1,633,190	1,796,509	1,959,828	-4.23%

YEAR TWO - 2022	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	% CHANGE FI
EXPENSES													
Advertising & Sponsorships	667	1,334	2,001	2,668	3,335	4,002	4,669	5,336	6,003	6,670	7,337	8,004	0.00%
Assessments-FDIC/OCC	9,231	18,462	27,693	36,924	46,155	55,386	64,617	73,848	83,079	92,310	101,541	110,772	2.01%
Building-Depr, Rent Exp, Maint, & Ins (NET RENT INC)	26,740	53,480	80,220	106,960	133,700	160,440	187,180	213,920	240,660	267,400	294,140	320,880	-0.97%
Check Printing Charges	115	230	345	460	575	690	805	920	1,035	1,150	1,265	1,380	1.74%
Communications-Telephones	1,625	3,250	4,875	6,500	8,125	9,750	11,375	13,000	14,625	16,250	17,875	19,500	0.00%
Computer - Core	23,667	47,334	71,001	94,668	118,335	142,002	165,669	189,336	213,003	236,670	260,337	284,004	0.67%
Computer - Network-Depreciation	7,696	15,392	23,088	30,784	38,480	46,176	53,872	61,568	69,264	76,960	84,656	92,352	-0.55%
Computer - Other	1,063	2,126	3,189	4,252	5,315	6,378	7,441	8,504	9,567	10,630	11,693	12,756	0.00%
Computer - Maintenance, & Supplies	479	958	1,437	1,916	2,395	2,874	3,353	3,832	4,311	4,790	5,269	5,748	0.00%
Computer Information Security	167	334	501	668	835	1,002	1,169	1,336	1,503	1,670	1,837	2,004	0.00%
Consulting Fees	167	334	501	668	835	1,002	1,169	1,336	1,503	1,670	1,837	2,004	0.00%
Contributions & Donations	733	1,466	2,199	2,932	3,665	4,398	5,131	5,864	6,597	7,330	8,063	8,796	0.00%
Customer/Public Relations	(2,021)	(4,042)	(6,063)	(8,084)	(10,105)	(12,126)	(14,147)	(16,168)	(18,189)	(20,210)	(22,231)	(24,252)	9.30%
Debit Card Fees	2,833	5,666	8,499	11,332	14,165	16,998	19,831	22,664	25,497	28,330	31,163	33,996	2.79%
Delivery - Courier - Postage - Other	2,550	5,100	7,650	10,200	12,750	15,300	17,850	20,400	22,950	25,500	28,050	30,600	0.00%
Director's Fees	1,325	2,650	3,975	5,300	6,625	7,950	9,275	10,600	11,925	13,250	14,575	15,900	0.00%
Dues & Memberships	180	360	540	720	900	1,080	1,260	1,440	1,620	1,800	1,980	2,160	0.00%
Education & Training	777	1,554	2,331	3,108	3,885	4,662	5,439	6,216	6,993	7,770	8,547	9,324	0.97%
Entertainment	5,275	10,550	15,825	21,100	26,375	31,650	36,925	42,200	47,475	52,750	58,025	63,300	-14.69%
External Exam & Audit	6,043	12,086	18,129	24,172	30,215	36,258	42,301	48,344	54,387	60,430	66,473	72,516	-3.73%
FF&E-Depreciation, Maintenance & Supplies	735	1,470	2,205	2,940	3,675	4,410	5,145	5,880	6,615	7,350	8,085	8,820	0.27%
Insurance (Non Building)	55	110	165	220	275	330	385	440	495	550	605	660	1.82%
Legal Fees - Excluding Foreclosure	158	316	474	632	790	948	1,106	1,264	1,422	1,580	1,738	1,896	0.63%
Licenses	979	1,958	2,937	3,916	4,895	5,874	6,853	7,832	8,811	9,790	10,769	11,748	3.98%
Loan Loss Provision	1,117	2,234	3,351	4,468	5,585	6,702	7,819	8,936	10,053	11,170	12,287	13,404	0.00%
Miscellaneous Expense -Other	417	834	1,251	1,668	2,085	2,502	2,919	3,336	3,753	4,170	4,587	5,004	0.00%
Miscellaneous Loan Expense-Including Foreclosure	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
Other losses - Fraud Related	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Other losses	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Other Real Estate Owned - OREO	2	4	6	8	10	12	14	16	18	20	22	24	0.00%
Over/Short	125	250	375	500	625	750	875	1,000	1,125	1,250	1,375	1,500	0.00%
Professional Services - Temp Help	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Repossessions	1,917	3,834	5,751	7,668	9,585	11,502	13,419	15,336	17,253	19,170	21,087	23,004	-0.21%
Service Charges - Due From Banks	3,104	6,208	9,312	12,416	15,520	18,624	21,728	24,832	27,936	31,040	34,144	37,248	0.00%
Stationery & Supplies	775	1,550	2,325	3,100	3,875	4,650	5,425	6,200	6,975	7,750	8,525	9,300	0.00%
Subscriptions - Publications - Manuals	767	1,534	2,301	3,068	3,835	4,602	5,369	6,136	6,903	7,670	8,437	9,204	0.00%
Taxes (Non Building)	817	1,634	2,451	3,268	4,085	4,902	5,719	6,536	7,353	8,170	8,987	9,804	0.00%
Travel	1,104	2,208	3,312	4,416	5,520	6,624	7,728	8,832	9,936	11,040	12,144	13,248	0.00%
Vehicle - Depreciation, Maintenance & Supplies													
OTHER EXPENSES	103,384	206,768	310,152	413,536	516,920	620,304	723,688	827,072	930,456	1,033,840	1,137,224	1,240,608	-1.86%
TOTAL EXPENSE	274,850	548,863	823,672	1,098,167	1,372,602	1,647,390	1,922,016	2,196,520	2,470,720	2,745,116	3,019,243	3,296,132	-3.88%
NET INC BEFORE TAX	52,408	77,515	131,981	177,970	234,417	282,052	339,955	398,745	448,427	508,725	545,072	587,661	-29.26%
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Net Income	52,408	77,515	131,981	177,970	234,417	282,052	339,955	398,745	448,427	508,725	545,072	587,661	23.62%
Current Earnings	52,408	77,515	131,981	177,970	234,417	282,052	339,955	398,745	448,427	508,725	545,072	587,661	23.62%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Non Int Inc	4,434	8,868	13,302	17,736	22,170	26,604	31,038	35,472	39,906	44,340	48,774	53,208
Non Int Exp	266,703	533,406	800,109	1,066,812	1,333,515	1,600,218	1,866,921	2,133,624	2,400,327	2,667,030	2,933,733	3,200,436
AVG NI Inc	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434
AVG NI Exp	266,703	266,703	266,703	266,703	266,703	266,703	266,703	266,703	266,703	266,703	266,703	267,078

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
NON ACCRUAL LOANS-Projected	1.84%	1.83%	1.82%	1.81%	1.81%	1.80%	1.79%	1.79%	1.78%	1.77%	1.76%	1.76%
ALLL % of Total Gross Loans-Projected												

FIRST NATIONAL BANK NW FLORIDA
TOP 5 DEPOSITORS REPORT

12/31/2020

Q0000009	QUALLS AL P JR	13	3,278,654.50	1.9589%
Q0000004	QUALLS DONALD L	2	216,281.77	0.1292%
Q0000007	QUALLS POLLY L	1	100.17	0.0001%
Q0000012	QUALLS ROBERT S	3	59,344.38	0.0355%
B0000188	BLUE HORIZON AVIATIO	1	17,630.71	0.0105%
B0000189	BLUE HORIZON OF NWF	9	3,490,166.16	2.0853%
C0000150	CONQUISTADOR INC	11	5,847,533.25	3.4938%
P0000046	POLDON INC	2	221,815.62	0.1325%
F0000048	FIRST NATIONAL BANK	30	963,309.04	0.5756%
F0000049	FIRST NORTHWEST FLOR	1	9,962.15	0.0060%
			14,104,797.75	

M0000134	MAULDEN JAMES W	11	2,942,263.84	1.7580%
M0000369	MAULDEN AMY N	1	194.00	0.0001%
M0000176	MAULDEN NICOLE F	2	2,126.17	0.0013%
M0000177	MAULDEN PATRIA F	2	11,699.70	0.0070%
X0000001	72 LAND DEVELOPMENT	2	754,265.15	0.4507%
E0000035	EIGHTY FIVE FARMS IN	1	15,255.21	0.0091%
M0000213	MCCALL HAULING INC	2	96,390.75	0.0576%
M0000162	MCCALL SOD FARM	1	4,069.44	0.0024%
M0000163	MCCALL SOD FARM INC	4	8,533,726.86	5.0988%
S0000046	SWEETWATER MITIGATIO	1	1,342,859.96	0.8023%
			13,702,851.08	

F0000056	FLEMING GEORGE R	3	1,128,007.24	0.6740%
G0000105	FLEMING GEORGE R	1	5,819,762.66	3.4772%
C0000103	CEDAR CREEK AT DEERP	1	1,655,072.01	0.9889%
C0000430	CEDAR CREEK RANCH, I	1	51,626.20	0.0308%
D0000097	DEERPOINT COVE LAND	2	1,037,161.11	0.6197%
D0000098	DEERPOINT COVE LAND	2	502,410.49	0.3002%
F0000051	FLEMING LAND COMPANY	1	71,624.47	0.0428%
G0000109	GRAND LAGOON SHORES	2	926,914.01	0.5538%
G0000018	GRAND LAGOON SHORES	3	525,941.83	0.3142%
G0000168	GULF COUNTY FARMS IN	1	15,263.15	0.0091%
H0000107	HECHT DAVID W	1	25,349.34	0.0151%
H0000163	HECHT MAXIE FLEMI	1	4,078.48	0.0024%
N0000054	NORTH SPRINGS TIMBER	2	85,164.18	0.0509%
R0000054	RAY M FLEMING TRUST	1	22,110.37	0.0132%
			11,870,485.54	

D0000089	D'ISERNIA BRIAN	2	98,781.92	0.0590%
D0000088	D'ISERNIA BRENDAN T	1	2,525.35	0.0015%
D0000090	D'ISERNIA BRIAN R JR	2	29,699.58	0.0177%
D0000269	D'ISERNIA FAMILY LLC	1	11,391,273.38	6.8061%
D0000117	D'ISERNIA KIERNAN DA	1	10,505.06	0.0063%
D0000122	D'ISERNIA MATTHEW J	1	1,341.14	0.0008%
D0000126	D'ISERNIA PATRICK E	1	11,546.69	0.0069%
B0000174	BAY SHIPYARD INC	1	4,129.37	0.0025%
B0000175	BAYOU HOLDINGS INC	1	26,878.19	0.0161%
B0000170	BAY FABRICATION INC	1	105,182.25	0.0628%
S0000286	SEA FRESH INC	1	8,944.83	0.0053%
			11,690,807.76	

H0000147	HUNDLEY J D	1	1,221,667.97	0.7299%
H0000358	HUNDLEY CAROLINE	1	18,912.66	0.0113%
H0000207	HUNDLEY CHARLES GARR	2	249,135.47	0.1489%
H0000198	HUNDLEY GRACIE MAE	2	264,860.99	0.1583%
H0000136	HUNDLEY INSURANCE TR	1	7,144.43	0.0043%
H0000141	HUNDLEY JAMES M	6	103,896.37	0.0621%
K0000002	HUNDLEY KELTNER MARY	2	1,730,242.76	1.0338%
H0000120	HUNDLEY M FRANCES	2	1,079,380.64	0.6449%
H0000268	HUNDLEY SANDRA	1	5,632.96	0.0034%
H0000176	HUNDLEY SANDRA G	3	16,406.27	0.0098%
H0000201	HUNDUR LTD	4	1,414,010.28	0.8449%
H0000019	HUNDUR SUCCESSOR TRU	1	70,246.37	0.0420%
H0000016	HUNDUR SUCCESSOR TRU	1	34,121.72	0.0204%
H0000018	HUNDUR SUCCESSOR TRU	1	34,036.27	0.0203%
H0000017	HUNDUR SUCCESSOR TRU	1	231.74	0.0001%
G0000104	GEM L L C	1	346,116.95	0.2068%
G0000011	GEMA L L C	1	496,212.73	0.2965%
K0000064	KELTNER JAMES D	2	254,545.47	0.1521%
K0000102	KELTNER MARY ANN AND	1	1,019,188.82	0.6090%
K0000088	KELTNER MCKINLEY SCO	2	294,785.77	0.1761%
S0000377	SBBR LLC	1	48.25	0.0000%
			8,660,824.89	

TOTAL 60,029,767.02 35.8669%

Barbara McCullough

From: Laura Lundin and Kevin Tweddle <info@icba.org>
Sent: Tuesday, January 19, 2021 2:21 PM
To: Barbara McCullough
Subject: Your ICBA/Travelers Benefits

Security note: This is an EXTERNAL email. Please exercise caution and DO NOT open attachments or click links from unknown senders or unexpected email.



Dear Ms. McCullough,

As a member of the Independent Community Bankers of America (ICBA), First National Bank Northwest Florida benefits from participation in the ICBA/Travelers insurance program. Your participation in the ICBA/Travelers insurance program also makes First National Bank Northwest Florida eligible for a safety group dividend.

Based on the 2019 program year, your dividend represents 8.5 percent of your qualifying earned premium for property/casualty coverage.

If not already received, anticipate seeing your dividend check arrive in the mail soon.

Travelers has successfully partnered with ICBA for more than 35 years, and is pleased to note that this year's dividend, totaling over \$4.3 million, is shared by more than 1,200 community banks and brings the total policyholder dividends paid out since the program's inception to nearly \$70 million.

Thank you for your continued partnership with ICBA and Travelers.

ACCOUNT NAME: Building Insurance	DATE: _____, 20__
DESCRIPTION	AMOUNT
TRAVELERS REFUND OF 0000576561	
2/30/20 ICBA PREMIUM REFUND	
OFFSET ENTRY	
ENTERED BY	

ACCOUNT NUMBER

TOTAL

0100520005

\$

2319.59

⑆5500⑉0700⑆

04/2015 FMI

THIS DOCUMENT HAS A RED BACKGROUND - BORDER CONTAINS MICRO PRINTING AND AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

TRAVELERS

CHECK NUMBER 0000576561

DATE 12/30/2020

FORMAT 600

00-ICB-SINGLEPAY - -0200A-01388 AP

CITIBANK N.A.
 USA
 New Castle DE 19720
 62-20/311

FOR PAYMENT INFORMATION PHONE: 1-651-310-7894

PAY Two thousand three hundred nineteen dollars and fifty-nine cents*****

\$\$\$2,319.59\$\$\$

PAY TO THE ORDER OF FIRST NORTHWEST FLORIDA HOLDING CO
 ATTN: President/CEO or Insurance Risk Manager
 101 E. 23RD STREET
 PANAMA CITY FL 32405-4501

Douglas K. Russell
 AUTHORIZED SIGNATURE

⑆0000576561⑆ ⑆031100209⑆

38696672⑆

Summary of Insurance: The committee reviewed the Summary of Insurance containing information on all the bank insurance.

Commercial Package	Premium Increased	\$4,004.00
Umbrella Policy	Premium Increased	\$531.00
Business Auto	Premium Decreased	\$2,474.00
PD&O	Premium Increased	\$1,237.33
Blanket Bond	Premium increased	\$1,191.33
Beach Sign	Premium Decreased	\$1.33
Beach Windstorm	Premium Increased	\$1,173.00
Beach Flood	Premium Increased	\$201.00
Workman's Compensation	Premium Increased	\$47.00
	Total Premium Increased	\$6,720.33

Summary of Insurance

Prepared: January 8, 2020

First National Bank NW FL

101 E 23rd St
Panama City FL 32405-4501
Phone: (850) 769-3207

Presented By:

Fisher Brown Bottrell Insurance, Inc.
7522 Front Beach Rd, Second Floor

Panama City Beach, FL 32407

www.fbbins.com
(850) 785-7404

Agent:

Robert C. McLendon

Disclaimer: The abbreviated outline of coverages used throughout this summary are not intended to express any legal opinion as to the nature of the coverage. They are visuals to basic understandings of coverages. Please read your policy for specific details of coverages.

Coverage	Company	Policy Number	Eff date	Exp date
General Liability	Travelers Property Casualty Company of America	6602J293078	10/27/2019	10/27/2020

Loc 1, Building 1

101 East 23rd Street, Panama City, FL 32405-4501

Loc 2, Building 1

12501 Hutchinson Blvd, Panama City Beach, FL 32407

Claims Basis: Occurrence

General Aggregate applies per:

Coverage	Limits
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any One Fire)	\$300,000
Medical Expense (Any One Person)	\$5,000
Employee Benefits	\$1,000,000

Hazard Schedule

Loc #	Hazard #	Classification	Class Code	Exposure	Premium Basis
1	1	Buildings Or Premises- Bank or Premises - Mercantile or Manufacturing (LRO) - Other than not-for- profit	61212	1500	Area - Per 1,000/Sq Ft
1	2	Buildings or Premises - Bank or Other Financial Institutions	61223	9031	Area - Per 1,000/Sq Ft
1	3	Buildings Or Premises- Office - Premises Occupied by Employees of the Insured - Other than not-for-profit	61224	4516	Area - Per 1,000/Sq Ft
1	4	Employee Benefits		34	Other
2	1	Buildings or Premises - Bank or Other Financial Institutions	61223	3040	Area - Per 1,000/Sq Ft
2	2	Buildings Or Premises- Office - Premises Occupied by Employees of the Insured - Other than not-for-profit	61224	760	Area - Per 1,000/Sq Ft
2	3	Fire Damage	39001	INCLUDED	

Coverage	Company	Policy Number	Eff Date	Exp Date
Property	Travelers Property Casualty Company of America	6602J293078	10/27/2019	10/27/2020

Loc 1, Building 1

101 East 23rd Street Panama City, FL 32405-4501

Subjects of Insurance	Limits	Valuation	Condition
B Building	\$3,000,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Coins %	90%		
Deductible	1,000		
BPP Business Personal Property	\$360,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Coins %	90%		
Deductible	1,000		
BUSIN Business Income with Extra Expense	\$300,000		72 Hours
Deductible	2,500		
SIGN Sign	\$40,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Coins %	90%		

Loc 2, Building 1

12501 Hutchinson Blvd Panama City Beach, FL 32407

Subjects of Insurance	Limits	Valuation	Condition
B Building	\$850,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Coins %	90%		
Deductible	1,000		
BPP Business Personal Property	\$250,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Coins %	90%		
Deductible	1,000		
BUSIN Business Income with Extra Expense	\$300,000		72 Hours
Deductible	2,500		
SIGN Sign	\$40,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Coins %	90%		

Coverage	Company	Policy Number	Eff Date	Exp Date
Commercial Auto	Phoenix Insurance Company	6N767887	10/27/2019	10/27/2020

Policy Coverages

Coverage	Symbol(s)	Limit/Deductible
Liability	1	\$1,000,000 CSL \$500 \$500
Medical payments	2	\$2,000 Ea person
Uninsured motorist	2	\$1,000,000 CSL
Comprehensive/OTC	7	Per Schedule
Collision	7	Per Schedule

Hired/borrowed liability	Yes	States: FL If any basis: No Cost of hire: \$1,000
Non-owned auto liability	Yes	States: FL Employees: 31
Hired physical damage	Comprehensive Deductible: \$250 Collision Deductible: \$500	FL;

COVERED AUTO SYMBOLS		
(1) ANY AUTO	(4) OWNED AUTOS OTHER THAN PRIVATE PASSENGER	(7) AUTOS SPECIFIED ON SCHEDULE
(2) ALL OWNED AUTOS	(5) ALL OWNED AUTOS WHICH REQUIRE NO-FAULT COVERAGE	(8) HIRED AUTOS
(3) OWNED PRIVATE PASSENGER AUTOS	(6) OWNED AUTOS SUBJECT TO COMPULSORY U.M. LAW	(9) NON-OWNED AUTOS

Vehicle Schedule/Coverages:

Veh #3 2019 Hyundai Santa Fe Sport Utility Vehicle **5NMS33AD7KH043725**

Garage Location: Panama City, FL

Coverages:

Liability	included
No fault	included
Medical payments	included
Uninsured motorist	included
Underinsured motorist	included
Comprehensive	\$250 deductible
Collision	\$500 deductible
Valuation	Actual Cash Value

Coverage	Company	Policy Number	Eff date	Exp date
General Liability (ORE)	The Travelers Indemnity Company of Connecticut	6602J298916	10/27/2019	10/27/2020

Loc 1, Building 1
Bayou George Drive, Panama City, FL 32404-3438

General Aggregate applies per:

Coverage	Limits
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any One Fire)	\$100,000
Medical Expense (Any One Person)	\$5,000

Hazard Schedule

Loc #	Hazard #	Classification	Class Code	Exposure	Premium Basis
1	1	Vacant Land--Other Than Not-For-Profit	49451	1	Other

Coverage	Company	Policy Number	Eff date	Exp date
Umbrella	Travelers Property Casualty Company of America	2L701984	10/27/2019	10/27/2020

**Limits of Liability
Occurrence**

Each Occurrence	\$10,000,000
Aggregate	\$10,000,000
PIADV	\$10,000,000
Retained Limit	\$10,000

Underlying Liability Limits

Auto	\$1,000,000	CSL Each Accident
General Liability	\$1,000,000	Each Occurrence
	\$2,000,000	General Aggregate
	\$2,000,000	Prod Comp Ops Aggregate
	\$1,000,000	Personal & Adv Injury
	\$300,000	Damage to Rented Premises
	\$5,000	Medical Expense
Employers Liability	\$500,000	Each Accident
	\$500,000	Disease-Policy Limit
	\$500,000	Disease-Each Employee

Coverage	Company	Policy Number	Eff date	Exp date
Commercial Flood	Wright National Flood Insurance Company	091151448214	8/12/2019	8/12/2020

Location:

12501 Hutchison Blvd
P C Beach, FL 32407-3240

Coverage:

	Basic Limit	Total Amt of Ins	Deductible
Building	\$500,000	\$500,000	\$1,250
Contents	\$250,000	\$250,000	\$1,250

Coverage	Company	Policy Number	Eff Date	Exp Date
Property (Sign)	Northfield Insurance Company	WS230736	9/11/2019	9/11/2020

Loc 2, Building 1

12501 Hutchinson Blvd Panama City Beach, FL 32407

Subjects of Insurance	Limits	Valuation	Condition
SIGN Sign	\$40,000	Replacement Cost	
Cause of Loss	Special (Including theft)		
Deductible	1,000		

Coverage	Company	Policy Number	Eff Date	Exp Date
Commercial Wind	Weston Insurance Company	CFA900139206	7/6/2019	7/6/2020

Loc 1, Building 1

12501 Hutchison Blvd Panama City Beach, FL 32407-3240

Subjects of Insurance	Limits	Valuation	Condition
B Building	\$867,215	Replacement Cost	
Cause of Loss	Windstorm		
Coinsurance	80%		
Deductible	3%		
Business Personal Property	\$250,000	Replacement Cost	
Cause of Loss	Windstorm		
Coinsurance	80%		
Deductible	3%		

Coverage	Company	Policy Number	Eff date	Exp date
Mortgage E&O	Travelers Property Casualty Company of America	H6602J294376	10/27/2019	10/27/2020

Limits:

	Coverage	Deductible
Limit of Coverage	\$1,000,000	\$1,000
Mortgage Guaranty Protection Limit	\$1,000,000	\$1,000

Coverage	Company	Policy Number	Eff date	Exp date
Worker's Compensation	Associated Industries Ins. Co.	AWC1141568	1/1/2020	1/1/2021

Locations:

1 - 101 E 23rd Street, Panama City, FL 32402

6 - 12501 Hutchison Blvd, Panama City Beach, FL 32407

Part 1 – States: Florida

Employers Liability Coverage	Limits
Each accident	\$500,000
Disease – Policy limit	\$500,000
Disease – Each Employee	\$500,000

Payrolls

Location	Class Code	Categories/Duties/Classifications	Estimated Annual Remuneration/Payroll
1	8855	Banks - All Employees (Including Security Guards)	\$1,882,272

Policy-Level Additional Coverages:

Drug Free Workplace Credit

Coverage	Company	Policy Number	Eff Date	Exp Date
Crime	Everest National	8100016532171	10/27/2017	10/27/2020

Basic Coverage:	Single Loss Limit	Single Loss Deductible
Fidelity with Electronic Data Processors - Insuring Agreement (A)	\$2,000,000	\$25,000
On Premises - Insuring Agreement (B)	\$2,000,000	\$25,000
In Transit - Insuring Agreement (C)	\$2,000,000	\$25,000
Counterfeit Money - Insuring Agreement (F)	\$2,000,000	\$25,000

Optional Insuring Agreements and Coverages:

Forgery or Alteration - Insuring Agreement (D)	\$2,000,000	\$25,000
Unauthorized Signature	\$2,000,000	\$25,000
Computer & Electronic Crime Rider	\$2,000,000	\$25,000
Securities with Loan Participation - Insuring Agreement (E)	\$2,000,000	\$25,000
Extortion - Persons & Property	\$500,000	\$0
Fraudulent Mortgages - Insuring Agreement (G)	\$2,000,000	\$25,000
On/Off Premises ATM	\$25,000	\$2,500
Stop Payment Legal Liability	\$25,000	\$2,500
Transit Cash Letter	\$500,000	\$0
Audit Expense	\$25,000	\$0
Claims Expense	\$25,000	\$0
Court Costs and Attorney's Fees	\$2,000,000	\$25,000
Indemnity for D&Os	\$10,000	\$0
Reward Payment	\$2,500	\$0
Debit Card	\$50,000	\$25,000
	Debit Card Aggregate Limit	\$100,000

Coverage	Company	Policy Number	Eff Date	Exp Date
Directors & Officers	Everest National	8100016531171	10/27/2017	10/27/2020

Limits:

	Coverage	Deductible
D&O	\$1,000,000	\$25,000
EPLI	\$1,000,000	\$25,000

Coverage	Company	Policy Number	Eff Date	Exp Date
Combination Safe Depository	Everest National	8100016533171	10/27/2017	10/27/2020

Limits:

	Coverage	Deductible
Combination Safe Depository	\$500,000	\$0

Coverage	Company	Policy Number	Eff Date	Exp Date
Cyber Liability Coverage	Everest National	81CY002014171	10/27/2017	10/27/2020

Limits:

	Coverage	Deductible
Data Breach Liability	\$1,000,000	\$25,000
Cyber Liability	\$1,000,000	\$25,000
Cyber Publishing and Social Networking Liability	\$1,000,000	\$25,000
Elec. Funds Transfer Liability	\$1,000,000	\$25,000
Regulatory Defense	\$1,000,000	\$25,000
Privacy and Security Breach Response Expense	\$250,000	\$25,000
Public Relations Expenses	\$100,000	\$10,000
Business Interruption	\$250,000	\$0
Cyber Risk Retroactive Date: 3/19/2012		

INSURANCE
PREMIUM

	Comm pkg - October	Umbrella Policy - October	Business Auto - October	PD&O - October	FIN Blanket Bond - October	Cyber - October	Beach Sign - September	Windstorm -July	Flood - August	Work Comp - January	TOTAL	INCREASE (DECREASE)
2009-2010	\$42,428.00				\$9,539.00			\$2,808.00	\$2,726.00	\$5,216.00	\$62,717.00	
2010-2011	\$42,331.00				\$9,859.00			\$3,109.00	\$2,906.00	\$5,319.00	\$63,524.00	\$807.00
2011-2012	\$42,337.00				\$11,934.00			\$3,375.00	\$3,224.00	\$5,419.00	\$66,289.00	\$2,765.00
2012-2013	\$41,462.00				\$12,354.00	\$3,210.00		\$3,041.00	\$3,438.00	\$5,594.00	\$69,099.00	\$2,810.00
2013-2014	\$39,325.00				\$12,685.80	\$2,980.25		\$3,160.00	\$3,618.00	\$4,194.00	\$65,963.05	(\$3,135.95)
2014-2015	\$40,043.00				\$15,440.61	\$4,142.17		\$3,918.00	\$3,894.00	\$4,355.00	\$71,792.78	\$5,829.73
2015-2016	\$41,471.00				\$15,440.61	\$4,883.00		\$4,326.00	\$4,850.00	\$4,355.00	\$75,325.61	\$3,532.83
2016-2017	\$39,031.00				\$15,440.61	\$5,403.00		\$4,885.00	\$2,406.00	\$4,793.00	\$71,958.61	(\$3,367.00)
2017-2018	\$39,041.00			\$4,901.67	\$3,845.67	\$1,866.00		\$5,515.00	\$2,406.00	\$4,983.00	\$62,558.34	(\$9,400.27)
2018-2019	\$23,160.00	\$10,000.00	\$4,409.00	\$4,901.67	\$3,845.67	\$1,866.00		\$5,665.00	\$2,559.00	\$3,386.00	\$59,792.34	(\$2,766.00)
2019-2020	\$26,343.00	\$10,000.00	\$8,793.00	\$4,901.67	\$3,845.67	\$1,866.00	\$1,397.83	\$5,770.00	\$2,889.00	\$3,234.00	\$69,040.17	\$9,247.83
2020-2021	\$30,347.00	\$10,531.00	\$6,319.00	\$6,139.00	\$5,037.00	\$2,677.00	\$1,396.50	\$6,943.00	\$3,090.00	\$3,281.00	\$75,760.50	\$6,720.33
2021-2022											\$-	(\$75,760.50)
2022-2023											\$-	\$0.00
2023-2024											\$-	\$0.00
2024-2025											\$-	\$0.00

INCREASE
(DECREASE)

	Comm pkg - Octob	Umbrella Policy - O	Business Auto - October		FIN Blanket Bond -	Cyber - October	Beach Sign - Septe	Windstorm -July	Flood -	Al	Work Comp - Janu	TOTAL
2009-2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
2010-2011	(97.00)	0.00	0.00	0.00	320.00	0.00	0.00	301.00	180.00		103.00	807.00
2011-2012	6.00	0.00	0.00	0.00	2,075.00	0.00	0.00	266.00	318.00		100.00	2,765.00
2012-2013	(875.00)	0.00	0.00	0.00	420.00	3,210.00	0.00	(334.00)	214.00		175.00	2,810.00
2013-2014	(2,137.00)	0.00	0.00	0.00	331.80	(229.75)	0.00	119.00	180.00		(1,400.00)	(3,135.95)
2014-2015	718.00	0.00	0.00	0.00	2,754.81	1,161.92	0.00	758.00	276.00		161.00	5,829.73
2015-2016	1,428.00	0.00	0.00	0.00	0.00	740.83	0.00	408.00	956.00		0.00	3,532.83
2016-2017	(2,440.00)	0.00	0.00	0.00	0.00	520.00	0.00	559.00	(2,444.00)		438.00	(3,367.00)
2017-2018	10.00	0.00	0.00	4,901.67	(11,594.94)	(3,537.00)	0.00	630.00	0.00		190.00	(9,400.27)
2018-2019	(15,881.00)	10,000.00	4,409.00	0.00	0.00	0.00	0.00	150.00	153.00		(1,597.00)	(2,766.00)
2019-2020	3,183.00	0.00	4,384.00	0.00	0.00	0.00	1,397.83	105.00	330.00		(152.00)	9,247.83
2020-2021	4,004.00	531.00	(2,474.00)	1,237.33	1,191.33	811.00	(1.33)	1,173.00	201.00		47.00	6,720.33
2021-2022	(30,347.00)	(10,531.00)	(6,319.00)	(6,139.00)	(5,037.00)	(2,677.00)		(6,943.00)	(3,090.00)		(3,281.00)	(75,760.50)
2022-2023	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00
2023-2024	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00
2024-2025	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	0.00

	INS BLDG 520005	CHANGE FROM PRIOR YEAR	INS NON BLDG 531700	CHANGE FROM PRIOR YEAR	BENEFITS 510550	CHANGE FROM PRIOR YEAR	TOTAL	TOTAL CHANGE FROM PRIOR YEAR	
2009-2010	\$57,501.00				\$5,216.00		\$62,717.00		
2010-2011	\$58,205.00	\$704.00			\$5,319.00	\$103.00	\$63,524.00	\$807.00	\$807.00
2011-2012	\$60,870.00	\$2,665.00			\$5,419.00	\$100.00	\$66,289.00	\$2,765.00	\$2,765.00
2012-2013	\$60,295.00	(\$575.00)	\$3,210.00	\$3,210.00	\$5,594.00	\$175.00	\$69,099.00	\$2,810.00	\$2,810.00
2013-2014	\$58,788.80	(\$1,506.20)	\$2,980.25	(\$229.75)	\$4,194.00	(\$1,400.00)	\$65,963.05	(\$3,135.95)	(\$3,135.95)
2014-2015	\$63,295.61	\$4,506.81	\$4,142.17	\$1,161.92	\$4,355.00	\$161.00	\$71,792.78	\$5,829.73	\$5,829.73
2015-2016	\$66,087.61	\$2,792.00	\$4,883.00	\$740.83	\$4,355.00	\$-	\$75,325.61	\$3,532.83	\$3,532.83
2016-2017	\$61,762.61	(\$4,325.00)	\$5,403.00	\$520.00	\$4,793.00	\$438.00	\$71,958.61	(\$3,367.00)	(\$3,367.00)
2017-2018	\$50,807.67	(\$10,954.94)	\$6,767.67	\$1,364.67	\$4,983.00	\$190.00	\$62,558.34	(\$9,400.27)	(\$9,400.27)
2018-2019	\$49,638.67	(\$1,169.00)	\$6,767.67	\$-	\$3,386.00	(\$1,597.00)	\$59,792.34	(\$2,766.00)	(\$2,766.00)
2019-2020	\$59,038.50	\$9,399.83	\$6,767.67	\$-	\$3,234.00	(\$152.00)	\$69,040.17	\$9,247.83	\$9,247.83
2020-2021	\$63,663.50	\$4,625.00	\$8,816.00	\$2,048.33	\$3,281.00	\$47.00	\$75,760.50	\$6,720.33	\$6,720.33
2021-2022	\$-		\$-		\$-		\$-		
2022-2023	\$-		\$-		\$-		\$-		
2023-2024	\$-		\$-		\$-		\$-		
2024-2025	\$-		\$-		\$-		\$-		

Pandemic Periodic Report to the Board of Directors

1/28/21

Submitted By: Denise Bunes, Internal Auditor/Compliance Officer

Meetings

Management is holding as needed Enterprise Risk Management (ERM) Meetings to discuss how the coronavirus is affecting Bay County, the bank, its customers, and employees.

Employees

HR Dept. emailed all employees a Blue Cross Fall Flyer encouraging a seasonal flu shot. It is free through the bank's health insurance program.

HR Dept. emailed all employees Blue Cross flyers informing them that the bank's health insurance pays for the COVID-19 vaccine. The flyer detailed what expectations and procedures to follow when receiving the vaccine and what expectations & procedures to follow after the vaccine.

Main Office:

1st Floor – Brent Brown was exposed to a COVID-19 positive live-in family member. He will remain home for the isolation period and return January 13th with a negative test. Brent had a negative test but was unable to return to work on the 13th as his wife tested positive. Both he and his wife remain symptom-free; however, he will remain working from home until at least January 27th with both he and his wife testing negative.

2nd Floor – Renee Myers, Switchboard Operator, arrived to work with symptoms of "sinus". She left work to get tested and tested positive for COVID-19. She remained home through January 12th and returned on the 13th.

3rd Floor – Nothing to report

Beach Office: Nothing to report

COVID-19 Action Plan

The COVID-19 Action Plan was revised on 10/27/20 to include CDC updated guidelines to quarantine timelines required and symptoms.

External Reviews

The bank's OCC Examination was conducted remotely and began July 27th. OCC concluded their Safety & Soundness Examination with Exit Conference Calls on August 13th and the BSA and Information Technology/Vendor Management Exit Conference Call on August 21st. Management received the draft Report of Examination on October 15th. The Examiner in Charge was very complimentary of management's COVID-19 Action Plan and oversight of the plan.

The Saltmarsh EOY Financial Interim Fieldwork was completed in November. The entire review will be conducted remotely in February.

Sanitizing Procedures

Sanitizing procedures continue throughout the day. The bank's cleaning company increased the strength of their cleaning products to kill the virus. Tissues, Lysol spray, and hand sanitizer gel dispensers were purchased and placed throughout the bank.

Employee temperatures

Employee temperatures are taken daily and logged.

Social Distancing

Lobbies re-opened on June 3rd. Social distancing reminders were posted on the front doors, lobby table and teller windows. Employees continue to social distance or wear a face mask if working with another employee or customer and unable to social distance.

The bank's "stairwell tote system" to send documents, etc. between floors was reinstated in November for preventive measures.

Face Masks

The PCB Council voted to suspend the required face mask ordinance effective September 8th.

September 9th: The bank's Core ERM Committee voted to discontinue the employee mandatory mask wearing unless unable to social distance and when working with a customer.

Kim Johns emailed everyone of the importance to wear a face mask during their workday when working with others and when not able to social distance.

Travel

The "No Travel" restrictions continue throughout the bank.

Information and Alerts

Officers receive coronavirus updates from Bay Health, State Emergency Response Team (SERT) and the CDC for virus updates. Officers also receive daily COVID-19 alerts through ABA and ICBA.

"Paycheck Protection Program (PPP)"

The bank began accepting PPP loan applications on April 3rd with existing customers. Lending received 62 applications approved by SBA totaling \$6,636,581.16 through the first round of PPP.

Congress authorized a 2nd round of PPP loan funds in the amount of \$484B which includes \$310,000 for PPP loans and \$60B for community banks and smaller lenders. Lending Department began loading PPP loans on April 27th. 35 loan applications totaling \$6,108,032.79 were approved. Grand totals: Total loan amounts of \$12,744,613.95 with a total Fee Income of \$446,437.27.

Management decided not to continue in the next round of PPP loans with the new flexibility rules Congress approved which would extend the maturity period to 5 years and reduce the amount businesses are required to devote to payroll from 75% to 60%.

Management is in the process of PPP Loan Forgiveness.

On December 21st, Congress passed the long-awaited \$900 billion COVID-related Tax Relief Act (COVIDTRA) as part of the Consolidated Appropriations Act, 2021. Included in the Act is \$284 billion for a second round of the Paycheck Protection Program (PPP) and clarification on the deductibility of expenses paid with PPP loans.

*Another round of PPP loan funds was approved and community bank lenders began learning about the new process with webinars on January 11th.

Extraordinary Measures to Assist Customers

- No early withdrawal penalties for IRAs
- Deferments for P&I for 3 months by customer request
- Approving on a case-by-case basis for NSF and late charges
- Stimulus check deposits with negative balances are monitored on a case-by case basis as well. Maintenance and NSF fees are waived
- Participated in the first two rounds of Paycheck Protection Program loans.

*Note: The suspension of charging fees for Reg D excessive transactions on savings & money market accounts was discontinued December 31, 2020.

Regulations

The Federal Reserve Board announced an interim final rule to amend Regulation D (Reserve Requirements of Depository Institutions) to delete the six-per-month limit on convenient transfers from the "savings deposit" definition. The interim final rule allows—but does not require—depository institutions to immediately suspend enforcement of the six-transfer limit and to allow their customers to make an unlimited number of convenient transfers and withdrawals from their savings deposits at a time when financial events associated with the coronavirus pandemic have made such access more urgent.

Training

Offsite training continues to be restricted.

COVID-19 Vaccinations

Officers were notified by Alert Bay Health text that Bay County has received a small supply of 2000 vaccines. 500 of those are allocated to first responders. They are scheduling 100 appointments per day with 75 appointments every 2 hours on Saturday. Employees are beginning to schedule and receive their 1st dose of the vaccine.

January 28, 2021

To: Polly Qualls, Secretary of the Board

From: Denise Bunes, Compliance Officer

- The attached policy was submitted for approval by the Board of Directors for new procedural content:
 - 1) **Investment Policy** – *the Investment Maturity Schedule for expected cash flow within 5 years was revised to state: Greater than 85 percent under stable interest rates. As an example, at any given time, 85 percent of the portfolio must mature within 5 years.*
 - 2) **Real Estate Appraisal Policy** – *Exhibit 1 Home Valuation Code of Conduct was updated to include sections: 1) Appraisal Quality Control Testing 2) Referrals of Appraisal Misconduct Reports 3) Representations and Warranties and Scope of Code*
 - 3) **Management Interlock/Management Succession Policy** – *the management succession positions of COO & CCO and CFO were revised to include senior departmental positions to work in conjunction with the President & CEO in case of a temporary or unforeseen absence of the department officer until the board takes further action.*
- The attached policy was submitted for approval by the Board of Directors with no changes:
 - 4) **Anti-Tying Policy**
 - 5) **Compliance Program Policy – No Committee Structure**
 - 6) **Interbank Liability Policy**
 - 7) **Secure and Fair Enforcement (S.A.F.E.) for Mortgage Licensing Act Policy**

First National Bank Northwest Florida Investment Policy

INTRODUCTION

First National Bank Northwest Florida (FNBNWFL) will invest in permissible securities to provide primary and secondary liquidity sources and to generate interest income. The following policy defines appropriate investments for the bank and provides guidelines under which management will operate. This statement has been approved by the board of directors and is an official statement of board policy that all personnel involved in the investment function must follow.

The Investment Committee shall also act as the ALCO Committee and will be known as the Investment Committee. See Asset/Liability and Interest Rate Risk Management Policy. The Investment Committee should consult and follow these policies and procedures to ensure that the bank's investment function is handled in accordance with bank policy. No single set of guidelines can be all-inclusive; therefore, this statement is not intended to be a substitute for sound judgment in the investment decision-making process. Instead, it is a basic guide for investment activities.

If these guidelines do not fit a particular situation, bank employees should discuss the situation with the EVP, President/CEO or, in his or her absence the chairman. If an exception to policy is needed, this policy contains procedures for getting an exception approved. Investment personnel should follow these policies and procedures routinely because they represent the desires and wishes of the board of directors. The policy will be updated and/or modified as necessary to accommodate economic changes and to coincide with the bank's asset/liability practices. The bank's investment strategy is designed to be complementary to and interactive with the bank's other activities (i.e., cash position; borrowed funds; the quality, maturity, stability, and earnings of loans; nature and stability of deposits; bank capital; and tax planning). Any significant changes in any of the above activities could dictate a change in the investment strategy.

RESPONSIBILITIES

Board of Directors

The board of directors is ultimately responsible for the investment policies of the bank. The board will have the responsibility of regularly reviewing the administration of the bank's investment activities and portfolio positions. As part of its regular responsibilities, the board will:

- Annually review the investment policy and make adjustments to the policy, if necessary.

- Annually review and approve securities dealers with whom the bank will conduct business.
- Annually examine the credit risk exposure (if any) of approved securities dealers.
- Establish an Investment Committee, and/or appoint an investment officer, to represent the board in its oversight of the investment function.
- On a monthly basis, review all securities activities and portfolio holdings through the Investments Report.

INVESTMENT COMMITTEE

The Investment Committee has the primary responsibility for overseeing the investment portfolio, including monitoring all investment activities within the bank, and for ensuring compliance with the bank's written investment policies and regulatory requirements.

The committee will manage the bank's investment portfolio with an emphasis on maintaining a prudent level of risk, providing adequate liquidity to cover unexpected changes in deposits, and earning the maximum return consistent with risk and liquidity constraints.

The committee will be composed of the following individuals:

- Chairman
- President/Chief Executive Officer (CEO)
- Chief Credit Officer (CCO)/Chief Operating Officer (COO)
- Chief Financial Officer (CFO)

The committee will meet on a monthly basis. However, if it is necessary, the committee will meet more frequently than monthly. The Investment Committee meeting will be conducted in conjunction with the asset/liability management (or funds management) committee. Minutes of the meeting will be recorded and retained as a permanent record.

Agenda

At each meeting, the committee should discuss or review the following items:

- Minutes of the previous committee meetings
- All individual investment transactions conducted since the previous meeting
- Current economic conditions, including interest rate forecasts

- Monthly investment reports
- Any investments that are valued according to market (marked to market)
- Any investments that are in default as to principal or interest payments more than 30 days
- Possible investment strategies to take advantage of current market conditions and to conform to bank objectives and liquidity needs
- Compliance with investment policies

Authority

The following individuals are authorized to conduct investment transactions on behalf of the committee:

- Chairman
- President/Chief Executive Officer (CEO)
- Chief Credit Officer (CCO)/Chief Operating Officer (COO)
- Chief Financial Officer (CFO)

The Chairman or President/CEO may act independently. For all other members it requires two members together to conduct transactions.

OBJECTIVES

The objective of the bank's investment policy is to establish a sound asset portfolio that will return a sufficient percentage on stockholders' equity so that the bank can retain sufficient earnings to maintain a capital – to – assets ratio of at least 8 percent. The bank's goal is to earn an above-average rate of return on its invested funds consistent with liquidity concerns and the maintenance of satisfactory policy.

The bank's investment portfolio will be maintained at 15% to 60% of total assets. The portfolio will be structured to give management flexibility to meet its asset/liability goals. The portfolio will not be allowed to exceed 60% of assets without the permission of the board of directors, and such permission must be reflected in the minutes of the board meeting.

The general objectives of the investment portfolio are to:

- Achieve an acceptable asset/liability Interest Rate Risk (IRR) position. The bank has a separate policy statement on asset/liability management that provides guidance for how investments are to be used to manage asset/liability IRR.
- Provide liquidity necessary to meet cyclical and long-term changes in the mix of assets and liabilities.
- Provide a suitable balance of quality and diversification to bank assets.
- Provide a stable flow of dependable earnings.
- Provide collateral required for pledging requirements.
- Manage interest rate risk.
- Comply with regulatory and accounting standards set forth by the investment industry.
- Provide funds for local community needs.

Investment trade-offs between liquidity and profitability are unavoidable. These trade-offs will be resolved toward a more liquid position to achieve the bank's asset/liability management objectives.

The funds remaining after the bank has achieved its liquidity and investment positions will be used to make consumer, commercial, and real estate loans assuming good loan demand. The bank will make these loans on a nondiscriminatory basis. When necessary, the bank will support the lending by purchasing federal funds. The bank's objective, however, is to be a net large long-term seller of fed funds.

PORTFOLIO STRATEGIES

Financial Accounting Standard No. 115 (FAS 115) requires that the bank partition its investment portfolios into available-for-sale (AFS), held-to-maturity (HTM), or trading securities. The bank does not participate in trading securities. Generally, it will be the policy of this bank to partition the portfolio so that longer term fixed-rate or price-volatile instruments are placed in the HTM portfolio, and all other assets are placed in the AFS portfolio. Generally, the bank will classify all security purchases at the time of purchase as either AFS or HTM.

By board policy, there will be no trading account; therefore, under FAS 115 the investment portfolio will be partitioned into AFS and HTM securities. The board places no other FAS 115-related restrictions on the management of the portfolio.

The Investment Committee will reassess all security classifications quarterly.

Definitions

- *Held-to-maturity securities.* Securities that the bank intends to and has the ability to hold until maturity will be classified as held to maturity and will be accounted for at amortized cost.

Transfers from the held-to-maturity classification should be rare, but can be made under the following circumstances:

- Significant deterioration in the issuer's creditworthiness
 - Changes in the tax law that eliminate or reduce the tax-exempt status of interest on the security
 - Major business combination or disposition that alters the interest rate risk position or credit risk position of the bank
 - Change in regulatory requirements that significantly modifies what constitutes a permissible investment for the bank
 - Significant increase in the risk weights of debt securities used for risk-based capital purposes
 - Other isolated, nonrecurring, and unusual circumstances, such as the Financial Accounting Standards Board (FASB) granting a one-time-only opportunity for banks to transfer securities from the held-to-maturity portfolio before December 31, 19XX, without calling into question the bank's intent to hold other securities to maturity
- *Available-for-sale securities.* Securities that are not classified as held to maturity will be classified as available for sale. This classification includes securities that may be sold in response to changes in interest rates, the security's prepayment risk, liquidity needs, the availability of and the yield on alternative investments, funding sources and terms, or foreign currency risk.

The bank will report available-for-sale securities at fair value, and will be valued on a monthly basis in conjunction with the preparation of monthly financial statements reviewed by the board of directors. Inasmuch as unrealized holding gains and losses on available-for-sale debt securities are excluded from the calculation of regulatory capital, the bank will report unrealized gains and losses as a separate component of capital. The bank will report the aggregate change in value of the portfolio to the board of directors.

Policy

Regardless of which portfolio is used for a particular security, the bank's primary investment portfolio strategy is to buy and hold to maturity — that is, the bank buys securities that fit its portfolio and fully intends to hold them to maturity regardless of whether they are classified as AFS or HTM securities. The following paragraphs outline in more detail how the bank structures its portfolio and also describes two exceptions to the bank's buy-and-hold policy.

The requirements of FAS 115 exclude fed funds, banker's acceptances, repos, and certificates of deposit (CDs) as investment securities. Therefore, the bank need not designate these earning assets as being either AFS or HTM instruments. For reasons of simplicity, the bank treats them as AFS portfolio assets.

Strategies

Investing to Cover Liquidity Needs

The first step in structuring the bank's investment portfolio is to determine the bank's liquidity needs. The bank will invest in fed funds, CDs, short-term governments, and the like until its liquidity needs are met. The bank considers all nonpledged securities that are less than 24 months from maturity to be liquid assets, and it invests in liquid assets as necessary to augment its holdings of maturing securities.

Investing to Cover Pledging Needs

The second step in structuring the bank's investment portfolio is to determine the bank's need for pledgeable securities and what types of securities can be used to meet the requirements. The bank tends to meet these pledging requirements with U.S. government securities, but it uses municipals, mortgage-backed securities (MBSs), and cash deposits with the State of Florida when these alternative assets will suffice.

Most of the bank's U.S. government securities are classified as available for sale and generally have maturities of two to five years. This is because government securities this maturity range have higher yields than short-term government securities, yet they are still liquid enough to meet any contingency liquidity requirements that might arise and have about the same bid-and-ask spreads as shorter term government securities (thus minimizing trading costs).

Also, as a yield-maximizing strategy, the bank may sell these government securities when they are about one year from maturity. This allows the bank to take advantage of the liquidity premium that investors put on short-term government securities. This is the only time the bank consistently takes gains in its investment portfolio. Research by others has shown that this strategy

consistently produces better yields than holding government securities to maturity or trading them based on expected changes in the market.

Investing for Profit

As soon as the bank's needs for liquidity and pledgeable securities are met, the bank will structure the investment portfolio to achieve the maximum amount of profits available, subject to the other constraints in this policy statement. The bank's profitability objectives will be met by longer term government, agency, corporate bonds, bank qualified municipal bonds, and mortgage-backed securities. As a general rule, the bank should place the instruments purchased under these guidelines in the HTM portfolio, but they are occasionally placed in the AFS portfolio to give the bank more flexibility in portfolio management.

It is against the bank's policy to sell longer term bonds (classified as AFS) at a gain. The bank can sell AFS-classified bonds that contain gains, but only when there is a prudent reason to do so. This reason must be spelled out in a memo to the investment file, with a copy to the board of directors. It also is the bank's general policy to sell longer term AFS bonds that contain losses when their price is less than 90 percent of their book value. The bank will reinvest proceeds from these sales in the bond portfolio. Under these two policies, the bank foregoes short-term profits while keeping the portfolio from going too far under water by selling AFS bonds that contain losses.

Transfers of Securities Between Accounts

The bank will account for transfers between categories at fair value. The bank will account for unrealized holding gains and losses at the date of transfer. The treatment will vary, depending on the categories involved, as follows:

- For securities transferred into the available-for-sale portfolio from the held-to-maturity portfolio, unrealized gains or losses as of the date of transfer should be recognized in a separate component of capital.
- For securities transferred into held-to-maturity portfolio from the available-for-sale portfolio, unrealized gains or losses as of the date of transfer should continue to be reported in a separate component of capital, but should be amortized over the remaining life of the bond as an adjustment to its yield, consistent with the amortization of the premium or discount.

Transfers between accounts, the rationale for the transfer, and the resulting impact on capital or income will be reported to the board every month. Transfers out of the held-to-maturity portfolio should be rare but can be made under the following circumstances:

APPROVED/UNSUITABLE INVESTMENTS

Approved Investments

The Investment Committee is responsible for evaluating the various alternatives and selecting the most appropriate security that meets the needs of the bank. The following are approved investments:

- U.S. Treasury securities
- U.S. government agency securities
- U.S. agency-sponsored securities
- SBA Pools (with cusip numbers only)
- State- and state agency-issued insured or guaranteed obligations
- Municipal bonds — general obligations or revenue bonds and taxable or nontaxable
- Federal funds sold authorized to:
 - CenterState Bank of Florida, N.A. Winterhaven, FL
 - Federal Home Loan Bank of Atlanta Atlanta GA
- State of Florida-Florida Treasury Investment Pool
- Certificates of deposit
- Collateralized mortgage obligations (CMOs)
- Pass-through mortgage-backed securities issued by:
 - Federal National Mortgage Association (FNMA)
 - Government National Mortgage Association (GNMA)
 - Federal Home Loan Mortgage Corporation (FHLMC)
- Adjustable-rate mortgage pass-through securities
- Reverse repurchase agreements
- Stock in bankers banks, including the Federal Reserve Bank of Atlanta, and the Federal Home Loan Bank of Atlanta.
- Purchases of Government Guaranteed Portion of SBA or USDA Loans –
 - Purchase decisions will be made by Loan Committee. These will be treated as loans (not as investments) with the amortization of the premium based on remaining life of the loan. If the remaining life is less than, or equal to, 10 years, the premium is amortized over 3 years. If the remaining life is greater than 10 years, the premium is amortized over 5 years.

- The bank may acquire or retain an equity investment if the board of directors has deemed the investment to be appropriate and it is a permissible investment under the regulations. Please refer to Appendix A for a list of investments in which nationally chartered institutions can invest. The list is not an all-inclusive list, but is provided as a reference guide.

Structured Credit Products

Our bank will not invest in complex investments, such as structured credit products, if senior management and the board determine that investment staff lacks the experience and expertise to properly understand, measure, monitor, and control applicable risks.

The term structured credit products is broadly defined to refer to all structured investment products where repayment is derived from the performance of the underlying assets or other reference assets, or by third parties that serve to enhance or support the structure. Such products include but are not limited to asset-backed commercial paper programs (ABCP), mortgage-backed securities (MBS) or collateralized mortgage obligations (CMO), and other asset-backed securities (ABS), such as automobile and credit card-backed securities, structured investment vehicles (SIV), and collateralized debt obligations (CDO), including securities backed by trust preferred securities.

If we invest in structured credit products, we will conduct pre-acquisition and periodic analysis of the price sensitivity of securities. Risk factors include but are not limited to changing interest rates, credit risk deterioration, and reduced liquidity and marketability.

Although management may use external consultants and investment advisors, it cannot delegate its responsibilities to third parties and should understand and document review and acceptance of external due diligence information.

The board directs management to ensure that internal risk management and reporting systems are tailored to the risk profile of the investment portfolio. Risk limits and stress testing requirements also should be commensurate with the portfolio's complexity and underlying risks.

Management should monitor and appropriately limit concentrations in:

- Investments with historically volatile market values or cash flows
- Structured investments with underlying collateral comprised of higher-risk assets or those likely to have limited liquidity in a stress environment

- Investments that do not have readily determinable market values (i.e., where price estimates rely on models instead of actual trades)
- Investments that rely on a common risk mitigant, such as bond insurance

We will track credit risk at the deal level, across securitization exposures, and within and across business lines, and should attain reliable measures of aggregate risk when we determine we have a concentration of structured credit. Management also should consider loan level risk limits. That is, management should restrict investment in securities backed by collateral with certain higher-risk characteristics (e.g., low FICO scores, higher loan-to-value ratios, or high delinquency rates).

Indirect investment in structured credit products (e.g., through mutual funds) also should be captured in the methods and processes used to measure, monitor, limit, and control risk. Management should understand the portfolio purchase and hold provisions in the prospectus, and should consider permissibility and potential risks in such indirect investments, such as liquidity risk.

Underlying Collateral Performance

Management must understand not only an investment's structural characteristics, but also the composition and credit characteristics of the underlying collateral. Management should conduct analysis at both the deal and pool level using information that sufficiently captures collateral characteristics. Such analysis should be conducted prior to acquisition and on an ongoing basis to monitor and limit risk exposures.

In some structured credit products, such as CDOs of ABS, hybrid CDOs, and synthetic CDOs, the underlying collateral may be in the form of a derivative instrument, often a credit derivative. We will maintain information on the underlying structured tranches, such as the issuer name and credit quality, which will enable us to track the underlying collateral and credit information. Given the complexity associated with these types of structured credit products, management should conduct heightened due diligence and should ensure robust valuation processes.

Use of External Credit Ratings

Although management may consider investment ratings as a factor in the risk management process, credit ratings should not be the sole factor considered when evaluating the risk present in structured credit products.

Credit ratings should not be used as a substitute for prepurchase due diligence and ongoing risk monitoring. Management should understand that the rating scales for various types of debt (corporate bonds,

structured finance investments, and municipal debt) can differ, and that the expected loss for a given rating may vary across products.

There are multiple risks other than credit risk which management should evaluate. These include loss given default, the potential for downgrade known as ratings volatility risk, market liquidity, and price discovery. In many types of structured credit products these risks can be material and may result in significant losses. Credit analysis of structured credit products, notably CDOs, is particularly challenging. Potential buyers should be aware that the rating agencies and others may underestimate difficult-to-measure risk factors, such as correlation. Therefore, management should understand the processes and methodologies the ratings agencies use and the limitations associated with these metrics.

Pricing and Liquidity

The board directs management to implement a reasonable, documented, and consistently applied approach to pricing complex securities. Furthermore, management should understand the quality of the securities pricing used for regulatory reporting purposes, specifically whether prices are modeled, proxy, actual traded prices, or bids to purchase. Familiarity and compliance with FAS 157 and other relevant accounting guidance is essential.

Additional expectations for pricing complex securities include:

- Management should know how prices are obtained, including whether prices are provided by a third party
- Management should acquire several independent valuation estimates for illiquid securities and determine which, if any, give the most realistic valuation
- Management should verify prices obtained from the broker who sold a security, the issuer of a security, or the underwriter of a security and should limit holdings of securities where independent pricing cannot be obtained

Due to a lack of an active secondary market for structured products, some banks have developed pricing models for illiquid and complex investments or use modeled prices provided by others. With regard to modeled prices for complex structured credit products:

- Valuation modeling should be independent and unbiased, periodically validated, understood by users, and available for supervisory review

- Management is expected to fully understand the basic assumptions used to value these securities, regardless of whether prices are modeled in-house or by third parties
- Management should understand and ensure the reasonableness of valuation assumptions, such as the default, recovery, prepayment, and discount rate
- Examiners will review the reasonableness of these assumptions and consider and evaluate other pricing sources

Capital Treatment and Adequacy

The general risk-based capital standards allow management to assign risk weights to ABS and MBS based on external credit ratings from NRSROs. At the bank's option, it may apply a risk weight according to Table 1 and Table 2 to an ABS or MBS instrument depending on the type of security (long term or short term) and the NRSRO rating assigned. The bank must use the lowest NRSRO rating if the ratings differ. If the bank elects not to use the ratings-based approach, the security is assigned a risk weight based on the obligor or the underlying collateral. For example, with a CMO or MBS, the underlying collateral would be residential mortgages.

Table 1 — Long-Term Rating Category

	Risk Weight	Moody's	S&P	Fitch
Highest or second highest investment grade	20%	Aaa, Aa	AAA, AA	AAA, AA
Third highest investment grade	50%	A	A	A
Lowest investment grade	100%	Baa	BBB	BBB
One category below investment grade	200%	Ba	BB	BB

Table 2 — Short-Term Rating Category

	Risk Weight	Moody's	S&P	Fitch
Highest investment grade	20%	P-1	A-1	A1
Second highest investment grade	50%	P-2	A-2	A2
Lowest investment grade	100%	P-3	A-3	A3

The general risk-based capital standards make an important distinction between senior securities and subordinated securities within a securitization structure. A subordinated security or a direct credit substitute is “an arrangement in which a bank assumes, in form or in substance, credit risk associated with an on- or off-balance sheet credit exposure that was not previously owned by the bank (third-party asset) and the risk assumed by the bank exceeds the pro rata share of the bank’s interest in the third-party asset.” A direct credit substitute includes the mezzanine and subordinate tranches of private label MBS or collateralized debt obligations. A senior tranche of a securitization would not be a direct credit substitute provided it does not absorb losses before another designated senior tranche.

At our option, we may apply the appropriate risk weight from Table 1 or Table 2 to a direct credit substitute. If the security is rated more than one category below investment grade (e.g., below BB-) or unrated, the ratings-based approach would not apply. In this case, or if the bank elects not to use the ratings-based approach for a direct credit substitute, the risk-weighted asset calculation for the security would be based on the face amount of the investment plus the pro rata portion of all the more senior positions it supports (i.e., the bank’s proportional ownership of the subordinated security multiplied by all of the more senior securities in the securitization).

If the resulting risk-based capital requirement (the total amount of risk-weighted assets for the subordinated security multiplied by the risk weight of the obligor or collateral multiplied by 8.0 percent) is greater than the face amount of the bank’s investment in the subordinated security, the bank may apply the low-level exposure rule. The low-level exposure rule limits the risk-based capital requirement for the purchased subordinated security to the bank’s maximum contractual exposure, less any recourse liability account established in accordance with generally accepted accounting principles. If the purchased security is deeply subordinated, the low-level exposure rule likely will result in a dollar-for-dollar capital requirement. If the purchased security is deeply subordinated, the low-level exposure rule likely will result in the equivalent of a dollar-for-dollar capital requirement.

The calculations used to determine a bank’s risk-based capital ratios do not consider many other factors that can affect bank financial condition and capital adequacy, such as the quality and liquidity of its investments. When assessing the adequacy of capital at a bank with significant holdings of ABS and MBS, particularly those that have been or are likely to be downgraded, examiners should ensure their assessment includes a comprehensive evaluation of the risks inherent in these securities. Even when a bank’s capital exceeds the minimum ratios, it remains imperative for examiners to determine whether the bank is holding capital commensurate with the level and nature of the risks to which it is exposed.

Unsuitable Investments

The following practices are considered to be unsuitable for this bank's investment portfolio:

- *Gains trading.* Gains trading occurs when a security is bought for the purpose of selling it at a gain.
- *When-issued trading.* This is the buying and selling of securities in the interim between the announcement of an offering and the issuance date and payment date of these securities.
- *Pair-offs.* A pair-off is a security purchase transaction that is closed prior to the settlement date. As an example, the investment officer commits to purchase a security. Then, prior to the settlement date, he or she sells the same security for delivery on the same settlement date.
- *Delayed settlements.* Government securities usually settle in one business day, corporate securities in five business days. Using corporate settlement procedures for government securities allows four extra days for speculation before settlement occurs. Any scheme that delays a settlement date is prohibited.
- *Repositioning repurchase agreements.* Dealers who encourage pair-offs, when-issued, and delayed settlements often provide the financing at settlement of purchased securities that cannot be sold at a profit. The bank pays the dealer a small margin that is about the same as the loss in the security. The dealer then agrees to fund the purchase by buying the security back from the investor under a resale agreement. The net result of these kinds of schemes is that the bank acquires the risk of ownership but for a small margin payment. This is a wholly unsuitable investment practice and is against policy. The bank will make no repurchase agreements with bond dealers.
- *Short sales.* A short sale is the sale of a security that is not owned and is used to speculate in security prices. There is no place in the bank's investment portfolio for short sales.
- *Delegation of discretionary authority.* The investment officer will not delegate authority to someone outside the bank to make purchases or sales on behalf of the bank. Each purchase or sale must be approved by the investment officer before the trade is made.
- *Covered calls.* It is against policy to use any form of option in the bank's investment activities. Specifically, it is against policy for the investment committee to write covered call options against bonds in the investment portfolio.

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- *Adjusted trading.* All purchases and sales will be at going market prices. Specifically, it is against policy for a security to be sold at a price above the market in exchange for buying a security at less than a market price. The procedure defers recognition of a loss and may be illegal.
- *Zero coupon or stripped products.* Principal-only portions of government obligations, original issue discount bonds (OIDs), Separate Trading of Registered Interest and Principal of Securities (STRIPS), Certificates of Accrual on Treasury Securities (CATS), Treasury Investment Growth Receipts (TIGRS), and the like all exhibit excessive price volatility and are unsuitable as investment holdings in the bank's portfolio. Similarly, both sides of stripped mortgage-backed securities (interest only and principal only) are unsuitable for the bank's portfolio.
- *Residuals.* Residuals are the excess cash flows from an asset-based security offering. These cash flows are extremely sensitive to prepayments and thus have a high degree of interest rate risk. They are inappropriate for the bank's investment portfolio.

PORTFOLIO DIVERSIFICATION

The investment portfolio must be adequately diversified to minimize risk. Diversification should occur in each of the following areas:

- Issuer
- Geographic distribution
- Obligations with similar characteristics
- Bonds with the same credit enhancer, such as insurer or letter of credit issuer
- Bonds with the same trustee
- Securitized loans having the same originator, packager, or guarantor
- Bonds with similar quality ratings (particularly low-quality ratings)

The bank's desire is to have a high-quality investment portfolio and to reduce risk-based capital requirements to a minimum. In addition to Appendix D Investment Limitations (OCC-Chartered Banks) in order to achieve these goals, the bank will have the following diversification guidelines.:

TYPE OF INVESTMENT	DIVERSIFICATION GUIDELINES
Adjustable-rate mortgage pass-through securities	Mortgage-backed pass-through securities should be limited so as not to exceed 30 percent of the total portfolio. Board approval is required before the bank invests an amount equal to or more than 10 percent of the bank's capital not any one mortgage-backed securities pool.

TYPE OF INVESTMENT	DIVERSIFICATION GUIDELINES
Certificate of deposit	Board approval is required before the bank invests an amount equal to or more than 25 percent of the bank's capital in any CDs and/or any other investments of any one financial institution.
Collateralized mortgage obligations	Collateralized mortgage obligations should be limited so as not to exceed 30 percent of the total portfolio. Board approval is required before the bank invests an amount equal to or more than 10 percent of the bank's capital to any one mortgage-backed securities pool.
Due From Interest Bearing Deposits	No Limit for Federal Reserve & Federal Home Loan Bank- All Others FDIC Insurance Limits
Federal funds	Board approval is required before the bank invests an amount equal to, or more than, 25 percent of the bank's capital in any bank notes, bankers acceptances or federal funds and/or other investments of any one financial institution. Sales to any one of those authorized buyers may be increased to \$5,000,000.00 per day with the approval of the Chairman, or President/CEO or COO, or CFO with one other officer. At any time there exists increased FDIC insurance coverage, the per-day limit shall be increased automatically to the FDIC insurance limit.
State of Florida-Florida Treasury Investment Pool	The State of Florida Treasury Investment Pool is a Type III Security - limited to 10% of the bank's total capital.
Municipal bonds (taxable and tax-exempt) General obligations Revenue bonds	The municipal bond portfolio needs to be geographically diverse, with concentrations to any one obligor limited to 25 percent of the bank's total capital. The bank is committed to purchase local general obligation and revenue municipal bonds for investment in the community.
Pass-through mortgage-backed securities issued by FNMA - GNMA FHLMC	Mortgage-backed pass-through securities should be limited so as not to exceed 30 percent of the total portfolio. Board approval is required before the bank invests an amount equal to or more than 10 percent of the bank's capital not any one mortgage-backed securities pool.
U.S. Treasury, U.S. government agencies, agency-sponsored securities	No individual limitations

INVESTMENT MATURITY SCHEDULES

A desired cash flow schedule will be determined by the Investment Committee consistent with the desired rate sensitivity balance.

It is expected that investment cash flow will be within the following limits:

Time Frame	Percentage of the Investment Portfolio
Under 1 year	Greater than 20 percent under stable interest rates
Within 2 years	Greater than 40 percent under stable interest rates
Within 5 years	Greater than 85 percent under stable interest rates
Within 10 years	Greater than 95 percent under stable interest rates
Within 15 years	Greater than 100 percent under stable interest rates

The percentage designates the cumulative maturity positions desired. As an example, at any given time, 85 percent of the portfolio must mature within 5 years. The distribution of the portfolio's maturity will be based on the analysis of the bank's gap position as determined by the Investment Committee, provided the investments maturing in two years do not exceed 40 percent of the total investment portfolio. This methodology is used to provide sufficient flexibility to restructure the portfolio according to short-term fluctuations in interest rate forecasts.

MARKETABILITY

All investment securities must meet regulatory guidelines and be permissible bank investments. All investments should meet the criteria outlined below when purchased.

Ratings

Quality ratings for U.S. Treasury, agencies, and agency-sponsored securities and/or state agency obligations and bankers' acceptances are not required because the quality is inherent in the instruments.

Rated Securities

DESCRIPTION	RATINGS	
	Standard & Poor's	Moody's
Municipal bonds (including revenue bonds)	A	A or A-1
Corporate bonds	A	A or A-1
Asset-backed securities	AAA	Aaa
Private label mortgage-backed securities	AAA	Aaa
Commercial paper/banker's acceptances	A-1 or P-1	A-1 or P-1
Collateralized mortgage obligations	AAA	Aaa

Unrated Securities

The bank will not normally purchase unrated securities.

The bank will purchase bonds (such as local municipal bonds) only after establishing the creditworthiness of the issuer. The bank's Investment Committee will be responsible for evaluating each unrated investment by performing a credit analysis on the issuer. The Investment Committee is required to maintain credit files documenting the rationale for investing in the security. The committee should perform continuous reviews or updates on the financial condition of the issuer.

Credit analysis of nonrated issues and local issues should contain the following information:

- Debt and tax burden of the municipality, including historical trends, relationship of debt and tax burden to property values, collection and debt payment records, debt burden per capital, and sinking fund provisions
- Quality of budgets, including recent trends in deficit or surplus spending, cash flow requirements, accounting policies, and accuracy of revenues and expenses
- Character of community (stable or growing), economic background, population trends, and debt-paying ability

When the bank invests in a nonrated issue, it will adhere to the following guidelines:

- Debt-to-market valuation: 5 percent or less
- Net debt per capita: \$1,000 per person or less
- Tax collection: 95 percent or greater
- Unemployment: At or below the national unemployment rate
- Debt service coverage ratio: No less than 1.5 times

Exceptions to the above guidelines can be made at the discretion of the Investment Committee. An explanation for the exception should be noted in the Investment Committee minutes.

Other Considerations

The bank will invest in shares of investment companies (mutual funds) only if the portfolios of these companies consist solely of obligations that it has deemed to be eligible for purchase. It will be the responsibility of the investment officer to verify on a quarterly basis that each mutual fund in which the bank owns shares continues to meet this criterion.

Participations in pools of GNMA-, FNMA-, SBA-, USDA- or FHLMC-guaranteed mortgages are deemed to have sufficient credit quality and require no further investigations.

All ratings must be reviewed at least monthly. The Investment Committee is required to maintain on file adequate credit information for all investments to demonstrate that prudent banking judgment was exercised in the investment decision.

The committee will classify any investment whose quality rating is downgraded subsequent to its purchase. This action could entail establishing possible reserves for taking a loss, depending on the new rating assigned.

Appendix B contains a list of the standard bond rating symbols used by the major rating service publications.

Certificates of Deposit

CDs with a face value of up to \$250,000 must be purchased from institutions that are FDIC insured. Larger CDs will be limited to the obligations of selected larger domestic banks. These larger banks will be selected based on their creditworthiness and ability to serve this bank's money market asset needs. The bank will base this creditworthiness on a written analysis by the Investment Committee, who will perform this analysis once a year between January and April. The board of directors will approve the analysis.

Mortgage-Backed Securities

MBSs are participations in mortgage-backed obligations of GNMA-, FNMA-, or FHLMC-guaranteed mortgages that are pooled together and where undivided interests in the pool are sold. The cash flow from the underlying mortgage is passed through to the holders of the securities in the form of monthly payments of principal, interest, and prepayments.

Since MBSs are long-term investments and not as liquid as other investment vehicles, the bank will purchase these products primarily to absorb funds that would ordinarily be loaned out. Prior to purchasing an MBS, the bank must determine if the product is considered a high-risk investment. The bank's policy is

to purchase a high-risk MBS only with board approval. If it is determined that high-risk MBSs are an effective way to reduce interest rate risk, the decision to do so will be adequately documented and the investment approved by the investment officer/committee or the board.

All MBSs will be tested annually to determine if they are high risk. Documentation obtained from an independent industry data source must be retained and the assumptions evaluated as an internal part of the review process. In addition, the bank needs to ensure that these independent tests use industry standards.

An MBS that meets any one of the tests below will be considered a high-risk mortgage security:

- *Average life test.* The investment will have an expected weighted average life no greater than 10 years.
- *Average life sensitivity test.* The expected weighted average life of the mortgage derivative product (1) extends by not more than four years (assuming an immediate and sustained parallel shift in the yield curve of 300 basis points in increments of 100 basis points), or (2) shortens by no more than six years (assuming an immediate and sustained parallel shift in the yield curve of minus 300 basis points in increments of 100 basis points).
- *Price sensitivity test.* The estimated change in the price of the mortgage derivative is more than 17 percent, due to an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

If an MBS investment is determined to be high risk subsequent to purchase, it must be reclassified as available for sale or trading. At that time, the sale of the investment would be considered. An MBS will not be considered high risk if at the end of two consecutive quarters the security does not meet the definition of a high-risk mortgage security.

SELECTION OF SECURITIES DEALERS

The board of directors will, on an annual basis, review and approve securities dealers with whom the bank will purchase and/or sell investment portfolio securities. The bank will purchase and sell securities only through securities dealers that have been approved and qualified by the board of directors. The Investment Committee will be responsible for maintaining current and adequate information on approved securities dealers.

Before the bank conducts any investment transactions or receives investment recommendations, the bank needs to investigate the quality, ability, and financial condition of the securities dealer. The president and the Investment Committee will review the credentials of the securities dealer before submitting them to the board for its approval.

Analysis of securities dealers should include the following:

- Analyzing the financial condition of the dealer — including an evaluation of the dealer's capital strength, earnings trends, and operating results — by reviewing annual and credit reports
- Determining whether the dealer is fair and honest and provides timely disclosures by interviewing current and past customers
- Determining the reputation of the dealer by inquiring of federal and state securities regulators — Financial Industry Regulatory Authority (FINRA), Federal Reserve (Fed), Office of Comptroller of the Currency (OCC), and FDIC — if the dealer (and affiliates) is subject to any formal enforcement actions
- Determining the experience or expertise of the sales representative with whom the bank will be working, including verifying that the representative is presently licensed and is authorized to work for that particular dealer. The Investment Committee is restricted to conducting bank business with board-approved authorized securities dealers. The Investment Committee must report to the board any offerings of gifts or gratuities from the dealer before accepting them. The Investment Committee may not accept any gifts with a dollar value of \$25 or more. The President/CEO must approve beforehand any costs associated with training or travel expenses in conjunction with seminars the dealer conducts. Any seminar costs will be paid by the bank.

Refer to [Appendix C](#) for a listing of approved securities dealers.

CD Referral Services and CD Custodial Services are not subject to the annual analysis review of Securities Dealers described in this section.

SAFEKEEPING

The bank will hold its investment portfolio in safekeeping at the following locations:

- CenterState Bank of Florida, NA

The bank will keep a majority of its investments with these approved safekeeping providers. As a policy, the bank will not safekeep with providers that have serious financial or management problems, if the bank has concerns over the safety and quality of service provided.

Service providers chosen must be approved by the Investment Committee.

MANAGEMENT INFORMATION REPORTING SYSTEMS

The board of directors should receive monthly reports detailing the performance of the bank's investment portfolio. The reports should be prepared every month and provided along with other board reports. The reports should document the portfolio's overall quality, liquidity, and rate of return. The reports should document how investment strategies and activities conform to board-approved objectives and goals.

At a minimum, the board should review the following reports:

- Purchases and sales
- Portfolio maturities (i.e., matured securities and maturity distribution)
- Liquidity of the portfolio
- Marketability and quality of the portfolio
- Value of the portfolio

CONFLICT OF INTEREST

Bank employees who are directly involved in the purchase and sale of bank securities will be prohibited from engaging in personal securities transactions with firms with which the bank deals.

Directors, officers, and employees of the bank are prohibited from receiving gifts, gratuities, or travel expenses from firms (and personnel) with which the bank conducts business.

EXCEPTIONS TO THE POLICY

This policy sets forth the guidelines in managing the bank's investments. However, the board recognizes that sometimes a meaningful policy could restrict the Investment Committee and prevent the committee from taking advantage of an excellent investment opportunity for the bank. To provide some flexibility, the board authorizes the Investment Committee to make exceptions to the policy, provided the committee receives the approval of the President/CEO of the bank.

Before making the investment, the Investment Committee should determine that the proposed investment is a legally allowable investment. The Investment Committee should obtain concurrent approval of the proposed investment from either the Chairman, or President/CEO. The initial recommendation and concurrence can be provided orally; however, the investment officer/committee should document the exception in a memorandum noting the nature of and reason(s) for the exception made. The rationale for the exception will then be submitted to the board at the next regularly scheduled meeting for its ratification.

The board of directors will approve and adopt this policy annually.

APPENDIXES

Appendix A Permitted Stock Holdings by National Banks

Generally, banks are prohibited from investing in stocks. However, detailed below are a number of exceptions to that rule.

Type of Stock	Authorizing Statute and Limitation
Agricultural credit corporation	<u>12 USC 24</u> — 20 percent of capital and surplus unless the association owns over 80 percent. No limit if association owns 80 percent or more.
Bank's own stock	<u>12 USC 83</u> — Shares of the bank's own stock may not be acquired or taken as security for loans, except as necessary to prevent loss from a debt previously contracted in good faith. Stock so acquired must be disposed of within six months of the date of acquisition.
Bankers' banks	<u>12 USC 24</u> — 10 percent of capital stock and paid in and unimpaired surplus. The bankers' bank must be insured by the FDIC, owned exclusively by other banks, and engaged solely in providing banking services to other banks and their officers, directors, or employees. Ownership shall not result in any bank acquiring more than 5 percent of any class of voting securities of the bankers' bank.
Banking service corporation	<u>12 USC 1861</u> and <u>12 USC 1862</u> — 10 percent of capital and surplus. Limitation includes total direct and indirect investment in any form. Also, corporation must be owned by one or more banks.
Charitable foundations	Contributions in any one year not to exceed income tax deduction.
Community development corporation	Two percent of capital and surplus. Aggregate investments in such projects should not exceed 5 percent of capital and surplus.
Corporate stock acquired as a dividend from a small business investment company (SBIC)	No limit. Stock of any corporation may be acquired and retained, if received as a dividend on SBIC stock.

Type of Stock	Authorizing Statute and Limitation
Corporate stock acquired through debts previously contracted (DPC) transaction.	Case law has established that stock of any corporation may be acquired to prevent loss from a debt previously contracted in good faith. However, if the stock is not disposed of within a reasonable time period, it loses its status as a DPC transaction and becomes a prohibited holding under <u>12 USC 24 (7)</u> . The maximum time such stock can be retained generally is regarded to be five years. The maximum time limit for stock of affiliates acquired through a DPC transaction, and not held within the limitations of specific statutes, is two years.
Corporation authorized under Title IX of the Housing and Urban Development Act of 1968 (amendments not included)	<u>12 USC 1718 (f)</u> — No limit.
Corporation holding bank premises	<u>12 USC 371 (d)</u> — 100 percent of capital. Limitation includes total direct and indirect investment in bank premises in any form. Maximum limitation may be exceeded with permission of the district deputy comptroller.
Federal National Mortgage Association	Corporation holding bank premises <u>12 USC 1718 (f)</u> — No limit.
Federal Reserve Bank	<u>12 USC 282</u> — Subscription must equal 6 percent of the bank's capital and surplus, 3 percent paid in (Regulation I, Federal Reserve Board; <u>12 CFR 209</u>).
Foreign banking corporation	<u>12 USC 601</u> and <u>12 USC 618</u> — 10 percent of capital and surplus with the provision that capital and surplus must be \$1 million or more.
Government National Mortgage Association	<u>12 USC 24</u> — No limit.
Minibank capital corporation	Two percent of capital and surplus. Aggregate investment in all such projects should not exceed 5 percent of capital and surplus.

Type of Stock	Authorizing Statute and Limitation
Operating subsidiaries	No limit. Stock of any operating subsidiary corporation, the functions or activities of which are limited to those authorized to a national bank, may be acquired and held without limitation, provided that at least 80 percent of the voting stock of the subsidiary is owned by the bank.
Safe deposit	<u>12 USC 24</u> — 15 percent of capital and surplus.
Small business investment company	<u>15 USC 682 (b)</u> — 5 percent of capital and surplus. After January 10, 1968, national banks are prohibited from acquiring shares of such a corporation if, upon making the acquisition, the aggregate amount of shares in small business investment companies then held by the bank would exceed 5 percent of its capital and surplus.
State housing corporation	<u>12 USC 24</u> — 5 percent of its capital stock, paid in and unimpaired, plus 5 percent of its unimpaired surplus fund when considered together with loans and commitments made to the corporation.
Student Loan Marketing Association	<u>12 USC 24</u> — No limit.

Appendix B Rating Definitions

Monthly rating service publications are useful in determining the investment quality of municipal and corporate obligations. The standard bond rating symbols are indicated in the order of their credit quality.

Standard & Poor's	Moody's	Description
	<i>Bank Quality Investments</i>	
AAA	Aaa	Highest grade obligations.
AA	Aa	High-grade obligations.
A	A-1, A	Upper medium grade.
BBB	Baa-1, Baa	Medium grade, on the borderline between definitely sound obligations and those containing predominantly speculative elements; generally, the lowest quality bond that may qualify for bank investment.
	<i>Speculative and Defaulted Issues</i>	
BB	Ba	Lower medium grade with only minor investment characteristics.
B	B	Low grade, default probable.
D	Ca, c	Lowest rated class, defaulted, extremely poor prospects.
	<i>Provisional or Conditional Rating</i>	
Rating-P	Con. (Rating)	Debt service requirements largely dependent on reliable estimates as to future events.

Appendix C Approved Securities Dealers

Securities Dealer: NBC Securities INC – CRD #17870
CenterState Bank of Florida, N.A. (Approx 1988)
Contact: Gregory Grant Rains CRD #1271298
Mark Richardson Tucker CRD #1444500
Stacey Alan Dunn CRD #4639638
Address: Birmingham, Alabama
Phone Number: Greg: 1-205-968-2902
Mark: 1-205-968-2901
Stacy: 1-205-583-3693
Fax Number: 1-205-968-2939

Securities Dealer: Austin Atlantic Capital INC CRD #43981
FKA Shay Financial Services Inc. (07/2013)
Contact: Scott Tillman Taylor CRD #1623317
Address: Miami FL 33131
Phone Number: 1-305-379-9798
Fax Number: 1-901-261-5999

Securities Dealer FHN Financial Securities Corp CRD #46346
AKA FTN Financial
FKA Coastal Securities, Inc. (07/2010)
Contact Kyle Patrick Hairston CRD #5823915
Address Houston, TX 77056
Phone Number 1-713 435-4313
Fax Number 1-713 435-4513

Referral Services:

CD Referral Service:

ABG Services Inc. (11/2010)
Contact: Michael Fortini or Joseph Valentine
Address: Bohemia, New York
Phone Number: 1-800-807-3447 x206 or x238
Fax: 1-631-580-6509

CD Referral Service:

QwikRate (02/2012)
Contact: Jason Heinrich
Address: Marietta, GA
Phone Number: 1-800-285-8626
Fax Number: 1-770-427-7669

CD Referral Service:

US Sterling (02/2012)
Contact: Steven Gia
Address: Hauppauge, NY
Phone Number: 1-800-935-9300
Fax Number: 1-631-360-2840

CD Custodial Service:

Sutton Bank (02/2014)
Contact: Steven Gia with US Sterling
Address: Hauppauge, NY
Phone Number: 1-800-935-9300
Fax Number: 1-631-360-2840
Custodial Account CD Deposits Thru US Sterling Securities, Inc.

Appendix D Investment Limitations (OCC-Chartered Banks)

SECURITIES	LIMITATIONS
Type I Securities	
<p>Obligations of the United States</p> <p>Obligations issued, insured, or guaranteed by a department or an agency of the United States government, if the obligation, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the obligation</p>	<p>There are no limitations on the amount of Type I securities the bank deal in, underwrite, purchase, and sell.</p>
<p>Obligations issued by a department or agency of the United States, or an agency or political subdivision of a state of the United States, that represent an interest in a loan or a pool of loans made to third parties, if the full faith and credit of the United States has been validly pledged for the full and timely payment of interest on, and principal of, the loans in the event of nonpayment by the third-party obligor(s)</p>	
<p>General obligations of a state of the United States or any political subdivision</p>	
<p>Obligations authorized under <u>12 USC 24</u> (Seventh) as permissible for a national bank to deal in, underwrite, purchase, and sell for its own account, including qualified Canadian government obligations</p>	
<p>Other securities the OCC determines to be eligible as Type I securities under <u>12 USC 24</u> (Seventh)</p>	

SECURITIES	LIMITATIONS
Type II Securities	
<p>Obligations issued by a state, or a political subdivision or agency of a state, for housing, university, or dormitory purposes</p>	<p>The bank may deal in, underwrite, purchase, and sell Type II securities, provided by the aggregate par value of Type II securities issued by any one obligor does not exceed 10 percent of the bank's capital and surplus.</p>
<p>Obligations of international and multilateral development banks and organizations listed in <u>12 USC 24 (Seventh)</u></p>	
<p>Other obligations listed in <u>12 USC 24 (Seventh)</u> as permissible for a bank to deal in, underwrite, purchase, and sell for the bank's own account</p>	
<p>Other securities the OCC determines to be eligible as Type II securities under <u>12 USC 24 (Seventh)</u></p>	
Type III Securities	
<p>Investment securities that do not qualify as a Type I, II, IV or V security, such as corporate bonds and municipal revenue bonds</p>	<p>The bank may purchase and sell Type III securities, provided the aggregate par value of Type III securities issued by any one obligor does not exceed 10 percent of the bank's capital and surplus</p>
Type II and III Securities; Other Investment Securities Limitations	
	<p>The bank may not hold Type II and III securities issued by any one obligor with an aggregate par value exceeding 10 percent of the bank's capital and surplus. However, if the proceeds of each issue are to be used to acquire and lease real estate and related facilities to economically and legally separate industrial tenants, and if each issue is payable solely from and secured by a first lien on the revenues to be derived from rentals paid by the lessee under net noncancellable leases, the bank may apply the 10 percent investment limitation separately to each issue of a single obligor.</p>

SECURITIES	LIMITATIONS
Type IV Securities	
<p>Small business-related securities (as defined in section 3(a)(53)(A) of the Securities Exchange Act of 1934, <u>15 USC 78c(a)(53)</u> (a)(53)(A)) that are rated investment grade or are the credit equivalent thereof, that are fully secured by interests in a pool of loans to numerous obligors</p> <p>Commercial mortgage-related securities that are offered or sold pursuant to section 4(5) of the Securities Act of 1933, <u>15 USC 77d (5)</u>, that are rated investment grade or are the credit equivalent thereof, or are commercial mortgage-related securities as described in section 3(a)(41) of the Securities Exchange Act of 1934, <u>15 USC 78c (a)(41)</u>, that are rated investment grade in one of the two highest investment grade rating categories, and that represent ownership of promissory notes or certificates of interest or participation that are directly secured by first liens on one or more parcels of real estate upon which one or more commercial structures are located and that are fully secured by interests in a pool of loans to numerous obligors</p>	<p>The bank may purchase and sell Type IV securities for its own account</p> <p>The bank may deal in Type IV securities that are fully secured by Type I securities. Except as described below, the amount of Type IV securities the bank may purchase and sell is not limited to a specified percentage of its capital and surplus.</p> <p>There are no limits on small-business related securities that have investment grade in the highest two investment grade rating categories.</p> <p>The bank may hold small-business related securities of any one issuer with an aggregate par value not exceeding 25 percent of the bank's capital and surplus — if those securities have an investment grade in the third or fourth highest investment grade rating categories. In applying this limitation, the bank will take account of securities that it is legally committed to purchase or to sell in addition to its existing holdings.</p>

SECURITIES	LIMITATIONS
Type IV Securities (CONTINUED)	
Residential mortgage-related securities that are offered and sold pursuant to section 4(5) of the Securities Act of 1933, <u>15 USC 77d (5)</u> , that are rated investment grade or are the credit equivalent thereof, or residential mortgage-related securities as described in section 3(a)(41) of the Securities Exchange Act of 1934, <u>15 USC 78c (a)(41)</u> , that are rated investment grade in one of the two highest investment grade rating categories, and that do not otherwise qualify as a Type I security	SEE ABOVE
Type V Securities	
Securities that are: <ul style="list-style-type: none"> · Rated investment grade · Marketable · Not a Type IV security · Fully secured by interests in a pool of loans to numerous obligors and in which a national bank could invest directly 	The bank may purchase and sell Type V securities, provided the aggregate par value securities issued by any one issuer does not exceed 25 percent of the bank's capital and surplus.

SECURITIES	LIMITATIONS
Investment Company Shares	
<p>An investment company, including a mutual fund, registered under section 8 of the Investment Company Act of 1940, <u>15 USC 80a-8</u></p>	<p>The bank may purchase and sell, provided:</p> <ul style="list-style-type: none"> · The portfolio of the investment company consists exclusively of assets that the bank may purchase and sell for its own account; and · The bank's direct holdings of a particular security in the portfolio of an investment company and the bank's pro rata interest in the same security in the investment company's portfolio may not exceed the investment limitation that would apply to that security, or · <i>[alternative limit]</i> The bank may elect not to combine its pro rata interest in a particular security of an investment company with the bank's direct holdings of that security if: <ul style="list-style-type: none"> —The investment company's holdings of the securities of any one issuer do not exceed 5 percent of its total portfolio; and —The bank's total holdings of the investment company's shares do not exceed the most stringent investment limitation that would apply to any of the securities in the company's portfolio if those securities were purchased directly by the bank.

Calculation Date

Investment limitations will be based on the most recent of the following dates: the last day of the preceding calendar quarter or the date on which there is a change in the bank's capital category.

The investment limit will be effective on the earliest of the following dates: the date on which the bank's consolidated report of condition and income (call report) is either submitted or is required to be submitted.

The investment limit calculated according to the date on which there is a change in the bank's capital category will be effective on the date the limit is to be calculated.

Calculation of Type III and Type V Securities Holdings

In calculating the amount of its investment in Type III or Type V securities issued by any one obligor, a bank will aggregate obligations issued by obligors that are related directly or indirectly through common control and securities that are credit-enhanced by the same entity.

First National Bank Northwest Florida

Real Estate Appraisal Policy

PURPOSE

The board of directors and management of First National Bank Northwest Florida (FNBNWFL) understand that the soundness of real estate loans and investments made by the bank depends on the adequacy of the underwriting standards and credit analysis used to support these transactions. Therefore, it is the policy of First National Bank Northwest Florida that prior to making, extending, renewing, or advancing additional funds on a loan secured by real estate, the bank should obtain an appraisal of the property to verify its value. The bank will require appraisals on improved real estate according to the guidelines set forth in the "Interagency Appraisal and Evaluation Guidelines" issued on December 2, 2010, which implements Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). For federally related transactions, FIRREA requires the use of state-licensed or -certified appraisers, who are subject to effective state supervision. Appraisals must be in writing and conform with the Uniform Standards of Professional Appraisal Practice issued by the Appraisal Foundation. Additionally, we will comply with the requirements of Regulation Z (12CFR 1026.42) for loans secured by a consumer's principal dwelling which protect the integrity of the appraisal process.

APPRAISAL AND EVALUATION PROGRAM

The board directs management to implement procedures to establish an effective real estate appraisal and evaluation program that is appropriate for our bank. At a minimum, the program should:

- Provide for the independence of the persons ordering, performing, and reviewing appraisals or evaluations.
- Establish selection criteria and procedures to evaluate and monitor the ongoing performance of appraisers and persons who perform evaluations.
- Ensure that appraisals comply with the agencies' appraisal regulations and are consistent with supervisory guidance.
- Ensure that appraisals and evaluations contain sufficient information to support the credit decision.
- Maintain criteria for the content and appropriate use of evaluations consistent with safe and sound banking practices.
- Provide for the receipt and review of the appraisal or evaluation report in a timely manner to facilitate the credit decision.

- Develop criteria to assess whether an existing appraisal or evaluation may be used to support a subsequent transaction.
- Implement internal controls that promote compliance with these program standards, including those related to monitoring third-party arrangements.
- Establish criteria for monitoring collateral values.
- Establish criteria for obtaining appraisals or evaluations for transactions that are not otherwise covered by the appraisal requirements of the agencies' appraisal regulations.

SELECTION OF APPRAISERS OR PERSONS WHO PERFORM EVALUATIONS

Management is directed to establish criteria for selecting, evaluating, and monitoring the performance of appraisers and persons who perform evaluations. The selection process should ensure that:

- The person selected possesses the requisite education, expertise, and experience to competently complete the assignment.
- The work performed by appraisers and persons providing evaluation services is periodically reviewed by the institution.
- The person selected is capable of rendering an unbiased opinion.
- The person selected is independent and has no direct, indirect, or prospective interest, financial or otherwise, in the property or the transaction.
- The appraiser selected to perform an appraisal holds the appropriate state certification or license at the time of the assignment. Note: Persons who perform evaluations should possess the appropriate appraisal or collateral valuation education, expertise, and experience relevant to the type of property being valued. Such persons may include appraisers, real estate lending professionals, agricultural extension agents, or foresters.

In most cases, we will directly select and engage appraisers and evaluators. However, we may use an appraisal prepared for another financial institution if we are sure that the appraisal conforms to the agencies' appraisal regulations and is otherwise acceptable. Management must assess whether to use the appraisal before making the credit decision. We will review these appraisals using the same level of review that we perform on appraisals we obtain directly for similar properties and document the review in the credit file. Before accepting an appraisal from another institution, we will confirm the following:

- The appraiser was engaged directly by the other financial services institution.

- The appraiser had no direct, indirect, or prospective interest, financial or otherwise, in the property or transaction.
- The engagement letter shows that the financial services institution, not the borrower, engaged the appraiser.

We will not accept an appraisal that has been readdressed or altered by the appraiser with the intent to conceal the original client.

See Exhibit 1 –Home Valuation Code of Conduct

Approved Appraiser List

We will ensure that all appraisers on our approved list are qualified and that we routinely monitor each appraiser's performance and credentials to determine if they should remain on the approved list. For residential transactions, loan production staff can use a revolving, preapproved appraiser list, provided the development and maintenance of the list is not under their control.

Engagement Letters

We will require written engagement letters when ordering appraisals. The engagement letter should identify the intended use and user(s), as defined in USPAP. An engagement letter also may specify whether there are any legal or contractual restrictions on the sharing of the appraisal with other parties. We will maintain a copy of the engagement letter in our credit files.

REASONABLE COMPENSATION FOR APPRAISERS

We will comply with all laws, regulations, and regulator guidance regarding compensation of fee appraisers. Although the reasonable compensation rules in Regulation Z (12 CFR 1026.42 (f)) apply only to consumer loans secured with a principal dwelling, we will apply that standard to compensate all fee appraisers and require our agents (appraisal management companies) to do the same. This section does not apply to our own salaried employees who conduct appraisals nor does it apply to salaried employees of appraisal management companies with whom we do business.

In general, we will compensate appraisers for performing appraisal services at a rate that is customary and reasonable for comparable appraisal services performed in the geographic market of the property being appraised. In complying with this objective, management is directed to consider the safe harbor for compliance with Regulation Z. First, when determining recent rates for comparable appraisal services, we must document that we have reviewed the following factors and have made any reasonable adjustments to recent rates paid in the relevant geographic market:

- The type of property

- The scope of work
- The time in which the appraisal services are required to be performed
- Fee appraiser qualifications, experience professional record, and work quality

We must also not engage in any anticompetitive acts in violation of state or federal law that affect the compensation paid to fee appraisers, including but not limited to:

- Entering into any contracts or engaging in any conspiracies to restrain trade through methods such as price fixing or market allocation
- Engaging in any acts of monopolization such as restricting any person from entering the relevant geographic market or causing any person to leave the relevant geographic market

Alternatively, we will presumed to be in compliance if we determine the amount of compensation paid to the fee appraiser by relying on information about rates that:

- Is based on objective third-party information, including fee schedules, studies, and surveys prepared by independent third parties such as government agencies, academic institutions, and private research firms
- Is based on recent rates paid to a representative sample of providers of appraisal services in the geographic market of the property being appraised or the fee schedules of those providers

Fees based on fee schedules as described above must exclude compensation paid to fee appraisers for appraisals ordered by appraisal management companies.

APPRAISALS

An appraisal prepared by a state-licensed or state-certified appraiser is required for most bank real estate transactions. A real estate transaction subject to these requirements includes a sale, lease, or use of an interest in real estate as security for a loan or investment. Real estate or real property means an identified parcel or tract of land, with improvements, including easements, rights of way, undivided or future interests or similar rights in a tract of land, but does not include mineral rights, timber rights, growing crops, water rights, or similar interests severable from the land when a transaction does not involve taking a lien on the associated parcel or tract of land.

There is no provision for waiving the requirement for an appraisal. However, there are exceptions. An appraisal is not required for the following transactions:

1. The transaction value is \$400,000 or less on a single 1-4 family residential property (A construction loan on a single 1-4 family property falls into this

category).

Transactions that qualify for the exemption still need to obtain an evaluation consistent with safe and sound banking practices. This evaluation will provide an estimate of the market value of the property without requiring the involvement of a state licensed or certified appraiser. The final rule does not apply to loans sold to or guaranteed by the FHA, HUD, VA, Fannie Mae, or Freddie Mac—which will still require an appraisal, according to each agency's rules.

2. A transaction value on a commercial real estate loan of \$500,000 or less. A commercial loan is defined as a real estate loan not secured by a single 1-4 family residential property.
3. A lien on real estate has been taken as collateral in abundance of caution
4. The transaction is not secured by real estate
5. A lien on real estate has been taken for purposes other than the real estate's value
6. The transaction is a business loan that:
 - Has a transaction value of \$1 million or less
 - Is not dependent on the sale of, or rental income derived from, real estate as a primary source of repayment
7. A lease of real estate is entered into, unless the lease is the economic equivalent of a purchase or sale of the leased real estate
8. The transaction involves an existing extension of credit at the lending institution, provided either:
 - There is no advancement of new moneys, other than funds necessary to cover reasonable closing costs
 - Any advancement of new money does not threaten the bank's real estate collateral protection
9. The transaction involves the purchase, sale, investment in, exchange of, or extension of credit secured by a loan or interest in a loan, pooled loans, or interests in real property, including mortgage-backed securities, and each loan or interest in a loan, pooled loan, or real property interest met the regulatory requirements for appraisals at the time of origination
10. The transaction is wholly or partially insured or guaranteed by a U.S. government agency or U.S. government-sponsored agency
11. The transaction either:
 - Qualifies for sale to a U.S. government agency or U.S. government-sponsored agency
 - Involves a residential real estate transaction in which the appraisal conforms to the Federal National Mortgage Association (FNMA) or

Federal Home Loan Mortgage Corporation (FHLMC) appraisal standards applicable to that category of real estate

12. The regulated institution is acting in a fiduciary capacity and is not required to obtain an appraisal under other law
13. The bank's federal regulatory agency determines that the services of an appraiser are not necessary to protect federal financial and public policy interests in real estate-related financial transactions or the safety and soundness of the institution

The loan officer must ensure that adequate documentation is in the file to indicate which exception applies and to explain why it exempts the loan from the appraisal regulations. If the exception relied on is either the first, **sixth**, or **eighth** bulleted item above, an evaluation of the property in accordance with the guidelines is required. Furthermore, management is directed to establish procedures for determining when or if an appraisal might be necessary on higher risk transactions that normally only require evaluations such as:

- Loans with combined loan-to-value ratios in excess of the supervisory loan-to-value limits
- Atypical properties
- Properties outside our traditional lending market
- Transactions involving existing extensions of credit with significant risk to the bank
- Borrowers with high-risk characteristics

We will comply with the interagency guidelines, as amended from time to time, for the content of evaluations.

REAPPRAISALS

Changing Conditions:

Circumstances may arise when it is necessary to review a credit or group of credits to determine the need for ordering reappraisals of property held as collateral. Management is directed to ensure we have adequate procedures in place to obtain a new appraisal in the following situations:

- A particular borrower may become troubled and exhibit a deterioration in financial condition and/or ability to repay
- There may be a deterioration in the general economy
- There may be a deterioration in the economy and/or real estate market in a particular geographic area

- There may be a deterioration in the market for a particular type of property

Documenting the use of an appraisal report at the time of renewal:

In general, management may rely on an existing appraisal for up to a five-year term at renewal of a loan provided there is no advancement of new funds. However, if the renewal meets the following requirements a period exceeding 5 years may be considered:

*the real estate market conditions have remained stable or improved since the original appraisal was performed.

*the property condition and neighborhood condition have not deteriorated since the original appraisal.

*the current loan to value (LTV) based on the original appraised value does not currently exceed the lesser of a 70% LTV, or the interagency supervisory LTV limitation.

The bank's Credit Administrator or their designee shall document this evaluation/assessment process by providing a report to management which will comply with the interagency guidelines (attached as Exhibit A), as amended from time to time.

INDEPENDENCE REQUIREMENTS FOR APPRAISERS AND THOSE WHO CONDUCT EVALUATIONS

We will comply with the independence rules in USPAP and in the Interagency Appraisal and Evaluation Guidelines for all appraisers, employees who conduct evaluations, and employees or companies that conduct appraisal reviews. In general, appraisers, evaluators, and reviewers may not have a direct or indirect financial interest in the property being appraised or the transaction being contemplated. Furthermore, they may not be part of the loan production staff or if not possible, then they may not be involved in the credit decision for the transaction. For loans secured by the consumer's principal dwelling we will utilize the safe harbor rules in Regulation Z for loans secured by a consumer's principal dwelling for both large and small banks (12 CFR 1026.42 (d)(2)). Management is directed to make sure we have adequate procedures in place to ensure the independence of the appraisal process.

APPRAISAL REPORT REQUIREMENTS

All appraisal reports will be prepared in conformity with the appraisal regulations, the interagency guidelines, and USPAP. Under the agencies' appraisal regulations, the result of an Automated Valuation Model (AVM), by itself or signed by an appraiser, is not an appraisal, because a state-certified or -licensed appraiser must perform an appraisal in conformance with USPAP and the agencies' minimum appraisal standards. Further, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) provides that in conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to

determine the value of a piece of property for the purpose of loan origination of a residential mortgage loan secured by such piece of property.

At a minimum, appraisals must meet the following criteria:

- Be written and contain sufficient information and analysis to support the lender's decision to engage in the transaction. Bank staff should ensure that the scope of work is appropriate for the assignment and consistent with the extent of the research and analyses employed for similar property types, market conditions, and transactions.
- Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, nonmarket lease terms, and tract developments with unsold units.
- Contain sufficient information to enable the intended user of the appraisal to understand the report properly.
- Contain information to show that the appraiser conducted a physical property visit of the interior of the mortgaged property.
- Be based upon the definition of market value set forth in the appraisal regulation. Each appraisal must contain an estimate of market value, as defined by the agencies' appraisal regulations. The definition of market value assumes that the price is not affected by undue stimulus, which would allow the value of the real property to be increased by favorable financing or seller concessions. Value opinions such as "going concern value," "value in use," or a special value to a specific property user may not be used as market value for federally related transactions. An appraisal may contain separate opinions of such values so long as they are clearly identified and disclosed. The estimate of market value should consider the real property's actual physical condition, use, and zoning as of the effective date of the appraiser's opinion of value.
- Contain sufficient disclosure of the nature and extent of inspection and research performed by the appraiser to verify the property's condition and support the appraiser's opinion of market value.
- Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units.
- Be performed by state-certified or -licensed appraisers in accordance with requirements set forth in the appraisal regulation. As stated in the agencies' appraisal regulations, a state-certified or -licensed appraiser may not be considered competent solely by virtue of being certified or licensed. In communicating an appraisal assignment, an institution should convey to the

appraiser that the agencies' minimum appraisal standards must be followed.

ENVIRONMENTAL ISSUES

Management should ensure that appraisers include, as appropriate, environmental issues in the comments of their reports. Such items or indicators of possible environmental issues may be:

- Asbestos insulation, tile, or ceilings
- Urea-formaldehyde foam insulation
- Source of water supply and any evidence of contamination
- Soil problems, or discolored or dead vegetation
- Flooding or drainage problems
- Unusual depressions or mounds
- Any signs of prior commercial use
- Oil sheens
- Proximity to former or current waste disposal sites or to commercial sites, such as industrial plants, military installations, or gas stations
- Proximity to former or current mines or gravel pits
- Evidence of elevated radon levels in neighborhood
- Pipelines or pipeline rights of way or easements under, over, or adjacent to property
- Use of lead-based paint

THIRD-PARTY ARRANGEMENTS

Before entering any arrangement with a third party for property valuation services, management is directed to conduct due diligence of the third party as set forth in our Vendor Management Policy. We will comply with our primary regulator's guidance on third-party due diligence. Management is responsible for ensuring that a third party selects an appraiser or a person to perform an evaluation who is competent and independent, has the requisite experience and training for the assignment, and thorough knowledge of the subject property's market. Appraisers must be appropriately certified or licensed, but this minimum credentialing requirement, although necessary, is

not sufficient to determine that an appraiser is competent to perform an assignment for a particular property or geographic market. Furthermore, when a third party engages an appraiser or a person who performs an evaluation, the third party conveys to that person the intended use of the appraisal or evaluation and that the regulated institution is the client. For example, an engagement letter facilitates the communication of this information.

We will enter into a written contract with a third party and must implement appropriate internal controls for identifying, monitoring, and managing the risks associated with using a third-party arrangement for valuation services, including compliance, legal, reputational, and operational risks.

MONITORING COLLATERAL VALUES

We will monitor collateral risk in accordance with the agencies' real estate lending regulations and guidelines (12 CFR 34, Subpart B, for national banks (OCC). Regulators may require our bank to obtain an appraisal or evaluation when there are safety and soundness concerns on an existing real estate secured credit. Therefore, we should be able to demonstrate that sufficient information is available to support the current market value of the collateral and the classification of a problem real estate credit.

Responsibility for Monitoring

The Credit Administrator will monitor the real estate markets in the bank's primary market area to determine the development of adverse market conditions for a particular geographic area or for particular types of property. He will also be responsible for monitoring the general economy and the economies of the bank's primary market areas to determine the development of any adverse economic conditions that have a significant impact on the value of real estate collateral pledged to secure the bank's loans. Appropriate members of bank management and the board will be notified of any deterioration so that appropriate action can be taken.

In assessing whether changes in market conditions are material, we will consider the individual and aggregate effect of these changes on our collateral protection and the risk on our real estate lending programs or credit portfolios. Management is directed to implement monitoring procedures that will:

- Ensure that timely information is available to management for assessing collateral and associated risk
- Specify when new or updated collateral valuations are appropriate or desirable to understand collateral risk in the transaction(s)
- Delineate the valuation method to be employed after considering the property type, current market conditions, current use of the property, and the relevance of the

most recent appraisal or evaluation in the credit file.

Modifications and Workouts of Existing Credits

The bank will consider current collateral valuation information to assess its collateral risk and facilitate an informed decision on whether to engage in a modification or workout of an existing real estate credit.

We may use automated valuation models or other valuation techniques or complete new appraisals when considering a modification to a residential mortgage loan. Our loan documentation should be such that we can demonstrate that a modification reflects prudent underwriting standards and is consistent with safe and sound lending practices.

If a loan workout does not include the advancement of new monies other than reasonable closing costs, we may obtain an evaluation in lieu of an appraisal. For loan workouts that involve the advancement of new monies, we also may obtain an evaluation in lieu of an appraisal, provided there has been no obvious and material change in market conditions and no change in the physical aspects of the property that threatens the adequacy of the institution's real estate collateral protection after the workout.

We must obtain an appraisal when a loan workout involves the advancement of new monies and there is an obvious and material change in either market conditions or physical aspects of the property, or both, that threatens the adequacy of the institution's real estate collateral protection after the workout (unless another exemption applies).

APPRAISAL REVIEW PROGRAM

Our bank will implement an appraisal review process that is independent of the loan production process. We may employ either an in-house reviewer or use a third-party appraisal management company for this purpose. We will comply with our third-party due diligence policy and procedures when choosing an appraisal management company.

Reviewer Qualifications

Persons who review appraisals and evaluations should be independent of the transaction and have no direct or indirect interest, financial or otherwise, in the property or transaction, and be independent of and insulated from any influence by loan production staff. Reviewers also should possess the requisite education, expertise, and competence to perform the review commensurate with the complexity of the transaction, type of real property, and market. Further, reviewers should be capable of assessing whether the appraisal or evaluation contains sufficient information and analysis to support the institution's decision to engage in the transaction.

Loan officers may review appraisals if the originating officer abstains from directly or

indirectly approving or voting to approve the loan. (See special rules/safe harbors for loans secured with the consumer's primary dwelling.)

Third-Party Reviewers

We may choose to use a third party to review appraisals for complex projects, high-risk transactions, and out-of-market properties; however, we will still be responsible for the quality and adequacy of the review process, including the qualification standards for reviewers.

Depth of Review

We will implement a risk-based approach for determining the depth of the review needed to ensure that appraisals and evaluations contain sufficient information and analysis to support the institution's decision to engage in the transaction. This process will differentiate between high- and low-risk transactions so that the review is commensurate with the risk. The board directs management to implement procedures to ensure that the depth of the review is sufficient to ensure that the methods, assumptions, data sources, and conclusions are reasonable, well-supported, and appropriate for the transaction, property, and market. The review also should consider the process through which the appraisal or evaluation is obtained, either directly by the institution or from another financial services institution.

Commercial Real Estate

For commercial real estate we will ensure that appraisals or evaluations for transactions involving complex properties or high-risk commercial loans are reviewed more comprehensively to assess the technical quality of the appraiser's analysis. For example, we will perform a more comprehensive review of transactions involving large-dollar credits, loans secured by complex or specialized properties, and properties outside the institution's traditional lending market.

1-4 Family Dwellings

Examples of risk factors for these loans could include debt-to-income ratios, loan-to-value ratios, level of documentation, transaction dollar amount, or other relevant factors. With prior approval from our primary federal regulator, we may employ various techniques, such as automated tools or sampling methods, for performing pre-funding reviews of appraisals or evaluations supporting lower-risk residential mortgages. However, management should also have criteria for expanding the depth of the review when appropriate.

Appraisals from Other Financial Services Institutions

The documentation of the review of this type of appraisal should confirm that:

- The appraiser was engaged directly by the other financial services institution
- The appraiser had no direct, indirect, or prospective interest, financial or otherwise, in the property or transaction
- The financial services institution (not the borrower) ordered the appraisal

Resolution of Deficiencies

Reviewers may not change the value of an appraisal. If we find any deficiencies during the review, the reviewer must tell the appraiser about the deficiencies and request correction by the appraiser or person who prepared the evaluation. Management is directed to ensure that reviewers do not coerce or place any undue influence on the appraiser or person who performed the evaluation to change the value arrived at on the report.

If significant deficiencies in the appraisal cannot be resolved with the original appraiser, reviewers may request a second appraisal, or rely on a review that complies with Standards Rule 3 of USPAP, that is performed by an appropriately qualified and competent state-certified or -licensed appraiser prior to the final credit decision.

Documentation of the Review

All appraisal and evaluation reviews must be documented and included in the loan file. The documentation will describe the resolution of any appraisal or evaluation deficiencies, including reasons for obtaining and relying on a second appraisal or evaluation. The documentation must also provide an audit trail that documents the resolution of noted deficiencies or details the reasons for relying on a second opinion of market value.

APPRAISAL REQUIREMENTS FOR LOANS SECURED BY A CONSUMER'S PRINCIPAL DWELLING

12 CFR 1026.42 of Regulation Z lists several prohibited acts or practices with respect to appraisals conducted on a consumer's principal dwelling, including those associated with home equity lines of credit (HELOCs). We will not directly or indirectly coerce, influence or otherwise encourage an appraiser to misstate or misrepresent the value of a consumer's principal dwelling. We will also ensure that appraisers, evaluators, and reviewers are independent of the appraisal process and that we employ the safe harbors located at 12CFR 1026.42 (d)(2).

The board directs management to implement procedures in our mortgage lending department that:

- Prohibit coercion and other similar actions designed to cause appraisers to base the appraised value of properties on factors other than their independent judgment

- Prohibit appraisers and appraisal management companies hired by our bank from having financial or other interests in the properties or the credit transactions
- Ensure we do not extend credit based on appraisals if we know beforehand of violations involving appraiser coercion or conflicts of interest, unless we determine and document that the values of the properties are not materially misstated
- Ensure we file reports with the appropriate state licensing authorities about appraiser misconduct
- Ensure we reasonably compensate, based on market conditions, appraisers who are not our employees or employees of any of our affiliates

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- Prohibit appraisers and appraisal management companies hired by our bank from having financial or other interests in the properties or the credit transactions
- Ensure we do not extend credit based on appraisals if we know beforehand of violations involving appraiser coercion or conflicts of interest, unless we determine and document that the values of the properties are not materially misstated
- Ensure we file reports with the appropriate state licensing authorities about appraiser misconduct
- Ensure we reasonably compensate, based on market conditions, appraisers who are not our employees or employees of any of our affiliates

APPRAISAL REQUIREMENTS FOR HIGHER-PRICED MORTGAGE LOANS (HPMLS) (12 CFR 1026.35) (EFFECTIVE FOR LOAN APPLICATIONS RECEIVED ON OR AFTER JANUARY 18, 2014)

The board directs management to implement procedures to ensure our bank complies with the appraisal rules for HPMLs in Regulation Z.

Loans Covered

A loan is a “higher-priced mortgage loan” if the annual percentage rate (APR) exceeds the average prime offer rate (APOR) by 1.5 percent for first-lien conventional or conforming loans, 2.5 percent for first-lien jumbo loans, and 3.5 percent for subordinate-lien loans.

Exemptions

“Qualified mortgages” are exempt from the requirements of the rule. In general, a qualified mortgage is one that provides for regular periodic payments that are substantially equal, except for the effect that any interest rate change after consummation has on the payment in the case of an adjustable-rate or step-rate mortgage, and does not include a negative amortization feature, interest only feature, or result in a balloon payment. The loan term must not exceed 30 years and the points and fees may not exceed certain limits.

The following transactions are also exempt:

- Loans secured by a new manufactured home
- Loans secured by a mobile home, boat, or trailer
- Loans to finance the initial construction of a dwelling
- Loans with maturities of 12 months or less, if the purpose of the loan is a “bridge” loan connected with the acquisition of a dwelling intended to become the consumer’s principal dwelling
- Reverse mortgage loans

Requirements That Apply to All Appraisals Performed for Non-Exempt HPMLs

When we originate a HPML that is subject to this section of Regulation Z, we must obtain a written appraisal performed by a certified or licensed appraiser. The appraiser must conduct a physical property visit of the interior of the property.

At application, we will provide the consumer with a statement regarding the purpose of the appraisal as well as notify the applicant that we will provide them a copy of any written appraisal, and that the applicant may choose to have a separate appraisal conducted for the applicant’s own use at his or her own expense.

We will provide the applicant with a free copy of any written appraisals obtained for these covered transactions at least three business days before consummation.

Requirement to Obtain an Additional Appraisal in Certain HPML Transactions

We will obtain an additional written appraisal for these loans, at no cost to the borrower, when the loan will finance the purchase of the consumer's principal dwelling and there has been an increase in the purchase price from a prior sale that took place within 180 days of the current sale.

In general, we will obtain an additional appraisal for loans subject to this rule if either:

- The seller is reselling the property within 90 days of acquiring it and the resale price exceeds the seller's acquisition price by more than 10 percent; or
- The seller is reselling the property within 91 to 180 days of acquiring it and the resale price exceeds the seller's acquisition price by more than 20 percent.

The additional written appraisal must be from a different licensed or certified appraiser and generally must include the following information:

- An analysis of the difference in sale prices (i.e., the sale price paid by the seller and the acquisition price of the property as set forth in the consumer's purchase agreement)
- Changes in market conditions
- Any improvements made to the property between the date of the previous sale and the current sale

CREDIT ADMINISTRATOR DUTIES AND RESPONSIBILITIES

Specific Duties

The Credit Administrator will:

- Establish criteria for inclusion of appraisers on the pre-approved list and screen and select applicants who meet these criteria (The use of an appraiser not on the pre-approved list must be approved by the credit committee. Such approval should be used on an exception basis and take into consideration the size of the loan and the strength of the borrower as well as time constraints and the availability of appraisers. Borrowers may not choose their own appraiser, even from the bank's approved list.)
- Prepare and maintain a list of approved appraisers and approved review appraisers
- Notify the appraisers who have been approved and disapproved
- Annually review the pre-approved list of appraisers and reconsider the

- qualifications of each appraiser to remain on the list
- Maintain general oversight responsibilities for ensuring that all lending personnel stay abreast of any changes in appraisal guidelines.
 - Handle all other matters relating to the appraisal policy and appraisal guidelines.
 - Issue and reaffirm master engagement letters
 - Order appraisals on loans of \$400,000 and over:
 - Select the appraiser from the most current list of the bank's pre-approved appraisers. The appraisers selected must be approved for the type and size of transaction involved.
 - Order the appraisal with appropriate instructions to the appraiser.
 - Provide payment for the appraisal by the bank with reimbursement by the customer.
 - Have the appraisal addressed to the bank.
 - Complete an Appraisal Review on each appraisal ordered, and review appraisals for reasonableness and completeness as follows:
 - New/renewal loans of \$400,000 and over
 - Complex appraisals
 - Properties securing workout loans
 - Other real estate owned, including in-substance foreclosures appraisal review
 - Approve (or disapprove) use of out-of-state appraisers not on the bank's preapproved list of appraisers
 - Notify appraisers of approval or disapproval
 - Monitor real estate markets as prescribed in the section "Reappraisals" of this policy

The board of directors will approve and adopt this policy annually.

EXHIBITS

Exhibit 1 Home Valuation Code of Conduct

Home Valuation Code of Conduct

I Appraiser Independence Safeguards

- A An “appraiser” must be, at a minimum, licensed or certified by the state in which the property to be appraised is located.

- B No employee, director, officer, or agent of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the lender, shall influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner including but not limited to:
 - (1) withholding or threatening to withhold timely payment or partial payment for an appraisal report;
 - (2) withholding or threatening to withhold future business for an appraiser, or demoting or terminating or threatening to demote or terminate an appraiser;
 - (3) expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;
 - (4) conditioning the ordering of an appraisal report or the payment of an appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from an appraiser;
 - (5) requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser’s completion of an appraisal report;
 - (6) providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
 - (7) providing to an appraiser, appraisal company, appraisal management company, or any entity or person related to the appraiser, appraisal company, or appraisal management company, stock or other financial or non-financial benefits;
 - (8) allowing the removal of an appraiser from a list of qualified appraisers, or the addition of an appraiser to an exclusionary list of disapproved appraisers, used by any entity, without prompt written notice to such appraiser, which notice shall include written evidence of the appraiser’s illegal conduct, a violation of the Uniform Standards of Professional Appraisal Practice

(USPAP) or state licensing standards, substandard performance, improper or unprofessional behavior or other substantive reason for removal (except that this prohibition will not preclude the management of appraiser lists for bona fide administrative reasons based on written, management-approved policies);

(9) ordering, obtaining, using, or paying for a second or subsequent appraisal or automated valuation model (AVM) in connection with a mortgage financing transaction unless:

(a) there is a reasonable basis to believe that the initial appraisal was flawed or tainted and such basis is clearly and appropriately noted in the loan file, or

(b) unless such appraisal or automated valuation model is done pursuant to written, pre-established bona fide pre- or post-funding appraisal review or quality control process or underwriting guidelines, and so long as the lender adheres to a policy of selecting the most reliable appraisal, rather than the appraisal that states the highest value; or

(10) any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

C Nothing in this section shall be construed as prohibiting the lender (or any third party acting on behalf of the lender) from requesting that an appraiser

(a) provide additional information or explanation about the basis for a valuation, or

(b) correct objective factual errors in an appraisal report.

II Borrower Receipt of Appraisal

The lender shall ensure that the borrower is provided a copy of any appraisal report concerning the borrower's subject property promptly upon completion at no additional cost to the borrower, and in any event no less than three days prior to the closing of the loan. The borrower may waive this three-day requirement. The lender may require the borrower to reimburse the lender for the cost of the appraisal.

III Appraiser Engagement

A The lender or any third party specifically authorized by the lender (including, but not limited to, appraisal companies, appraisal management companies, and correspondent lenders) shall be responsible for selecting, retaining, and providing for payment of all compensation to the appraiser. The lender will not accept any appraisal report completed by an appraiser selected, retained, or compensated in any manner by any other third party (including mortgage brokers and real estate agents). The lender may accept an appraisal prepared by an appraiser for a different lender, including where a mortgage broker has facilitated the mortgage application (but not ordered the appraisal), provided the lender:

- (1) obtains written assurances that such other lender follows this Code of Conduct in connection with the loan being originated; and
 - (2) determines that such appraisal conforms to its requirements for appraisals and is otherwise acceptable.
- B All members of the lender's loan production staff, as well as any person
- (a) who is compensated on a commission basis upon the successful completion of a loan or
 - (b) who reports, ultimately, to any officer of the lender not independent of the loan production staff and process, shall be forbidden from
- (1) selecting, retaining, recommending, or influencing the selection of any appraiser for a particular appraisal assignment or for inclusion on a list or panel of appraisers approved to perform appraisals for the lender or forbidden from performing such work; and
 - (2) having any substantive communications with an appraiser or appraisal management company relating to or having an impact on valuation, including ordering or managing an appraisal assignment. If absolute lines of independence cannot be achieved as a result of the lender's small size and limited staff, the lender must be able to clearly demonstrate that it has prudent safeguards to isolate its collateral evaluation process from influence or interference from its loan production process.
- C Any employee of the lender (or if the lender retains an appraisal company or appraisal management company, any employee of that company) tasked with selecting appraisers for an approved panel or substantive appraisal review must be
- (1) appropriately trained and qualified in the area of real estate appraisals, and
 - (2) in the case of an employee of the lender, wholly independent of the loan production staff and process.

IV Prevention of Improper Influences on Appraisers

A In underwriting a loan, the lender shall not utilize any appraisal report:

(1) prepared by an appraiser employed by:

- a the lender;
- b an affiliate of the lender;
- c an entity that is owned, in whole or in part, by the lender; or
- d an entity that owns, in whole or in part, the lender.

(2) prepared by an appraiser

- a employed,
- b engaged as an independent contractor, or
- c otherwise retained by any appraisal company or any appraisal management company affiliated with, or that owns or is owned, in whole or in part by, the lender or an affiliate of the lender.

B Section IV.A. shall apply *unless*:

- (1) the appraiser or, if an affiliate, the company for which the appraiser works, reports to a function of the lender independent of sales or loan production;
- (2) employees in the sales or loan production functions of the lender have no involvement in the operations of the appraisal functions and play no role in selecting, retaining, recommending, or influencing the selection of any appraiser for any particular appraisal assignment or for inclusion on a list or panel of appraisers approved to perform appraisals for the lender or forbidden from performing such work;
- (3) employees in the sales or loan production functions of the lender are not allowed to have any substantive communications with an appraiser, appraisal company, or appraisal management company relating to or having an impact on valuation or to be provided information about which appraiser has been given a particular appraisal assignment before completion of that assignment;
- (4) the lender, or its agents, and any appraisal company or appraisal management company providing the appraisal to the lender do not provide the appraiser any estimated or target value of the property or the loan amount applied for (except that a copy of the sales contract for purchase transactions may be provided);
- (5) the appraiser's compensation does not depend in any way on the value arrived at in any appraisal or upon the closing of the loan for which the appraisal was completed;
- (6) the lender and any appraisal company or any appraisal management company providing the appraisal to the lender has adopted written policies and procedures implementing this Code of Conduct, including, but not limited to, adequate training and disciplinary rules on appraiser independence

(including the principles detailed in Part I of this Code of Conduct) and has mechanisms in place to report and discipline anyone who violates these policies and procedures;

- (7) the lender's appraisal functions are either annually audited by an external auditor or are subject to federal or state regulatory examination, and, unless prohibited by law, the lender promptly provides to Fannie Mae or Freddie Mac the results of any adverse, negative, or irregular findings of such audits and examinations indicating non-compliance with any provision of this Code of Conduct, whether or not the examination was conducted for the purpose of determining compliance with this Code of Conduct; and
 - (8) the lender and any entity described in section IV.A. providing the appraisal to the lender recognize that, once the Independent Valuation Protection Institute is established, the Institute will receive complaints for review and referral regarding non-compliance with the Code of Conduct. Referrals and reports shall be made to Fannie Mae and/or Freddie Mac regarding such complaints and the Institute will provide information on the results of complaint reviews to Fannie Mae and/or Freddie Mac and make them available to the other parties to the Home Value Protection Program and Cooperation Agreement.
- C In underwriting a loan, the lender shall not use an appraisal report prepared by an entity that is affiliated with, or that owns or is owned, in whole or in part by, another entity that is engaged by the lender to provide other settlement services, as that term is defined in the Real Estate Settlement Procedures Act, 12 U.S.C. § 2601 et seq., for the same transaction, *unless the entity that provides the appraisal:*
- (1) has adopted written policies and procedures implementing this Code of Conduct, including, but not limited to, adequate training and disciplinary rules on appraiser independence (including the principles detailed in this Code of Conduct) and has mechanisms in place to report and discipline anyone who violates these policies and procedures;
 - (2) recognizes that, once the Independent Valuation Protection Institute is established, the Institute will receive complaints for review and referral regarding non-compliance with the Code of Conduct. Referrals and reports shall be made to Fannie Mae and/or Freddie Mac regarding such complaints and the Institute will provide information on the results of its review of such complaints to Fannie Mae and/or Freddie Mac and make them available to the other parties to the Home Value Protection Program and Cooperation Agreement.

D Notwithstanding the requirements herein, the lender also may use in-house staff appraisers to:

- (a) order appraisals,
- (b) conduct appraisal reviews or other quality control, whether pre-funding or post-funding,
- (c) develop, deploy, or use internal automated valuation models, or
- (d) prepare appraisals in connection with transactions other than mortgage origination transactions (e.g. loan workouts), if it complies with the terms of this Code of Conduct.

E The provisions of this section do not apply to institutions (including non-banking institutions) that meet the definition of a “small bank” as set forth in 12 U.S.C. § 2908, and which Freddie Mae or Fannie Mae determines would suffer hardship due to the provisions, and which otherwise adhere to this Code of Conduct.

V The Independent Valuation Protection Institute

An Independent Valuation Protection Institute (Institute) shall be created as approved by the parties. Subject to section IX, when the Institute is established, the lender will provide information to appraisers and borrowers regarding the availability of the Institute's services, which are expected to include:

- (1) a telephone hotline and email address to receive any complaints of Code of Conduct non-compliance, including complaints from appraisers, individuals, or other entities concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process, which the Institute will review and report as provided in IV.B(8) and IV.C(2) of this Code of Conduct; and
- (2) the publication and promotion of best practices for independent valuation. The lender shall not retaliate, in any manner or method, against the person or entity that makes a complaint to the Institute.

VI Appraisal Quality Control Testing

The lender agrees that it shall quality control test, by use of retroactive or additional appraisal reports or other appropriate method, a randomly selected 10 percent (or other bona fide statistically significant percentage) of the appraisals or valuations that are used by the lender, including the results of automated valuation models, broker's price opinions, or “desktop” evaluations. The lender shall provide to Fannie Mae or Freddie Mac a report of any adverse, negative, or irregular findings of such quality control testing, and any findings indicating non-compliance with any provisions of this Code of Conduct, with respect to loans sold to Fannie Mae and Freddie Mac respectively, and the Enterprise may enforce all applicable rights and remedies, including requiring the lender to repurchase mortgages or the Enterprise's participation interest in mortgages.

VII Referrals of Appraisal Misconduct Reports

Any lender that has a reasonable basis to believe an appraiser or appraisal management company is violating applicable laws or is otherwise engaging in unethical conduct, shall promptly refer the matter to the applicable State appraiser certifying and licensing agency or other relevant regulatory bodies.

VIII Representations and Warranties

A lender shall certify, warrant, and represent that the appraisal report was obtained in a manner in compliance with this Code of Conduct. If the Enterprise determines, on its own or from a referral made by the Institute, that a lender is in breach of a material aspect of this Code of Conduct or in violation of a provision of the Code by a complaint referred from the Institute, the Enterprise will enforce all applicable rights and remedies, including suspension or termination of the lender's eligibility to sell loans to the Enterprise, if the lender fails to remediate.

IX Scope of Code

Nothing in this Code of Conduct shall be construed to establish new requirements or obligations that: (1) require a lender to obtain a property valuation, or to use any particular method for property valuation (such as an appraisal or automated valuation model) in connection with any mortgage loan or mortgage financing transaction; (2) affect the acceptable scope of work for an appraiser in connection with a particular assignment; or (3) require the lender or any third acting on behalf to take any action prohibited by federal or state law or regulation.

Exhibit 2- OCC 94-37

<p>OCC 94-37 Final Regulation June 7, 1994 Revised: 10/15/19</p>	<p>Summary and Explanation</p>
<p>APPRAISALS REQUIRED. An appraisal performed by a State certified or licensed appraiser is required for all real estate-related financial transactions except as follows:</p>	<p>All real estate-related financial transactions require an appraisal, prepared by a licensed or certified appraiser, except when an exemption applies.</p>
<p>EXEMPTIONS</p>	
<p>(1) Threshold. The transaction value is \$400,000 or less. EVALUATIONS ARE REQUIRED.</p>	<p>Transactions of \$400,000 or less do not require the services of a licensed or certified appraiser.</p> <p>CONSUMER DISCLOSURE ENCOURAGED. The agencies believe that a regulated institution should advise consumers whether the institution intends to have a licensed or certified appraiser prepare the estimate of value. This should be done early enough in the loan application process to allow the consumer to make an informed decision that the intended method of estimating the real estate's value meets his or her needs.</p>
<p>(2) Abundance of caution. A lien on real estate has been taken as collateral in an abundance of caution.</p>	<p>Real estate, taken as additional collateral or used as a basis for granting more favorable terms, is seen in its more traditional role as collateral protection.</p> <p>To use this exemption, the institution must document that the extension of credit is well supported by income or other collateral of the borrower and that the real estate is being taken as additional collateral.</p> <p>This regulation eliminates the narrow interpretations in the existing regulation and reduces unnecessary burden.</p>
<p>(3) Unsecured loans. The transaction is not secured by real estate.</p>	<p>When the institution has no security interest in the real estate, the underwriting decision does not rely on its value.</p>

OCC 94-37 Final Regulation June 7, 1994	Summary and Explanation
<p>(4) Lien not related to the real estate's value.</p> <p>A lien on real estate has been taken for purposes other than the real estate's value.</p>	<p>The lien ensures the institution has control over and access to non-real estate collateral, which may include a business operating as a going concern.</p> <p>This exemption allows lenders and customers to avoid an unnecessary expense for real estate appraisals when the real estate's value is not important to the underwriting decision.</p>
<p>(5) Business loans of \$1 million or less when repayment of the loan does not depend on the sale of real estate or rental income from real estate for repayment.</p> <p>The transaction is a business loan that:</p> <p>(i) Has a transaction value of \$1 million or less; and</p> <p>(ii) Is not dependent on the sale of, or rental income derived from, real estate as the primary source of repayment.</p> <p>EVALUATIONS ARE REQUIRED.</p>	<p>This exemption covers loans that meet three tests:</p> <ol style="list-style-type: none"> (1) The loan must be a business loan; (2) It must be for \$1 million or less; and, (3) The borrower's primary source of repayment cannot be from the sale of real estate or rental income derived from real estate. <p>These loans may NOT be personal loans or loans to consumers. The business loan definition, described below, must be used in applying this exemption.</p> <p>This exemption benefits small- and medium-sized businesses that may have been prevented from borrowing because of the cost of obtaining an appraisal.</p>
<p>(6) Certain lease transactions.</p> <p>A lease of real estate is entered into, unless the lease is the economic equivalent of a purchase or sale of the leased real estate.</p> <p>Operating leases, which are not equivalent to the purchase or sale of the leased property, do not require Title XI appraisals.</p>	<p>(This exemption is unchanged.)</p>

OCC 94-37 Final Regulation June 7, 1994	Summary and Explanation
<p>(7) Renewals, refinancings, and other subsequent transactions.</p> <p>The transaction involves an existing extension of credit at the lending institution, provided that:</p> <p>(i) There has been no obvious and material change in the market conditions or physical aspects of the property that threatens the adequacy of the institution's real estate collateral protection after the transaction, even with the advancement of new monies; or</p> <p>(ii) There is no advancement of new monies, other than funds necessary to cover reasonable closing costs.</p> <p>EVALUATIONS ARE REQUIRED.</p>	<p>The preamble offers detailed guidance on this exemption.</p> <p>Two classes of transactions are exempt from the appraisal requirement when renewed with the same institution. To apply the exemption the institution must:</p> <ol style="list-style-type: none"> (1) Focus on, and consider, the final effect of the decision to renew the transaction on the overall collateral protection the real estate affords. (This is a modification of the proposal.) (2) Provide only reasonable closing costs to an existing customer when renewing a transaction. (This was not addressed by the proposal.) <p>This exemption helps borrowers who renew transactions before their stated maturity, for example, those who refinance a residential mortgage to obtain a lower interest rate.</p>
<p>(8) Purchase, sale of loans; loans secured by an interest in real estate, etc.</p> <p>The transaction involves the purchase, sale, investment in, exchange of, or extension of credit secured by, a loan or interest in a loan, pooled loans, or interests in real property, including mortgage-backed securities and each loan or interest in a loan, pooled loan, or real property interest met the OCC's regulatory requirements for appraisals at the time of origination.</p>	<p>Institutions can buy, sell, invest in, and extend credit secured by, notes secured by real estate or interests in real estate IF, when the loan was originated, an appraisal was obtained that met existing regulatory requirements.</p> <p>An institution may assume that the underlying loans in a mortgage-backed security had proper appraisals IF the issuer has made a public statement to that effect, such as in a prospectus.</p> <p>An institution also may use audit and sampling techniques to verify a seller's representations and warranties.</p> <p>This exemption supports the secondary market for loans.</p>

OCC 94-37 Final Regulation June 7, 1994	Summary and Explanation
<p>(9) Government insured or guaranteed loans.</p> <p>The transaction is wholly or partially insured or guaranteed by a United States government agency or United States government sponsored agency.</p>	<p>Additional appraisal requirements are unnecessary for these loans because they are either wholly or partially insured or guaranteed by a United States government entity.</p>
<p>(10) Loans sold to Fannie Mae, Farmer Mac Freddie Mac, for example.</p> <p>The transaction either:</p> <p>(i) Qualifies for sale to a United States government agency or a United States government sponsored agency; or</p> <p>(ii) Involves a residential real estate transaction in which the appraisal conforms to the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation appraisal standards applicable to that category of real estate.</p>	<p>This exemption covers loans that are intended to be sold to government entities, as well as transactions that qualify for sale to them.</p> <p>It also covers real estate loans supported by appraisals that meet the appraisal standards of Fannie Mae or Freddie Mac, such as loans for multifamily housing and jumbo mortgages.</p> <p>The preamble contains a list of government-sponsored agencies</p>
<p>(11) Transactions by regulated institutions as fiduciaries.</p> <p>The regulated institution is acting in a fiduciary capacity and is not required to obtain an appraisal under other law.</p>	<p>Trust transactions do not require Title XI appraisals.</p> <p>When fiduciary transactions require an appraisal under some other law, the appraisal should conform to this regulation.</p>
<p>(12) Appraisals are unnecessary to protect federal financial and public policy interests or safety and soundness of financial institutions.</p>	<p>The OCC determines that the services of an appraiser are not necessary to protect federal financial and public policy interests in real estate-related financial transactions or to protect the safety and soundness of the institution.</p> <p>This exemption gives the agencies flexibility to make supervisory and regulatory decisions about future real estate transactions not envisioned by this regulation.</p>

OCC 94-37 Final Regulation June 7, 1994	Summary and Explanation
OTHER ASPECTS	
<p>Business loan definition:</p> <p>Business loan means a loan or an extension of credit to any corporation, general or limited partnership, business trust, joint venture, pool, syndicate, sole proprietorship, or other business entity.</p> <p>Loans to individuals or consumer loans do not qualify as business loans.</p> <p>Evaluations required:</p> <p>For a transaction that does not require the services of a State certified or licensed appraiser, under paragraphs (a)(1), (a)(5), or (a)(7) of this section, the institution shall obtain an appropriate evaluation of real property collateral that is consistent with safe and sound banking practices.</p>	<p>Although loans below the threshold, business loans of \$1 million or less, and renewals do not require appraisals under Title XI, they require evaluations for safety and soundness reasons.</p> <p>An evaluation provides a general estimate of value and the information needed to make a prudent underwriting decision.</p> <p>The content and form of evaluations vary for different transactions. Institutions have discretion, within safe and sound banking practice, to determine the content and form of an evaluation.</p> <p>An institution may use its lending personnel to prepare evaluations if it establishes safeguards adequate to assure the integrity of the evaluation process.</p>
<p>Appraisals to address safety and soundness concerns:</p> <p>The OCC reserves the right to require an appraisal under this subpart whenever the agency believes it is necessary to address safety and soundness concerns.</p>	<p>This provision confirms the agencies' authority to require appraisals for a transaction that would otherwise be exempt under the appraisal regulation. This allows them to address safety and soundness concerns.</p> <p>This provision will be applied on a case-by-case basis to address real estate underwriting problems in individual institutions.</p>

OCC 94-37 Final Regulation June 7, 1994	Summary and Explanation
<p>Minimum appraisal standards - For federally related transactions, all appraisals shall, at a minimum:</p> <p>(a) Conform to generally accepted appraisal standards as evidenced by the Standards of Professional Appraisal (USPAP) promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation unless principles of safe and sound banking require compliance with stricter standards;</p> <p>(b) Be written and contain sufficient and analysis to support the institution's decision to engage in the transaction;</p> <p>(c) Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;</p> <p>(d) Be based upon the definition of market value as set forth in this subpart; and</p> <p>(e) Be performed by State licensed or certified appraisers in accordance with requirements set forth in this subpart.</p>	<p>The final rule retains five appraisal standards, deletes nine regulatory appraisal standards, and restores the use of the Departure Provision of the USPAP. It also retains a modified version of the deductions and discounts appraisal standard.</p> <p>To minimize technical conflicts between the appraisal regulation and the USPAP, bankers, and appraisers, the USPAP is referred to in, but is not part of, the final regulation. (This was Alternative III in the proposed rule.) References should be assumed to be to the most current edition of the USPAP.</p> <p>Institutions must ensure that written appraisal reports contain sufficient information and analysis to support lending decisions.</p> <p>Every appraisal must report the real estate collateral's market value as defined in this regulation.</p> <p>Appraisals also may include prospective values, based on projected events such as ongoing development, lease-up, stabilized occupancy, etc., to help the institution fulfill underwriting and loan monitoring requirements. In such cases, the appraisal must clearly identify any prospective value, describe the expected event, and provide the projected date on which the event is expected to occur. Prospective values are normally used when underwriting an acquisition, development and construction (ADC) real estate loan, not a loan secured by an existing home.</p> <p>The ASB is amending the USPAP, effective July 1, 1994. Some of the pending appraisal reporting changes may not be appropriate to underwrite a real estate transaction, but may be appropriate to monitor a loan on an ongoing basis. The OCC will revise its appraisal and evaluation guidelines to address these issues in detail.</p>

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OCC 94-37 Final Regulation June 7, 1994	Summary and Explanation
Appraiser independence.	
<p>(b) Fee appraisers.</p> <p>(1) If an appraisal is prepared by a fee appraiser, the appraiser shall be engaged directly by the regulated institution or its agent, and have no direct or indirect interest, financial or otherwise, in the property or the transaction.</p> <p>(2) A regulated institution also may accept an appraisal that was prepared by an appraiser engaged directly by another financial services institution, if:</p> <p>(i) The appraiser has no direct or indirect interest, financial or otherwise, in the property or the transaction; and</p> <p>(ii) The regulated institution determines that the appraisal conforms to the requirements of this subpart and is otherwise acceptable.</p>	<p>A regulated institution may accept an appraisal prepared by an appraiser engaged directly by another financial services institution, subject to three conditions:</p> <p>(i) the appraiser can have no interest in the property or the transaction;</p> <p>(ii) the appraisal must conform to this regulation; and</p> <p>(iii) the "accepting institution" must deem the appraisal acceptable.</p> <p>Institutions must select and directly engage the appraiser. Appraisals ordered by, or prepared for, a borrower cannot be used to support a federally regulated transaction. This requirement insulates appraisers from potential borrower influence and precludes a borrower from contacting an appraiser and contracting for an appraisal in the name of a regulated institution.</p> <p>An appraiser cannot have a direct or indirect interest, financial or otherwise, in the transaction or the property. This part of the regulation is more restrictive than the USPAP.</p>

Exhibit 3 - Bank Approved Appraisers List

**APPROVED REAL ESTATE APPRAISERS FOR
FIRST NATIONAL BANK NORTHWEST FLORIDA**

Updated: February 2020

Management has thoroughly reviewed the qualifications of local area appraiser. Under new guidelines, all approved appraisers must be state certified. Listed below are the recommended appraisers and the type of appraisal work that we have qualified to be acceptable to our bank.

Approved for

A.C. Watson Appraisal Company

Alexis C. Watson, MAI, SRA
512 Florida Avenue or P. O. Box 1035
Lynn Haven, Florida 32444
(850) 785-3971
(850) 769-0239 Fax
E-mail: acwatson@knology.net

Commercial and Residential
(No Hotels)

Allaire Community Management Services, Inc. (fka Appraisal House)

Timothy Allaire
State-certified Residential Real Estate Appraiser
714 Overbrook Drive
Ft. Walton Beach, Florida 32547
(850) 862-2465 Fax
(850) 642-1572 (Cell-Tim)
E-mail: timallaire@cox.net

Residential

Appraisal Associates of NW Florida dba The Hutchison Group, LLC

William R. Hutchison, Jr.
State-certified Residential Real Estate Appraiser
12598 Emerald Coast Parkway, Suite 204
Miramar Beach, FL 32550
(850) 654-0810
e-mail: bobbyh@hutchoffices.com

Residential

(Walton, Okaloosa)

Appraisal Corporation of the South, Inc.

L. Michael Day
State-certified Residential Real Estate Appraiser
Roby A. Beal, Jr., SRA
State-certified General Real Estate Appraiser

Residential

Residential (Santa Rosa &
Okaloosa)

Real Estate Appraisal Policy

Clayton, Roper & Marshall

Steven L. Marshall, MAI, SRA
246 N. Westmonte Drive
Altamonte Springs, FL 32714
Phone (407) 772-2200 x314
Fax (407) 772-1340
E-mail: smarshall@crmre.com

Commercial

Coastal Appraisal Services, Inc.

Joan Altenpohl, MAI, CCIM
6618 Gulf Drive
Panama City Beach, Florida 32408
(850) 230-3668 Office
(850) 624-3668 Cell
(850) 234-3666 Fax
E-mail: joan@coastalgroup.com

Commercial and Residential
(If Form 1004UAD needed, let her
know when getting quote)

Cowart Hospitality Services, LLC

Adam Cowart, MAI
3536 Independence Drive
Birmingham, AL 35209
(205) 382-0616
E-mail: adamcowart@cowarthospitality.com

Commercial
(Hotel/Motel Only)

Cureton Johnson & Associates, LLC

W.R. "Chip" Johnson, MAI
1358 Thomaswood Drive
Tallahassee, FL 32308
Phone (850) 386-3720
Fax (850) 385-7626
E-mail: cjohnson@cureton-johnson.com

Commercial and Residential

Dodson Appraisals, LLC

William C. Dodson
State-certified Residential Real Estate Appraiser
8205 Alabama Avenue
Port St. Joe, FL 32456
(850) 647-3367 Fax
(850) 227-4030
E-mail: bdodson@mchsi.com

Residential

Real Estate Appraisal Policy

EquiLink Appraisal Company

Cory Woods, SRA Residential
State-certified General Real Estate Appraiser
Kara Ellen Woods Residential
State-certified Residential Real Estate Appraiser

P. O. Box 16645
Panama City, Florida 32406
(850) 747-0001
(850) 747-0410 Fax
(850) 819-1972 Cell (Cory)
E-mail: equilink.appraisal@gmail.com

EquiValue Appraisal

Jason Shirey, MAI, CCIM, CPM Commercial and Residential
P. O. Box 5326 (Pensacola to Apalachicola)
Destin, FL 32540
4507 Furlong Lane
The Plaza Suite 114
Destin, FL 32541
(850) 424-6119
(888) 774-4503 FAX
(850) 543-5953 Cell (Jason)
E-mail: jshirey@equivalueinc.com

Fruitticher – Lowery Appraisal Group

Tom Fruitticher, MAI Commercial and Residential
Rodger K. Lowery, MAI Ext. 101 Commercial and Residential
3000 Langley Avenue, Suite 402
Pensacola, FL 32504
Phone (850) 477-0419
Fax (850) 477-7931
E-mail: tom@flag1.net (Tom Fruitticher)
rlowery@flag1.net (Rodger Lowery)

Giles Appraisal Group

Donald J. Giles, MAI, SRA Ext. 101 Commercial and Residential
Fred M. Keller, Jr., MAI, SRPA Ext. 111 Commercial
Rhonda J. Giles Ext. 106 Residential
State-certified Residential Real Estate Appraiser
302 Wood Trail

Panama City, Florida 32405
(850) 769-6593

E-mail: dgiles@gilesappraisal.com (Don Giles)
fkeller@gilesappraisal.com (Fred Keller)

Harbeson Agency, Inc.

Chris McLeaish Residential
State-certified General Real Estate Appraiser
29-A SW Miracle Strip Parkway
Ft. Walton Beach, Florida 32548

(850) 244-1188
(850) 244-5385 Fax
E-mail: cmmcleaish@embarqmail.com

Humphrey and Associates, Inc

Bruce B. Humphrey, MAI, JD Commercial
James Marth Residential
State-certified General Real Estate Appraiser

Jacksonville Office –
1031 LaSalle Street
Jacksonville, FL 32207
(904) 346-1944
(904) 346-1945 Fax
(904) 708-6966 Cell (James Marth)
Email: jmarth4@gmail.com. (James Marth)
maijd@msn.com (Bruce Humphrey)

Pitts Appraisal Technology, Inc.

Jeff L. Pitts Residential
State-certified Residential Real Estate Appraiser
1520 Massachusetts Avenue
Lynn Haven, FL 32444
(850) 258-5960
Email: apprtech67@gmail.com

Presley – McKenney & Associates, Inc.

M. E. (Eugene) Presley, MAI, SRA Commercial &
Residential
P. O. Box 329 (All counties in Panhandle)
Pensacola, FL 32591

Real Estate Appraisal Policy

or
913 Gulf Breeze Parkway, Suite 30,
Gulf Breeze, FL 32561

Phone (850) 916-7066
Fax (850) 916-7066
Cell (850) 602-1815
E-mail: epappraise@aol.com

Southern Values, Inc.

Michael L. Carroll, MAI, SRA Commercial and Residential
Jim Kochevar Residential
State-certified Residential Real Estate Appraiser

725 East 24th Plaza
Panama City, Florida 32405
(850) 769-3535
(850) 769-3595 Fax
E-mail: southernvalues@comcast.net
JimKochevar1@gmail.com (Jim Kochevar)

Teel & Waters

Appraisal Division
Randy G. Bracewell Residential (Commercial &
State-certified General Real Estate Appraiser
vacant land)
Beverly B. Schmitt Residential (Okaloosa & Walton)
State-certified Residential Real Estate Appraiser
499 N. Ferdon Boulevard / P.O. Box 638
Crestview, Florida 32536
(850) 682-6156
(850) 682-3321 Fax
(850) 585-8755 Cell (Randy Bracewell)
(850) 585-8743 Cell (Beverly Schmitt) (850) 622-9508 Fax (Beverly at Home)
E-mail: randy@crestviewhomes.com (Randy)
bevfsu2@gmail.com (Beverly)

Tommy Sholes, Inc.

Carol S. Stafford Residential
State-certified Residential Real Estate Appraiser (Destin & Miramar
Bch, not FWB)
3812 W. County Hwy 30-A
Santa Rosa Beach, FL 32459

(850) 267-3242
(850) 267-2867 Fax
(850) 585-2932 (Cell)
E-mail: carol@graytonbeach.com

Witham Appraisal Services, Inc

Gary P. Witham, SRA Residential
State Certified General Real Estate Appraiser
215 West 11th Street
Panama City, FL 32401
(850) 763-4001
(850) 763-9188 Fax
E-mail: withamappraisal@comcast.net
withamapprgary@comcast.net (Gary)

Wood & Associates Appraisal Corp.

Steven M. Wood Residential
State-Certified Residential Appraiser
75 1st Avenue
Shalimar, FL 32579
(850) 974-3648
E-mail: stevenwood@ymail.com

*****Commercial appraisals must be signed by an MAI.**

Exhibit

APPRAISAL REVIEW

Date of Review: _____ **Date of Appraisal:** _____

Officer: _____

Customer Name: _____

Property Address: _____

Appraisal Firm: _____

Appraiser: _____

Market Value: _____

	High		Avg		Low
APPRAISAL OPINION RATING	5	4	3	2	1
Completeness of the report	()	()	()	()	()
Apparent accuracy & relevance of data	()	()	()	()	()
Appropriate appraisal methods & techniques	()	()	()	()	()
Analysis, opinions & conclusions appropriate & reasonable	()	()	()	()	()

Was the appraisal received in sufficient time to be analyzed prior to loan closing? YES NO
() ()

Does the appraisal prominently state that it is a:

Self-Contained (Complete) Appraisal Report () ()

Summary Appraisal Report () ()

Restricted (Limited) Appraisal Report () ()

Uniform Residential Appraisal Report () ()

Appraisal met 5 conditions of Engagement Letter as follows: YES NO

- 1) Conforms to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (“USPAP”) promulgated by the Appraisal Standards Board of the Appraisal Foundation unless principles of safe and sound banking required compliance with stricter standards () ()
- 2) Be written and contain sufficient information and analysis to support the institution’s decision to engage in the transaction. (Report is acceptable under the appraisal regulations only if the appraisal report contains sufficient information and analysis to support institution’s decision to engage in the transaction.) () ()
- 3) Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units; () ()

This standard is designed to avoid having appraisals prepared using unrealistic assumptions and inappropriate methods. The appraisal is to include the current market value of the property in its actual physical condition and subject to the zoning in effect as of the date of the appraisal. For properties where improvements to be constructed or rehabilitated, the Bank may also request a prospective market value based on stabilized occupancy or a value based on the sum of retail sales. However, the sum of retail sales for a proposed development is not the market value of the development for the purpose of the appraisal regulations. For proposed developments that involve the sale of individual houses, units, or lots, the appraiser must analyze and report appropriate deductions and discounts for holding costs, marketing costs and entrepreneurial profit. For proposed and rehabilitated rental developments, the appraiser must make appropriate deductions and discounts for items such as leasing commission, rent losses, and tenant improvements from an estimate based on stabilized occupancy.

- 4) Appraisal based upon the definition of market value set forth in the appraisal regulations. Each appraisal must contain an estimate of market value, as defined by the appraisal regulations. () ()
- 5) Appraisal performed by State-licensed or certified appraisers in accordance with requirements set forth in the appraisal regulations. () ()

IF NO, LIST EXCEPTIONS & CORRECTIVE ACTIONS:

RECOMMENDATION: (Accept, Return, Reject) _____

COMMENTS:

First National Bank Northwest Florida Management Interlocks/Management Succession Policy

POLICY STATEMENT

Management Interlocks

It is the policy of First National Bank Northwest Florida to comply with the Depository Institution Management Interlocks Act implemented the Office of the Comptroller of the Currency, 12 CFR 26. It is our further intent to have an adequate management succession program in place to ensure the continuity of our banking business.

The general purpose of the act is to foster competition. Our bank officials are prohibited from serving simultaneously with two unaffiliated depository institutions or their holding companies.

A management official is:

- A director, an advisory or honorary director of a depository institution with total assets of \$100 million or more
- A senior executive officer
- A branch manager
- A trustee of a depository organization under the control of trustees
- Any person who has a representative or nominee serving in such capacity

Specifically, management interlocks are prohibited between:

- Unaffiliated depository institutions, regardless of size, if each organization has an office in the same community.
- Unaffiliated depository organizations that have an office in the same relevant metropolitan statistical area (RMSA) or other community if their share of deposits in the RMSA or community is more than 20 percent. There is an exception to this provision for small institutions with assets of \$50 million or less.
- An unaffiliated depository institution with assets of \$2.5 billion and another depository institution with assets of \$1.5 billion or more.

An exemption is available for organizations if dual service would not result in a monopoly or substantial lessening of competition and would not otherwise threaten safety and soundness. Certain categories of depository institutions will be entitled to a rebuttable presumption, including newly chartered organizations, troubled institutions, organizations in low- or moderate-income areas, and organizations controlled or managed by minorities or women.

Management Succession

It is the policy of First National Bank Northwest Florida to have identified a successor for the chairman of the board (COB), the President/Chief Executive Officer (CEO), the Chief Operating Officer (COO)/Chief Credit Officer (CCO), the Chief Financial Officer (CFO), the IT/IS/Cyber Officer, and the position of branch manager and other senior officers.

Al P Qualls Jr. is the chairman of the board. The board has named Angie M Barger as his designated successor. If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), Al P Qualls Jr. is unable to serve as chairman, then Angie M Barger will immediately and automatically become temporary chairman of the board and will continue to serve as temporary chairman until the board takes further action.

Angie M Barger is the bank's President/Chief Executive Officer (CEO); AL P Qualls Jr. is the Chairman of the Board (COB). Al P. Qualls Jr. has been designated by the board as the person to serve as President/CEO during temporary absences of Angie M Barger. If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), Angie M Barger is unable to continue as President/CEO, then Al P. Qualls Jr. will immediately and automatically become the bank's acting President/CEO and will remain the acting President/CEO until the board takes further action.

Kim M. Johns is the bank's Chief Operating Officer (COO) & Chief Credit Officer (CCO), Angie M Barger is the President/Chief Executive Officer (CEO). Angie M Barger has been designated by the board as the person to serve as COO & CCO during temporary absences of Kim M Johns. If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), Kim M Johns is unable to continue as COO & CCO, then Angie M Barger will immediately and automatically become the bank's acting COO & CCO, [together with the support of G. Marty Perrett, VP](#), and will remain the acting COO & CCO until the board takes further action.

Barbara A McCullough is the bank's Chief Financial Officer (CFO); Angie M Barger is the President/Chief Executive Officer (CEO). Angie M Barger has been designated by the board as the person to serve as CFO during temporary absences of Barbara A McCullough. If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), Barbara A McCullough is unable to continue as CFO, then Angie M Barger will immediately and automatically become the bank's acting CFO, [together with the support of Corissa Oyler, Bookkeeping/Accounting Manager](#), until the board takes further action.

Brent Brown is the bank's IT/IS/Cyber Officer. Steven Dvorak (Credit Administrator, BSA/CRA/OFAC Officer) has been designated by the board as the person to serve as the IT/IS/Cyber Officer with the support of Corissa Oyler, Network Administrator, together with Donnie Qualls, Network Operations Assistant, during temporary absences of Brent Brown. If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), Brent Brown is unable to continue as

IT/IS/Cyber Officer, then Steven Dvorak, with the support of Corissa Oyler together with Donnie Qualls, will immediately and automatically become the bank's acting IT/IS/Cyber Officer, and will remain the acting IT/IS/Cyber Officer until the board takes further action.

Similarly, the board has approved the following branch manager and senior officer succession:

If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), a branch manager is unable to continue as branch manager, then any officer may immediately and automatically become the bank's acting branch manager at the discretion of executive management and will remain the acting branch manager until executive management or the board takes further action.

If, due to unforeseen circumstances (such as accident, illness, death, resignation, board action, etc.), a senior officer is unable to continue as senior officer, then any officer may immediately and automatically become the bank's acting senior officer at the discretion of executive management and will remain the acting senior officer until executive management or the board takes further action.

Each designated successor serves in an acting capacity until the board designates otherwise.

Nothing in this policy shall prevent the board from taking whatever personnel actions it deems appropriate in consultation with the human resources department and others as advisable, including but not limited to outside or house counsel.

The board of directors will approve and adopt this policy annually.

First National Bank Northwest Florida

Anti-tying Policy

POLICY STATEMENT

It is the policy of First Northwest Holding Company and First National Bank Northwest Florida to comply with the requirements of section 106(b) of the Bank Holding Company Act Amendments of 1970, which prohibits banks from tying a product or service to another product or service of the bank or of any of its affiliates. Section 106(b) of the Bank Holding Company Act defines the affiliate as any company or natural person that controls the bank and any company that is controlled by such company or person (other than the bank itself).

The board of directors has established this policy to ensure that the bank does not engage in a tying arrangement where a customer is required to purchase a product or service as a condition of obtaining another product or service.

Specifically, the bank will refrain from the following prohibited transactions:

- Conditioning the extension of credit or the reduction of the price of credit on the customer's purchase of credit-related insurance from the bank. The consumer credit insurance disclosure rule also requires a special "anti-coercion" notice when soliciting insurance from credit applicants.
- Conditioning the extension of credit on the customer's use of obtaining securities underwriting services from the bank's "section 20" affiliate.
- Conditioning the extension of credit on the customer's use of payroll and other data processing services from the bank's affiliate.
- Conditioning the extension of credit on the customer's purchase of other real estate owned (REO) from the bank.

EXCEPTIONS TO TYING RESTRICTIONS

Regulation Y contains exceptions to the antitying restrictions of section 106 of the Bank Holding Company Act. According to the statute, our bank may:

- Extend credit, lease or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition or requirement that a customer:
 - Obtain a loan, discount, deposit, or trust service from an affiliate of the bank
 - Provide to an affiliate of the bank some additional credit, property, or service that the bank could require to be provided to itself

FINANCIAL SUBSIDIARIES EXEMPTIONS

In most cases, the restrictions in section 106(b) of the Bank Holding Company Act apply to tying arrangements by our subsidiaries in the same manner as they apply to our bank. However, if we have financial subsidiaries, they are exempt from this rule. A financial subsidiary is a special type of subsidiary allowed by the Gramm-Leach-Bliley Act (GLBA) that allows our bank to create subsidiary companies that engage in activities that our bank cannot engage in directly. For example, a financial subsidiary may be in the business of securities underwriting. These types of subsidiaries are subject to general antitrust rules but not subject to antitying rules.

SAFE HARBOR FOR COMBINED-BALANCE DISCOUNTS

We may also vary the consideration for any product or package of products based on a customer's maintaining a combined minimum balance in certain eligible products specified by our bank, if:

- We offer deposits, and all such deposits are eligible products
- Balances in deposits count at least as much as nondeposit products toward the minimum balance

SAFE HARBOR FOR FOREIGN TRANSACTIONS

We may engage in any transaction with a customer if that customer is a corporation, business, or other person (other than an individual) that:

- Is incorporated, chartered, or otherwise organized outside the United States
- Has its principal place of business outside the United States, or is an individual who is a citizen of a foreign country and is not resident in the United States

EXAMPLES OF ARRANGEMENTS THAT ARE ALLOWED

- Cross-selling our products and services or the products and services of our affiliates
- Requiring, as a condition of the loan, that our customers obtain financial advice from an unrelated third party in an effort to improve their financial condition
- Providing reduced charges for customers who obtain trust services from our bank or an affiliate
- Providing reduced pricing of securities brokerage services that are obtained from a broker/dealer affiliate for customers who obtain loans or credit from the bank

COMPLIANCE

The compliance officer is responsible for ensuring implementation of procedures to comply with the anti-tying regulations. The compliance officer, in conjunction with appropriate department managers, will develop procedures to ensure compliance. The compliance officer (or the bank's legal counsel) will answer employees' or customers' questions relating to this regulation.

Employees should direct all customer complaints/questions about the bank's policies regarding this regulation to the compliance officer who will forward to appropriate officer for resolution.

First Northwest Holding Company and First National Bank Northwest Florida are prohibited from taking adverse action against a customer

because the customer has submitted a complaint to the bank or a federal banking agency alleging a violation of the anti-tying regulations by our bank.

TRAINING

All employees will be generally trained on compliance with the anti-tying regulations. In particular, employees in the following departments will receive in-depth training on these rules:

- Marketing and product development
- Correspondent banking
- Commercial loans
- Retail and private banking

AUDIT PROGRAM

The Internal Auditor will audit for compliance with this regulation at least once a year. The audit program will include at a minimum:

- Review of anti-tying policies, procedures, and internal controls
- Review of customer credit files for loan agreements or other documents that place conditions or restrictions on borrowers and might indicate tying
- Review of leases, insurance policies, and consulting agreements for antitying violations
- Interviews with loan officers, lease officers, and other customer contact personnel about their knowledge of the bank's policy and the law
- Review of securities-related activities, including underwriting and dealing in municipal and government securities
- Evaluation of the adequacy and effectiveness of the training program
- Review of cross-selling procedures and practices

The board of directors will approve and adopt this policy annually.

First National Bank Northwest Florida Compliance Program Policy— No Committee Structure

POLICY STATEMENT

The board of directors of First National Bank Northwest Florida is committed to serving the public on a fair and nondiscriminatory basis and to being a major force in the development of the bank's local community.

To achieve this, it is necessary that the bank be in compliance with all applicable consumer protection laws at all times. Therefore, the board of directors has appointed Denise Bunes, Internal Auditor as compliance officer to manage consumer compliance risk for the bank.

The board of directors is responsible for overall bank compliance with consumer protection statutes; however, the compliance officer is responsible for the day-to-day management of the function. The compliance officer will report directly to the board of directors concerning compliance reviews of bank functional areas, regulatory examination reports and answers to those reports, impact of new or changes to existing regulations, and general compliance issues and concerns. Specifically, the compliance manager is responsible for:

- Maintaining current copies of applicable compliance statutes, regulations, and interpretations
- Maintaining proficient knowledge of applicable compliance statutes, regulations, and interpretations
- Formulating and updating bank policies and procedures to maintain bank compliance with applicable compliance statutes, regulations, and interpretations
- Assisting senior managers and board of directors in assessing the bank's overall risk for compliance violations and implementing a program commensurate with that risk
- Coordinating the training of bank personnel on bank compliance policies and procedures
- Monitoring consumer complaints
- Maintaining an ongoing review program of bank compliance

The compliance officer will inform department officers of all policies and procedures necessary to maintain compliance with consumer protection statutes. Department officers/managers will implement all necessary policies and procedures.

The compliance officer and the board of directors are responsible for ensuring that the bank is in compliance with the following regulations (see [Appendix A](#) for a review of these regulations):

- Laws and regulations affecting lending:
 - Interest on loans
 - Truth-in-Lending Act (Regulation Z)
 - Equal Credit Opportunity Act (ECOA) (Regulation B)
 - Regulation AA (Credit Practices Rule)
 - Fair Credit Reporting Act
 - Fair Debt Collection Practices Act
 - Consumer insurance disclosures
 - Servicemember Civil Relief Act (SCRA)
 - Department of Defense (DoD) rules for certain loans to servicemembers
 - Military Lending Act (MLA)
- Additional laws and regulations affecting securities lending:
 - Margin stocks (Regulation U)
 - Securities Exchange Commission (SEC) Rule 17f-1
- Additional laws and regulations affecting real estate lending:
 - Flood Disaster Protection Act
 - Real Estate Settlement Procedures Act, (RESPA) (Regulation X)
 - Fair Housing Act
 - Real estate appraisal requirements

 - Home Mortgage Disclosure Act (HMDA) (Regulation C)
 - Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act)

 - Homeownership counseling notice requirement
- Laws and regulations affecting deposit accounts:
 - Interest on deposits/reserve requirements (Regulations Q and D)
 - Expedited Funds Availability Act (EFAA) (Regulation CC)
 - Electronic Fund Transfer Act (EFTA) (Regulation E)
 - Truth-in-Savings Act (Regulation DD)
 - Reserve requirements (Regulation D)
 - Garnishment of accounts containing federal benefit payments

- Laws and regulations affecting cash transactions/money laundering and terrorism:
 - Bank Secrecy Act (BSA)/OFAC
- Laws and regulations affecting customer privacy:
 - Right to Financial Privacy Act
 - Privacy of Consumer Financial Information (Regulation P)
- Laws and regulations affecting bank insiders:
 - Insider lending (Regulation O)
 - Affiliate transactions (Regulation W)
- Community reinvestment:
 - Community Reinvestment Act (CRA)
- Other laws and regulations:
 - Federal Trade Commission (FTC) trade regulations
 - Federal deposit insurance regulations
 - Bank security regulations

The compliance officer is responsible for researching new consumer protection statutes and/or regulations and changes to existing laws and/or regulations. To achieve compliance, all correspondence from regulatory agencies and other sources regarding compliance will be directed to the risk officer to implement new procedures.

The compliance officer will review and analyze regulatory correspondence to determine what action, if any, is required by the bank. If changes are required, the board of directors directs the risk officer to implement the required changes, including a training program for affected bank personnel.

New procedures will be reviewed with appropriate personnel at one or more meetings. The compliance officer will retain and make available upon request by the board attendance rosters of all such meetings. Reports of training completed are a part of the compliance officer's ongoing reports on the status of compliance within the bank.

Compliance Training Program

The Compliance Officer, in conjunction with the HR Manager and line managers, will develop a training program on all new regulations and changes to existing regulations necessary to ensure compliance. The Compliance Officer will coordinate the training of appropriate bank personnel with the appropriate line manager to correct violations found as a result of examinations and other reviews.

The Compliance Officer, HR Manager, and the employee's immediate supervisor will oversee training of new personnel in the necessary compliance areas. A sample schedule of training for new employees is attached as Appendix B to this document.

When training of employees is required, the compliance officer will establish procedures necessary for implementation.

Ongoing Review Program

The board of directors is responsible for maintaining ongoing reviews of bank compliance. The Compliance Officer/Internal Auditor will develop a schedule of areas to be covered by each review. The compliance officer will conduct monthly reviews and will forward the results to the board of directors.

Appendix C describes how to prepare for a regulatory compliance audit.

The compliance review schedule for the next 12 months is part of the Internal Auditors Schedule submitted each December to the board or directors for the coming year.

This policy will be reviewed and approved by the board of directors annually.

Appendix A Compliance Regulations

First National Bank Northwest Florida is a chartered bank and a business entity in the State of Florida. As a result, the bank is subject to the Federal Reserve Act and regulations, other federal laws and regulations, and the laws of the State of Florida.

There are numerous regulations concerned with the granting of credit, and it is the policy of this bank to be in compliance with all of these rules and regulations. The purpose of this appendix is to briefly review the major regulations concerned with lending and other related areas. It should be understood that this is not a complete review, but simply a highlight of the regulations. For this reason, before an employee may take a credit application or grant credit, the employee should make sure that he or she knows and understands the regulations reviewed in this appendix and is familiar with these procedures.

LAWS AND REGULATIONS AFFECTING LENDING

Interest on Loans

The maximum interest rates the bank can charge on loans is governed by federal or state law for many types of loans. It is important for bank lending personnel to be familiar with the Florida statutes on usury.

Regulation Z — Truth-in-Lending Act (12 CFR 1026, 15 USC 1601)

Regulation Z has rules for disclosing closed-and open-end credit. It also has special rules for disclosing private education loans. It also includes special rules for servicing mortgage loans secured with the consumer's principal dwelling and for resolving errors on open-end credit.

Regulation Z also contains rules regarding the independence of real estate appraisers, compensation for loan originators, and underwriting criteria for certain mortgage loans.

Regulation Z also governs the advertisement of loans. In particular, the regulation requires that advertisements for loans include a disclosure of a number of loan terms if the advertisement describes certain "trigger terms," (i.e., terms that require the disclosure of additional terms of the loan).

Regulation B — Equal Credit Opportunity Act (12 CFR 1002, 15 USC 1691)

Regulation B implements the provisions of the Equal Credit Opportunity Act, which prohibits discrimination on any loan on the basis of race, color, religion, national origin, sex, marital status, age, the receipt of public assistance benefits, or the exercise of rights given the applicant under the Consumer Credit Protection Act. Discrimination is defined as treating an applicant less favorably than other applicants.

The act and the regulation cover every aspect involved in the granting of credit to customers, including advertising, applicants, credit investigation, evaluation and extension of credit, informing the applicant of the approval or rejection of credit, and the reporting and retention of credit information.

Regulation AA — Credit Practices Rule (12 CFR 227)

The Federal Reserve Board (Fed) adopted the Credit Practices Rule, Regulation AA, to implement section 5(a)(1) of the Federal Trade Commission Act, 15 USC 45(1)(1). This regulation defines unfair or deceptive acts or practices of banks in connection with extensions of credit to consumers.

Under Regulation AA, financial institutions are prohibited from imposing certain terms in consumer credit contracts. These include a prohibition on confession of judgment clauses, limitations on waivers of a consumer's exemption of property from judgment, limitations on assignments of a consumer's wages, and limitations on security interests in a consumer's household goods. It also prohibits imposing late charges on loan payments when the only delinquency is due to unpaid late charges assessed on earlier payments.

The regulation also requires that cosigners on a consumer loan be given a specific notice regarding their liability on the loan as a cosigner or guarantor.

Fair Credit Reporting Act (15 USC 1681) (12 CFR 1022)

The purpose of the Fair Credit Reporting Act (15 USC 1681) is to require consumer reporting agencies to adopt procedures to ensure that credit information reports are fair and equitable to the consumer. At the same time, it allows businesses continued access to the consumer credit information necessary to make credit decisions.

The Fair and Accurate Credit Transactions Act of 2003 (FACT Act) (15 USC 1681s, 12 CFR 1022 PL 108-159) includes several provisions, such as fraud alerts, negative information reporting notices, risk-based pricing notices, and written identity theft programs that assist consumers and financial institutions in the fight against identity theft.

Fair Debt Collection Practices Act (15 USC 1692) (Regulation F, 12 CFR 1006)

The purpose of the Fair Debt Collection Practices Act is to prevent the use of unfair, abusive, or deceptive practices in the debt collection process. This law generally governs only persons who collect debts owed to a third party, and employees of the bank are generally not subject to this law when collecting debts owed the bank. The bank does, however, seek to live up to the spirit of this law and avoid the use of unfair, abusive, or deceptive practices in the process of collecting debts.

Consumer Insurance Disclosures (Not Currently Offered by FNBNWFL)

Each banking agency has issued separate but substantially similar regulations to implement section 305 of the Gramm-Leach-Bliley Act (GLBA) (PL 106-102). The following disclosures, to the extent that they apply, must be given by any person selling, soliciting, advertising, or offering insurance products or annuities to a consumer at an office of the bank or on behalf of the bank. The disclosures are similar to those required for uninsured deposit products.

- The insurance product or annuity is not a deposit or other obligation of, or guaranteed by, the depository institution or its affiliate.
- The insurance product or annuity is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States, the depository institution, or its affiliate.
- In the case of an insurance product or annuity that involves an investment risk, there is investment risk associated with the product, including the possible loss of value.
- The depository institution may not condition an extension of credit on the consumer's purchase of an insurance product or annuity from the depository institution or from any of its affiliates, or on the consumer's agreement not to obtain, or a prohibition on the consumer from obtaining, an insurance product or annuity from an unaffiliated entity.

The bank or a person selling insurance at the bank or on behalf of the bank must make these disclosures orally and in writing before completing the sale of the product. If the insurance is solicited in connection with consumer loans, the bank must give the disclosure at the time of application, rather than at the time of consummation.

Servicemembers Civil Relief Act (SCRA)

The Servicemembers Civil Relief Act (SCRA) (50 USC 501, PL 108-89) includes significant requirements that affect lenders.

The two most important provisions of the SCRA that affect lenders are:

- A reduction in the interest rates on debts
- Special protections regarding foreclosure and other legal actions to recover debts

The SCRA applies to any individual who is in military service, including:

- Army, Navy, Air Force, Marine Corps, and Coast Guard personnel who are on active duty
- Members of the National Guard called to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days for purposes of responding to a national emergency declared by the President and supported by federal funds
- Servicemembers who are commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration in active service

DoD Rule for Certain Loans to Servicemembers (32 CFR 232)

The rule covers payday loans, motor vehicle title loans, and tax refund anticipation loans, as defined by DoD, and applies to all persons engaged in the business of extending such credit and their assignees. For these defined transactions with covered borrowers ("covered transactions"), the DoD rule:

- Limits interest to a 36 percent "military annual percentage rate (MAPR)" that comprises all fees and charges, including those for single premium credit insurance and other ancillary products sold in connection with the transaction
- Requires that certain oral and written loan disclosures be provided before the issuance of the covered transaction

The DoD rule provides:

- The applicable consumer disclosures
- The method for calculating the MAPR (as opposed to the Truth in Lending Act APR)
- The maximum amount and types of fees that may be charged
- A "safe harbor" for identifying covered borrowers, including a model borrower identification statement that creditors may use

The DoD rule prohibits:

- Mandatory arbitration
- Waiver of legal rights
- Unreasonable notice requirements as a condition for legal action
- Payment by allotment
- Prepayment penalties

The rule further limits or restricts:

- Rollovers and refinancings
- Use of a check or other method of access to a covered borrower's account

ADDITIONAL LAWS AND REGULATIONS AFFECTING SECURITIES LENDING

Regulation U (12 CFR 221)

Regulation U governs the use of bank credit for the purpose of purchasing or carrying margin stock. Margin stock is defined in the regulation and generally includes most publicly traded equity securities and securities convertible into equity securities. For over-the-counter (OTC) stocks, the Fed publishes a list periodically of those OTC stocks that are considered margin stocks. The Fed also sets the maximum amount of money that banks are allowed to lend to a borrower for the purpose of purchasing or carrying margin stock. This amount is currently set at 50 percent of the stock's current market value. Regulation U also requires that form U-1 be completed whenever the bank makes a loan in excess of \$100,000 that is secured in whole or in part by margin stock.

Securities Exchange Commission Rule 17f-1

The SEC adopted this rule to assist in locating securities, such as stocks and bonds that are lost, stolen, or counterfeit. Under this rule, financial institutions must register with the Securities Information Center (SIC). Whenever the financial institution takes securities worth \$10,000 or more as collateral for a loan, the financial institution must check with the SIC to determine if the securities have been lost, stolen, or reported counterfeit.

ADDITIONAL LAWS AND REGULATIONS AFFECTING REAL ESTATE LENDING

Flood Disaster Protection Act (42 USC 4001)

This legislation was enacted to restrict building in flood-prone areas, thus cutting disaster losses. It requires that all loans secured by real estate in such areas carry flood insurance. To ensure compliance with this law by banks, the regulations require that the bank make a determination of whether improved real estate to be used as security for a loan is located in a flood hazard area designated by the federal government. If so, the bank must also determine whether the community in which the property is located participates in offering flood insurance under the act.

If flood insurance is available, the financial institution must provide a specified disclosure of this fact and the financial institution is prohibited from making the loan unless the property is covered by flood insurance throughout the term of the loan. This also requires the financial institution to monitor the loan throughout its term to ensure that the borrower continues to maintain flood insurance. If the borrower does not maintain flood insurance, the bank must force place insurance.

If flood insurance is not available, the financial institution is allowed to make the loan, but the bank must give the applicant a specified disclosure stating that the property is

located in a flood zone and that federal disaster relief may not be available in case of flooding. The bank may not make a federally insured loan in a nonparticipating community.

Regulation X — Real Estate Settlement Procedures Act (12 CFR 1024, 12 USC 2601)

The Consumer Financial Protection Bureau's (CFPB's) Regulation X (12 CFR 1024) implements the provisions of RESPA (12 USC 2601). The regulation has substantial provisions for servicing mortgage loans and the handling of escrow accounts.

RESPA also prohibits kickbacks, unearned fees, and tie-in provisions, because these questionable practices increase the costs of real estate settlements.

Fair Housing Act (42 USC 3601)

The Fair Housing Act regulates many housing practices. For banks, the most important provision is section 805 of the Fair Housing Act which prohibits them from discriminating against any person because of race, color, religion, sex, handicap, familial status (having children under the age of 18), or national origin in any housing-related lending activities. This includes prohibiting activities such as redlining, and excessively low appraisals based on race, projecting a racially exclusive image, discouraging applications, racial steering, more onerous terms based on race, etc.

In addition, the bank is required to have an equal housing lender poster in any public lobby and area of the bank where deposits are received or where such loans are made. In any advertisement of bank housing-related activities, the bank must include a statement or logo, as appropriate, indicating that the bank is an equal housing lender.

Real Estate Appraisal Requirements

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the implementing regulations establish requirements for real estate appraisals. A real estate appraisal is generally required whenever the bank engages in a real estate transaction, including when making or purchasing loans (or an interest in a pool of loans) secured by real estate.

There is no provision for waiving the requirement for an appraisal. However, there are exceptions. An appraisal is not required for the following transactions:

- The transaction value is \$400,000 or less on a single 1-4 family residential property (A construction loan on a single 1-4 family property falls into this category).
- A transaction value on a commercial real estate loan of \$500,000 or less. A commercial loan is defined as a real estate loan not secured by a single 1-4 family residential property.

Under the regulations, only the bank can engage the real estate appraiser; the bank cannot accept an appraiser engaged by the borrower. The bank may accept appraisers engaged by another lender if certain conditions are met.

The regulations also establish standards that the appraisal is required to meet. It is the bank's responsibility to see that appraisals used by the bank meet these standards even if the bank uses an outside appraiser. The regulations also require that the appraisal be conducted by an independent outside or staff appraiser.

Home Mortgage Disclosure Act (Regulation C) (12 CFR 1003, 12 USC 2801)

HMDA is a disclosure law that relies upon public scrutiny for its effectiveness. It does not prohibit any specific activity of lenders, and it does not establish a quota system of mortgage loans to be made in any MSA or other geographic area. (An MSA refers to a "metropolitan statistical area" or "primary metropolitan statistical area" as defined by the U.S. Office of Management and Budget.) HMDA only applies to institutions that have an office located in an MSA, and that meet the asset size criteria established by the regulation, which is indexed each year for inflation.

Institutions must report data regarding loan applications, as well as information concerning their loan originations and purchases. HMDA also requires most lenders to report the ethnicity, race, sex, and income of mortgage applicants and borrowers. Additionally, lenders must identify the class of purchaser for mortgage loans that they sell, and they have the option of indicating the reasons for their decisions not to grant credit (though several of the supervisory agencies require this latter information). Finally, Regulation C requires institutions to report lending data to their supervisory agencies on a loan-by-loan and application-by-application basis by way of a "register" reporting format. The supervisory agencies, through the Federal Financial Institutions Examination Council (FFIEC), will compile this information in the form of individual disclosure statements for each institution and in the form of aggregate reports for all covered institutions within each MSA. In addition, the FFIEC will produce other aggregate reports that show lending patterns by median age of homes and by the central-city or non-central-city location of the property. The bank must make these disclosure statements and reports available to the public.

Secure and Fair Enforcement for Mortgage Licensing Act (Regulation G, 12CFR 1007)

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act) requires individual mortgage loan originators employed by agency-regulated institutions to be registered with the Nationwide Mortgage Licensing System and Registry (Registry).

Individual residential mortgage loan originators employed by agency-regulated institutions must:

- Register with the Registry and maintain their registration.
- Obtain a unique identifier through the Registry that will remain with that originator, regardless of employment changes.
- Provide their unique identifiers to consumers.

Agency-regulated institutions must:

- Require their employees who are mortgage loan originators to comply with these requirements.
- Adopt and follow written policies and procedures to assure compliance with the registration requirements.

Homeownership Counseling Notice

Section 106(c)(5) of the Housing and Urban Development Act of 1968 (12 USC 1701x(c)(5)) provides for homeownership counseling notification by creditors to eligible homeowners. The act has been amended at various times.

All creditors that service loans secured by a mortgage or lien on a one-family residence (home loans) are subject to the homeownership counseling notification requirements. Home loans include conventional mortgage loans and loans insured by the Department of Housing and Urban Development.

Notice Requirements

A creditor must provide notification of the availability of homeownership counseling to a homeowner, eligible for counseling, who fails to pay any amount by the due date under the terms of the home loan. The notice must also contain information for service members related to their rights under the SCRA.

Eligibility

A homeowner is eligible for counseling if:

- The loan is secured by the homeowner's principal residence;
- The home loan is not assisted by the Farmers Home Administration; and
- The homeowner is, or is expected to be, unable to make payments, correct a home loan delinquency within a reasonable time, or resume full home loan payments due to a reduction in the homeowner's income because of:
 - An involuntary loss of, or reduction in, the homeowner's employment, the homeowner's self-employment, or income from the pursuit of the homeowner's occupation; or
 - Any similar loss or reduction experienced by any person who contributes to the homeowner's income.

LAWS AND REGULATIONS AFFECTING DEPOSIT ACCOUNTS

Regulation D — Reserve Requirements (12 CFR 204)

Regulation D imposes reserve requirements on bank transaction accounts and non-personal time deposits. Savings and personal time deposits are not subject to reserve requirements. Because of this, it is important that banks maintain the distinctions between the various accounts and adhere to any restrictions imposed on the accounts, so the bank can accurately report its reserves. In particular, Regulation D imposes restrictions on the number of transfers that can be allowed for money market deposit accounts (MMDAs), and the bank must follow these restrictions.

Regulation CC — Expedited Funds Availability Act (12 CFR 229, 12 USC 4001)

The EFAA implemented by the Fed as Regulation CC, governs the availability of funds that are deposited into a customer's transaction account and addresses the delayed availability of deposited funds to ensure prompt availability. Regulation CC requires financial institutions to make deposited funds available within specific time frames, which vary depending on how the funds are deposited. It also requires financial institutions to pay interest on funds deposited into interest-bearing transaction accounts no later than the day the financial institution receives credit for the deposit. Lastly, the regulation requires financial institutions to disclose their funds availability policies when an account is opened and whenever a change in the policy occurs.

Regulation E — Electronic Fund Transfers Act (12 CFR 1005, 15 USC 1693)

The EFTA was enacted to define the rights, liabilities, and responsibilities of participants in the electronic fund transfer (EFT) system. Examples of electronic fund transfers are automated teller machine (ATM) transactions and preauthorized transfers to or from a customer's account (such as direct deposit of paychecks or social security checks and automatic payment of bills to third parties). The regulations regarding the EFTA are found in the Fed's Regulation E.

Regulation E regulates the issuance of access devices (such as ATM cards) and restricts the liability of a customer for unauthorized use of the customer's access device. . It also requires an opt-in from consumers before the institution can charge them for overdrafts caused by ATM or one-time debit card transactions. The regulation also requires that customers receive a specific EFT disclosure that summarizes the rights and responsibilities of the bank and the customer under Regulation E when the customer signs up for an EFT service or before the customer's first EFT transaction.

The regulation requires the bank to follow certain standards in documenting EFT transactions on a customer's statements and in issuing receipts from EFT transactions. The bank must also follow certain error resolution procedures when a customer claims that an error was made in an EFT transaction.

Regulation DD — Truth-in-Savings Act (12 CFR 1030, 12 USC 4301)

The Truth-in-Savings Act requires depository institutions to disclose to consumers, before a deposit account is opened and upon a consumer's request, fees imposed in connection with the account, the interest rate, the annual percentage yield (APY), and other terms. The regulation requires the bank to give special disclosures to customers before the account is opened. It also covers subsequent disclosures. The bank must include certain items in periodic statements, including APY, dollar amount of interest earned, fees, and total number of days in the statement period. Another subsequent disclosure is the notice of maturity for certificates of deposit (CDs). The disclosures vary depending on the term of the CD and whether it automatically renews. Finally, Regulation DD establishes rules for advertisement of deposit accounts.

Garnishment of Accounts containing Federal Benefit Payments (31 CFR 212)

The Department of the Treasury, Social Security Administration (SSA), Department of Veterans Affairs (VA), Railroad Retirement Board (RRB), and Office of Personnel Management (OPM) have issued an interim final rule to implement statutory restriction on the garnishment of federal benefit payments. The rule establishes procedures that financial institutions must follow when they receive a garnishment order against an account holder who receives certain types of federal benefit payments by direct deposit. The rule requires financial institutions that receive such a garnishment order to determine the sum of such federal benefit payments deposited to the account during a two month period, and to ensure that the account holder has access to an amount equal to that sum or to the current balance of the account, whichever is lower.

LAWS AND REGULATIONS AFFECTING CASH TRANSACTIONS

Bank Secrecy Act (31 CFR Chapter X (31 CFR 1010, 31 CFR 101, 31 CFR 1020))

Title II of the Bank Secrecy Act is known as the Currency and Foreign Transactions Reporting Act (31 USC 5311-5322) and is implemented by the Treasury Department in 31 CFR Chapter X. This law generally requires the bank to submit a currency transaction report (CTR) using FinCEN's BSA E-Filing System and to file it with the Treasury Department on all bank transactions involving coin and currency in excess of \$10,000 by any person in one day. The bank must file the CTRs electronically within 15 days of the date of the transaction. Certain corporations, domestic banks, and government agencies are automatically exempt from CTR filing. The bank can also exempt certain other customers that conduct a large portion of their business in cash, such as restaurants, from the need to file CTRs on all of their cash transactions with the bank in excess of \$10,000. The bank must also report shipments of cash in excess of \$10,000 into and out of the United States, but on FinCEN form 105.

The regulations also require the bank to keep information regarding all sales of cashier's checks, traveler's checks, money orders, etc., involving \$3,000 to \$10,000 in

cash. The information required to be maintained varies, depending on whether the person purchasing the check or money order is an existing customer of the bank.

The bank must report suspicious activity, the violation of any provision of the BSA, or any suspicion of money laundering using a suspicious activity report (SAR).

Lastly, the regulations require financial institutions to keep records of a number of types of bank transactions for five years.

Office of Foreign Assets Control (OFAC) (31 CFR 500-598)

OFAC is an office of the U.S. Treasury that administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against entities such as targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction.

OFAC acts under presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and to freeze assets under U.S. jurisdiction. Many of the sanctions are based on United Nations and other international mandates; therefore, they are multilateral in scope, and involve close cooperation with allied governments. Other sanctions are specific to the interests of the United States. OFAC has been delegated responsibility by the Secretary of the Treasury for developing, promulgating, and administering U.S. sanctions programs.

All U.S. persons, including U.S. banks, bank holding companies, and nonbank subsidiaries, must comply with OFAC's regulations. The federal banking agencies evaluate OFAC compliance systems to ensure that all banks subject to their supervision comply with the sanctions. Unlike the Bank Secrecy Act (BSA), the laws and OFAC-issued regulations apply not only to U.S. banks, their domestic branches, agencies, and international banking facilities, but also to their foreign branches, and often overseas offices and subsidiaries. In general, the regulations require the following:

- Block accounts and other property of specified countries, entities, and individuals
- Prohibit or reject unlicensed trade and financial transactions with specified countries, entities, and individuals

Right to Financial Privacy Act (12 USC 3401 et seq.)

The Right to Financial Privacy Act of 1978 was enacted because customers of financial institutions have a right to expect that they can conduct their financial activities with a reasonable amount of privacy from federal government scrutiny. The act establishes specific procedures for government authorities seeking information about a customer's financial records from a financial institution. It also imposes limitations and duties on financial institutions prior to the release of information sought by government agencies. Finally, it generally requires that the customer receive the following:

- A written notice of the agency's intent to obtain financial records
- An explanation of the purpose for which the records are sought
- A statement describing procedures for the customer to use if he or she does not want such records or information to be made available

There are certain exceptions that allow for delayed notice or no notice to the customer.

Consumer Privacy (12 CFR 1016)

A financial institution initially must disclose to consumers such information as when it will disclose nonpublic, personal information to nonaffiliated third parties, what type of information it may share, and what types of affiliates may receive the information. The institution also must provide customers — consumers with whom the institution has an ongoing relationship — with annual privacy notices. Effective August 10, 2018, 83 FR 40945 - the rule provides an exception under which financial institutions that meet certain conditions are not required to provide annual privacy notices to customers. To qualify for this exception, a financial institution must not share nonpublic personal information about customers except as described in certain statutory exceptions. In addition, the rule requires that the financial institution must not have changed its policies and practices with regard to disclosing nonpublic personal information from those that the institution disclosed in the most recent privacy notice it sent. The institution must establish a reasonable means for consumers to prevent the institution's disclosure of information to third parties and must allow consumers to opt out of the disclosure at any time. The rule includes exceptions to help effect or enforce a transaction and for joint marketing.

"Nonpublic, personal information," the disclosure of which is regulated by the rule, generally is defined as information that is not usually available to the public or that the customer may ask, and has asked, to be kept confidential. One example given by federal banking agency staff is that of a customer who has no ability to keep a mortgage lender from making mortgage information public, but may require the lender not to disclose his or her telephone number. The agencies have determined that

because crucial information often is provided to a financial institution during the application process, the privacy rules cover such information even if the customer never takes a loan or opens an account.

Since the agencies decided that a consumer has the right to consider institutions' privacy policies when choosing an institution, institutions must disclose their policies when a customer relationship is established, rather than at a later date as advocated by some in the industry. There are two exceptions: first, where the relationship is not established at the customer's election, and second, where providing the notice would delay the transaction, such as in the case of telephone sales.

When a customer decides to opt out of information sharing, the institution generally must stop sharing that customer's information with nonaffiliated third parties as soon as practicable. While the rule suggests 30 days as a reasonable period, it is left to the individual institution to determine what is "as soon as practicable."

If an account is held by more than one customer, a privacy notice need only be sent to one account holder. However, the institution must honor opt-out requests by any of the account holders. A customer who opens multiple accounts at an institution must opt out of disclosure each time a new account is opened. A bank does not need to send a new privacy policy disclosure to an existing customer who opens a new account, if the customer has received a privacy policy statement that is current.

Insider Lending (Regulation O) (12 CFR 215)

Regulation O places limits and restrictions on a bank's lending to insiders of the bank. An insider is an executive officer, director, or principal shareholder, as well as any "related interest" of those persons. A related interest includes any entity that is owned or controlled by an executive officer, director, or principal shareholder. Insiders of an affiliate of the bank can also be subject to some of the limitations and restrictions of Regulation O if they are not properly excluded by the bank. Regulation O also contains reporting and public disclosure requirements in some cases.

In addition, Title VIII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA) prohibits banks that maintain correspondent accounts with each other from extending credit to each other's executive officers, directors, or principal shareholders unless the extension of credit (1) is made on substantially the same terms as those prevailing at the time for comparable transactions with other persons and (2) does not involve more than normal risk of repayment or present other unfavorable features. Banks whose executive officers, directors, or principal stockholders have received preferential extensions of credit from other banks are prohibited from opening correspondent relationships with those banks.

Regulation W — Affiliate Transactions (12 CFR 223)

The Board of Governors of the Federal Reserve System (Board) issued Regulation W under the authority of sections 23A(f) and 23B(e) of the Federal Reserve Act (12 USC 371c (f), 12 USC 371c-1 (e)).

Sections 23A and 23B of the Federal Reserve Act (12 USC 371c, 12 USC 371c-1) establish certain quantitative limits and other prudential requirements for loans, purchases of assets, and certain other transactions between a member bank and its affiliates. This regulation implements sections 23A and 23B by defining terms used in the statute, explaining the statute's requirements, and exempting certain transactions.

Sections 23A and 23B and this regulation apply by their terms to "member banks" — that is, any national bank, state bank, trust company, or other institution that is a member of the Federal Reserve System. In addition, the Federal Deposit Insurance Act (12 USC 1828 (j)) applies sections 23A and 23B to insured state nonmember banks in the same manner and to the same extent as if they were member banks. The Home Owners' Loan Act (12 USC 1468 (a)) also applies sections 23A and 23B to insured savings associations in the same manner and to the same extent as if they were member banks (and imposes two additional restrictions).

Community Reinvestment Act (12 CFR 228, 12 USC 2901)

The Community Reinvestment Act of 1977 (CRA) is part of a series of recent legislation intended to address problems that certain groups in our society have had in obtaining credit. The CRA provides for evaluations of the bank's lending in its community in connection with examinations. The result of a CRA examination is to provide rewards and sanctions in connection with applications for the creation and expansion of banks and thrifts (in this context, excluding credit unions).

The CRA is premised on the finding that banks and thrifts have a continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered. Because these benefits and privileges are granted to banks and thrifts by society through the government, Congress believes that those institutions have the obligation to serve the public, particularly in the communities in which the institutions are chartered.

Bank Protection Act (Security) (12 CFR 208.61, 12 CFR 326, 12 CFR 21)

The Bank Protection Act of 1968 required financial institutions to adopt appropriate security procedures to discourage robberies, burglaries, and larcenies, and to assist in the identification and prosecution of persons who commit such acts. It is the responsibility of the bank's board of directors to comply with the provisions of this section and ensure that a written security program for the bank's main office and branches is developed and implemented. The board must designate a security officer

who shall have the authority, subject to the approval of the board of directors, to develop and administer a written security program for each banking office. The regulation contains specifics about what the security program must contain and what type of security devices must be used. The security officer must report annually to the board of directors on the implementation, administration, and effectiveness of the security program.

FDIC Deposit Insurance (12 CFR 328 and 12 CFR 330)

The Federal Financial Insurance Corporation (FDIC) is an independent agency of the United States government. The FDIC protects consumers against the loss of deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government. The term "insured bank" means any bank or savings association with FDIC insurance.

The FDIC insures all deposits at insured banks, including checking, NOW and savings accounts, money market deposit accounts, and certificates of deposit (CDs), up to the insurance limit. The FDIC does not insure the money invested in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if these products are purchased from an insured bank. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.

The FDIC also requires the FDIC sign or statement to be included in certain advertisements of deposits and posted where deposits are taken.

Appendix B: Compliance Training Schedule for New Employees to be completed within 90 – 120 days of Employment

All new employees, regardless of position, should receive training appropriate to their duties on the following laws and regulations:

- Bank Secrecy Act (31 CFR Chapter X (31 CFR 1010, 31 CFR 1020)/OFAC (31 CFR 500 – 598)
- Consumer Privacy/ID Theft Prevention
- Right to Financial Privacy Act (12 USC 3401)
- Security (information and general bank security)
- Community Reinvestment Act (12 USC 2901, 12 CFR 228, 12 CFR 345)
- Federal Deposit Insurance (12 CFR 328)
- Your bank ethics policy

Required Annual Training

- Expedited Funds Availability (Reg CC) for pertinent employees
- Bank Protection Act (bank security)

- Bank Secrecy Act
- Customer Identification Program (CIP)
- Fair Lending
- Financial Privacy
- Red Flag – Identity Theft Prevention
- Information Security
- FDIC Insurance

TELLERS

- Regulation CC (12 CFR 229)
- Regulation D (12 CFR 204)
- Regulation E (12 CFR 1005)

Note: Tellers who also open new deposit accounts should receive the additional training listed for financial services associates.

CUSTOMER SERVICE REPRESENTATIVES

- Regulation DD (12 CFR 1030)
- Regulation CC (12 CFR 229)
- Regulation E (12 CFR 1005)
- Regulation D (12 CFR 204)
- Fair Credit Reporting Act (15 USC 1681, 12 CFR 1022)

PERSONAL BANKERS WITH CONSUMER LENDING AUTHORITY

- Regulation Z (12 CFR 1026)
- Regulation B (12 CFR 1002)
- Regulation AA (12 CFR 227)
- Fair Credit Reporting Act (15 USC 1681, 12 CFR 1022)
- Fair Debt Collection Practices Act (15 USC 1692, 12 CFR 1006)
- Interest on loans (state usury)
- Home Mortgage Disclosure Act (HMDA) (12 USC 2801, 12 CFR 1003)
- Regulation O (12 CFR 215)
- Regulation W (12 CFR 223)
- Regulation U (12 CFR 221)
- Servicemembers Civil Relief Act (SCRA) (50 USC 501, PL 108-189)
- Department of Defense (DoD) rules for small loans to servicemembers

Note: If personal bankers will also open accounts, they should also receive training designated for customer service representatives.

ADDITIONAL TRAINING FOR PERSONAL BANKERS WITH CONSUMER AND REAL ESTATE LENDING AUTHORITY

- Flood Disaster Protection Act (42 USC 4002, 12 CFR 22, 12 CFR 208.25)
- Real Estate Settlement Procedures Act (RESPA) (12 USC 2601, 12 CFR 1024)
- Fair Housing Act (42 USC 3601, 24 CFR 110)
- Real estate appraisal requirements
- Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) (Regulation G, 12 CFR 1007)

COMMERCIAL LENDERS

- Flood Disaster Protection Act (42 USC 4002, 12 CFR 22, 12 CFR 208.25)
- Regulation Z (12 CFR 1026) — See note below.
- HMDA (12 USC 2801, 12 CFR 1003)
- Regulation B (12 CFR 1002)
- Fair Credit Reporting Act (15 USC 1681, 12 CFR 1022)
- Fair Housing Act (42 USC 3601, 24 CFR 110)
- Regulation O (12 CFR 215)
- Regulation W (12 CFR 223)
- Regulation U (12 CFR 221)
- SCRA (50 USC 501, PL 108-189)
- Real estate appraisal requirements

Note: Although most business loans are not subject to Regulation Z, commercial lenders should be able to determine if a loan they are considering may be covered so they can refer it to the consumer lending department.

DEPOSIT OPERATIONS PERSONNEL

- Regulation DD (12 CFR 1030)
- Regulation CC (12 CFR 229)
- Regulation Q (12 CFR 217)
- Regulation D (12 CFR 204)
- Regulation E (12 CFR 1005)
- Fair Credit Reporting Act (15 USC 1681, 12 CFR 1022)

LOAN OPERATIONS PERSONNEL

- Regulation Z (12 CFR 1026)
- RESPA (12 USC 2601, 12 CFR 1024)
- HMDA (12 USC 2801, 12 CFR 1003)
- SCRA/DoD rules for small loans to servicemembers

- Regulation U (12 CFR 221)
- Flood Disaster Protection Act (42 USC 4002, 12 CFR 22, 12 CFR 208.25)
- Regulation O (12 CFR 215)
- Fair Credit Reporting Act (15 USC 1681, 12 CFR 1022)

Appendix C - Preparing for a Regulatory Compliance Audit

INTRODUCTION

The bank should develop a compliance audit policy if one is not currently in place. Such a policy ensures adequate review of compliance with the requirements of applicable federal laws and regulations and helps the bank detect and report any areas of weakness. This policy should be revised as necessary to conform to actual practice and to meet the bank's stated objectives. The policy should be approved annually by the board of directors either as a stand-alone policy, as part of the general audit policy, or as part of the general compliance policy.

COMPONENTS OF A COMPLIANCE AUDIT POLICY

At a minimum, the following components should be included in the compliance audit policy:

- The bank should affirm its commitment to the compliance audit function and provide proper authority to the functions to accomplish satisfactory performance. The policy should provide for a means of ensuring adequate corrective action as part of the overall commitment to compliance.
- The policy should assign ultimate responsibility for conducting compliance audits to a specific individual. That individual, in turn, must be given appropriate access to all records and personnel required to adequately perform the audit.
- The extent of compliance audit's responsibility should also be defined. Parameters should include not only specific regulations to be audited, but also the degree to which the audit function is responsible for follow-up on corrective action, if at all.
- Enumerated procedures should be referenced within the policy. However, it is not suggested that the actual procedures be incorporated into the approved policy because changes to procedures need to be easily made to stay abreast of changes in regulatory requirements. The policy should be written broadly enough to not be constrictive and thus counterproductive to the compliance audit function.

FREQUENCY AND SCOPE

Many factors influence the desired frequency and scope of compliance audits. The scope should be wide enough to test each product and service offered. Likewise, samples should be sufficient to provide reasonable assurance that the universe is represented.

The actual sample pulled may be judgmental or statistical, depending on the goals of the department and institution as a whole. In addition, all compliance policies and any other policies that influence compliance (for example, corporate loan policy and operations policy) should be reviewed for content as well as functionality.

The following factors should be considered when scheduling audits and setting scope and sample sizes:

- Risk of noncompliance
 - Civil monetary penalties
 - Public relations
 - Potential lawsuits
 - Enforcement actions
- Results of last internal and external audits, monitoring programs, and/or regulatory examinations
 - Number of violations
 - Severity of violations (substantive versus technical)
 - Repetition of violations
- Adequacy of internal controls and procedures
- Size of institution
- Tenure of management and staffing
- Recent regulatory changes
 - Environment (business and political)
 - New or revised regulations
 - New or revised regulatory interpretations

INTERVAL

The audit may feasibly extend from the most recent audit or examination through the present. However, more attention should be focused, and weight applied in making

final determinations of overall compliance, to the most recent period.

DOCUMENTATION

Audit work papers should be assembled and retained. Work papers should include:

- Any checklists used
- Documents, forms, and policies reviewed
- Lists of samples used

The bank should retain copies of all transactions and/or policies and procedures giving rise to violations of law and should maintain sufficient information to support audit findings, including information concerning all exceptions or clearing of exceptions.

REPORTING

The results of each compliance audit should be reported to the board of directors, along with a judgment of the level of compliance reflected in the reports. A written report should contain sufficient detail to apprise the board of the nature and significance of the findings. An assessment should also be included of the institution's adherence to its own compliance policies and procedures.

Assessments of the level of compliance, while inherently subjective in nature, should be based on a system that is created and administered as objectively as possible. An example of a relatively objective system is a rating system that assigns a value to the performance of the particular area being reviewed. These ratings should be based on actual results in the sample as well as on the perceived competency and knowledge level of the system and/or individuals responsible for the sample. The rating system should be static and clearly defined.

Audit reports should also provide recommendations to management to improve compliance. These recommendations should be discussed with management for feasibility and efficiency prior to report dissemination.

This policy will be reviewed and approved by the board of directors annually.

**FIRST NATIONAL BANK NORTHWEST FLORIDA
INTERBANK LIABILITY POLICY**

PURPOSE

This policy is adopted by the board of directors of First National Bank Northwest Florida in conformance with Regulation F of the Federal Reserve Board's governing interbank liabilities. The board of directors recognizes its responsibility to establish this policy and procedures to prevent any excessive exposure of the bank to any individual correspondent in relation to the condition of that correspondent.

POLICY

It will be the bank's policy that exposures to correspondent banks will not exceed 25 percent of total capital. It will be the bank's policy to establish correspondent services with institutions that are adequately capitalized. Board approval is required if the bank's exposure exceeds 25 percent of bank capital. Please refer to the section of this policy on significant correspondent bank exposure.

Bank management will be responsible for the selection and termination of correspondent banks. The selection and termination of correspondent banks will be based on an assessment of the bank's exposure to the correspondent. The bank's exposure to a correspondent is the potential that an obligation of the correspondent will not be paid in a timely manner or in full.

This exposure includes credit and liquidity risk and operational risks related to intraday and interday transactions. Intraday exposure includes daylight overdrafts and other payment system settlement risks that arise and are settled by the end of a business day. Interday, or overnight, exposure includes fed funds sold to a correspondent, correspondent deposit accounts, and interbank transactions such as the securities, swap, and foreign exchange markets where a correspondent is a counterparty to a transaction, and where the correspondent's obligation is continued to the next business day or later.

Therefore, management will conduct an assessment of a correspondent's credit risk and liquidity risk, including operational risk, posed to the bank prior to engaging in any correspondent banking relationship with that correspondent.

ASSESSMENT OF A CORRESPONDENT BANK'S CAPITAL ADEQUACY

The primary indicator of risks is the financial condition of the correspondent bank, and the assessment must include an analysis of the financial strength of the correspondent. A correspondent relationship can be established without limitations if the correspondent is considered to be adequately capitalized, which means the correspondent bank meets or exceeds the following ratios:

Total Risk-Based Capital (RBC) Ratio	Tier 1 Risk Based Capital (RBC) Ratio	Tier 1 Leverage Ratio
8%	4%	4%

In addition to the correspondent's capital level, an analysis of a correspondent's financial condition will include a review of other factors bearing on the financial condition of the correspondent, including level of nonaccrual and past-due loans and leases, and level of earnings.

Management will conduct a financial analysis of all correspondent banks with exposure not covered by FDIC insurance on a quarterly basis using the most recent Report of Condition and Income (i.e., Call Report). Bank management may rely on another party, such as a bank rating agency or the bank's holding company, to assess the financial condition of the correspondent, provided the board of directors has reviewed and approved the general assessment or selection criteria used by that party.

If a correspondent bank fails to meet the adequately capitalized standards, or where management is unable to obtain adequate financial information to assess the correspondent's capital adequacy, the bank will reduce its credit exposure within 120 days after the date when the Report of Condition and Income (i.e., Call Report) normally would be available.

SIGNIFICANT CORRESPONDENT BANK EXPOSURE

Where the exposure to an individual correspondent bank is significant, bank management will conduct a periodic review of the financial condition of that correspondent. For purposes of this policy, exposure to a correspondent is significant whenever the credit exposure of the bank to the correspondent equals or exceeds 25 percent of the bank's total tier 1 and tier 2 capital.

The bank's credit exposure under this policy will consist of the amount of the bank's assets and off-balance sheet items that are subject to capital requirements under the bank's risk-based capital guidelines that involve claims on the correspondent or capital instruments of the correspondent. Transactions covered by netting

agreements and assets allowed under section 206.4(c) and (d) of Regulation F can be excluded from the amount of credit exposure.

This periodic review will be conducted at least quarterly using the same procedures described above for assessing a correspondent bank's capital adequacy and will include a review of the financial condition of the correspondent using the most recent financial information available. In conducting this review, bank management will take into account any deterioration in the correspondent's financial condition.

ADDITIONAL LIMITS ON CORRESPONDENT BANK EXPOSURE

Bank management may also place additional limits on the bank's exposure to the correspondent. Limits will be consistent with the risk undertaken, considering the financial condition and the form and maturity of exposure to the correspondent. Limits may be fixed as to amount, based on such factors as the monitoring of exposure and the financial condition of the correspondent. Different limits may be set for different forms of exposure, different products, and different maturities.

Bank management will structure transactions with a correspondent or monitor exposure to a correspondent, directly or through another party, to ensure that its exposure ordinarily does not exceed the bank's internal limits, including limits established for credit exposure, except for occasional excesses resulting from unusual market disturbances, market movements favorable to the bank, increases in activity, operational problems, or other unusual circumstances. Generally, monitoring may be done on a retrospective basis. The level of monitoring required depends on:

- Extent to which exposure approaches the bank's internal limits
- Volatility of the exposure
- Financial condition of the correspondent

Bank management will also establish appropriate procedures to address excesses over its internal limits.

The board of directors will approve and adopt this annually.

FIRST NATIONAL BANK NORTHWEST FLORIDA

Secure and Fair Enforcement for Mortgage Licensing Act

(S.A.F.E. Act) Policy

STATEMENT

It is the policy of our bank to comply with the interagency rules implementing the S.A.F.E. Act 12 CFR 1007. In general, the President & CEO directs management to implement procedures as directed by the interagency rules that will ensure our compliance with the law.

The President & CEO appoints the Chief Operating & Credit Officer responsible for compliance with this rule. Management must ensure that this person, and anyone they may delegate authority to, submit information to the Registry on behalf of our employees and our institution does not act as a mortgage loan originator (MLO) as defined in the rule.

POLICIES AND PROCEDURES

Registration Requirements

Management is directed to implement procedures to ensure that all of our employees who are defined as MLOs are registered with the system designated by the agencies. We are not required to register employees who have never been registered or licensed through the Nationwide Mortgage Licensing System and Registry as an MLO and who have acted as an MLO for 5 or fewer residential mortgage loans during the last 12 months. Appendix A of the regulation includes non-exclusive examples of MLO activity.

We will implement a process that includes a periodic, but not less than annual, review of all job descriptions for persons working in the mortgage loan area to ensure we register all appropriate personnel. This review should be documented and available to examiners and auditors. Mortgage loan management is required to ensure that we do not allow non-registered employees to conduct any activities associated with mortgage loan origination as set forth in the regulation. If management finds that an employee has failed to comply with the registration requirements or any other requirement, such as providing applicants with their unique identifier, they will be disciplined according to our internal human resource policy. Such discipline may include termination of the employee.

Confirming the Adequacy and Accuracy of Employee Registrations

Our MLOs must make the following information available to the Registry. Our policy will be to have our MLOs collect their appropriate information and send it along with our own information, as appropriate. We will collect and keep the information electronically. The Chief Operating & Credit Officer is responsible for ensuring that information we send to the Registry is accurate. To the extent possible we will verify the information supplied by the employee with information from our human resources and other appropriate internal records. We will submit the information electronically or any other specific method as dictated by the agencies' registration system

Employee Information

- Current name and any other names used
- Home address and contact information
- Address of the employee's principal business location and business contact information
- Social security number
- Gender
- Date and place of birth
- Financial services-related employment history for the 10 years prior to the date of registration or renewal, including the date the employee became an employee of our bank
- Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such offense, against the employee or organizations controlled by the employee
- Civil judicial actions against the employee in connection with financial services-related activities, dismissals with settlements, or judicial findings that the employee violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement
- Actions or orders by a state or federal regulatory agency or foreign financial regulatory authority that:
 - Found the employee to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted
 - Are entered against the employee in connection with a financial services-related activity
 - Denied, suspended, or revoked the employee's registration or license to engage in a financial services-related activity; disciplined the employee or otherwise by order prevented the employee from associating with a financial services-related business or restricted the employee's activities
 - Barred the employee from association with an entity or its officers regulated by the agency or authority or from engaging in a financial services-related business
- Final orders issued by a state or federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct

- Revocation or suspension of the employee's authorization to act as an attorney, accountant, or state or federal contractor
- Customer-initiated financial services-related arbitration or civil action against the employee that required action, including settlements, or which resulted in a judgment

We will also submit the employee's fingerprints, in digital form if practicable, and any appropriate identifying information for submission to the Federal Bureau of Investigation (FBI) and any governmental agency or entity authorized to receive such information in connection with a state and national criminal history background check. Fingerprints provided to the Registry that are less than 3 years old may be used to satisfy this requirement.

Employee Authorization and Attestation

Although we may facilitate the transmission of this information to the Registry, the employee must:

- Authorize the Registry and the employing institution to obtain information related to sanctions or findings in any administrative, civil or criminal action, to which the employee is a party, made by any governmental jurisdiction
- Attest to the correctness of all required information submitted on behalf of the employee by our institution
- Authorize the Registry to make available to the public information as required by the law

The Chief Operating & Credit Officer will submit the following information about our bank to the Registry:

Bank Information

- Name, main office address, and business contact information
- Internal Revenue Service Employer Tax Identification Number (EIN)
- Research Statistics Supervision and Discount (RSSD) number, as issued by the Board of Governors of the Federal Reserve System
- Identification of our primary federal regulator
- Name(s) and contact information of the individual(s) with authority to act as our primary point of contact for the Registry
- Name(s) and contact information of the individual(s) with authority to enter the information required to the Registry and who may delegate this authority to other individuals
- If a subsidiary of an insured state nonmember institution, that notation and the RSSD number of our parent bank

Attestation

Our contact person and/or their delegate(s) must comply with Registry protocols to verify their identity and must attest that:

- They have the authority to enter data on our behalf
- The information provided to the Registry is correct
- We will keep the information required
- We will file accurate supplementary information on a timely basis

Unique Identifier

Once registered, employees will receive a unique identifier that they will keep as long as they perform MLO activities and are registered and/or licensed. We will make the unique identifiers of all of our MLOs available to consumers upon request.

These identifiers will be kept with other records that show compliance with this rule by the Chief Operating & Credit Officer.

Our registered MLOs must provide their unique identifier to a consumer:

- Upon request
- Before acting as an MLO
- Through their initial written communication with a consumer, if any, whether on paper or electronically

Employee Training

The board directs management to ensure that all MLOs are fully trained about their responsibilities under the law. All new originators, even if they have been registered or licensed elsewhere, will receive S.A.F.E. Act training within 90 days of their employment. Management will keep copies of the training material, the date of the training, and a list of persons attending. Training will be repeated at least annually or more often if the rule changes or if, based on internal or external audits, violations have occurred.

Procedures and Tracking Systems for Monitoring Compliance with Registration and Renewal Requirements

Management is directed to implement procedures to ensure that we update information provided to the Registry within 30 days of the date it is no longer accurate and renew MLO registration during the annual renewal period, which is currently defined in the regulation as November 1 through December 31 of each year. An MLO who completed his or her original registration after July 1 need not renew the registration during the annual renewal period of that year.

We will assist our MLOs in updating and renewing their information as long as they are employed with us. All MLOs must:

- Renew the registration during the annual renewal period
- Confirm that the information originally sent remains accurate and complete
- Update the registration within 30 days of any of the following events:
 - A name change
 - The MLO no longer works for us, or
 - The information required becomes inaccurate, incomplete, or out-of-date.

Requirements for Employees Who Have Previously or Are Licensed as an MLO

If we hire a person who is already registered or licensed, has obtained a unique identifier from the Registry, and has maintained this registration or license, then the registration requirements of the S.A.F.E. Act are met if:

- We update the employment information with the Registry
- We send new fingerprints of the employee to the Registry for a background check, unless the employee has fingerprints on file with the Registry that are less than 3 years old
- Our institution has submitted its own information to the Registry

Requirements for Employees We Gain Through Acquisitions, Mergers, or Reorganizations

When registered or licensed MLOs become our employees as a result of an acquisition, merger, or reorganization, we must follow the above rules for new employees within 60 days of the effective date of the acquisition, merger, or reorganization.

Reviewing Employee Criminal History Background Reports Received from the Registry and Taking Appropriate Action

Management is directed to review all criminal history background reports on employees received from the FBI through the Registry and take appropriate action, including termination of that employee, as long as it is consistent with federal and state law.

Third-Party Provider Due Diligence

Management is directed to review all contracts with third-party providers with which we have arrangements related to mortgage loan origination and ensure that they include a provision attesting that the third party complies with the S.A.F.E. Act, including but not limited to appropriate licensing and/or registration of individuals acting as MLOs.

Annual Independent Testing

An annual audit of the requirements of the act, including, if appropriate, monitoring of third-party procedures, will be conducted by the internal auditor. The results of the audit will be presented to the board of directors with management responses for any violations or exceptions.

**Note: The bank is currently exempt from this policy; however, the Internal Auditor will evaluate the bank's status annually by completing a Secure and Fair Enforcement for Mortgage Licensing (SAFE Act) audit to ensure that the bank maintains the exempt status or alert management that the bank is no longer exempt.*

APPENDIX

Appendix A Mortgage Loan Originator Data Sheet

FIRST NATIONAL BANK NW FL MORTGAGE LOAN ORIGINATOR DATA SHEET

Current name and any other names used:

Home address :

Home telephone:

Home e-mail :

Employer address:

Business phone:

Business e-mail:

Social security number:

Gender:

Date and place of birth:

Financial services-related employment history for the 10 years prior to the date of registration or renewal, including the date the employee became an employee of First National Bank Northwest Florida

For the following enter dates and other information or state NONE

Convictions of any criminal offense involving dishonesty, breach of trust, or money laundering, or agreements to enter into a pretrial diversion or similar program in connection with the prosecution for such offense, against the employee or organizations controlled by the employee

Civil judicial actions against the employee in connection with financial services-related activities, dismissals with settlements, or judicial findings that the employee violated financial services-related statutes or regulations, except for actions dismissed without a settlement agreement

Actions or orders by a state or federal regulatory agency or foreign financial regulatory authority that:

- Found the employee to have made a false statement or omission or been dishonest, unfair or unethical; to have been involved in a violation of a financial services-related regulation or statute; or to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted
- Are entered against the employee in connection with a financial services-related activity
- Denied, suspended, or revoked the employee's registration or license to engage in a financial services-related activity; disciplined the employee or otherwise by order prevented the employee from associating with a financial services-related business or restricted the employee's activities
- Barred the employee from association with an entity or its officers regulated by the agency or authority or from engaging in a financial services-related business;

Final orders issued by a state or federal regulatory agency or foreign financial regulatory authority based on violations of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct

Revocation or suspension of the employee's authorization to act as an attorney, accountant, or state or federal contractor

Customer-initiated financial services-related arbitration or civil action against the employee that required action, including settlements, or which resulted in a judgment

Employee authorization and attestation.

I authorize the Registry and First National Bank Northwest Florida to obtain information related to sanctions or findings in any administrative, civil or criminal action, to which I may be a party, that was made by any governmental jurisdiction. I further authorize the Registry to make information available to the public as required by the law.

Signature of Employee

I also attest to the correctness of all the information stated here.

Signature of Employee

FIRST NATIONAL BANK NORTHWEST FLORIDA

CHARGE OFF/CHARGE DOWN AND LOSSES FORM

DATE of CHARGE-OFF: January 31, 2021

NAME OF CUSTOMER: CHRISTOPHER MILLER

ADDRESS:: 1207 VENETIAN WAY, PANAMA CITY FL 32405

OCCUPATION:

XX DEMAND DEPOSIT ACCOUNT

ACCOUNT NUMBER: 3201378106

DATE OF OVERDRAFT: January 19, 2021

AMOUNT OF OVERDRAFT: \$ 148.82

ALLOCATION:

Amount to be Charged to ALLL Reserve: \$ 118.82 CHARGE OFFS - OVERDRAFTS GL# 140250

Briefly explain what happened:

A POS transaction to Springhill Suites Panama City B FL was paid into overdraft by 118.82. An additional 30.00 fee was charged.

Action to be Taken: (collectable or uncollectable)

UNCOLLECTABLE

Officer Approval

Date 1/21/2021

Executive Officer Approval

Date 1/21/2021

Board of Directors Approval _____

Date _____

Correspondent Division

3800 Colonnade Pkwy Suite 210
Birmingham, AL 35243
Phone: 800-848-8573



First National Bank Northwest Florida
101 East 23rd Street
Panama City, FL 32405

Attn: Barbara McCullough

This asset/liability analysis is based on First National Bank Northwest Florida's (the "Bank") December 2020 financials. At December 31, 2020, the Bank had total assets of \$187.730 million, total loans of \$70.591 million, and total deposits of \$167.369 million.

CAPITAL ADEQUACY

At December 31, 2020, the Bank had a leverage capital ratio of 10.66%, which is above the regulatory minimum of 5% for a well-capitalized bank. The risk-based capital ratio was 35.16%, which is above the regulatory minimum of 10% for a well-capitalized bank.

EARNINGS & NET INTEREST MARGIN

For the twelve months ending December 31, 2020, the Bank's net income was \$1.434 million, representing an ROAA of 0.77% and ROE of 7.25%. Based on management's assumptions, in the base case or forward rate scenario, we project that the Bank's net income will be \$764,000 and \$114,000 in years one and two, respectively. Further, net interest margin is forecasted to average 2.33% in year one and 2.10% in year two.

LIQUIDITY

The Liquidity Analysis is a calculation that measures the volume of the Bank's assets that can quickly be converted to cash (within a 30-day window) without a large loss in principal. Based on this methodology, at December 31, 2020, the Bank had a liquidity ratio of 61.66%. This ratio was the result of a surplus of \$115.746 million divided by actual assets of \$187.730 million. This analysis does not take into account "off balance sheet" liquidity resources (such as fed funds purchased, FHLB borrowings using loan collateral or brokered CDs).

INTEREST RATE SENSITIVITY

I. Earnings Simulation

The earnings simulation measures the impact that changes in interest rates have on the Bank's earnings over a 12 and 24-month period. The Executive Summary of the report, under the "Earnings at Risk" section, depicts how a 200 basis point alternate interest rate shock impacts earnings over two consecutive 12-month time frames. The base case scenario is actually a most likely rate projection calculated from the implied forward rate curve. An implied forward is that rate of interest that financial instruments predict will be the spot rate at some point in the future. The base case scenario is shocked up and down 200 basis points on day one of the forecast and is sustained over the next 24 months.

A. Net income

For months 1 through 12, under the base case or forward interest rate scenario, net income is projected to be \$764,000, the ROA 0.45% and the ROE 3.73%. In the up 200bps interest rate shock scenario, the projected net income is \$1.041 million, with an ROA of 0.62% and ROE of 5.05%. In the down 200bps interest rate shock scenario, the projected net income is \$591,000, with an ROA of 0.35% and ROE of 2.89%.

For months 13 through 24, under the base case or forward interest rate scenario, net income is projected to be \$114,000, the ROA 0.07% and the ROE 0.55%. In the up 200bps interest rate shock scenario, the projected net income is \$1.249 million, with an ROA of 0.77% and ROE of 5.82%. In the down 200bps interest rate shock scenario, the projected net income is (\$143,000), with an ROA of (0.09%) and ROE of (0.70%).

B. Net Interest Income

For months 1 through 12, the projected net interest income is \$3.911 million under the base case or forward interest rate scenario. In the up 200bps interest rate shock scenario, the projected net interest income increases to \$4.188 million, a change of 7.06%. In the down 200bps interest rate shock scenario, the projected net interest income decreases to \$3.738 million, a change of (4.45%). The decline in net interest income under the 200bps falling rate shock is within the Bank's policy of -20% for year one.

For months 13 through 24, the projected net interest income is \$3.382 million under the base case or forward interest rate scenario. In the up 200bps interest rate shock scenario, the projected net interest income increases to \$4.517 million, a change of 33.54%. In the down 200bps interest rate shock scenario, the Bank's projected net interest income decreases to \$3.125 million, a change of (7.61%). The decline in net interest income under the 200bps falling rate shock is within the Bank's policy of -25% for year two.

II. Equity Value Simulation

The "Equity at Risk" section of the Executive Summary presents how a change in interest rates impacts the Bank's net economic value of equity. This measure gives insight into how a change in interest rates will impact earnings from a longer term perspective, often referred to as EVE (Economic Value of Equity). Under the base case or forward interest rate scenario, the Bank's EVE is projected to be \$24.637 million, or 13.05% of total assets. In the up 200bps interest rate shock scenario, the Bank's projected net market value of capital increases to \$27.620 million, a total percentage change from base of 12.11%. In the down 200bps interest rate shock scenario, the net market value of capital decreases to \$21.744 million, a change from base of (11.74%). The decline in EVE under the 200bps falling rate shock is within the Bank's policy of -15%.

SUMMARY

First National Bank Northwest Florida's leverage and risk-based capital ratios are in the well-capitalized category, with projections showing these ratios remaining consistent with current results over the next two years. The Bank's earnings performance (ROA and ROE), which measures medium term sensitivity, is projected to decline from current results in the base case or forward rate scenario in years one and two. The economic value of equity (EVE), which measures long term sensitivity, is projected to improve under rising rate shock scenarios and decline under falling rate shock scenarios.

Please call if you have any questions.

Sincerely,

Lena F. Martinez
Asset Liability Analyst

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INTEREST RATE RISK ANALYSIS STRATEGY-SHOCK ASSUMPTIONS REPORT

FIRST NATIONAL BANK NORTHWEST FLORIDA

**As of:
December 31, 2020**

**Published on:
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Investment Division



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Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
ASSETS								
Cash and Due From								
Cash and Due - Non Int Bearing								
Cash		(none)	0	(none)	(none)	(none)	(none)	Not Included
Due From		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Cash and Due - Non Int Bearing								
Cash and Due - Int Bearing								
Other Int Bearing Due From		(none)	0	(none)	(none)	(none)	(none)	Included
Certificates of Deposit Due From		0	0	Libor/Swap	(none)	(none)	(none)	Included
Total Cash and Due - Int Bearing								
Total Cash and Due From								
Funds Sold								
F.F. Sold (Bal.)		(none)	0	(none)	(none)	(none)	(none)	Included
Total Funds Sold								
Investments								
MBS and CMOs								
GNM MBS - AFS	AFS	0.190	0	US Treasury	(none)	UST - 36 Mo	MBS Fixed	Included
GNM MBS - HTM	HTM	0.190	0	US Treasury	(none)	UST - 36 Mo	MBS Fixed	Included
GNM ARMs - AFS	AFS	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
GNM ARMs - HTM	HTM	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
GNM Hybrid ARMs - AFS	AFS	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
GNM Hybrid ARMs - HTM	HTM	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
CMO Fixed - AFS	AFS	0.350	20	US Treasury	(none)	UST - 36 Mo	CMO Fixed	Included
Total MBS and CMOs								
Municipals and Other								
Taxable Municipals - HTM	HTM	0.200	100	US Treasury	Municipals	(none)	(none)	Included
SBA Fixed - AFS	AFS	2.000	0	Libor/Swap	(none)	UST - 36 Mo	MBS Fixed	Included
SBA Variable - AFS	AFS	2.000	0	Libor/Swap	(none)	Prime	SBA Variable	Included
FHLB Stock		4.100	20	Libor/Swap	(none)	Fed Funds	(none)	Included
FRB Stock		6.000	0	Libor/Swap	(none)	(none)	(none)	Included
Total Municipals and Other								
Investment Gains and Losses		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Investments								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Loans								
Real Estate Loans								
Construction								
Construction Fixed		7.854	100	Libor/Swap	(none)	SWAP - 36 Mo	Construction Fixed	Included
Construction Variable								
Construction Var Prime		4.323	100	Libor/Swap	(none)	Prime	Construction Variable	Included
Total Construction Variable								
Construction Adjustable								
Construction Adjustable Prime								
Construction ARM Prime		4.670	100	Libor/Swap	(none)	Prime	Construction Variable	Included
Construction Hybrid ARM Prime		4.895	100	Libor/Swap	(none)	Prime	Construction Fixed	Included
Total Construction Adjustable Prime								
Construction Adjustable UST								
Construction Hybrid ARM UST		3.998	100	Libor/Swap	(none)	UST - 12 Mo	Construction Fixed	Included
Total Construction Adjustable UST								
Total Construction Adjustable								
Total Construction								
Agriculture Real Estate								
Agriculture RE Fixed		4.120	100	Libor/Swap	(none)	SWAP - 36 Mo	Agriculture Fixed	Included
Agriculture RE Adjustable								
Agriculture RE Adjustable UST								
Agriculture RE Hybrid ARM UST		3.255	100	Libor/Swap	(none)	UST - 12 Mo	Agriculture Fixed	Included
Total Agriculture RE Adjustable UST								
Total Agriculture RE Adjustable								
Total Agriculture Real Estate								
Home Equity								
Home Equity Variable								
Home Equity Var Prime		4.156	100	Libor/Swap	(none)	Prime	Home Equity Variable	Included
Total Home Equity Variable								
Total Home Equity								
Mortgage								
Mortgage Fixed								
Mortgage Fixed - 10 Yr		5.092	50	Libor/Swap	(none)	SWAP - 60 Mo	Mortgage 15 Yr	Included
Mortgage Fixed - 15 Yr		3.460	50	Libor/Swap	(none)	SWAP - 84 Mo	Mortgage 15 Yr	Included
Mortgage Fixed - 20 Yr		2.976	50	Libor/Swap	(none)	SWAP - 120 Mo	Mortgage 30 Yr	Included
Mortgage Fixed - 30 Yr		3.580	50	Libor/Swap	(none)	SWAP - 120 Mo	Mortgage 30 Yr	Included
Total Mortgage Fixed								
Mortgage Variable								
Mortgage Var Prime		4.078	50	Libor/Swap	(none)	Prime	Mortgage Variable	Included
Total Mortgage Variable								

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Mortgage Adjustable								
Mortgage Adjustable Prime								
Mortgage ARM Prime		4.994	50	Libor/Swap	(none)	Prime	Mortgage ARM	Included
Mortgage Hybrid ARM Prime		5.097	50	Libor/Swap	(none)	Prime	Mortgage ARM	Included
Total Mortgage Adjustable Prime								
Mortgage Adjustable UST								
Mortgage ARM UST		2.838	50	Libor/Swap	(none)	UST - 12 Mo	Mortgage ARM	Included
Total Mortgage Adjustable UST								
Total Mortgage Adjustable								
Total Mortgage								
Multi Family Real Estate								
Multi Family RE Adjustable								
Multi Family RE Adjustable Prime								
Multi Family RE ARM Prime		5.291	50	Libor/Swap	(none)	Prime	Commercial RE Variable	Included
Total Multi Family RE Adjustable Prime								
Total Multi Family RE Adjustable								
Total Multi Family Real Estate								
Commercial Real Estate								
Commercial RE Fixed		4.429	100	Libor/Swap	(none)	SWAP - 36 Mo	Commercial RE Fixed	Included
Commercial RE Variable								
Commercial RE Var Prime		3.947	100	Libor/Swap	(none)	Prime	Commercial RE Variable	Included
Total Commercial RE Variable								
Commercial RE Adjustable								
Commercial RE Adjustable Prime								
Commercial RE ARM Prime		3.585	100	Libor/Swap	(none)	Prime	Commercial RE Variable	Included
Commercial RE Hybrid ARM Prime		5.104	100	Libor/Swap	(none)	Prime	Commercial RE Fixed	Included
Total Commercial RE Adjustable Prime								
Commercial RE Adjustable UST								
Commercial RE Hybrid ARM UST		4.650	100	Libor/Swap	(none)	UST - 12 Mo	Commercial RE Fixed	Included
Total Commercial RE Adjustable UST								
Total Commercial RE Adjustable								
Total Commercial Real Estate								
Total Real Estate Loans								
Commercial Loans								
Commercial								
Commercial Fixed		4.141	100	Libor/Swap	(none)	SWAP - 36 Mo	Commercial Fixed	Included
Commercial Variable								
Commercial Var Prime		3.691	100	Libor/Swap	(none)	Prime	Commercial Variable	Included
Total Commercial Variable								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Commercial Adjustable								
Commercial Adjustable Prime								
Commercial ARM Prime		3.991	100	Libor/Swap	(none)	Prime	Commercial Variable	Included
Total Commercial Adjustable Prime								
Total Commercial Adjustable								
Total Commercial								
Commercial SBA								
Commercial SBA Fixed		0.790	20	Libor/Swap	(none)	ZERO Rate	PPP Prepay Model	Included
Total Commercial SBA								
Total Commercial Loans								
Consumer Loans								
Consumer								
Consumer Fixed								
Other Consumer Fixed		1.228	100	Libor/Swap	(none)	LIBOR - 12 Mo	Consumer Fixed	Included
Total Consumer Fixed								
Total Consumer								
Total Consumer Loans								
Other Loan G/L Balances								
Unearned Disc. & Oth.		(none)	0	(none)	(none)	(none)	(none)	Included
Total Other Loan G/L Balances								
Loan Loss Reserve		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Loans								
Other Assets								
Fixed Assets		(none)	0	(none)	(none)	(none)	(none)	Not Included
Interest Receivable		(none)	0	(none)	(none)	(none)	(none)	Not Included
Other Non Earning Assets		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Other Assets								
TOTAL ASSETS								
LIABILITIES								
Deposits								
Non Maturity Deposits								
Demand								
Demand Retail								
Demand Retail Fixed		0	0	Libor/Swap	(none)	(none)	(none)	Included

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Total Demand Retail								
Demand Commercial								
Demand Commercial Fixed		0	0	Libor/Swap	(none)	(none)	(none)	Included
Total Demand Commercial								
Total Demand								
NOW Accounts								
NOW Retail								
NOW Retail Variable		0	0	Libor/Swap	(none)	NOW Retail	(none)	Included
Total NOW Retail								
NOW Retail Premium								
NOW Retail Premium Variable		0	0	Libor/Swap	(none)	NOW Retail Premium	(none)	Included
Total NOW Retail Premium								
NOW Commercial								
NOW Commercial Variable		0	0	Libor/Swap	(none)	NOW Commercial	(none)	Included
Total NOW Commercial								
NOW Commercial Premium								
NOW Commercial Premium Variable		0	0	Libor/Swap	(none)	NOW Commercial	(none)	Included
Total NOW Commercial Premium								
NOW Public Funds								
NOW Public Funds Variable		0	0	Libor/Swap	(none)	NOW Public Funds	(none)	Included
Total NOW Public Funds								
Total NOW Accounts								
Money Market Accounts								
MMDA Retail								
MMDA Retail Variable		0	0	Libor/Swap	(none)	MMDA Retail	(none)	Included
Total MMDA Retail								
MMDA Retail Premium								
MMDA Retail Premium Variable		0	0	Libor/Swap	(none)	MMDA Retail Premium	(none)	Included
Total MMDA Retail Premium								
MMDA Commercial								
MMDA Commercial Variable		0	0	Libor/Swap	(none)	MMDA Commercial	(none)	Included
Total MMDA Commercial								
MMDA Commercial Premium								
MMDA Commercial Premium Variable		0	0	Libor/Swap	(none)	MMDA Commercial	(none)	Included
Total MMDA Commercial Premium								
MMDA Public Funds								
MMDA Public Funds Variable		0	0	Libor/Swap	(none)	MMDA Public Funds	(none)	Included
Total MMDA Public Funds								
Total Money Market Accounts								
Savings Accounts								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Savings Retail								
Savings Retail Variable		0	0	Libor/Swap	(none)	Savings Retail	(none)	Included
Total Savings Retail								
Savings Commercial								
Savings Commercial Variable		0	0	Libor/Swap	(none)	Savings Commercial	(none)	Included
Total Savings Commercial								
Total Savings Accounts								
Non Maturity Deposits G/L		(none)	0	(none)	(none)	(none)	(none)	Included
Total Non Maturity Deposits								
Time Deposits								
Time Deposits Core								
CDs Core 1-3 Mo		0	0	Libor/Swap	(none)	CD 3 Month	CD	Included
CDs Core 4-6 Mo		0	0	Libor/Swap	(none)	CD 6 Month	CD	Included
CDs Core 7-9 Mo		0	0	Libor/Swap	(none)	CD 9 Month	CD	Included
CDs Core 10-12 Mo		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
CDs Core 13-24 Mo		0	0	Libor/Swap	(none)	CD 24 Month	CD	Included
CDs Core 25-36 Mo		0	0	Libor/Swap	(none)	CD 36 Month	CD	Included
CDs Core 49-60 Mo		0	0	Libor/Swap	(none)	CD 60 Month	CD	Included
IRAs Core		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
Total Time Deposits Core								
Time Deposits Non Core								
CDs Non Core 1-3 Mo		0	0	Libor/Swap	(none)	CD 3 Month	CD	Included
CDs Non Core 7-9 Mo		0	0	Libor/Swap	(none)	CD 9 Month	CD	Included
CDs Non Core 10-12 Mo		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
CDs Non Core 13-24 Mo		0	0	Libor/Swap	(none)	CD 24 Month	CD	Included
CDs Non Core 49-60 Mo		0	0	Libor/Swap	(none)	CD 60 Month	CD	Included
IRAs Non Core		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
Total Time Deposits Non Core								
Total Time Deposits								
Total Deposits								
Funds Purchased								
F.F. Purch. (Bal.)		(none)	0	(none)	(none)	(none)	(none)	Included
Total Funds Purchased								
Other Liabilities								
Other Liabilities Non Int Bearing		(none)	0	(none)	(none)	(none)	(none)	Not Included
Interest Payable		(none)	0	(none)	(none)	(none)	(none)	Not Included

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Tax Deferred Liability		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Other Liabilities								
TOTAL LIABILITIES								
EQUITY								
Common Stock		(none)	0	(none)	(none)	(none)	(none)	Not Included
Surplus		(none)	0	(none)	(none)	(none)	(none)	Not Included
AOCI - Non Tier 1		(none)	0	(none)	(none)	(none)	(none)	Not Included
Retained Earnings		(none)	0	(none)	(none)	(none)	(none)	Not Included
Additional Tier 1 Equity		(none)	0	(none)	(none)	(none)	(none)	Not Included
Non Qualifying Equity		(none)	0	(none)	(none)	(none)	(none)	Not Included
TOTAL EQUITY								
TOTAL LIABS AND EQUITY		(none)	0	(none)	(none)	(none)	(none)	Not Included
TOTAL EARNING ASSETS		(none)	0	(none)	(none)	(none)	(none)	Not Included
TOTAL INT BEARING LIABS		(none)	0	(none)	(none)	(none)	(none)	Not Included

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
ASSETS											
Cash and Due From											
Cash and Due - Non Int Bearing											
Cash	1,072	682	682	682	682	682	(36)	0	0	0	0
Due From	180	114	114	114	114	114	(36)	0	0	0	0
Total Cash and Due - Non Int Bearing	1,252	796	796	796	796	796	(36)	0	0	0	0
Cash and Due - Int Bearing											
Other Int Bearing Due From	17,250	11,435	12,887	12,977	13,128	13,349	(34)	13	1	1	2
Certificates of Deposit Due From	90,579	73,800	73,800	73,800	73,800	73,800	(19)	0	0	0	0
Total Cash and Due - Int Bearing	107,829	86,235	86,687	86,777	86,928	87,149	(21)	2	0	0	0
Total Cash and Due From	109,082	86,032	87,483	87,574	87,724	87,946	(21)	2	0	0	0
Funds Sold											
F.F. Sold (Bal.)	0	0	0	0	0	0	NA	30	15	13	11
Total Funds Sold	0	0	0	0	0	0	NA	30	15	13	11
Investments											
MBS and CMOs											
GNM MBS - AFS	3,629	4,498	4,498	4,498	4,498	4,498	24	0	0	0	0
GNM MBS - HTM	177	219	219	219	219	219	24	0	0	0	0
GNM ARMs - AFS	185	230	230	230	230	230	24	0	0	0	0
GNM ARMs - HTM	3	3	3	3	3	3	24	0	0	0	0
GNM Hybrid ARMs - AFS	7	9	9	9	9	9	24	0	0	0	0
GNM Hybrid ARMs - HTM	1	1	1	1	1	1	24	0	0	0	0
CMO Fixed - AFS	6	7	7	7	7	7	24	0	0	0	0
Total MBS and CMOs	4,007	4,966	4,966	4,966	4,966	4,966	24	0	0	0	0
Municipals and Other											
Taxable Municipals - HTM	1,007	1,248	1,248	1,248	1,248	1,248	24	0	0	0	0
SBA Fixed - AFS	882	1,094	1,094	1,094	1,094	1,094	24	0	0	0	0
SBA Variable - AFS	121	150	150	150	150	150	24	0	0	0	0
FHLB Stock	259	322	322	322	322	322	24	0	0	0	0
FRB Stock	198	246	246	246	246	246	24	0	0	0	0
Total Municipals and Other	2,469	3,060	3,060	3,060	3,060	3,060	24	0	0	0	0
Investment Gains and Losses	259	3	7	0	0	0	(99)	100	NA	(400)	80
Total Investments	6,734	8,029	8,033	8,026	8,026	8,026	19	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Loans											
Real Estate Loans											
Construction											
Construction Fixed	1,299	1,431	1,431	1,431	1,431	1,431	10	0	0	0	0
Construction Variable											
Construction Var Prime	1,886	2,079	2,079	2,079	2,079	2,079	10	0	0	0	0
Total Construction Variable	1,886	2,079	2,079	2,079	2,079	2,079	10	0	0	0	0
Construction Adjustable											
Construction Adjustable Prime											
Construction ARM Prime	932	1,027	1,027	1,027	1,027	1,027	10	0	0	0	0
Construction Hybrid ARM Prime	49	54	54	54	54	54	10	0	0	0	0
Total Construction Adjustable Prime	981	1,081	1,081	1,081	1,081	1,081	10	0	0	0	0
Construction Adjustable UST											
Construction Hybrid ARM UST	252	277	277	277	277	277	10	0	0	0	0
Total Construction Adjustable UST	252	277	277	277	277	277	10	0	0	0	0
Total Construction Adjustable	1,233	1,358	1,358	1,358	1,358	1,358	10	0	0	0	0
Total Construction	4,418	4,868	4,868	4,868	4,868	4,868	10	0	0	0	0
Agriculture Real Estate											
Agriculture RE Fixed	425	469	469	469	469	469	10	0	0	0	0
Agriculture RE Adjustable											
Agriculture RE Adjustable UST											
Agriculture RE Hybrid ARM UST	493	543	543	543	543	543	10	0	0	0	0
Total Agriculture RE Adjustable UST	493	543	543	543	543	543	10	0	0	0	0
Total Agriculture RE Adjustable	493	543	543	543	543	543	10	0	0	0	0
Total Agriculture Real Estate	918	1,012	1,012	1,012	1,012	1,012	10	0	0	0	0
Home Equity											
Home Equity Variable											
Home Equity Var Prime	308	340	340	340	340	340	10	0	0	0	0
Total Home Equity Variable	308	340	340	340	340	340	10	0	0	0	0
Total Home Equity	308	340	340	340	340	340	10	0	0	0	0
Mortgage											
Mortgage Fixed											
Mortgage Fixed - 10 Yr	310	342	342	342	342	342	10	0	0	0	0
Mortgage Fixed - 15 Yr	92	102	102	102	102	102	10	0	0	0	0
Mortgage Fixed - 20 Yr	1,199	1,322	1,322	1,322	1,322	1,322	10	0	0	0	0
Mortgage Fixed - 30 Yr	2,417	2,664	2,664	2,664	2,664	2,664	10	0	0	0	0
Total Mortgage Fixed	4,019	4,429	4,429	4,429	4,429	4,429	10	0	0	0	0
Mortgage Variable											
Mortgage Var Prime	8,969	9,884	9,884	9,884	9,884	9,884	10	0	0	0	0
Total Mortgage Variable	8,969	9,884	9,884	9,884	9,884	9,884	10	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth												
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff	
Mortgage Adjustable												
Mortgage Adjustable Prime												
Mortgage ARM Prime	345	380	380	380	380	380	10	0	0	0	0	
Mortgage Hybrid ARM Prime	910	1,003	1,003	1,003	1,003	1,003	10	0	0	0	0	
Total Mortgage Adjustable Prime	1,255	1,383	1,383	1,383	1,383	1,383	10	0	0	0	0	
Mortgage Adjustable UST												
Mortgage ARM UST	692	763	763	763	763	763	10	0	0	0	0	
Total Mortgage Adjustable UST	692	763	763	763	763	763	10	0	0	0	0	
Total Mortgage Adjustable	1,947	2,146	2,145	2,145	2,145	2,145	10	0	0	0	0	
Total Mortgage	14,936	16,458	16,458	16,458	16,458	16,458	10	0	0	0	0	
Multi Family Real Estate												
Multi Family RE Adjustable												
Multi Family RE Adjustable Prime												
Multi Family RE ARM Prime	110	121	121	121	121	121	10	0	0	0	0	
Total Multi Family RE Adjustable Prime	110	121	121	121	121	121	10	0	0	0	0	
Total Multi Family RE Adjustable	110	121	121	121	121	121	10	0	0	0	0	
Total Multi Family Real Estate	110	121	121	121	121	121	10	0	0	0	0	
Commercial Real Estate												
Commercial RE Fixed	2,563	2,824	2,824	2,824	2,824	2,824	10	0	0	0	0	
Commercial RE Variable												
Commercial RE Var Prime	11,002	12,123	12,123	12,123	12,123	12,123	10	0	0	0	0	
Total Commercial RE Variable	11,002	12,123	12,123	12,123	12,123	12,123	10	0	0	0	0	
Commercial RE Adjustable												
Commercial RE Adjustable Prime												
Commercial RE ARM Prime	23,328	25,706	25,706	25,706	25,706	25,706	10	0	0	0	0	
Commercial RE Hybrid ARM Prime	1,300	1,432	1,432	1,432	1,432	1,432	10	0	0	0	0	
Total Commercial RE Adjustable Prime	24,628	27,138	27,138	27,138	27,138	27,138	10	0	0	0	0	
Commercial RE Adjustable UST												
Commercial RE Hybrid ARM UST	426	469	469	469	469	469	10	0	0	0	0	
Total Commercial RE Adjustable UST	426	469	469	469	469	469	10	0	0	0	0	
Total Commercial RE Adjustable	25,054	27,608	27,608	27,608	27,608	27,608	10	0	0	0	0	
Total Commercial Real Estate	38,619	42,555	42,555	42,555	42,555	42,555	10	0	0	0	0	
Total Real Estate Loans	59,309	65,364	65,364	65,364	65,364	65,364	10	0	0	0	0	
Commercial Loans												
Commercial												
Commercial Fixed	173	191	191	191	191	191	10	0	0	0	0	
Commercial Variable												
Commercial Var Prime	558	615	615	615	615	615	10	0	0	0	0	
Total Commercial Variable	558	615	615	615	615	615	10	0	0	0	0	

Assumptions

As of December 31, 2020

Balance Sheet Growth												
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff	
Commercial Adjustable												
Commercial Adjustable Prime												
Commercial ARM Prime	449	495	495	495	495	495	10	0	0	0	0	
Total Commercial Adjustable Prime	449	495	495	495	495	495	10	0	0	0	0	
Total Commercial Adjustable	449	495	495	495	495	495	10	0	0	0	0	
Total Commercial	1,180	1,301	1,301	1,301	1,301	1,301	10	0	0	0	0	
Commercial SBA												
Commercial SBA Fixed	11,713	1,331	0	0	0	0	(89)	(100)	NA	NA	NA	
Total Commercial SBA	11,713	1,331	0	0	0	0	(89)	(100)	NA	NA	NA	
Total Commercial Loans	12,894	2,631	1,301	1,301	1,301	1,301	(80)	(51)	0	0	0	
Consumer Loans												
Consumer												
Consumer Fixed												
Other Consumer Fixed	51	56	56	56	56	56	10	0	0	0	0	
Total Consumer Fixed	51	56	56	56	56	56	10	0	0	0	0	
Total Consumer	51	56	56	56	56	56	10	0	0	0	0	
Total Consumer Loans	51	56	56	56	56	56	10	0	0	0	0	
Other Loan G/L Balances												
Unearned Disc. & Oth.	(413)	(455)	(455)	(455)	(455)	(455)	(10)	0	0	0	0	
Total Other Loan G/L Balances	(413)	(455)	(455)	(455)	(455)	(455)	(10)	0	0	0	0	
Loan Loss Reserve	(1,249)	(1,249)	(1,249)	(1,249)	(1,249)	(1,249)	0	0	0	0	0	
Total Loans	70,591	66,337	65,006	65,006	65,006	65,006	(6)	(2)	0	0	0	
Other Assets												
Fixed Assets	714	540	540	540	540	540	(24)	0	0	0	0	
Interest Receivable	0	(49)	(66)	(60)	(46)	(29)	NA	(36)	9	23	36	
Other Non Earning Assets	608	646	646	646	646	646	6	0	0	0	0	
Total Other Assets	1,322	1,137	1,120	1,126	1,140	1,156	(14)	(2)	1	1	1	
TOTAL ASSETS	187,730	161,536	161,642	161,732	161,897	162,135	(14)	0	0	0	0	
LIABILITIES												
Deposits												
Non Maturity Deposits												
Demand												
Demand Retail												
Demand Retail Fixed	3,658	3,465	3,465	3,465	3,465	3,465	(5)	0	0	0	0	

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Total Demand Retail	3,658	3,465	3,465	3,465	3,465	3,465	(5)	0	0	0	0
Demand Commercial											
Demand Commercial Fixed	28,936	27,413	27,413	27,413	27,413	27,413	(5)	0	0	0	0
Total Demand Commercial	28,936	27,413	27,413	27,413	27,413	27,413	(5)	0	0	0	0
Total Demand	32,594	30,878	30,878	30,878	30,878	30,878	(5)	0	0	0	0
NOW Accounts											
NOW Retail											
NOW Retail Variable	24,729	22,788	22,788	22,788	22,788	22,788	(8)	0	0	0	0
Total NOW Retail	24,729	22,788	22,788	22,788	22,788	22,788	(8)	0	0	0	0
NOW Retail Premium											
NOW Retail Premium Variable	18,208	16,779	16,779	16,779	16,779	16,779	(8)	0	0	0	0
Total NOW Retail Premium	18,208	16,779	16,779	16,779	16,779	16,779	(8)	0	0	0	0
NOW Commercial											
NOW Commercial Variable	7,734	7,127	7,127	7,127	7,127	7,127	(8)	0	0	0	0
Total NOW Commercial	7,734	7,127	7,127	7,127	7,127	7,127	(8)	0	0	0	0
NOW Commercial Premium											
NOW Commercial Premium Variable	2,429	2,238	2,238	2,238	2,238	2,238	(8)	0	0	0	0
Total NOW Commercial Premium	2,429	2,238	2,238	2,238	2,238	2,238	(8)	0	0	0	0
NOW Public Funds											
NOW Public Funds Variable	18,868	0	0	0	0	0	(100)	NA	NA	NA	NA
Total NOW Public Funds	18,868	0	0	0	0	0	(100)	NA	NA	NA	NA
Total NOW Accounts	71,968	48,932	48,932	48,932	48,932	48,932	(32)	0	0	0	0
Money Market Accounts											
MMDA Retail											
MMDA Retail Variable	1,800	1,828	1,828	1,828	1,828	1,828	2	0	0	0	0
Total MMDA Retail	1,800	1,828	1,828	1,828	1,828	1,828	2	0	0	0	0
MMDA Retail Premium											
MMDA Retail Premium Variable	2,012	2,044	2,044	2,044	2,044	2,044	2	0	0	0	0
Total MMDA Retail Premium	2,012	2,044	2,044	2,044	2,044	2,044	2	0	0	0	0
MMDA Commercial											
MMDA Commercial Variable	10,524	10,690	10,690	10,690	10,690	10,690	2	0	0	0	0
Total MMDA Commercial	10,524	10,690	10,690	10,690	10,690	10,690	2	0	0	0	0
MMDA Commercial Premium											
MMDA Commercial Premium Variable	24,679	25,068	25,068	25,068	25,068	25,068	2	0	0	0	0
Total MMDA Commercial Premium	24,679	25,068	25,068	25,068	25,068	25,068	2	0	0	0	0
MMDA Public Funds											
MMDA Public Funds Variable	95	96	96	96	96	96	2	0	0	0	0
Total MMDA Public Funds	95	96	96	96	96	96	2	0	0	0	0
Total Money Market Accounts	39,110	39,726	39,726	39,726	39,726	39,726	2	0	0	0	0
Savings Accounts											

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Savings Retail											
Savings Retail Variable	2,755	2,807	2,807	2,807	2,807	2,807	2	0	0	0	0
Total Savings Retail	2,755	2,807	2,807	2,807	2,807	2,807	2	0	0	0	0
Savings Commercial											
Savings Commercial Variable	814	829	829	829	829	829	2	0	0	0	0
Total Savings Commercial	814	829	829	829	829	829	2	0	0	0	0
Total Savings Accounts	3,569	3,637	3,637	3,637	3,637	3,637	2	0	0	0	0
Non Maturity Deposits G/L	6	0	0	0	0	0	(100)	NA	NA	NA	NA
Total Non Maturity Deposits	147,247	123,173	123,173	123,173	123,173	123,173	(16)	0	0	0	0
Time Deposits											
Time Deposits Core											
CDs Core 1-3 Mo	1	1	1	1	1	1	0	0	0	0	0
CDs Core 4-6 Mo	39	39	39	39	39	39	0	0	0	0	0
CDs Core 7-9 Mo	70	70	70	70	70	70	0	0	0	0	0
CDs Core 10-12 Mo	1,989	1,680	1,680	1,680	1,680	1,680	(16)	0	0	0	0
CDs Core 13-24 Mo	445	445	445	445	445	445	0	0	0	0	0
CDs Core 25-36 Mo	88	88	88	88	88	88	0	0	0	0	0
CDs Core 49-60 Mo	56	56	56	56	56	56	0	0	0	0	0
IRAs Core	1,512	1,277	1,277	1,277	1,277	1,277	(16)	0	0	0	0
Total Time Deposits Core	4,199	3,655	3,655	3,655	3,655	3,655	(13)	0	0	0	0
Time Deposits Non Core											
CDs Non Core 1-3 Mo	1,047	1,047	1,047	1,047	1,047	1,047	0	0	0	0	0
CDs Non Core 7-9 Mo	907	907	907	907	907	907	0	0	0	0	0
CDs Non Core 10-12 Mo	12,383	10,457	10,457	10,457	10,457	10,457	(16)	0	0	0	0
CDs Non Core 13-24 Mo	613	613	613	613	613	613	0	0	0	0	0
CDs Non Core 49-60 Mo	261	261	261	261	261	261	0	0	0	0	0
IRAs Non Core	710	582	582	582	582	582	(18)	0	0	0	0
Total Time Deposits Non Core	15,922	13,868	13,868	13,868	13,868	13,868	(13)	0	0	0	0
Total Time Deposits	20,122	17,522	17,522	17,522	17,522	17,522	(13)	0	0	0	0
Total Deposits	167,369	140,696	140,696	140,696	140,696	140,696	(16)	0	0	0	0
Funds Purchased											
F.F. Purch. (Bal.)	0	0	0	0	0	0	NA	NA	NA	NA	NA
Total Funds Purchased	0	0	0	0	0	0	NA	NA	NA	NA	NA
Other Liabilities											
Other Liabilities Non Int Bearing	83	153	153	153	153	153	85	0	0	0	0
Interest Payable	0	8	6	17	33	46	NA	(15)	167	93	40

Assumptions

As of December 31, 2020

Balance Sheet Growth												
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff	
Tax Deferred Liability	0	1	2	-0	0	-0	NA	100	(100)	NA	(100)	
Total Other Liabilities	83	161	161	170	185	199	95	0	6	9	7	
TOTAL LIABILITIES	167,452	140,857	140,856	140,865	140,881	140,894	(16)	0	0	0	0	
EQUITY												
Common Stock	1,905	1,905	1,905	1,905	1,905	1,905	0	0	0	0	0	
Surplus	4,699	4,699	4,699	4,699	4,699	4,699	0	0	0	0	0	
AOCI - Non Tier 1	259	3	5	-0	0	0	(99)	100	(100)	NA	75	
Retained Earnings	13,415	14,180	14,294	14,388	14,554	14,805	6	1	1	1	2	
Additional Tier 1 Equity	0	(107)	(117)	(124)	(141)	(166)	NA	(9)	(6)	(14)	(19)	
Non Qualifying Equity	0	0	0	0	0	0	NA	(29)	NA	0	(50)	
TOTAL EQUITY	20,278	20,679	20,786	20,867	21,016	21,241	2	1	0	1	1	
TOTAL LIABS AND EQUITY	187,730	161,536	161,642	161,732	161,897	162,135	(14)	0	0	0	0	
TOTAL EARNING ASSETS	186,145	160,848	160,969	161,059	161,210	161,432	(14)	0	0	0	0	
TOTAL INT BEARING LIABS	167,369	140,696	140,696	140,696	140,696	140,696	(16)	0	0	0	0	

Assumptions

As of December 31, 2020

Offering Rates All Scenarios														
Account Names	New Volume Account	Rotate Negative	Basis Down	Down 400	Down 300	Down 200	Down 100	Current Rates	Up 100	Up 200	Up 300	Up 400	Basis Up	Rotate Positive
Certificates of Deposit Due From	3M	2.15	0	0	0	0	0	0.15	1.15	2.15	3.15	4.15	1.15	0.15
GNM MBS - AFS	60M	2.05	0.25	0.08	0.08	0.08	0.08	0.25	1.25	2.25	3.25	4.25	0.25	0.45
GNM MBS - HTM	60M	2.05	0.25	0.08	0.08	0.08	0.08	0.25	1.25	2.25	3.25	4.25	0.25	0.45
GNM ARMs - AFS	1/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
GNM ARMs - HTM	1/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
GNM Hybrid ARMs - AFS	3/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
GNM Hybrid ARMs - HTM	3/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
CMO Fixed - AFS	60M	2.27	0.47	0.30	0.30	0.30	0.30	0.47	1.47	2.47	3.47	4.47	0.47	0.67
Taxable Municipals - HTM	120M	2.58	1.25	0.20	0.20	0.20	0.25	1.25	2.25	3.25	4.25	5.25	1.25	1.92
SBA Fixed - AFS	60M	3.97	2.17	2.00	2.00	2.00	2.00	2.17	3.17	4.17	5.17	6.17	2.17	2.37
SBA Variable - AFS	60M	5.25	2.25	0	0.25	1.25	2.25	3.25	4.25	5.25	6.25	7.25	4.25	3.25
FHLB Stock	/3M 120M	6.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00	7.00	8.00	5.00	4.00
FRB Stock	120M	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Construction Fixed	120M	6.55	4.75	4.51	4.51	4.51	4.51	4.75	5.75	6.75	7.75	8.75	4.75	4.95
Construction Var Prime	120M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Construction ARM Prime	1/1 60M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Construction Hybrid ARM	3/1 60M	7.14	4.14	1.14	2.14	3.14	4.14	5.14	6.14	7.14	8.14	9.14	6.14	5.14
Construction Hybrid ARM UST	3/1 60M	6.43	4.50	4.40	4.40	4.40	4.40	4.50	5.50	6.50	7.50	8.50	4.50	4.57
Agriculture RE Fixed	120M	7.55	5.75	5.51	5.51	5.51	5.51	5.75	6.75	7.75	8.75	9.75	5.75	5.95
Agriculture RE Hybrid ARM	3/1 180M	5.53	4.00	4.00	4.00	4.00	4.00	4.00	4.60	5.60	6.60	7.60	4.00	4.00
Home Equity Var Prime	120M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage Fixed - 10 Yr	120M	6.17	4.50	3.85	3.85	3.85	3.85	4.50	5.50	6.50	7.50	8.50	4.50	4.83
Mortgage Fixed - 15 Yr	180M	6.03	4.50	3.58	3.58	3.58	3.58	4.50	5.50	6.50	7.50	8.50	4.50	4.97
Mortgage Fixed - 20 Yr	240M	5.83	4.50	3.31	3.31	3.31	3.50	4.50	5.50	6.50	7.50	8.50	4.50	5.17
Mortgage Fixed - 30 Yr	360M	5.83	4.50	3.31	3.31	3.31	3.50	4.50	5.50	6.50	7.50	8.50	4.50	5.17
Mortgage Var Prime	360M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage ARM Prime	1/1 360M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage Hybrid ARM Prime	3/1 360M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage ARM UST	1/1 360M	5.53	4.00	4.00	4.00	4.00	4.00	4.00	4.60	5.60	6.60	7.60	4.00	4.00
Multi Family RE ARM Prime	1/1 60M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Commercial RE Fixed	120M	7.30	5.50	5.26	5.26	5.26	5.26	5.50	6.50	7.50	8.50	9.50	5.50	5.70
Commercial RE Var Prime	120M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Commercial RE ARM Prime	1/1 60M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Commercial RE Hybrid ARM	3/1 120M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Commercial RE Hybrid ARM	3/1 120M	5.53	4.00	4.00	4.00	4.00	4.00	4.00	4.60	5.60	6.60	7.60	4.00	4.00
Commercial Fixed	120M	7.80	6.00	5.76	5.76	5.76	5.76	6.00	7.00	8.00	9.00	10.00	6.00	6.20
Commercial Var Prime	120M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Commercial ARM Prime	1/1 60M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Commercial SBA Fixed	1M	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Consumer Fixed	120M	4.23	2.30	2.11	2.11	2.11	2.11	2.30	3.30	4.30	5.30	6.30	2.30	2.37

Assumptions

As of December 31, 2020

Offering Rates All Scenarios														
Account Names	New Volume Account	Rotate Negative	Basis Down	Down 400	Down 300	Down 200	Down 100	Current Rates	Up 100	Up 200	Up 300	Up 400	Basis Up	Rotate Positive
Demand Retail Fixed	60M	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial Fixed	60M	0	0	0	0	0	0	0	0	0	0	0	0	0
NOW Retail Variable	60M	1.00	0.10	0.10	0.10	0.10	0.10	0.10	0.55	1.00	1.45	1.90	0.10	0.10
NOW Retail Premium Variable	60M	1.15	0.15	0.15	0.15	0.15	0.15	0.15	0.65	1.15	1.65	2.15	0.15	0.15
NOW Commercial Variable	60M	1.00	0.10	0.10	0.10	0.10	0.10	0.10	0.55	1.00	1.45	1.90	0.10	0.10
NOW Commercial Premium	60M	1.15	0.15	0.15	0.15	0.15	0.15	0.15	0.65	1.15	1.65	2.15	0.15	0.15
NOW Public Funds Variable	60M	0	0	0	0	0	0	0	0	0	0	0	0	0
MMDA Retail Variable	60M	1.20	0.10	0.10	0.10	0.10	0.10	0.10	0.65	1.20	1.75	2.30	0.10	0.10
MMDA Retail Premium	60M	1.35	0.15	0.15	0.15	0.15	0.15	0.15	0.75	1.35	1.95	2.55	0.15	0.15
MMDA Commercial Variable	60M	1.20	0.10	0.10	0.10	0.10	0.10	0.10	0.65	1.20	1.75	2.30	0.10	0.10
MMDA Commercial Premium	60M	1.35	0.15	0.15	0.15	0.15	0.15	0.15	0.75	1.35	1.95	2.55	0.15	0.15
MMDA Public Funds Variable	60M	1.20	0.10	0.10	0.10	0.10	0.10	0.10	0.65	1.20	1.75	2.30	0.10	0.10
Savings Retail Variable	60M	1.15	0.05	0.05	0.05	0.05	0.05	0.05	0.60	1.15	1.70	2.25	0.05	0.05
Savings Commercial Variable	60M	1.15	0.05	0.05	0.05	0.05	0.05	0.05	0.60	1.15	1.70	2.25	0.05	0.05
CDs Core 1-3 Mo	3M	2.04	0.07	0.05	0.05	0.05	0.05	0.07	1.07	2.07	3.07	4.06	0.07	0.10
CDs Core 4-6 Mo	6M	2.02	0.05	0.05	0.05	0.05	0.05	0.05	1.05	2.05	3.05	4.05	0.05	0.08
CDs Core 7-9 Mo	9M	1.93	0.05	0.05	0.05	0.05	0.05	0.05	1.02	2.02	3.02	4.02	0.05	0.10
CDs Core 10-12 Mo	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17
CDs Core 13-24 Mo	24M	1.96	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.25
CDs Core 25-36 Mo	36M	2.05	0.36	0.05	0.05	0.05	0.05	0.36	1.36	2.36	3.37	4.37	0.36	0.67
CDs Core 49-60 Mo	60M	1.93	0.38	0.05	0.05	0.05	0.05	0.38	1.39	2.39	3.39	4.40	0.38	0.84
IRAs Core	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17
CDs Non Core 1-3 Mo	3M	2.03	0.05	0.05	0.05	0.05	0.05	0.05	1.05	2.05	3.05	4.05	0.05	0.07
CDs Non Core 7-9 Mo	9M	2.00	0.05	0.05	0.05	0.05	0.05	0.05	1.05	2.05	3.05	4.05	0.05	0.10
CDs Non Core 10-12 Mo	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17
CDs Non Core 13-24 Mo	24M	1.97	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.23
CDs Non Core 49-60 Mo	60M	1.85	0.23	0.05	0.05	0.05	0.05	0.23	1.23	2.23	3.23	4.23	0.23	0.61
IRAs Non Core	12M	1.92	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.11	0.10	0.28

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
Demand Retail	STRATEGY	0	0	0	0	0	0	0	0	0	0	0	0
Demand Retail	STRATEGY DN 100	0	0	0	0	0	0	0	0	0	0	0	0
Demand Retail	STRATEGY UP 100	0	0	0	0	0	0	0	0	0	0	0	0
Betas													
Demand Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
Demand Retail Beta Up (%)		0	0	0	0	0	0	0	0	0	0	0	0
Yield													
Demand Commercial	STRATEGY	0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial	STRATEGY DN 100	0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial	STRATEGY UP 100	0	0	0	0	0	0	0	0	0	0	0	0
Betas													
Demand Commercial Beta		0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial Beta Up		0	0	0	0	0	0	0	0	0	0	0	0
Yield													
NOW Retail	STRATEGY	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Retail	STRATEGY DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Retail	STRATEGY UP 100	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Betas													
NOW Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
NOW Retail Beta Up (%)		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Yield													
NOW Retail Premium	STRATEGY	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Retail Premium	STRATEGY DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Retail Premium	STRATEGY UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
NOW Retail Premium Beta		0	0	0	0	0	0	0	0	0	0	0	0
NOW Retail Premium Beta Up		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
NOW Commercial	STRATEGY	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Commercial	STRATEGY DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Commercial	STRATEGY UP 100	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Betas													
NOW Commercial Beta Down		0	0	0	0	0	0	0	0	0	0	0	0
NOW Commercial Beta Up (%)		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Yield													
NOW Commercial Premium	STRATEGY	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Commercial Premium	STRATEGY DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Commercial Premium	STRATEGY UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
NOW Commercial Premium		0	0	0	0	0	0	0	0	0	0	0	0
NOW Commercial Premium		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Yield													
NOW Public Funds	STRATEGY	0	0	0	0	0	0	0	0	0	0	0	0
NOW Public Funds	STRATEGY DN 100	0	0	0	0	0	0	0	0	0	0	0	0
NOW Public Funds	STRATEGY UP 100	0	0	0	0	0	0	0	0	0	0	0	0
Betas													
NOW Public Funds Beta Down		0	0	0	0	0	0	0	0	0	0	0	0
NOW Public Funds Beta Up		0	0	0	0	0	0	0	0	0	0	0	0
Yield													
MMDA Retail	STRATEGY	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Retail	STRATEGY DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Retail	STRATEGY UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
MMDA Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Retail Beta Up (%)		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
MMDA Retail Premium	STRATEGY	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Retail Premium	STRATEGY DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Retail Premium	STRATEGY UP 100	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Betas													
MMDA Retail Premium Beta		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Retail Premium Beta		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Yield													
MMDA Commercial	STRATEGY	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Commercial	STRATEGY DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Commercial	STRATEGY UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
MMDA Commercial Beta Down		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Commercial Beta Up		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Yield													
MMDA Commercial Premium	STRATEGY	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Commercial Premium	STRATEGY DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Commercial Premium	STRATEGY UP 100	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Betas													
MMDA Commercial Premium		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Commercial Premium		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Yield													
MMDA Public Funds	STRATEGY	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Public Funds	STRATEGY DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Public Funds	STRATEGY UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
MMDA Public Funds Beta		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Public Funds Beta Up		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
Savings Retail	STRATEGY	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Retail	STRATEGY DN 100	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Retail	STRATEGY UP 100	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Betas													
Savings Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
Savings Retail Beta Up (%)		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Yield													
Savings Commercial	STRATEGY	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Commercial	STRATEGY DN 100	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Commercial	STRATEGY UP 100	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Betas													
Savings Commercial Beta		0	0	0	0	0	0	0	0	0	0	0	0
Savings Commercial Beta Up		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
AGRICULTURE FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
CMO FIXED																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
COMMERCIAL FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
COMMERCIAL RE FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
COMMERCIAL RE VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
COMMERCIAL VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
CONSTRUCTION FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
CONSTRUCTION VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
CONSUMER FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
HOME EQUITY VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
MBS ARM																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MBS FIXED																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
MORTGAGE 15 YR																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
.0001 TO 1	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MORTGAGE 30 YR																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MORTGAGE ARM																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
MORTGAGE VARIABLE																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
1.0001 TO 2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
2.0001 TO 3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
3.0001 TO 4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
4.0001 TO 99.9999	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
SBA VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Assumptions

As of December 31, 2020

New Volume Set Up										
Account Names	New Volume Account Description	Repricing Freq	Payment Freq	Term	Balloon Term	Call Put Freq	Accrual Basis	Rate Type	Transaction Type	Repricing Yield Curve
Certificates of Deposit Due From	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	Curve
GNM MBS - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
GNM MBS - HTM	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
GNM ARMs - AFS	1/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM ARMs - HTM	1/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM Hybrid ARMs - AFS	3/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM Hybrid ARMs - HTM	3/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
CMO Fixed - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
Taxable Municipals - HTM	120M	0	Monthly	120	120	0	30/360	Fixed Rate	Bullet	Municipals Curve
SBA Fixed - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
SBA Variable - AFS	60M	1	Monthly	60	60	0	30/360	Floating Rate	Amortizing	Prime
FHLB Stock	/3M 120M	3	Monthly	120	120	0	Actual/Actual	Floating Rate	Bullet	Fed Funds
FRB Stock	120M	1	Monthly	120	120	0	Actual/Actual	Floating Rate	Bullet	
Construction Fixed	120M	0	Monthly	120	12	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Construction Var Prime	120M	1	Monthly	120	12	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction Hybrid ARM Prime	3/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction Hybrid ARM UST	3/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Agriculture RE Fixed	120M	0	Monthly	120	120	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Agriculture RE Hybrid ARM UST	3/1 180M	12	Monthly	180	180	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Home Equity Var Prime	120M	1	Monthly	120	120	0	30/360	Floating Rate	Amortizing	Prime
Mortgage Fixed - 10 Yr	120M	0	Monthly	120	120	0	30/360	Fixed Rate	Amortizing	SWAP - 60 Mo
Mortgage Fixed - 15 Yr	180M	0	Monthly	180	180	0	30/360	Fixed Rate	Amortizing	SWAP - 84 Mo
Mortgage Fixed - 20 Yr	240M	0	Monthly	240	240	0	30/360	Fixed Rate	Amortizing	SWAP - 120 Mo
Mortgage Fixed - 30 Yr	360M	0	Monthly	360	360	0	30/360	Fixed Rate	Amortizing	SWAP - 120 Mo
Mortgage Var Prime	360M	1	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage ARM Prime	1/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage Hybrid ARM Prime	3/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage ARM UST	1/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
Multi Family RE ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Commercial RE Var Prime	120M	1	Monthly	120	36	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Hybrid ARM Prime	3/1 120M	12	Monthly	120	120	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Hybrid ARM UST	3/1 120M	12	Monthly	120	120	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Commercial Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Commercial Var Prime	120M	1	Monthly	120	36	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial SBA Fixed	1M	0	Monthly	1	1	0	Actual/Actual	Fixed Rate	Amortizing	ZERO Rate
Other Consumer Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	LIBOR - 12 Mo

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
MORTGAGE 15 YR																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
.0001 TO 1	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MORTGAGE 30 YR																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MORTGAGE ARM																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
MORTGAGE VARIABLE																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
1.0001 TO 2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
2.0001 TO 3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
3.0001 TO 4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
4.0001 TO 99.9999	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
SBA VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Assumptions

As of December 31, 2020

New Volume Set Up										
Account Names	New Volume Account Description	Repricing Freq	Payment Freq	Term	Balloon Term	Call Put Freq	Accrual Basis	Rate Type	Transaction Type	Repricing Yield Curve
Certificates of Deposit Due From	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	Curve
GNM MBS - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
GNM MBS - HTM	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
GNM ARMs - AFS	1/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM ARMs - HTM	1/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM Hybrid ARMs - AFS	3/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM Hybrid ARMs - HTM	3/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
CMO Fixed - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
Taxable Municipals - HTM	120M	0	Monthly	120	120	0	30/360	Fixed Rate	Bullet	Municipals Curve
SBA Fixed - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
SBA Variable - AFS	60M	1	Monthly	60	60	0	30/360	Floating Rate	Amortizing	Prime
FHLB Stock	/3M 120M	3	Monthly	120	120	0	Actual/Actual	Floating Rate	Bullet	Fed Funds
FRB Stock	120M	1	Monthly	120	120	0	Actual/Actual	Floating Rate	Bullet	
Construction Fixed	120M	0	Monthly	120	12	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Construction Var Prime	120M	1	Monthly	120	12	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction Hybrid ARM Prime	3/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction Hybrid ARM UST	3/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Agriculture RE Fixed	120M	0	Monthly	120	120	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Agriculture RE Hybrid ARM UST	3/1 180M	12	Monthly	180	180	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Home Equity Var Prime	120M	1	Monthly	120	120	0	30/360	Floating Rate	Amortizing	Prime
Mortgage Fixed - 10 Yr	120M	0	Monthly	120	120	0	30/360	Fixed Rate	Amortizing	SWAP - 60 Mo
Mortgage Fixed - 15 Yr	180M	0	Monthly	180	180	0	30/360	Fixed Rate	Amortizing	SWAP - 84 Mo
Mortgage Fixed - 20 Yr	240M	0	Monthly	240	240	0	30/360	Fixed Rate	Amortizing	SWAP - 120 Mo
Mortgage Fixed - 30 Yr	360M	0	Monthly	360	360	0	30/360	Fixed Rate	Amortizing	SWAP - 120 Mo
Mortgage Var Prime	360M	1	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage ARM Prime	1/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage Hybrid ARM Prime	3/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage ARM UST	1/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
Multi Family RE ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Commercial RE Var Prime	120M	1	Monthly	120	36	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Hybrid ARM Prime	3/1 120M	12	Monthly	120	120	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Hybrid ARM UST	3/1 120M	12	Monthly	120	120	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Commercial Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Commercial Var Prime	120M	1	Monthly	120	36	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial SBA Fixed	1M	0	Monthly	1	1	0	Actual/Actual	Fixed Rate	Amortizing	ZERO Rate
Other Consumer Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	LIBOR - 12 Mo

Assumptions

As of December 31, 2020

New Volume Set Up										
Account Names	New Volume Account Description	Repricing Freq	Payment Freq	Term	Balloon Term	Call Put Freq	Accrual Basis	Rate Type	Transaction Type	Repricing Yield Curve
Demand Retail Fixed	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Fixed Pri	
Demand Commercial Fixed	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Fixed Pri	
NOW Retail Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Retail
NOW Retail Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Retail
NOW Commercial Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Commercial
NOW Commercial Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Commercial
NOW Public Funds Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Public Funds
MMDA Retail Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Retail
MMDA Retail Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Retail
MMDA Commercial Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Commercial
MMDA Commercial Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Commercial
MMDA Public Funds Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Public
Savings Retail Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	Savings Retail
Savings Commercial Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	Savings
CDs Core 1-3 Mo	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	CD 3 Month
CDs Core 4-6 Mo	6M	0	Monthly	6	6	0	Actual/Actual	Fixed Rate	Bullet	CD 6 Month
CDs Core 7-9 Mo	9M	0	Monthly	9	9	0	Actual/Actual	Fixed Rate	Bullet	CD 9 Month
CDs Core 10-12 Mo	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month
CDs Core 13-24 Mo	24M	0	Monthly	24	24	0	Actual/Actual	Fixed Rate	Bullet	CD 24 Month
CDs Core 25-36 Mo	36M	0	Monthly	36	36	0	Actual/Actual	Fixed Rate	Bullet	CD 36 Month
CDs Core 49-60 Mo	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Bullet	CD 60 Month
IRAs Core	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month
CDs Non Core 1-3 Mo	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	CD 3 Month
CDs Non Core 7-9 Mo	9M	0	Monthly	9	9	0	Actual/Actual	Fixed Rate	Bullet	CD 9 Month
CDs Non Core 10-12 Mo	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month
CDs Non Core 13-24 Mo	24M	0	Monthly	24	24	0	Actual/Actual	Fixed Rate	Bullet	CD 24 Month
CDs Non Core 49-60 Mo	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Bullet	CD 60 Month
IRAs Non Core	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month

Assumptions

As of December 31, 2020

New Volume Spreads, Caps & Floors												
Account Names	New Volume Account Description	Key Rate	Market Value Curve	Ratio	Spread	Teaser Spread	Period Cap	Period Floor	Lifetime Cap	Lifetime Floor	Offering Rate	Market Value Spread
Certificates of Deposit Due From	3M	Curve	Libor/Swap	0	(0.100)	0	0	0	0	0	0.150	0
GNM MBS - AFS	60M	UST - 36 Mo	US Treasury	0	0.080	0	0	0	0	0	0.250	0.190
GNM MBS - HTM	60M	UST - 36 Mo	US Treasury	0	0.080	0	0	0	0	0	0.250	0.190
GNM ARMs - AFS	1/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
GNM ARMs - HTM	1/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
GNM Hybrid ARMs - AFS	3/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
GNM Hybrid ARMs - HTM	3/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
CMO Fixed - AFS	60M	UST - 36 Mo	US Treasury	0	0.300	0	0	0	0	0	0.470	0.350
Taxable Municipals - HTM	120M	Municipals Curve	US Treasury	0	0.200	0	0	0	0	0	1.250	0.200
SBA Fixed - AFS	60M	UST - 36 Mo	Libor/Swap	0	2.000	0	0	0	0	0	2.170	2.000
SBA Variable - AFS	60M	Prime	Libor/Swap	0	0	0	0	0	0	0	3.250	2.000
FHLB Stock	/3M 120M	Fed Funds	Libor/Swap	0	3.750	3.750	0	0	0	0	4.000	4.100
FRB Stock	120M		Libor/Swap	0	6.000	6.000	0	0	0	0	6.000	6.000
Construction Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	4.509	0	0	0	0	0	4.750	7.854
Construction Var Prime	120M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	4.323
Construction ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	4.670
Construction Hybrid ARM Prime	3/1 60M	Prime	Libor/Swap	0	1.890	1.890	0	0	99.000	0	5.140	4.895
Construction Hybrid ARM UST	3/1 60M	UST - 12 Mo	Libor/Swap	0	4.400	4.400	0	0	99.000	0	4.500	3.998
Agriculture RE Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	5.509	0	0	0	0	0	5.750	4.120
Agriculture RE Hybrid ARM UST	3/1 180M	UST - 12 Mo	Libor/Swap	0	3.500	3.500	0	0	99.000	4.000	4.000	3.255
Home Equity Var Prime	120M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	4.156
Mortgage Fixed - 10 Yr	120M	SWAP - 60 Mo	Libor/Swap	0	3.846	0	0	0	0	0	4.500	5.092
Mortgage Fixed - 15 Yr	180M	SWAP - 84 Mo	Libor/Swap	0	3.576	0	0	0	0	0	4.500	3.460
Mortgage Fixed - 20 Yr	240M	SWAP - 120 Mo	Libor/Swap	0	3.311	0	0	0	0	0	4.500	2.976
Mortgage Fixed - 30 Yr	360M	SWAP - 120 Mo	Libor/Swap	0	3.311	0	0	0	0	0	4.500	3.580
Mortgage Var Prime	360M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	4.078
Mortgage ARM Prime	1/1 360M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	4.994
Mortgage Hybrid ARM Prime	3/1 360M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	5.097
Mortgage ARM UST	1/1 360M	UST - 12 Mo	Libor/Swap	0	3.500	3.500	0	0	99.000	4.000	4.000	2.838
Multi Family RE ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	5.291
Commercial RE Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	5.259	0	0	0	0	0	5.500	4.429
Commercial RE Var Prime	120M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	3.947
Commercial RE ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	3.585
Commercial RE Hybrid ARM Prime	3/1 120M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	5.104
Commercial RE Hybrid ARM UST	3/1 120M	UST - 12 Mo	Libor/Swap	0	3.500	3.500	0	0	99.000	4.000	4.000	4.650
Commercial Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	5.759	0	0	0	0	0	6.000	4.141
Commercial Var Prime	120M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	3.691
Commercial ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	3.991
Commercial SBA Fixed	1M	ZERO Rate	Libor/Swap	0	1.000	0	0	0	0	0	0	0.790
Other Consumer Fixed	120M	LIBOR - 12 Mo	Libor/Swap	0	1.958	0	0	0	0	0	2.300	1.228

Assumptions

As of December 31, 2020

New Volume Spreads, Caps & Floors												
Account Names	New Volume Account Description	Key Rate	Market Value Curve	Ratio	Spread	Teaser Spread	Period Cap	Period Floor	Lifetime Cap	Lifetime Floor	Offering Rate	Market Value Spread
Demand Retail Fixed	60M		Libor/Swap	0	0	0	0	0	0	0	0	0
Demand Commercial Fixed	60M		Libor/Swap	0	0	0	0	0	0	0	0	0
NOW Retail Variable	60M	NOW Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
NOW Retail Premium Variable	60M	NOW Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
NOW Commercial Variable	60M	NOW Commercial	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
NOW Commercial Premium Variable	60M	NOW Commercial	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
NOW Public Funds Variable	60M	NOW Public	Libor/Swap	0	0	0	0	0	99.990	0	0	0
MMDA Retail Variable	60M	MMDA Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
MMDA Retail Premium Variable	60M	MMDA Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
MMDA Commercial Variable	60M	MMDA	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
MMDA Commercial Premium Variable	60M	MMDA	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
MMDA Public Funds Variable	60M	MMDA Public	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
Savings Retail Variable	60M	Savings Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.050	0
Savings Commercial Variable	60M	Savings	Libor/Swap	0	0	0	0	0	99.990	0	0.050	0
CDs Core 1-3 Mo	3M	CD 3 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 4-6 Mo	6M	CD 6 Month	Libor/Swap	0	0	0	0	0	0	0	0.050	0
CDs Core 7-9 Mo	9M	CD 9 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 10-12 Mo	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Core 13-24 Mo	24M	CD 24 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 25-36 Mo	36M	CD 36 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 49-60 Mo	60M	CD 60 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
IRAs Core	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Non Core 1-3 Mo	3M	CD 3 Month	Libor/Swap	0	0	0	0	0	0	0	0.050	0
CDs Non Core 7-9 Mo	9M	CD 9 Month	Libor/Swap	0	0	0	0	0	0	0	0.050	0
CDs Non Core 10-12 Mo	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Non Core 13-24 Mo	24M	CD 24 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Non Core 49-60 Mo	60M	CD 60 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
IRAs Non Core	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0	0



INTEREST RATE RISK ANALYSIS STRATEGY-SHOCK SUMMARY REPORT

FIRST NATIONAL BANK NORTHWEST FLORIDA

**As of:
December 31, 2020**

**Published on:
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Current Position As of December 31, 2020					
	(\$000)			(%)	
TOTAL ASSETS:	187,730		PRIME:	3.25	
TOTAL LOANS:	70,591		FED FUNDS:	0.25	
TOTAL DEPOSITS:	167,369		UST 5 YEAR YIELD:	0.36	

Earnings at Risk					
	Average Performance for Months 1 - 12				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+200	-200	+400	-400
NET INTEREST INCOME (\$000)	3,911	4,188	3,738	4,728	3,663
(PERCENTAGE CHANGE FROM FORWARD)	-	7.06%	-4.45%	20.87%	-6.35%
NET INCOME (\$000)	764	1,041	591	1,581	516
(PERCENTAGE CHANGE FROM FORWARD)	-	36.13%	-22.75%	106.79%	-32.49%
ROA (%)	0.45	0.62	0.35	0.93	0.31
ROE (%)	3.73	5.05	2.89	7.59	2.53
NET INTEREST MARGIN (%)	2.33	2.49	2.23	2.81	2.18
LOAN YIELDS (%)	4.89	5.93	4.71	7.36	4.60
COST OF FUNDS (%)	0.11	0.95	0.11	1.79	0.11
BOOK EQUITY TO ASSETS RATIO (%)	12.10	12.09	12.07	12.15	12.05

Equity at Risk					
	Current Balance Sheet				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+200	-200	+400	-400
NET ECONOMIC VALUE (\$000)	24,637	27,620	21,744	30,684	21,437
(PERCENTAGE CHANGE FROM FORWARD)	-	12.11	-11.74	24.55	-12.99
NEV OF EQUITY TO ASSETS (%)	13.05	14.92	11.42	16.83	11.28

Cumulative Gap						
Current Balance Sheet	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
CUMULATIVE RATE SENSITIVE ASSETS TO RATE SENSITIVE LIABILITIES (RATIO)	1.16	1.31	1.50	1.58	1.38	

Projected Position As of December 31, 2021	
	(\$000)
TOTAL ASSETS:	161,536
TOTAL LOANS:	66,337
TOTAL DEPOSITS:	140,696

Earnings at Risk					
	Average Performance for Months 13 - 24				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+200	-200	+400	-400
NET INTEREST INCOME (\$000)	3,382	4,517	3,125	5,905	3,050
(PERCENTAGE CHANGE FROM FORWARD)	-	33.54%	-7.61%	74.59%	-9.84%
NET INCOME (\$000)	114	1,249	(143)	2,637	(218)
(PERCENTAGE CHANGE FROM FORWARD)	-	992.91%	NA%	2208.06%	NA%
ROA (%)	0.07	0.77	-0.09	1.61	-0.14
ROE (%)	0.55	5.82	-0.70	11.69	-1.07
NET INTEREST MARGIN (%)	2.10	2.79	1.94	3.63	1.89
LOAN YIELDS (%)	4.78	6.26	4.52	8.11	4.41
COST OF FUNDS (%)	0.10	1.02	0.09	1.95	0.09
BOOK EQUITY TO ASSETS RATIO (%)	12.83	13.20	12.67	13.74	12.61

Current Position As of December 31, 2020					
	(\$000)				(%)
TOTAL ASSETS:	187,730	PRIME:	3.25		
TOTAL LOANS:	70,591	FED FUNDS:	0.25		
TOTAL DEPOSITS:	167,369	UST 5 YEAR YIELD:	0.36		

Earnings at Risk					
	Average Performance for Months 1 - 12				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+100	-100	+300	-300
NET INTEREST INCOME (\$000)	3,911	3,981	3,789	4,457	3,698
(PERCENTAGE CHANGE FROM FORWARD)	-	1.78%	-3.14%	13.94%	-5.47%
NET INCOME (\$000)	764	834	642	1,310	551
(PERCENTAGE CHANGE FROM FORWARD)	-	9.09%	-16.07%	71.35%	-27.97%
ROA (%)	0.45	0.49	0.38	0.77	0.33
ROE (%)	3.73	4.07	3.14	6.32	2.70
NET INTEREST MARGIN (%)	2.33	2.37	2.26	2.65	2.20
LOAN YIELDS (%)	4.89	5.31	4.78	6.65	4.65
COST OF FUNDS (%)	0.11	0.53	0.11	1.37	0.11
BOOK EQUITY TO ASSETS RATIO (%)	12.10	12.08	12.08	12.12	12.06

Equity at Risk					
	Current Balance Sheet				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+100	-100	+300	-300
NET ECONOMIC VALUE (\$000)	24,637	25,992	21,992	29,218	21,575
(PERCENTAGE CHANGE FROM FORWARD)	-	5.50	-10.74	18.59	-12.43
NEV OF EQUITY TO ASSETS (%)	13.05	13.92	11.55	15.91	11.34

Cumulative Gap						
Current Balance Sheet	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
CUMULATIVE RATE SENSITIVE ASSETS TO RATE SENSITIVE LIABILITIES (RATIO)	1.16	1.31	1.50	1.58	1.38	

Projected Position As of December 31, 2021	
	(\$000)
TOTAL ASSETS:	161,536
TOTAL LOANS:	66,337
TOTAL DEPOSITS:	140,696

Earnings at Risk					
	Average Performance for Months 13 - 24				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+100	-100	+300	-300
NET INTEREST INCOME (\$000)	3,382	3,887	3,185	5,207	3,084
(PERCENTAGE CHANGE FROM FORWARD)	-	14.91%	-5.83%	53.95%	-8.83%
NET INCOME (\$000)	114	619	(83)	1,939	(184)
(PERCENTAGE CHANGE FROM FORWARD)	-	441.45%	NA%	1596.97%	NA%
ROA (%)	0.07	0.38	-0.05	1.19	-0.11
ROE (%)	0.55	2.94	-0.40	8.81	-0.90
NET INTEREST MARGIN (%)	2.10	2.41	1.98	3.21	1.92
LOAN YIELDS (%)	4.78	5.42	4.61	7.18	4.46
COST OF FUNDS (%)	0.10	0.56	0.09	1.49	0.09
BOOK EQUITY TO ASSETS RATIO (%)	12.83	12.97	12.72	13.47	12.64

Current Position As of December 31, 2020					
	(\$000)			(%)	
TOTAL ASSETS:	187,730		PRIME:	3.25	
TOTAL LOANS:	70,591		FED FUNDS:	0.25	
TOTAL DEPOSITS:	167,369		UST 5 YEAR YIELD:	0.36	

Earnings at Risk					
	Average Performance for Months 1 - 12				
	Current Rates (Forward)	Basis Change		YC Rotation	
		Basis Up	Basis Dn	Rotate (Neg)	Rotate (Pos)
NET INTEREST INCOME (\$000)	3,911	4,548	3,804	4,186	3,916
(PERCENTAGE CHANGE FROM FORWARD)	-	16.27%	-2.75%	7.02%	0.11%
NET INCOME (\$000)	764	1,401	657	1,039	769
(PERCENTAGE CHANGE FROM FORWARD)	-	83.25%	-14.06%	35.94%	0.55%
ROA (%)	0.45	0.83	0.39	0.62	0.46
ROE (%)	3.73	6.75	3.22	5.04	3.75
NET INTEREST MARGIN (%)	2.33	2.71	2.27	2.49	2.33
LOAN YIELDS (%)	4.89	5.26	4.80	5.92	4.92
COST OF FUNDS (%)	0.11	0.11	0.11	0.94	0.14
BOOK EQUITY TO ASSETS RATIO (%)	12.10	12.22	12.08	12.09	12.10

Equity at Risk					
	Current Balance Sheet				
	Current Rates (Forward)	Basis Change		YC Rotation	
		Basis Up	Basis Dn	Rotate (Neg)	Rotate (Pos)
NET ECONOMIC VALUE (\$000)	24,637	26,002	24,089	27,193	25,308
(PERCENTAGE CHANGE FROM FORWARD)	-	5.54	-2.22	10.38	2.72
NEV OF EQUITY TO ASSETS (%)	13.05	13.67	12.79	14.60	13.47

Cumulative Gap						
Current Balance Sheet	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
CUMULATIVE RATE SENSITIVE ASSETS TO RATE SENSITIVE LIABILITIES (RATIO)	1.16	1.31	1.50	1.58	1.38	

Projected Position As of December 31, 2021	
	(\$000)
TOTAL ASSETS:	161,536
TOTAL LOANS:	66,337
TOTAL DEPOSITS:	140,696

Earnings at Risk					
	Average Performance for Months 13 - 24				
	Current Rates (Forward)	Basis Change		YC Rotation	
		Basis Up	Basis Dn	Rotate (Neg)	Rotate (Pos)
NET INTEREST INCOME (\$000)	3,382	4,444	3,227	4,436	3,511
(PERCENTAGE CHANGE FROM FORWARD)	-	31.38%	-4.59%	31.15%	3.79%
NET INCOME (\$000)	114	1,176	(41)	1,168	243
(PERCENTAGE CHANGE FROM FORWARD)	-	929.01%	NA%	922.17%	112.29%
ROA (%)	0.07	0.72	-0.03	0.72	0.15
ROE (%)	0.55	5.40	-0.20	5.45	1.17
NET INTEREST MARGIN (%)	2.10	2.74	2.00	2.74	2.18
LOAN YIELDS (%)	4.78	5.33	4.67	6.13	4.92
COST OF FUNDS (%)	0.10	0.10	0.10	0.95	0.21
BOOK EQUITY TO ASSETS RATIO (%)	12.83	13.37	12.73	13.19	12.86

Regular Tax Computation (For Comparison Purposes Only)		
	Actual December 31, 2020	Projected December 31, 2021
BANK'S PRE-TAX INCOME	\$1,434	\$764
DEDUCT:		
State income Tax	\$86	\$0
FEDERAL PRE-TAX INCOME	\$1,348	\$764
Deductions for "Book" Income Tax:		
Interest on Tax exempts (less TEFRA)	\$0	\$0
TAXABLE INCOME PER BOOKS	\$1,348	\$764
Deductions for Tax Return:	\$0	\$0
"REGULAR" TAXABLE INCOME PER TAX RETURN	\$1,348	\$764
Regular Tax	\$458	\$260

Alternative Minimum Tax Computation (For Comparison Purposes Only)		
	Actual December 31, 2020	Projected December 31, 2021
REGULAR TAXABLE INCOME (per Tax Return)	\$1,348	\$764
ADD PREFERENCE ITEMS	\$0	\$0
AMTI before "book income preference"	\$1,348	\$764
ADD BOOK UNTAXED REPORTED PROFITS (Federal Pre-Tax Income minimum AMTI before Book income preference) X 75%	\$0	\$0
AMTI**	\$1,348	\$764
Alternative Minimum Tax (@20%)	\$270	\$153

Sub S - Actual Net Income and Actual Plus Forecast		
	Actual December 31, 2020	Projected December 31, 2021
NET INCOME	\$1,434	\$764
RETURN ON AVERAGE ASSETS	0.77%	0.45%
RETURN ON EQUITY	7.25%	3.74%

** The AMTI is reduced by a \$40,000 exemption before the 20% tax is applied; however, this exemption is reduced by 25% of the amount by which AMTI exceeds \$150,000. Therefore, no exemption is allowed if AMTI exceeds \$310,000.

Peer Group Analysis

As of December 31, 2020

Margins	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Yield on Total Assets	3.98	2.92	2.56	3.85
Cost to Fund	0.64	0.39	0.13	0.74
Net Interest Margin (NIM)	3.34	2.53	2.43	3.11
Yield on Earning Assets	4.21	3.27	6.30	3.92
Cost to Fund	0.67	0.43	0.33	0.76
Net Interest Margin	3.54	2.84	5.97	3.16
Non-Interest Income *	0.51	0.10	0.03	0.06
Non-Interest Expense	2.61	1.85	1.56	1.80
Net Non-Interest Margin	-2.10	-1.75	-1.53	-1.74

Operating Ratios	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Net Loans/Total Deposits	78.44	40.89	42.18	41.15
Loan Loss Reserve/Total Loans	1.27	1.76	1.74	1.83
Earning Assets/Total Assets	95.03	89.38	99.29	98.25
DDA/Total Assets	21.50	19.73	17.39	22.50
Personnel Expense/Total Assets	1.51	1.14	0.95	1.09
Occupancy Expense/Total Assets	0.27	0.26	0.13	0.28
Total Assets	n/a	\$190,857	\$187,441	\$182,303
Total Deposits	n/a	\$170,604	\$167,369	\$163,201

Capital Ratios	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Return on Assets	1.09	0.79	0.92	1.37
Return on Equity	9.53	7.50	8.57	13.24
Book Equity/Total Assets	11.25	10.46	10.80	10.30
Tier 1 Core Ratio	16.99	33.33	33.90	35.29
Risk Based Capital Ratio	18.11	34.59	35.16	36.56
Leverage Capital Ratio	10.93	10.35	10.66	10.27

Liquidity Ratios	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Liquidity Ratio	n/a	69.95	69.03	69.50
Net S/T Non Core Fund Dependence	6.00	5.13	18.58	5.50
Net Non Core Fund Dependence	-5.04	-131.53	19.16	-118.74
S/T Inv to S/T Non core Fund	474.46	1133.67	9.27	1012.50
S/T Assets to S/T Liabilities	225.57	606.09	137.20	579.14
Net S/T Liabilities to Assets	-10.62	-51.44	-3.73	-52.19

Yields	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Total Securities (TE)	2.17	2.94	18.41	3.03
Total Loans (TE)	5.06	4.78	5.12	4.70
Total Deposits	1.52	0.99	0.75	1.21

* Non-Interest Income for peer group excludes loan fees.

** Data taken from "Uniform Bank Performance Report".

Assets		
FFS/OVERNIGHT DEPOSITS		0
UNPLEDGED SECURITIES (MARKET VALUE)		5,807
TRADING ACCOUNT		-0
LOAN MATURITIES 1 – 30 DAYS:		
All Loans	2,596	2,596
CASH & DUE FROM (CURRENCY & CASH)		109,082
TOTAL		\$117,485

Liabilities		
FEDERAL FUNDS PURCHASED:	0	
CORRESPONDENT DOWNSTREAM – 50	0	
NOTES PAYABLE	0	
REPOS < 30 Days	0	
FHLB < 30 Days	0	
		0
C/D's MATURING 1 – 30 Days		
CONSUMER – 25%	83	
JUMBO – 50%	2,876	
		2,959
		\$2,959
BASIC SURPLUS DEFICIT		\$114,526
LESS ADJUSTMENTS		
END OF MONTH NET DEMAND	34,600	
LESS: AVERAGE NET DEMAND	35,821	
		1,220

SURPLUS		115,746
DIVIDED BY ACTUAL ASSETS		187,730
LIQUIDITY RATIO		61.66%

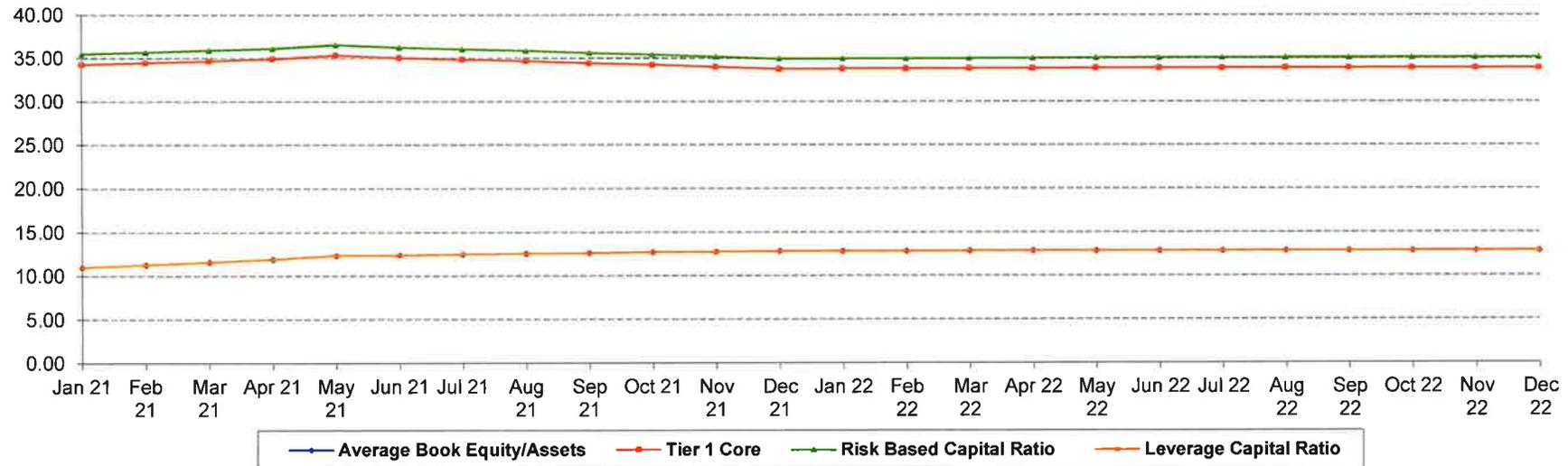
Projected Capital Ratios

As of December 31, 2020

Capital Ratios (Year 1)												
Forward Rate Forecast	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
AVERAGE BOOK EQUITY/ASSETS	11.00	11.29	11.59	11.91	12.32	12.37	12.45	12.54	12.60	12.68	12.74	12.80
TIER 1 CORE	34.26	34.46	34.68	34.89	35.33	35.03	34.84	34.65	34.41	34.22	33.97	33.72
RISK BASED CAPITAL RATIO	35.52	35.72	35.94	36.15	36.59	36.29	36.10	35.91	35.67	35.48	35.23	34.98
LEVERAGE CAPITAL RATIO	11.00	11.29	11.59	11.91	12.32	12.37	12.45	12.53	12.60	12.68	12.74	12.80

Capital Ratios (Year 2)												
Forward Rate Forecast	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
AVERAGE BOOK EQUITY/ASSETS	12.82	12.82	12.83	12.83	12.84	12.84	12.85	12.85	12.85	12.86	12.86	12.86
TIER 1 CORE	33.76	33.76	33.79	33.80	33.83	33.83	33.85	33.86	33.86	33.87	33.87	33.88
RISK BASED CAPITAL RATIO	35.02	35.02	35.05	35.06	35.09	35.09	35.11	35.12	35.12	35.13	35.13	35.14
LEVERAGE CAPITAL RATIO	12.81	12.81	12.83	12.83	12.84	12.84	12.84	12.85	12.85	12.85	12.85	12.86

Projected Capital Ratios



Income Prior Period Look-Back - Summary					
	Actual	Forecast for	Actual	Variance From Forecast	
	September 30, 2020	December 31, 2020	December 31, 2020	Dollars	Percentage
INTEREST INCOME					
Loans	260	252	259	7	2.77%
Loan Fees	19	0	40	40	NA
Total Loans	279	252	299	47	18.80%
Investments	114	21	105	84	391.37%
Overnight Investments	0	87	0	(87)	-100.00%
Other Assets	0	0	0	0	NA
Other Interest Income	0	0	0	0	NA
TOTAL INTEREST INCOME	393	360	404	44	12.35%
INTEREST EXPENSE					
Non-maturity Deposits	16	16	8	(8)	-47.22%
Time Deposits	15	12	13	1	4.26%
Total Deposits	31	28	21	(7)	-24.82%
Borrowings	0	0	0	0	NA
Overnight Borrowings	0	1	0	(1)	-100.00%
Other Liabilities	0	0	0	0	NA
Other Interest Expense	0	0	0	0	NA
TOTAL INTEREST EXPENSE	31	29	21	(8)	-26.27%
TOTAL OFF BALANCE SHEET	0	0	0	0	NA
NET INTEREST INCOME	362	331	383	52	15.70%
Provision for Loan Loss	0	0	0	0	NA
TOTAL OTHER INCOME	4	8	5	(3)	-38.15%
TOTAL OTHER EXPENSES	278	293	244	(49)	-16.89%
TOTAL TAXES	0	0	0	0	-100.00%
NET INCOME	88	46	144	98	214.41%
Effective Tax Rate	0%	0.0%	0%	NA	NA

Balance Sheet Prior Period Look-Back – Summary Ending Balances					
	Actual	Forecast for	Actual	Variance From Forecast	
	September 30, 2020	December 31, 2020	December 31, 2020	Dollars	Percentage
ASSETS					
Cash and Due From	112,395	104,634	109,082	4,448	4.25%
Gross Loans	71,010	68,817	71,841	3,024	4.39%
Loan Loss Reserve	(1,250)	(1,250)	(1,249)	0	0.03%
Total Loans	69,760	67,567	70,591	3,025	4.48%
Investments	7,393	10,382	6,734	(3,647)	-35.13%
Overnight Investments	0	6	0	(6)	-100.00%
Other Assets	1,309	1,354	1,322	(32)	-2.37%
TOTAL ASSETS	190,857	183,943	187,730	3,787	2.06%
LIABILITIES					
Non-maturity Deposits	150,014	142,618	147,247	4,629	3.25%
Time Deposits	20,589	21,261	20,122	(1,140)	-5.36%
Total Deposits	170,604	163,880	167,369	3,489	2.13%
Borrowings	0	0	0	0	NA
Overnight Borrowings	0	0	0	0	NA
Other Liabilities	298	237	83	(154)	-65.09%
TOTAL LIABILITIES	170,902	164,116	167,452	3,335	2.03%
TOTAL EQUITY	19,955	19,826	20,278	452	2.28%
TOTAL LIABILITY & EQUITY	190,857	183,943	187,730	3,787	2.06%

Balance Sheet Prior Period Look-Back – Summary Ending Yields					
	Actual	Forecast for	Actual	Variance From Forecast	
	September 30, 2020	December 31, 2020	December 31, 2020	Yield Difference	
ASSETS					
Total Loans	4.48	4.46	4.38	(0.08)	
Investments	3.41	2.72	3.41	0.69	
Overnight Investments	0	0.26	0	(0.26)	
Other Assets	0	0	0	0	
TOTAL ASSETS	2.37	2.34	2.32	(0.02)	
LIABILITIES					
Non-maturity Deposits	0.15	0.13	0.09	(0.04)	
Time Deposits	0.86	0.69	0.69	0.00	
Total Deposits	0.23	0.21	0.17	(0.04)	
Borrowings	0	0	0	0	
Overnight Borrowings	0	0.26	0	(0.26)	
Other Liabilities	0	0	0	0	
TOTAL LIABILITIES	0.23	0.21	0.17	(0.04)	

Balance Sheet 12 Month Look-Back* – Summary Ending Balances					
	Actual	Forecast for	Actual	Variance From Forecast	
	December 31, 2019	December 31, 2020	December 31, 2020	Dollars	Percentage
ASSETS					
Cash and Due From	101,093	88,032	109,082	21,049	23.91%
Gross Loans	66,545	69,622	71,841	2,218	3.19%
Loan Loss Reserve	(1,250)	(1,249)	(1,249)	0	0.01%
Total Loans	65,295	68,373	70,591	2,218	3.24%
Investments	9,477	9,758	6,734	(3,024)	-30.99%
Overnight Investments	0	326	0	(326)	-100.00%
Other Assets	1,338	1,333	1,322	(11)	-0.83%
TOTAL ASSETS	177,204	167,822	187,730	19,907	11.86%
LIABILITIES					
Non-maturity Deposits	135,790	125,164	147,247	22,083	17.64%
Time Deposits	22,176	22,230	20,122	(2,108)	-9.48%
Total Deposits	157,966	147,394	167,369	19,975	13.55%
Borrowings	0	0	0	0	NA
Overnight Borrowings	0	0	0	0	NA
Other Liabilities	178	256	83	(174)	-67.72%
TOTAL LIABILITIES	158,144	147,651	167,452	19,801	13.41%
TOTAL EQUITY	19,060	20,172	20,278	106	0.53%
TOTAL LIABILITY & EQUITY	177,204	167,822	187,730	19,907	11.86%

Balance Sheet 12 Month Look-Back* – Summary Ending Yields					
	Actual	Forecast for	Actual	Variance From Forecast	
	December 31, 2019	December 31, 2020	December 31, 2020	Yield Difference	
ASSETS					
Total Loans	5.87	5.87	4.38	(1.49)	
Investments	3.38	3.13	3.41	0.27	
Overnight Investments	0	1.81	0	(1.81)	
Other Assets	0	0	0	0	
TOTAL ASSETS	3.55	3.49	2.32	(1.18)	
LIABILITIES					
Non-maturity Deposits	0.72	0.76	0.09	(0.67)	
Time Deposits	1.52	0.95	0.69	(0.26)	
Total Deposits	0.83	0.79	0.17	(0.62)	
Borrowings	0	0	0	0	
Overnight Borrowings	0	1.81	0	(1.81)	
Other Liabilities	0	0	0	0	
TOTAL LIABILITIES	0.83	0.79	0.17	(0.63)	

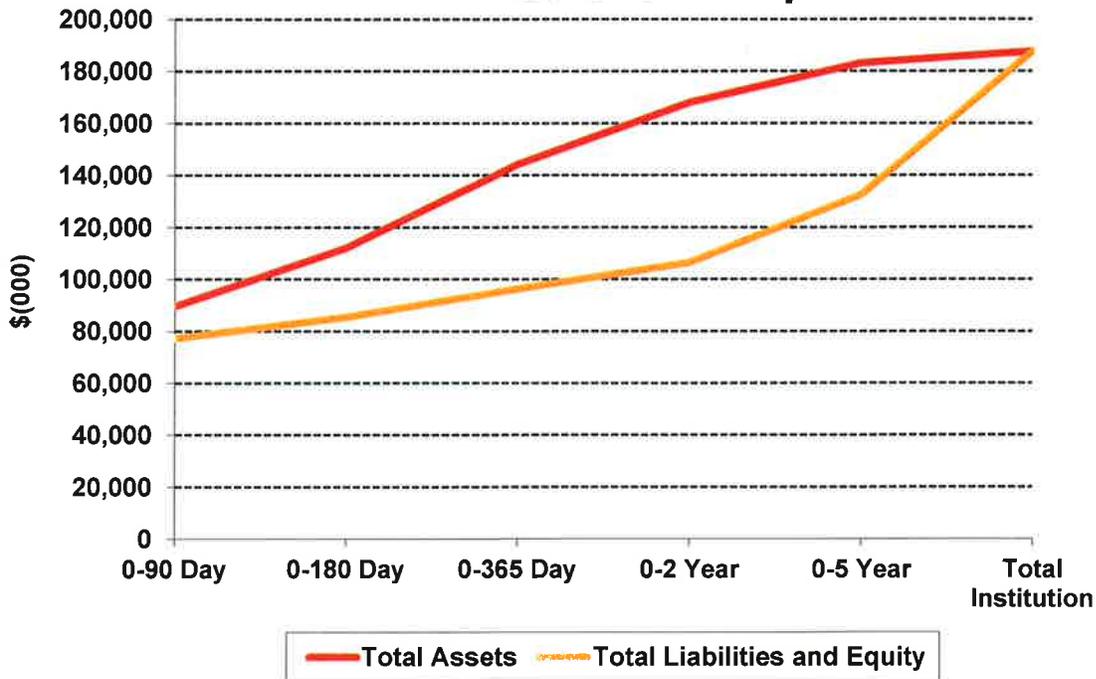
*Look-Back is not intended to replace a regulatory Back-Test.

Cumulative Gap

As of December 31, 2020

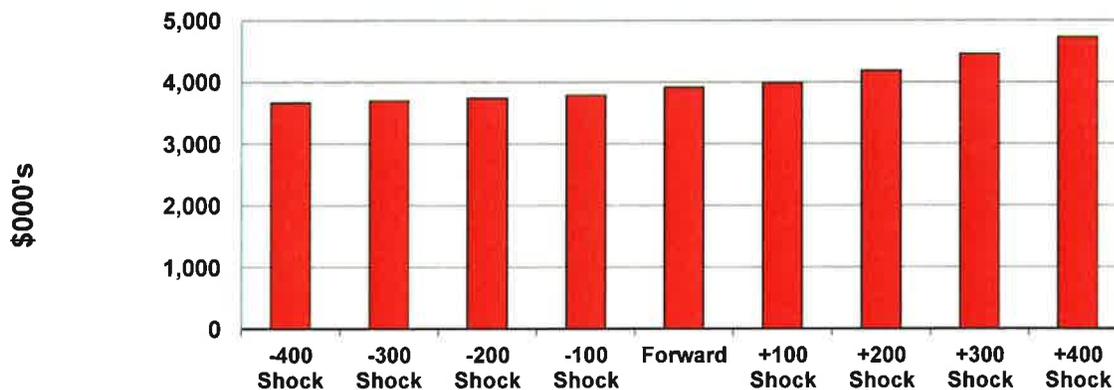
Cumulative Gap						
Current Balance Sheet (\$000)	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
ASSETS:						
Cash And Due	43,204	57,676	78,629	97,091	107,580	109,082
Overnight Funds	0	0	0	0	0	0
Investments	1,035	1,363	2,169	3,646	5,654	6,734
Net Loans	45,381	53,066	63,491	67,390	69,942	70,591
Other Assets	0	0	0	0	0	1,322
Total Assets	89,620	112,105	144,290	168,128	183,176	187,730
LIABILITIES:						
Fed Funds Purchased	0	0	0	0	0	0
Non Maturity Deposits	67,057	73,059	77,515	86,427	112,391	147,247
Certificates of Deposit	10,115	12,348	18,829	20,049	20,122	20,122
Borrowings	0	0	0	0	0	0
Other Liabilities	0	0	0	0	0	83
Equity Capital	0	0	0	0	0	20,278
Total Liabilities and Equity	77,172	85,407	96,343	106,476	132,513	187,730
SUMMARY GAP STATISTICS:						
Assets - Liab GAP	12,448	26,698	47,946	61,652	50,663	0
RSA / RSL (ratio)	1.16	1.31	1.50	1.58	1.38	
GAP / Assets (%)	6.63	14.22	25.54	32.84	26.99	
Rate Sen Loans / Tot Loans (%)	64	75	90	95	99	

Cumulative Gap

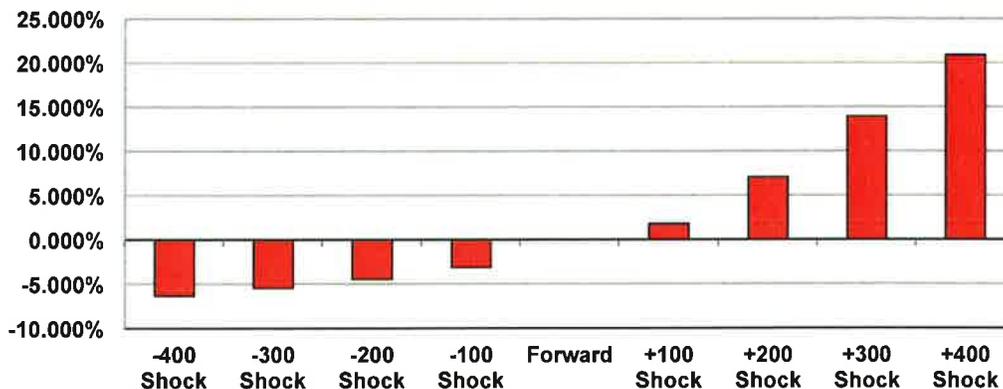


Net Interest Income Jan-21 to Dec-21			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	4,728	20.87	-40%
+300 Shock	4,457	13.94	-30%
+200 Shock	4,188	7.06	-20%
+100 Shock	3,981	1.78	-10%
Forward	3,911	0	--
-100 Shock	3,789	-3.14	-10%
-200 Shock	3,738	-4.45	-20%
-300 Shock	3,698	-5.47	-30%
-400 Shock	3,663	-6.35	-40%

Net Interest Income by Rate Scenario

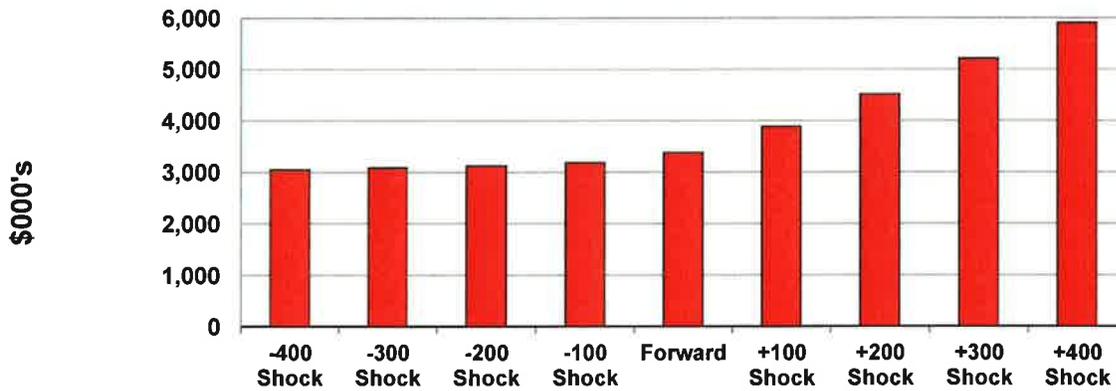


Percentage Change in Net Interest Income from Flat Rates

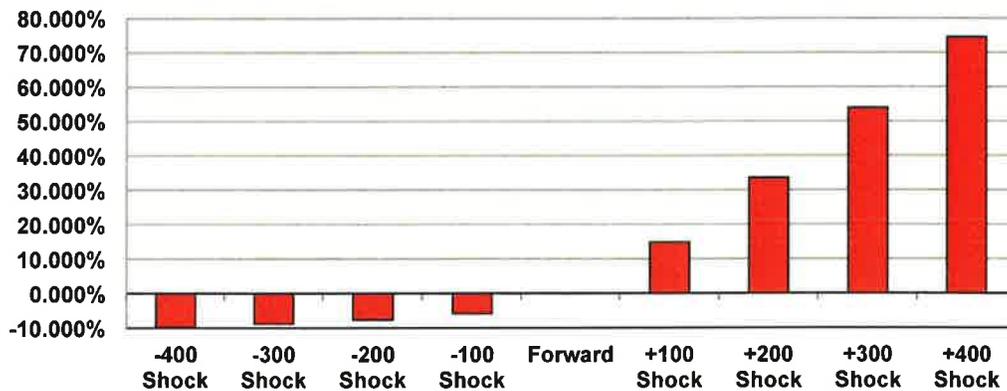


Net Interest Income Jan-22 to Dec-22			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	5,905	74.59	-45%
+300 Shock	5,207	53.95	-35%
+200 Shock	4,517	33.54	-25%
+100 Shock	3,887	14.91	-15%
Forward	3,382	0	--
-100 Shock	3,185	-5.83	-15%
-200 Shock	3,125	-7.61	-25%
-300 Shock	3,084	-8.83	-35%
-400 Shock	3,050	-9.84	-40%

Net Interest Income by Rate Scenario

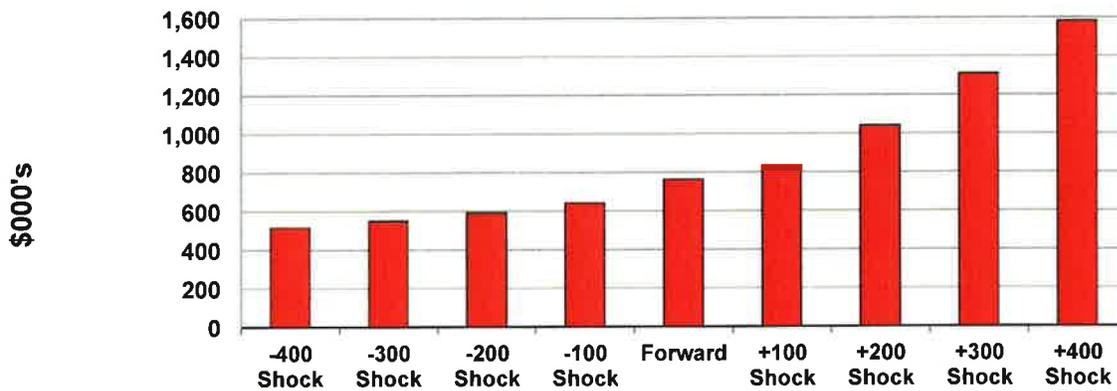


Percentage Change in Net Interest Income from Flat Rates

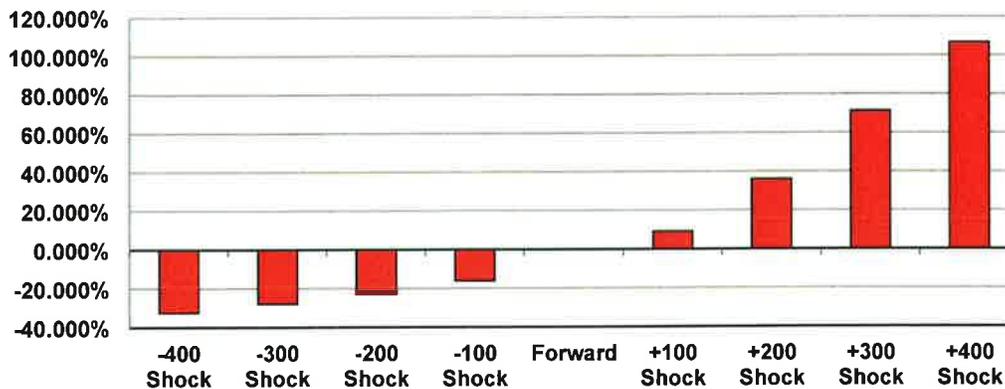


Net Income Jan-21 to Dec-21			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	1,581	106.79	--
+300 Shock	1,310	71.35	--
+200 Shock	1,041	36.13	--
+100 Shock	834	9.09	--
Forward	764	0	--
-100 Shock	642	-16.07	--
-200 Shock	591	-22.75	--
-300 Shock	551	-27.97	--
-400 Shock	516	-32.49	--

Net Income by Rate Scenario

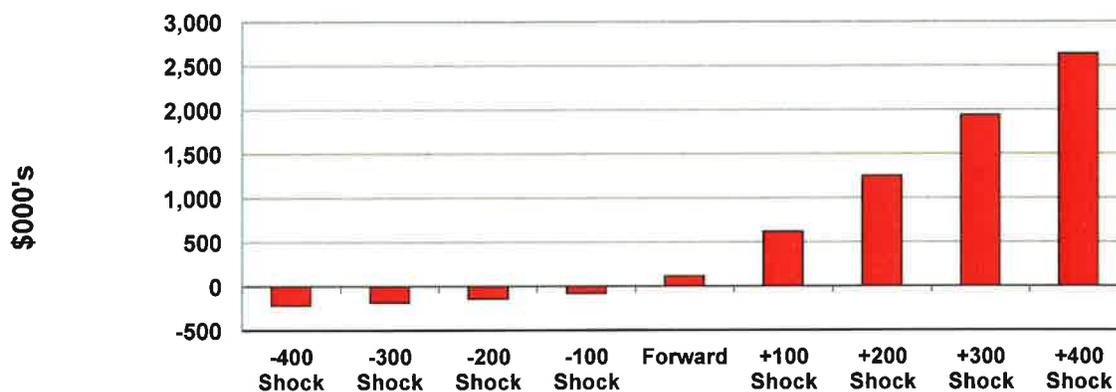


Percentage Change in Net Income from Flat Rates

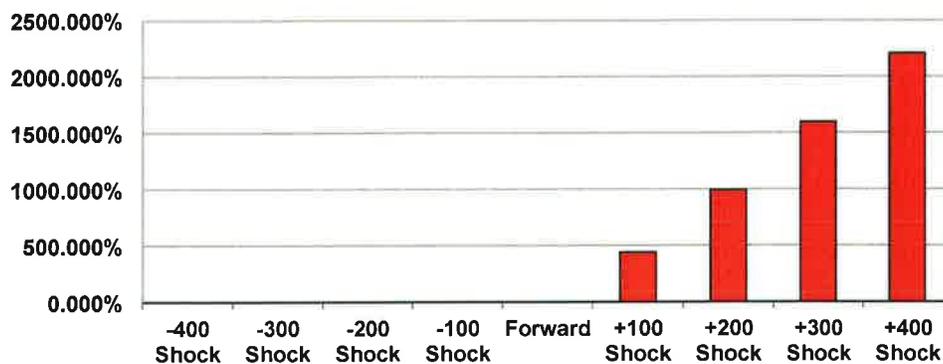


Net Income Jan-22 to Dec-22			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	2,637	2208.06	--
+300 Shock	1,939	1596.97	--
+200 Shock	1,249	992.91	--
+100 Shock	619	441.45	--
Forward	114	0	--
-100 Shock	(83)	NA	--
-200 Shock	(143)	NA	--
-300 Shock	(184)	NA	--
-400 Shock	(218)	NA	--

Net Income by Rate Scenario

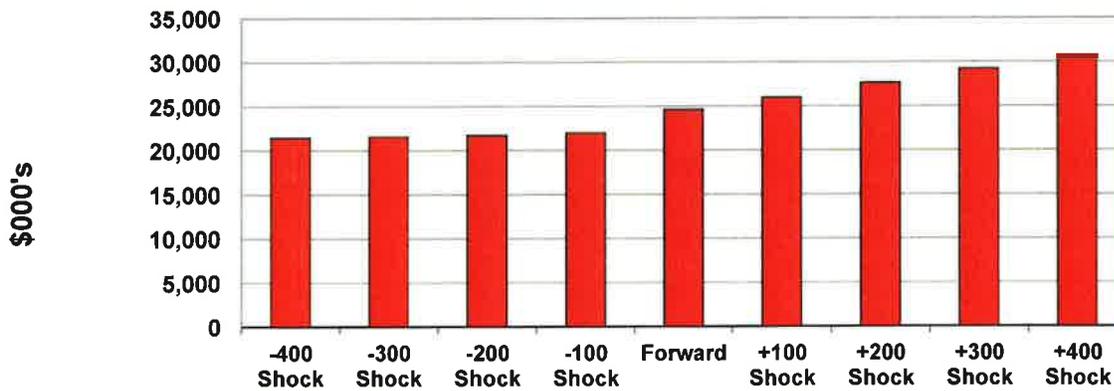


Percentage Change in Net Income from Flat Rates

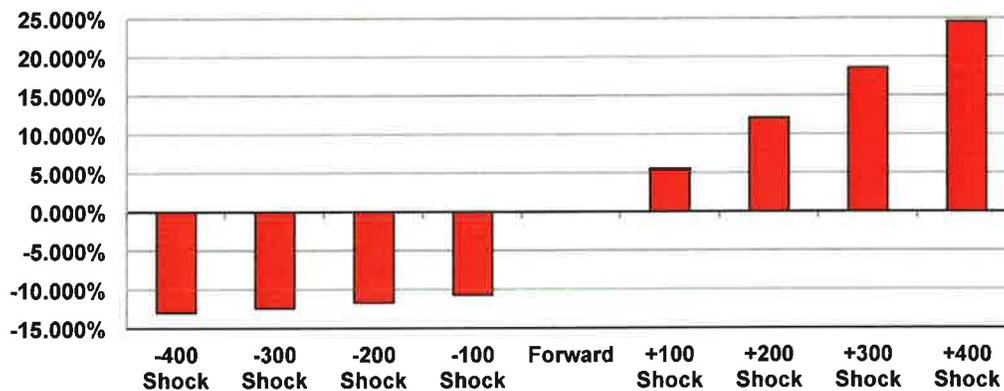


Net Economic Value As of December 31, 2020			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	30,684	24.55	-25%
+300 Shock	29,218	18.59	-20%
+200 Shock	27,620	12.11	-15%
+100 Shock	25,992	5.50	-10%
Forward	24,637	0	--
-100 Shock	21,992	-10.74	-10%
-200 Shock	21,744	-11.74	-15%
-300 Shock	21,575	-12.43	-20%
-400 Shock	21,437	-12.99	-25%

Net Economic Value by Rate Scenario



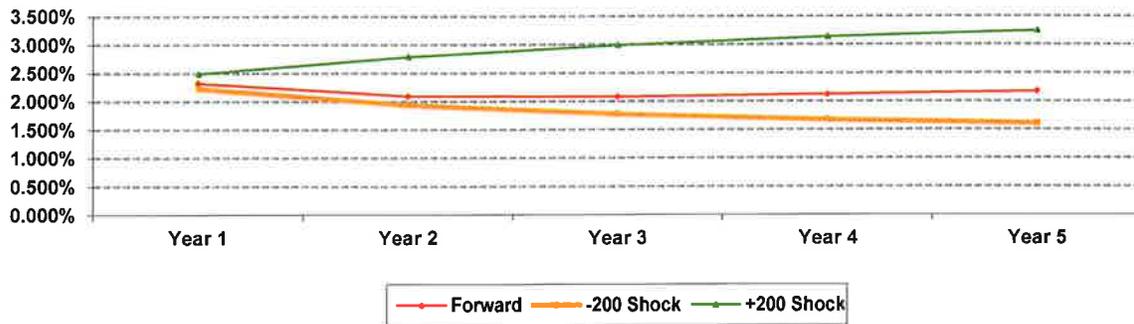
Percentage Change in Net Economic Value from Flat Rates



Key Items (Averages)					
Forward Rate Forecast	Year 1	Year 2	Year 3	Year 4	Year 5
PROFITABILITY (%)					
Net Interest Margin	2.33	2.10	2.09	2.13	2.18
Return on Assets	0.45	0.07	0.06	0.10	0.16
Return on Equity	3.73	0.55	0.45	0.79	1.19
INCOME STATEMENT (\$000)					
Interest Income	4,073	3,519	3,645	3,929	4,205
Interest Expense	162	137	283	495	686
Net Interest Income	3,911	3,382	3,362	3,434	3,519
Provision Expense	0	0	0	0	0
Non-Interest Income	60	60	60	60	60
Non-Interest Expense	3,207	3,328	3,328	3,328	3,328
Taxes	0	0	0	0	0
Net Income	764	114	94	166	251
PERFORMANCE RATIOS (%)					
Equity to Assets	12.10	12.83	12.87	12.93	13.02
Efficiency Ratio	80.75	96.68	97.26	95.25	92.98
Loans to Deposits Ratio	46.04	46.35	46.20	46.20	46.20
Earning Assets to Assets Ratio	99.44	99.62	99.63	99.62	99.62
YIELDS (%)					
Loans	4.89	4.78	4.86	5.01	5.17
Investments	2.67	2.13	1.82	1.77	1.86
Fed Funds Sold	0.25	0.25	0.51	0.75	0.96
Earning Assets	2.43	2.19	2.26	2.44	2.61
COST OF FUNDS (%)					
Deposits	0.11	0.10	0.20	0.35	0.49
Borrowings	0	0	0	0	0
Fed Funds Purchased	0.25	0.25	0.49	0.74	1.03
Rate Related Liabilities	0.11	0.10	0.20	0.35	0.49
KEY BALANCE SHEET ITEMS (\$000)					
Total Assets	168,879	161,653	161,691	161,800	161,974
Earning Assets	167,932	161,043	161,087	161,187	161,353
Loans	67,955	65,212	65,007	65,011	65,006
Investments	7,254	8,031	8,027	8,025	8,025
Deposits	147,586	140,701	140,701	140,701	140,701
Fed Funds Purchased	734	52	24	9	3
Fed Funds Sold	130	40	113	57	51
Equity	20,433	20,743	20,807	20,923	21,096

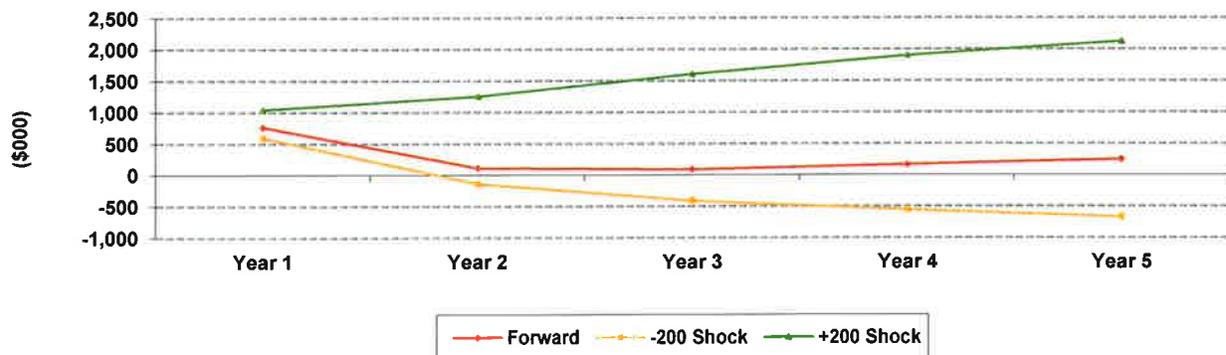
Net Interest Margin					
Scenario	Year 1	Year 2	Year 3	Year 4	Year 5
Forward	2.33	2.10	2.09	2.13	2.18
-200 Shock	2.23	1.94	1.78	1.68	1.61
+200 Shock	2.49	2.79	2.99	3.14	3.24

Net Interest Margin



Net Income					
Scenario	Year 1	Year 2	Year 3	Year 4	Year 5
Forward	764	114	94	166	251
-200 Shock	591	(143)	(407)	(556)	(674)
+200 Shock	1,041	1,249	1,607	1,902	2,120

Net Income



Monthly Projections

As of December 31, 2020

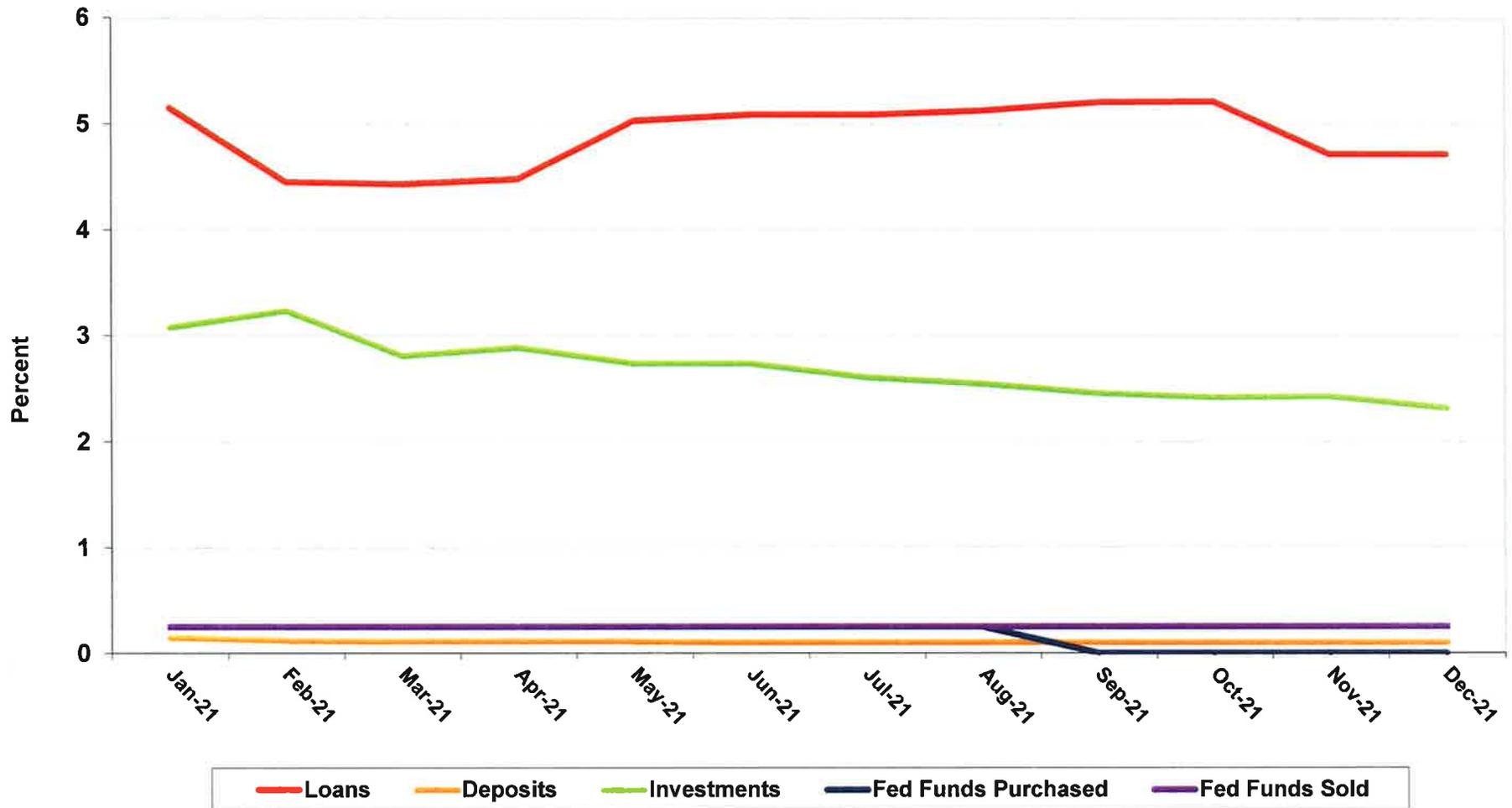
Key Items (Averages)													
Forward Rate Forecast	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Avg/Tot
PROFITABILITY (%)													
Net Interest Margin	2.49	2.25	2.15	2.16	2.40	2.45	2.44	2.42	2.41	2.40	2.19	2.19	2.33
Return on Assets	0.76	0.22	0.34	0.24	1.20	0.46	0.50	0.48	0.40	0.44	0.15	0.16	0.45
Return on Equity	7.03	2.00	2.93	2.08	9.86	3.70	4.05	3.86	3.18	3.49	1.22	1.29	3.73
INCOME STATEMENT (\$000)													
Interest Income	409	325	334	317	353	344	352	349	334	342	302	311	4,073
Interest Expense	21	15	15	14	14	12	13	12	12	12	11	11	162
Net Interest Income	389	310	319	304	339	331	339	336	323	330	291	300	3,911
Provision Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Interest Income	5	5	5	5	5	5	5	5	5	5	5	5	60
Non-Interest Expense	274	284	274	274	174	274	274	274	274	274	275	282	3,207
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	120	31	50	35	170	62	70	67	54	61	21	23	764
PERFORMANCE RATIOS (%)													
Equity to Assets	10.85	11.16	11.48	11.78	12.14	12.38	12.42	12.51	12.59	12.66	12.74	12.80	12.10
Efficiency Ratio	69.55	90.17	84.48	88.79	50.53	81.48	79.57	80.27	83.59	81.76	93.01	92.57	80.75
Loans to Deposits Ratio	43.03	44.00	44.96	46.02	47.12	47.06	46.98	46.85	46.74	46.69	46.79	47.00	46.04
Earning Assets to Assets Ratio	99.33	99.34	99.37	99.37	99.39	99.39	99.42	99.47	99.52	99.54	99.57	99.60	99.44
YIELDS (%)													
Loans	5.15	4.45	4.43	4.48	5.03	5.09	5.09	5.13	5.21	5.22	4.72	4.72	4.89
Investments	3.08	3.24	2.81	2.89	2.74	2.74	2.61	2.55	2.46	2.42	2.43	2.32	2.67
Fed Funds Sold	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Earning Assets	2.63	2.36	2.26	2.27	2.50	2.55	2.53	2.52	2.51	2.49	2.28	2.28	2.43
COST OF FUNDS (%)													
Deposits	0.15	0.12	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.11
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Funds Purchased	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0	0	0	0	0.25
Rate Related Liabilities	0.15	0.12	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.11
KEY BALANCE SHEET ITEMS (\$000)													
Total Assets	185,072	180,947	175,969	171,920	167,650	165,328	164,753	164,195	163,505	163,050	162,419	161,746	168,879
Earning Assets	183,824	179,756	174,863	170,843	166,623	164,320	163,800	163,330	162,716	162,294	161,721	161,097	167,932
Loans	70,193	69,790	69,357	68,937	68,506	68,118	67,699	67,240	66,730	66,424	66,251	66,220	67,955
Investments	6,544	6,667	6,803	6,930	7,062	7,189	7,320	7,450	7,577	7,708	7,835	7,967	7,254
Deposits	163,122	158,606	154,249	149,800	145,399	144,734	144,105	143,516	142,770	142,257	141,582	140,894	147,586
Fed Funds Purchased	1,774	2,048	1,405	1,755	1,777	0	46	0	0	0	0	0	734
Fed Funds Sold	0	0	0	0	0	461	0	512	64	42	414	70	130
Equity	20,084	20,194	20,210	20,252	20,354	20,468	20,470	20,541	20,593	20,645	20,685	20,697	20,433

Monthly Projections

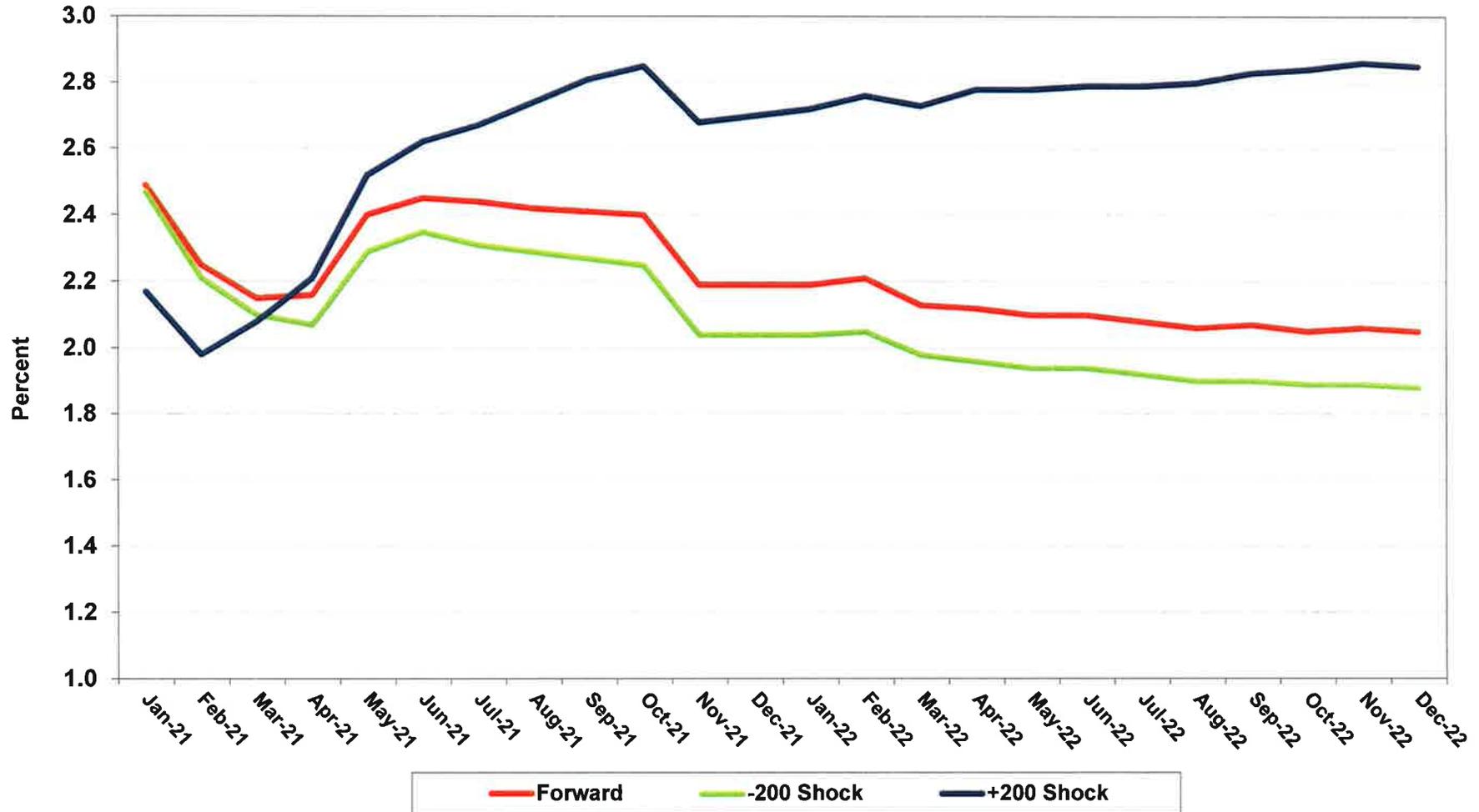
As of December 31, 2020

Key Items (Averages)													
Forward Rate Forecast	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Avg/Tot
PROFITABILITY (%)													
Net Interest Margin	2.19	2.21	2.13	2.12	2.10	2.10	2.08	2.06	2.07	2.05	2.06	2.05	2.10
Return on Assets	0.20	0.00	0.14	0.06	0.11	0.04	0.09	0.08	0.01	0.06	0.00	0.03	0.07
Return on Equity	1.55	0.04	1.10	0.48	0.85	0.35	0.71	0.61	0.09	0.50	0.03	0.21	0.55
INCOME STATEMENT (\$000)													
Interest Income	311	283	303	291	298	289	296	294	285	293	284	292	3,519
Interest Expense	11	10	11	11	11	11	12	12	11	12	11	12	137
Net Interest Income	299	273	291	280	287	278	285	283	274	281	273	280	3,382
Provision Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Interest Income	5	5	5	5	5	5	5	5	5	5	5	5	60
Non-Interest Expense	277	277	277	277	277	277	277	277	277	277	277	281	3,328
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	27	1	19	8	15	6	13	11	2	9	1	4	114
PERFORMANCE RATIOS (%)													
Equity to Assets	12.82	12.80	12.81	12.82	12.83	12.83	12.83	12.82	12.84	12.85	12.85	12.86	12.83
Efficiency Ratio	91.05	99.79	93.48	97.12	94.88	97.90	95.65	96.26	99.43	96.92	99.81	98.67	96.68
Loans to Deposits Ratio	46.94	46.72	46.54	46.35	46.21	46.20	46.20	46.20	46.20	46.20	46.20	46.20	46.35
Earning Assets to Assets Ratio	99.61	99.62	99.63	99.63	99.62	99.62	99.62	99.63	99.63	99.63	99.62	99.62	99.62
YIELDS (%)													
Loans	4.74	4.81	4.77	4.80	4.79	4.80	4.78	4.76	4.78	4.76	4.77	4.75	4.78
Investments	2.29	2.44	2.17	2.26	2.18	2.21	2.04	2.02	1.99	1.98	2.02	1.95	2.13
Fed Funds Sold	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Earning Assets	2.28	2.30	2.22	2.21	2.19	2.19	2.17	2.15	2.16	2.14	2.15	2.14	2.19
COST OF FUNDS (%)													
Deposits	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Funds Purchased	0	0.25	0.25	0	0.25	0	0.25	0.25	0.25	0	0	0	0.25
Rate Related Liabilities	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
KEY BALANCE SHEET ITEMS (\$000)													
Total Assets	161,573	161,653	161,658	161,580	161,665	161,594	161,673	161,841	161,696	161,628	161,633	161,636	161,653
Earning Assets	160,949	161,041	161,054	160,975	161,050	160,982	161,059	161,240	161,095	161,023	161,025	161,024	161,043
Loans	66,043	65,738	65,477	65,217	65,023	65,004	65,006	65,005	65,008	65,005	65,007	65,009	65,212
Investments	8,030	8,030	8,031	8,031	8,031	8,031	8,031	8,031	8,033	8,032	8,033	8,033	8,031
Deposits	140,701	140,702	140,702	140,702	140,702	140,699	140,701	140,701	140,702	140,701	140,702	140,701	140,701
Fed Funds Purchased	0	99	87	0	67	0	66	232	73	0	0	0	52
Fed Funds Sold	169	0	0	83	0	118	0	0	0	77	1	34	40
Equity	20,716	20,696	20,713	20,722	20,739	20,740	20,750	20,752	20,766	20,771	20,776	20,779	20,743

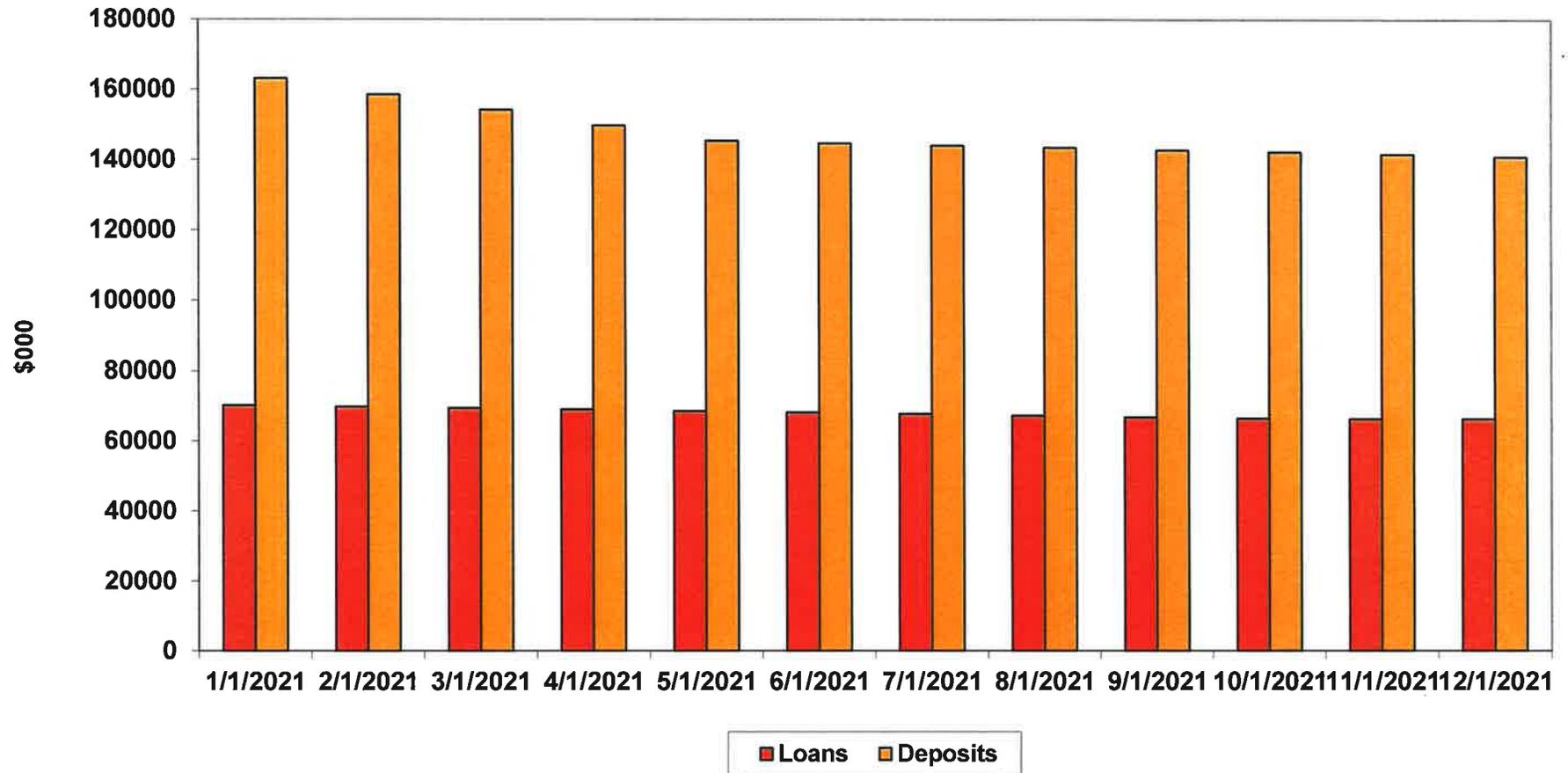
Yield on Earning Assets and Cost of Funds Forward Rate Forecast



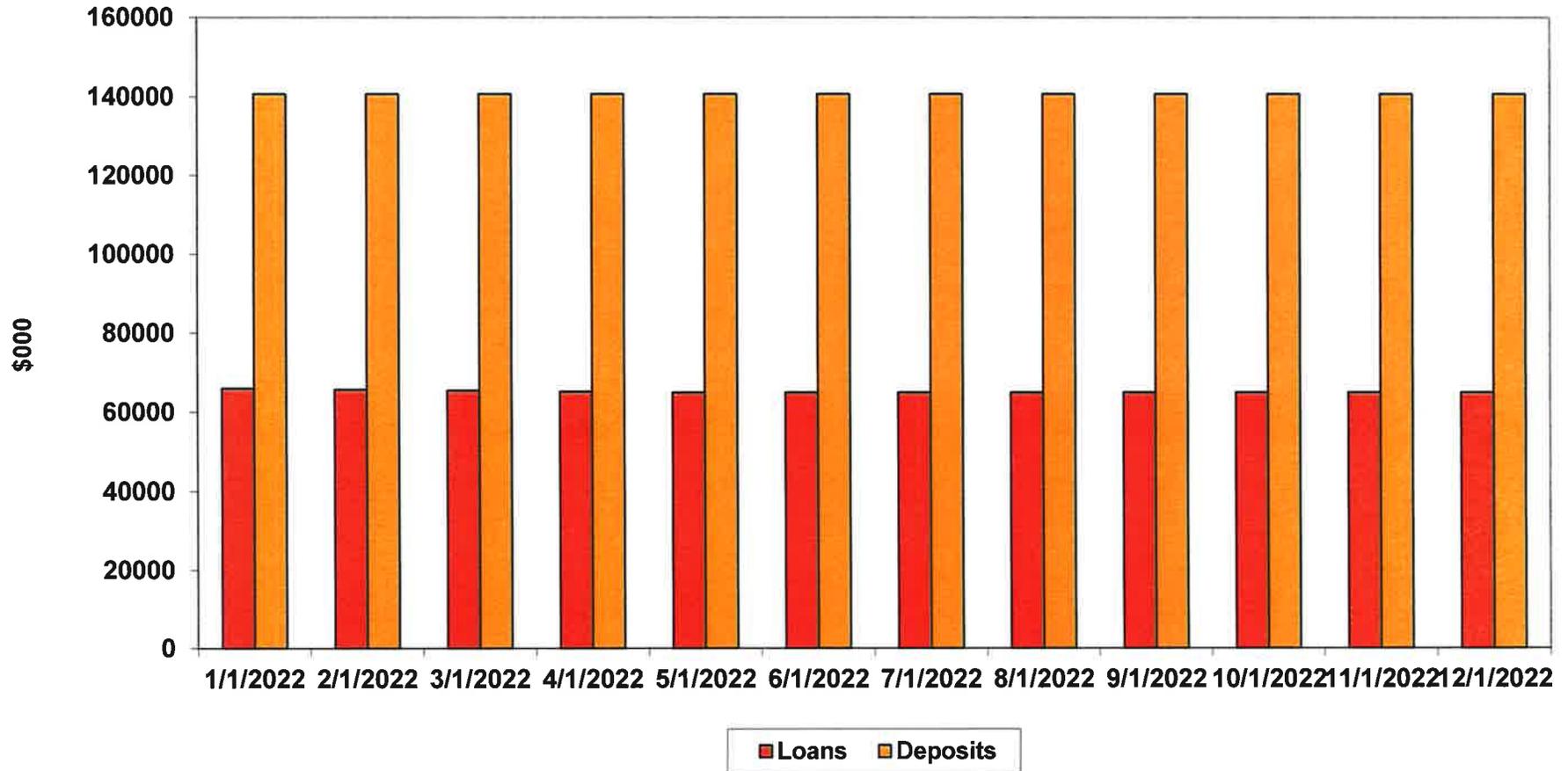
Scenario Comparisons of Net Interest Margin



Loan and Deposit Balance Forward Rate Forecast



Loan and Deposit Balance Forward Rate Forecast



Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
Assets			
Cash and Due From			
Cash and Due - Non Int Bearing			
Cash	0	0	0
Due From	0	0	0
Total Cash and Due - Non Int Bearing	0	0	0
Cash and Due - Int Bearing			
Other Int Bearing Due From	0	0	0.03
Certificates of Deposit Due From	0.93	-0.66	11.27
Total Cash and Due - Int Bearing	0.79	-0.55	9.47
Total Cash and Due From	0.78	-0.55	9.36
Funds Sold			
F.F. Sold (Bal.)	0	0	0
Total Funds Sold	0	0	0
Investments			
MBS and CMOs			
GNM MBS - AFS	1.15	-0.20	33.19
GNM MBS - HTM	0.83	0.25	19.22
GNM ARMs - AFS	0.94	1.86	84.15
GNM ARMs - HTM	1.17	2.33	28.50
GNM Hybrid ARMs - AFS	0.40	0.79	22.39
GNM Hybrid ARMs - HTM	0.49	0.98	23.81
CMO Fixed - AFS	1.99	-0.31	28.80
Total MBS and CMOs	1.13	-0.08	34.91
Municipals and Other			
Taxable Municipals - HTM	1.36	-1.09	21.78
SBA Fixed - AFS	4.99	-0.62	38.07
SBA Variable - AFS	0.26	0	71.58
FHLB Stock	0	0	119.03
FRB Stock	0	0	120.00
Total Municipals and Other	2.38	-0.68	48.25
Investment Gains and Losses	0	0	0
Total Investments	1.60	-0.31	39.99

Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
Loans			
Real Estate Loans			
Construction			
Construction Fixed	0.32	-0.27	4.01
Construction Variable	0.60	-0.43	7.61
Construction Adjustable	1.55	-0.26	50.61
Total Construction	0.78	-0.34	18.55
Agriculture Real Estate			
Agriculture RE Fixed	5.13	-0.58	82.76
Agriculture RE Adjustable	4.88	-0.52	85.32
Total Agriculture Real Estate	5.00	-0.55	84.14
Home Equity			
Home Equity Variable	2.80	1.52	70.94
Total Home Equity	2.80	1.52	70.94
Mortgage			
Mortgage Fixed	2.81	-2.44	59.68
Mortgage Variable	3.21	0.94	68.02
Mortgage Adjustable	2.51	0.66	68.88
Total Mortgage	3.01	-0.04	65.89
Multi Family Real Estate			
Multi Family RE Adjustable	1.05	-0.25	19.76
Total Multi Family Real Estate	1.05	-0.25	19.76
Commercial Real Estate			
Commercial RE Fixed	2.13	-0.70	31.61
Commercial RE Variable	2.76	1.89	73.69
Commercial RE Adjustable	2.20	0.07	67.31
Total Commercial Real Estate	2.35	0.54	66.76
Total Real Estate Loans	2.44	0.31	63.15
Commercial Loans			
Commercial			
Commercial Fixed	0.37	-0.28	4.63
Commercial Variable	0.67	-0.43	9.35
Commercial Adjustable	-0.08	-0.80	108.94
Total Commercial	0.35	-0.55	46.57
Commercial SBA			
Commercial SBA Fixed	0.53	-0.42	6.40
Total Commercial SBA	0.53	-0.42	6.40
Total Commercial Loans	0.51	-0.43	10.07

Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
Consumer Loans			
Consumer			
Consumer Fixed	1.23	-1.00	15.83
Total Consumer	1.23	-1.00	15.83
Total Consumer Loans	1.23	-1.00	15.83
Other Loan G/L Balances			
Unearned Disc. & Oth.	0	0	0
Total Other Loan G/L Balances	0	0	0
Loan Loss Reserve	0	0	0
Total Loans	2.15	0.18	54.91
Other Assets			
Fixed Assets	0	0	0
Interest Receivable	0	0	0
Other Non Earning Assets	0	0	0
Total Other Assets	0	0	0
Total Assets	1.32	-0.26	27.51
Liabilities			
Deposits			
Non Maturity Deposits			
Demand			
Demand Retail	4.53	-0.98	55.50
Demand Commercial	4.92	-0.83	60.50
Total Demand	4.88	-0.85	59.94
NOW Accounts			
NOW Retail	3.75	1.31	59.53
NOW Retail Premium	3.63	1.54	59.53
NOW Commercial	3.75	1.31	59.53
NOW Commercial Premium	2.45	0.19	39.53
NOW Public Funds	0.13	-0.05	2.03
Total NOW Accounts	2.71	0.97	43.78
Money Market Accounts			
MMDA Retail	1.18	-0.37	19.53
MMDA Retail Premium	1.72	-0.08	29.53
MMDA Commercial	1.78	-0.20	29.53
MMDA Commercial Premium	3.39	2.01	59.53

Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
MMDA Public Funds	1.78	-0.20	29.53
Total Money Market Accounts	2.76	1.18	48.00
Savings Accounts			
Savings Retail	1.78	-0.20	29.53
Savings Commercial	0.88	-0.30	14.53
Total Savings Accounts	1.58	-0.22	26.11
Non Maturity Deposits G/L	0	0	0
Total Non Maturity Deposits	3.17	0.60	48.05
Time Deposits			
Time Deposits Core			
CDs Core 1-3 Mo	0.10	-0.09	1.25
CDs Core 4-6 Mo	0.05	-0.05	0.63
CDs Core 7-9 Mo	0.50	-0.39	6.03
CDs Core 10-12 Mo	0.57	-0.45	6.89
CDs Core 13-24 Mo	0.99	-0.79	11.91
CDs Core 25-36 Mo	1.36	-1.07	16.27
CDs Core 49-60 Mo	2.85	-1.98	34.20
IRAs Core	0.74	-0.58	9.00
Total Time Deposits Core	0.72	-0.56	8.67
Time Deposits Non Core			
CDs Non Core 1-3 Mo	0.02	-0.02	0.26
CDs Non Core 7-9 Mo	0.12	-0.10	1.41
CDs Non Core 10-12 Mo	0.32	-0.26	3.88
CDs Non Core 13-24 Mo	0.64	-0.51	7.60
CDs Non Core 49-60 Mo	0.40	-0.31	4.81
IRAs Non Core	1.07	-0.85	12.83
Total Time Deposits Non Core	0.34	-0.27	4.06
Total Time Deposits	0.42	-0.33	5.02
Total Deposits	2.83	0.49	42.88
Funds Purchased			
F.F. Purch. (Bal.)	0	0	0
Total Funds Purchased	0	0	0
Other Liabilities			
Other Liabilities Non Int Bearing	0	0	0
Interest Payable	0	0	0
Tax Deferred Liability	0	0	0

Duration			
Forward Rate Forcast	Effective Duration	Convexity Spread	Average Life
Total Other Liabilities	0	0	0
Total Liabilities	2.83	0.49	42.86
Equity			
Common Stock	0	0	0
Surplus	0	0	0
AOCI - Non Tier 1	0	0	0
Retained Earnings	0	0	0
Additional Tier 1 Equity	0	0	0
Non Qualifying Equity	-11.93	-7.15	0
Total Equity	-8.73	-5.23	0
TOTAL LIABS AND EQUITY	1.32	-0.26	41.23
TOTAL EARNING ASSETS	1.33	-0.26	27.70
TOTAL INT BEARING LIABS	2.83	0.49	42.88



INTEREST RATE RISK ANALYSIS STATIC-SHOCK ASSUMPTIONS REPORT

FIRST NATIONAL BANK NORTHWEST FLORIDA

**As of:
December 31, 2020**

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Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
ASSETS								
Cash and Due From								
Cash and Due - Non Int Bearing								
Cash		(none)	0	(none)	(none)	(none)	(none)	Not Included
Due From		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Cash and Due - Non Int Bearing								
Cash and Due - Int Bearing								
Other Int Bearing Due From		(none)	0	(none)	(none)	(none)	(none)	Included
Certificates of Deposit Due From		0	0	Libor/Swap	(none)	(none)	(none)	Included
Total Cash and Due - Int Bearing								
Total Cash and Due From								
Funds Sold								
F.F. Sold (Bal.)		(none)	0	(none)	(none)	(none)	(none)	Included
Total Funds Sold								
Investments								
MBS and CMOs								
GNM MBS - AFS	AFS	0.190	0	US Treasury	(none)	UST - 36 Mo	MBS Fixed	Included
GNM MBS - HTM	HTM	0.190	0	US Treasury	(none)	UST - 36 Mo	MBS Fixed	Included
GNM ARMs - AFS	AFS	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
GNM ARMs - HTM	HTM	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
GNM Hybrid ARMs - AFS	AFS	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
GNM Hybrid ARMs - HTM	HTM	1.500	0	US Treasury	(none)	UST - 12 Mo	MBS ARM	Included
CMO Fixed - AFS	AFS	0.350	20	US Treasury	(none)	UST - 36 Mo	CMO Fixed	Included
Total MBS and CMOs								
Municipals and Other								
Taxable Municipals - HTM	HTM	0.200	100	US Treasury	Municipals	(none)	(none)	Included
SBA Fixed - AFS	AFS	2.000	0	Libor/Swap	(none)	UST - 36 Mo	MBS Fixed	Included
SBA Variable - AFS	AFS	2.000	0	Libor/Swap	(none)	Prime	SBA Variable	Included
FHLB Stock		4.100	20	Libor/Swap	(none)	Fed Funds	(none)	Included
FRB Stock		6.000	0	Libor/Swap	(none)	(none)	(none)	Included
Total Municipals and Other								
Investment Gains and Losses		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Investments								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Loans								
Real Estate Loans								
Construction								
Construction Fixed		7.854	100	Libor/Swap	(none)	SWAP - 36 Mo	Construction Fixed	Included
Construction Variable								
Construction Var Prime		4.323	100	Libor/Swap	(none)	Prime	Construction Variable	Included
Total Construction Variable								
Construction Adjustable Prime								
Construction ARM Prime		4.670	100	Libor/Swap	(none)	Prime	Construction Variable	Included
Construction Hybrid ARM Prime		4.895	100	Libor/Swap	(none)	Prime	Construction Fixed	Included
Total Construction Adjustable Prime								
Construction Adjustable UST								
Construction Hybrid ARM UST		3.998	100	Libor/Swap	(none)	UST - 12 Mo	Construction Fixed	Included
Total Construction Adjustable UST								
Total Construction Adjustable								
Total Construction								
Agriculture Real Estate								
Agriculture RE Fixed		4.120	100	Libor/Swap	(none)	SWAP - 36 Mo	Agriculture Fixed	Included
Agriculture RE Adjustable								
Agriculture RE Adjustable UST								
Agriculture RE Hybrid ARM UST		3.255	100	Libor/Swap	(none)	UST - 12 Mo	Agriculture Fixed	Included
Total Agriculture RE Adjustable UST								
Total Agriculture RE Adjustable								
Total Agriculture Real Estate								
Home Equity								
Home Equity Variable								
Home Equity Var Prime		4.156	100	Libor/Swap	(none)	Prime	Home Equity Variable	Included
Total Home Equity Variable								
Total Home Equity								
Mortgage								
Mortgage Fixed								
Mortgage Fixed - 10 Yr		5.092	50	Libor/Swap	(none)	SWAP - 60 Mo	Mortgage 15 Yr	Included
Mortgage Fixed - 15 Yr		3.460	50	Libor/Swap	(none)	SWAP - 84 Mo	Mortgage 15 Yr	Included
Mortgage Fixed - 20 Yr		2.976	50	Libor/Swap	(none)	SWAP - 120 Mo	Mortgage 30 Yr	Included
Mortgage Fixed - 30 Yr		3.580	50	Libor/Swap	(none)	SWAP - 120 Mo	Mortgage 30 Yr	Included
Total Mortgage Fixed								
Mortgage Variable								
Mortgage Var Prime		4.078	50	Libor/Swap	(none)	Prime	Mortgage Variable	Included
Total Mortgage Variable								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Mortgage Adjustable								
Mortgage Adjustable Prime								
Mortgage ARM Prime		4.994	50	Libor/Swap	(none)	Prime	Mortgage ARM	Included
Mortgage Hybrid ARM Prime		5.097	50	Libor/Swap	(none)	Prime	Mortgage ARM	Included
Total Mortgage Adjustable Prime								
Mortgage Adjustable UST								
Mortgage ARM UST		2.838	50	Libor/Swap	(none)	UST - 12 Mo	Mortgage ARM	Included
Total Mortgage Adjustable UST								
Total Mortgage Adjustable								
Total Mortgage								
Multi Family Real Estate								
Multi Family RE Adjustable								
Multi Family RE Adjustable Prime								
Multi Family RE ARM Prime		5.291	50	Libor/Swap	(none)	Prime	Commercial RE Variable	Included
Total Multi Family RE Adjustable Prime								
Total Multi Family RE Adjustable								
Total Multi Family Real Estate								
Commercial Real Estate								
Commercial RE Fixed		4.429	100	Libor/Swap	(none)	SWAP - 36 Mo	Commercial RE Fixed	Included
Commercial RE Variable								
Commercial RE Var Prime		3.947	100	Libor/Swap	(none)	Prime	Commercial RE Variable	Included
Total Commercial RE Variable								
Commercial RE Adjustable								
Commercial RE Adjustable Prime								
Commercial RE ARM Prime		3.585	100	Libor/Swap	(none)	Prime	Commercial RE Variable	Included
Commercial RE Hybrid ARM Prime		5.104	100	Libor/Swap	(none)	Prime	Commercial RE Fixed	Included
Total Commercial RE Adjustable Prime								
Commercial RE Adjustable UST								
Commercial RE Hybrid ARM UST		4.650	100	Libor/Swap	(none)	UST - 12 Mo	Commercial RE Fixed	Included
Total Commercial RE Adjustable UST								
Total Commercial RE Adjustable								
Total Commercial Real Estate								
Total Real Estate Loans								
Commercial Loans								
Commercial								
Commercial Fixed		4.141	100	Libor/Swap	(none)	SWAP - 36 Mo	Commercial Fixed	Included
Commercial Variable								
Commercial Var Prime		3.691	100	Libor/Swap	(none)	Prime	Commercial Variable	Included
Total Commercial Variable								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Commercial Adjustable								
Commercial Adjustable Prime								
Commercial ARM Prime		3.991	100	Libor/Swap	(none)	Prime	Commercial Variable	Included
Total Commercial Adjustable Prime								
Total Commercial Adjustable								
Total Commercial								
Commercial SBA								
Commercial SBA Fixed		0.790	20	Libor/Swap	(none)	ZERO Rate	PPP Prepay Model	Included
Total Commercial SBA								
Total Commercial Loans								
Consumer Loans								
Consumer								
Consumer Fixed								
Other Consumer Fixed		1.228	100	Libor/Swap	(none)	LIBOR - 12 Mo	Consumer Fixed	Included
Total Consumer Fixed								
Total Consumer								
Total Consumer Loans								
Other Loan G/L Balances								
Unearned Disc. & Oth.		(none)	0	(none)	(none)	(none)	(none)	Included
Total Other Loan G/L Balances								
Loan Loss Reserve		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Loans								
Other Assets								
Fixed Assets		(none)	0	(none)	(none)	(none)	(none)	Not Included
Interest Receivable		(none)	0	(none)	(none)	(none)	(none)	Not Included
Other Non Earning Assets		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Other Assets								
TOTAL ASSETS								
LIABILITIES								
Deposits								
Non Maturity Deposits								
Demand								
Demand Retail								
Demand Retail Fixed		0	0	Libor/Swap	(none)	(none)	(none)	Included

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Total Demand Retail								
Demand Commercial								
Demand Commercial Fixed		0	0	Libor/Swap	(none)	(none)	(none)	Included
Total Demand Commercial								
Total Demand								
NOW Accounts								
NOW Retail								
NOW Retail Variable		0	0	Libor/Swap	(none)	NOW Retail	(none)	Included
Total NOW Retail								
NOW Retail Premium								
NOW Retail Premium Variable		0	0	Libor/Swap	(none)	NOW Retail Premium	(none)	Included
Total NOW Retail Premium								
NOW Commercial								
NOW Commercial Variable		0	0	Libor/Swap	(none)	NOW Commercial	(none)	Included
Total NOW Commercial								
NOW Commercial Premium								
NOW Commercial Premium Variable		0	0	Libor/Swap	(none)	NOW Commercial	(none)	Included
Total NOW Commercial Premium								
NOW Public Funds								
NOW Public Funds Variable		0	0	Libor/Swap	(none)	NOW Public Funds	(none)	Included
Total NOW Public Funds								
Total NOW Accounts								
Money Market Accounts								
MMDA Retail								
MMDA Retail Variable		0	0	Libor/Swap	(none)	MMDA Retail	(none)	Included
Total MMDA Retail								
MMDA Retail Premium								
MMDA Retail Premium Variable		0	0	Libor/Swap	(none)	MMDA Retail Premium	(none)	Included
Total MMDA Retail Premium								
MMDA Commercial								
MMDA Commercial Variable		0	0	Libor/Swap	(none)	MMDA Commercial	(none)	Included
Total MMDA Commercial								
MMDA Commercial Premium								
MMDA Commercial Premium Variable		0	0	Libor/Swap	(none)	MMDA Commercial	(none)	Included
Total MMDA Commercial Premium								
MMDA Public Funds								
MMDA Public Funds Variable		0	0	Libor/Swap	(none)	MMDA Public Funds	(none)	Included
Total MMDA Public Funds								
Total Money Market Accounts								
Savings Accounts								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
Savings Retail								
Savings Retail Variable		0	0	Libor/Swap	(none)	Savings Retail	(none)	Included
Total Savings Retail								
Savings Commercial								
Savings Commercial Variable		0	0	Libor/Swap	(none)	Savings Commercial	(none)	Included
Total Savings Commercial								
Total Savings Accounts								
Non Maturity Deposits G/L		(none)	0	(none)	(none)	(none)	(none)	Included
Total Non Maturity Deposits								
Time Deposits								
Time Deposits Core								
CDs Core 1-3 Mo		0	0	Libor/Swap	(none)	CD 3 Month	CD	Included
CDs Core 4-6 Mo		0	0	Libor/Swap	(none)	CD 6 Month	CD	Included
CDs Core 7-9 Mo		0	0	Libor/Swap	(none)	CD 9 Month	CD	Included
CDs Core 10-12 Mo		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
CDs Core 13-24 Mo		0	0	Libor/Swap	(none)	CD 24 Month	CD	Included
CDs Core 25-36 Mo		0	0	Libor/Swap	(none)	CD 36 Month	CD	Included
CDs Core 49-60 Mo		0	0	Libor/Swap	(none)	CD 60 Month	CD	Included
IRAs Core		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
Total Time Deposits Core								
Time Deposits Non Core								
CDs Non Core 1-3 Mo		0	0	Libor/Swap	(none)	CD 3 Month	CD	Included
CDs Non Core 7-9 Mo		0	0	Libor/Swap	(none)	CD 9 Month	CD	Included
CDs Non Core 10-12 Mo		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
CDs Non Core 13-24 Mo		0	0	Libor/Swap	(none)	CD 24 Month	CD	Included
CDs Non Core 49-60 Mo		0	0	Libor/Swap	(none)	CD 60 Month	CD	Included
IRAs Non Core		0	0	Libor/Swap	(none)	CD 12 Month	CD	Included
Total Time Deposits Non Core								
Total Time Deposits								
Total Deposits								
Other Liabilities								
Other Liabilities Non Int Bearing		(none)	0	(none)	(none)	(none)	(none)	Not Included
Interest Payable		(none)	0	(none)	(none)	(none)	(none)	Not Included
Tax Deferred Liability		(none)	0	(none)	(none)	(none)	(none)	Not Included
Total Other Liabilities								
TOTAL LIABILITIES								

Assumptions

As of December 31, 2020

Account Set Up								
Account Names	AFS HTM	Market Value Spread	Risk Weight	Market Value Yield Curve	Repricing Yield Curve	Key Rate	Prepayment Table	Included in Margin Calculation
EQUITY								
Common Stock		(none)	0	(none)	(none)	(none)	(none)	Not Included
Surplus		(none)	0	(none)	(none)	(none)	(none)	Not Included
AOCI - Non Tier 1		(none)	0	(none)	(none)	(none)	(none)	Not Included
Retained Earnings		(none)	0	(none)	(none)	(none)	(none)	Not Included
Additional Tier 1 Equity		(none)	0	(none)	(none)	(none)	(none)	Not Included
Non Qualifying Equity		(none)	0	(none)	(none)	(none)	(none)	Not Included
TOTAL EQUITY								
TOTAL LIABS AND EQUITY		(none)	0	(none)	(none)	(none)	(none)	Not Included
TOTAL EARNING ASSETS		(none)	0	(none)	(none)	(none)	(none)	Not Included
TOTAL INT BEARING LIABS		(none)	0	(none)	(none)	(none)	(none)	Not Included

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
ASSETS											
Cash and Due From											
Cash and Due - Non Int Bearing											
Cash	1,072	1,072	1,072	1,072	1,072	1,072	0	0	0	0	0
Due From	180	180	180	180	180	180	0	0	0	0	0
Total Cash and Due - Non Int Bearing	1,252	1,252	1,252	1,252	1,252	1,252	0	0	0	0	0
Cash and Due - Int Bearing											
Other Int Bearing Due From	17,250	0	0	0	0	0	(100)	NA	NA	NA	NA
Certificates of Deposit Due From	90,579	90,579	90,579	90,579	90,579	90,579	0	0	0	0	0
Total Cash and Due - Int Bearing	107,829	90,579	90,579	90,579	90,579	90,579	(16)	0	0	0	0
Total Cash and Due From	109,082	91,831	91,831	91,831	91,831	91,831	(16)	0	0	0	0
Funds Sold											
F.F. Sold (Bal.)	0	17,922	17,917	17,891	17,921	18,012	NA	0	0	0	1
Total Funds Sold	0	17,922	17,917	17,891	17,921	18,012	NA	0	0	0	1
Investments											
MBS and CMOs											
GNM MBS - AFS	3,629	3,629	3,629	3,629	3,629	3,629	0	0	0	0	0
GNM MBS - HTM	177	177	177	177	177	177	0	0	0	0	0
GNM ARMs - AFS	185	185	185	185	185	185	0	0	0	0	0
GNM ARMs - HTM	3	3	3	3	3	3	0	0	0	0	0
GNM Hybrid ARMs - AFS	7	7	7	7	7	7	0	0	0	0	0
GNM Hybrid ARMs - HTM	1	1	1	1	1	1	0	0	0	0	0
CMO Fixed - AFS	6	6	6	6	6	6	0	0	0	0	0
Total MBS and CMOs	4,007	4,007	4,007	4,007	4,007	4,007	0	0	0	0	0
Municipals and Other											
Taxable Municipals - HTM	1,007	1,007	1,007	1,007	1,007	1,007	0	0	0	0	0
SBA Fixed - AFS	882	882	882	882	882	882	0	0	0	0	0
SBA Variable - AFS	121	121	121	121	121	121	0	0	0	0	0
FHLB Stock	259	259	259	259	259	259	0	0	0	0	0
FRB Stock	198	198	198	198	198	198	0	0	0	0	0
Total Municipals and Other	2,469	2,469	2,469	2,469	2,469	2,469	0	0	0	0	0
Investment Gains and Losses	259	3	7	0	0	0	(99)	100	NA	(400)	80
Total Investments	6,734	6,479	6,482	6,476	6,476	6,476	(4)	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Loans											
Real Estate Loans											
Construction											
Construction Fixed	1,299	1,299	1,299	1,299	1,299	1,299	0	0	0	0	0
Construction Variable											
Construction Var Prime	1,886	1,886	1,886	1,886	1,886	1,886	0	0	0	0	0
Total Construction Variable	1,886	1,886	1,886	1,886	1,886	1,886	0	0	0	0	0
Construction Adjustable											
Construction Adjustable Prime											
Construction ARM Prime	932	932	932	932	932	932	0	0	0	0	0
Construction Hybrid ARM Prime	49	49	49	49	49	49	0	0	0	0	0
Total Construction Adjustable Prime	981	981	981	981	981	981	0	0	0	0	0
Construction Adjustable UST											
Construction Hybrid ARM UST	252	252	252	252	252	252	0	0	0	0	0
Total Construction Adjustable UST	252	252	252	252	252	252	0	0	0	0	0
Total Construction Adjustable	1,233	1,233	1,233	1,233	1,233	1,233	0	0	0	0	0
Total Construction	4,418	4,418	4,418	4,418	4,418	4,418	0	0	0	0	0
Agriculture Real Estate											
Agriculture RE Fixed	425	425	425	425	425	425	0	0	0	0	0
Agriculture RE Adjustable											
Agriculture RE Adjustable UST											
Agriculture RE Hybrid ARM UST	493	493	493	493	493	493	0	0	0	0	0
Total Agriculture RE Adjustable UST	493	493	493	493	493	493	0	0	0	0	0
Total Agriculture RE Adjustable	493	493	493	493	493	493	0	0	0	0	0
Total Agriculture Real Estate	918	918	918	918	918	918	0	0	0	0	0
Home Equity											
Home Equity Variable											
Home Equity Var Prime	308	308	308	308	308	308	0	0	0	0	0
Total Home Equity Variable	308	308	308	308	308	308	0	0	0	0	0
Total Home Equity	308	308	308	308	308	308	0	0	0	0	0
Mortgage											
Mortgage Fixed											
Mortgage Fixed - 10 Yr	310	310	310	310	310	310	0	0	0	0	0
Mortgage Fixed - 15 Yr	92	92	92	92	92	92	0	0	0	0	0
Mortgage Fixed - 20 Yr	1,199	1,199	1,199	1,199	1,199	1,199	0	0	0	0	0
Mortgage Fixed - 30 Yr	2,417	2,417	2,417	2,417	2,417	2,417	0	0	0	0	0
Total Mortgage Fixed	4,019	4,019	4,019	4,019	4,019	4,019	0	0	0	0	0
Mortgage Variable											
Mortgage Var Prime	8,969	8,969	8,969	8,969	8,969	8,969	0	0	0	0	0
Total Mortgage Variable	8,969	8,969	8,969	8,969	8,969	8,969	0	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Mortgage Adjustable											
Mortgage Adjustable Prime											
Mortgage ARM Prime	345	345	345	345	345	345	0	0	0	0	0
Mortgage Hybrid ARM Prime	910	910	910	910	910	910	0	0	0	0	0
Total Mortgage Adjustable Prime	1,255	1,255	1,255	1,255	1,255	1,255	0	0	0	0	0
Mortgage Adjustable UST											
Mortgage ARM UST	692	692	692	692	692	692	0	0	0	0	0
Total Mortgage Adjustable UST	692	692	692	692	692	692	0	0	0	0	0
Total Mortgage Adjustable	1,947	1,947	1,947	1,947	1,947	1,947	0	0	0	0	0
Total Mortgage	14,936	14,936	14,936	14,936	14,936	14,936	0	0	0	0	0
Multi Family Real Estate											
Multi Family RE Adjustable											
Multi Family RE Adjustable Prime											
Multi Family RE ARM Prime	110	110	110	110	110	110	0	0	0	0	0
Total Multi Family RE Adjustable Prime	110	110	110	110	110	110	0	0	0	0	0
Total Multi Family RE Adjustable	110	110	110	110	110	110	0	0	0	0	0
Total Multi Family Real Estate	110	110	110	110	110	110	0	0	0	0	0
Commercial Real Estate											
Commercial RE Fixed	2,563	2,563	2,563	2,563	2,563	2,563	0	0	0	0	0
Commercial RE Variable											
Commercial RE Var Prime	11,002	11,002	11,002	11,002	11,002	11,002	0	0	0	0	0
Total Commercial RE Variable	11,002	11,002	11,002	11,002	11,002	11,002	0	0	0	0	0
Commercial RE Adjustable											
Commercial RE Adjustable Prime											
Commercial RE ARM Prime	23,328	23,328	23,328	23,328	23,328	23,328	0	0	0	0	0
Commercial RE Hybrid ARM Prime	1,300	1,300	1,300	1,300	1,300	1,300	0	0	0	0	0
Total Commercial RE Adjustable Prime	24,628	24,628	24,628	24,628	24,628	24,628	0	0	0	0	0
Commercial RE Adjustable UST											
Commercial RE Hybrid ARM UST	426	426	426	426	426	426	0	0	0	0	0
Total Commercial RE Adjustable UST	426	426	426	426	426	426	0	0	0	0	0
Total Commercial RE Adjustable	25,054	25,054	25,054	25,054	25,054	25,054	0	0	0	0	0
Total Commercial Real Estate	38,619	38,619	38,619	38,619	38,619	38,619	0	0	0	0	0
Total Real Estate Loans	59,309	59,309	59,309	59,309	59,309	59,309	0	0	0	0	0
Commercial Loans											
Commercial											
Commercial Fixed	173	173	173	173	173	173	0	0	0	0	0
Commercial Variable											
Commercial Var Prime	558	558	558	558	558	558	0	0	0	0	0
Total Commercial Variable	558	558	558	558	558	558	0	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Commercial Adjustable											
Commercial Adjustable Prime											
Commercial ARM Prime	449	449	449	449	449	449	0	0	0	0	0
Total Commercial Adjustable Prime	449	449	449	449	449	449	0	0	0	0	0
Total Commercial Adjustable	449	449	449	449	449	449	0	0	0	0	0
Total Commercial	1,180	1,180	1,180	1,180	1,180	1,180	0	0	0	0	0
Commercial SBA											
Commercial SBA Fixed	11,713	11,713	11,713	11,713	11,713	11,713	0	0	0	0	0
Total Commercial SBA	11,713	11,713	11,713	11,713	11,713	11,713	0	0	0	0	0
Total Commercial Loans	12,894	12,894	12,894	12,894	12,894	12,894	0	0	0	0	0
Consumer Loans											
Consumer											
Consumer Fixed											
Other Consumer Fixed	51	51	51	51	51	51	0	0	0	0	0
Total Consumer Fixed	51	51	51	51	51	51	0	0	0	0	0
Total Consumer	51	51	51	51	51	51	0	0	0	0	0
Total Consumer Loans	51	51	51	51	51	51	0	0	0	0	0
Other Loan G/L Balances											
Unearned Disc. & Oth.	(413)	(413)	(413)	(413)	(413)	(413)	0	0	0	0	0
Total Other Loan G/L Balances	(413)	(413)	(413)	(413)	(413)	(413)	0	0	0	0	0
Loan Loss Reserve	(1,249)	(1,249)	(1,249)	(1,249)	(1,249)	(1,249)	0	0	0	0	0
Total Loans	70,591	70,591	70,591	70,591	70,591	70,591	0	0	0	0	0
Other Assets											
Fixed Assets	714	714	714	714	714	714	0	0	0	0	0
Interest Receivable	0	(54)	(71)	(63)	(48)	(31)	NA	(31)	11	24	37
Other Non Earning Assets	608	608	608	608	608	608	0	0	0	0	0
Total Other Assets	1,322	1,268	1,251	1,259	1,274	1,292	(4)	(1)	1	1	1
TOTAL ASSETS	187,730	188,091	188,073	188,049	188,093	188,203	0	0	0	0	0
LIABILITIES											
Deposits											
Non Maturity Deposits											
Demand											
Demand Retail											
Demand Retail Fixed	3,658	3,658	3,658	3,658	3,658	3,658	0	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Total Demand Retail	3,658	3,658	3,658	3,658	3,658	3,658	0	0	0	0	0
Demand Commercial											
Demand Commercial Fixed	28,936	28,936	28,936	28,936	28,936	28,936	0	0	0	0	0
Total Demand Commercial	28,936	28,936	28,936	28,936	28,936	28,936	0	0	0	0	0
Total Demand	32,594	32,594	32,594	32,594	32,594	32,594	0	0	0	0	0
NOW Accounts											
NOW Retail											
NOW Retail Variable	24,729	24,729	24,729	24,729	24,729	24,729	0	0	0	0	0
Total NOW Retail	24,729	24,729	24,729	24,729	24,729	24,729	0	0	0	0	0
NOW Retail Premium											
NOW Retail Premium Variable	18,208	18,208	18,208	18,208	18,208	18,208	0	0	0	0	0
Total NOW Retail Premium	18,208	18,208	18,208	18,208	18,208	18,208	0	0	0	0	0
NOW Commercial											
NOW Commercial Variable	7,734	7,734	7,734	7,734	7,734	7,734	0	0	0	0	0
Total NOW Commercial	7,734	7,734	7,734	7,734	7,734	7,734	0	0	0	0	0
NOW Commercial Premium											
NOW Commercial Premium Variable	2,429	2,429	2,429	2,429	2,429	2,429	0	0	0	0	0
Total NOW Commercial Premium	2,429	2,429	2,429	2,429	2,429	2,429	0	0	0	0	0
NOW Public Funds											
NOW Public Funds Variable	18,868	18,868	18,868	18,868	18,868	18,868	0	0	0	0	0
Total NOW Public Funds	18,868	18,868	18,868	18,868	18,868	18,868	0	0	0	0	0
Total NOW Accounts	71,968	71,968	71,968	71,968	71,968	71,968	0	0	0	0	0
Money Market Accounts											
MMDA Retail											
MMDA Retail Variable	1,800	1,800	1,800	1,800	1,800	1,800	0	0	0	0	0
Total MMDA Retail	1,800	1,800	1,800	1,800	1,800	1,800	0	0	0	0	0
MMDA Retail Premium											
MMDA Retail Premium Variable	2,012	2,012	2,012	2,012	2,012	2,012	0	0	0	0	0
Total MMDA Retail Premium	2,012	2,012	2,012	2,012	2,012	2,012	0	0	0	0	0
MMDA Commercial											
MMDA Commercial Variable	10,524	10,524	10,524	10,524	10,524	10,524	0	0	0	0	0
Total MMDA Commercial	10,524	10,524	10,524	10,524	10,524	10,524	0	0	0	0	0
MMDA Commercial Premium											
MMDA Commercial Premium Variable	24,679	24,679	24,679	24,679	24,679	24,679	0	0	0	0	0
Total MMDA Commercial Premium	24,679	24,679	24,679	24,679	24,679	24,679	0	0	0	0	0
MMDA Public Funds											
MMDA Public Funds Variable	95	95	95	95	95	95	0	0	0	0	0
Total MMDA Public Funds	95	95	95	95	95	95	0	0	0	0	0
Total Money Market Accounts	39,110	39,110	39,110	39,110	39,110	39,110	0	0	0	0	0
Savings Accounts											

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
Savings Retail											
Savings Retail Variable	2,755	2,755	2,755	2,755	2,755	2,755	0	0	0	0	0
Total Savings Retail	2,755	2,755	2,755	2,755	2,755	2,755	0	0	0	0	0
Savings Commercial											
Savings Commercial Variable	814	814	814	814	814	814	0	0	0	0	0
Total Savings Commercial	814	814	814	814	814	814	0	0	0	0	0
Total Savings Accounts	3,569	3,569	3,569	3,569	3,569	3,569	0	0	0	0	0
Non Maturity Deposits G/L	6	6	6	6	6	6	0	0	0	0	0
Total Non Maturity Deposits	147,247	147,247	147,247	147,247	147,247	147,247	0	0	0	0	0
Time Deposits											
Time Deposits Core											
CDs Core 1-3 Mo	1	1	1	1	1	1	0	0	0	0	0
CDs Core 4-6 Mo	39	39	39	39	39	39	0	0	0	0	0
CDs Core 7-9 Mo	70	70	70	70	70	70	0	0	0	0	0
CDs Core 10-12 Mo	1,989	1,989	1,989	1,989	1,989	1,989	0	0	0	0	0
CDs Core 13-24 Mo	445	445	445	445	445	445	0	0	0	0	0
CDs Core 25-36 Mo	88	88	88	88	88	88	0	0	0	0	0
CDs Core 49-60 Mo	56	56	56	56	56	56	0	0	0	0	0
IRAs Core	1,512	1,512	1,512	1,512	1,512	1,512	0	0	0	0	0
Total Time Deposits Core	4,199	4,199	4,199	4,199	4,199	4,199	0	0	0	0	0
Time Deposits Non Core											
CDs Non Core 1-3 Mo	1,047	1,047	1,047	1,047	1,047	1,047	0	0	0	0	0
CDs Non Core 7-9 Mo	907	907	907	907	907	907	0	0	0	0	0
CDs Non Core 10-12 Mo	12,383	12,383	12,383	12,383	12,383	12,383	0	0	0	0	0
CDs Non Core 13-24 Mo	613	613	613	613	613	613	0	0	0	0	0
CDs Non Core 49-60 Mo	261	261	261	261	261	261	0	0	0	0	0
IRAs Non Core	710	710	710	710	710	710	0	0	0	0	0
Total Time Deposits Non Core	15,922	15,922	15,922	15,922	15,922	15,922	0	0	0	0	0
Total Time Deposits	20,122	20,122	20,122	20,122	20,122	20,122	0	0	0	0	0
Total Deposits	167,369	167,369	167,369	167,369	167,369	167,369	0	0	0	0	0
Other Liabilities											
Other Liabilities Non Int Bearing	83	83	83	83	83	83	0	0	0	0	0
Interest Payable	0	10	9	22	41	56	NA	(11)	156	86	39
Tax Deferred Liability	0	1	2	-0	0	-0	NA	100	(100)	NA	(100)
Total Other Liabilities	83	93	93	105	123	139	13	0	13	18	13
TOTAL LIABILITIES	167,452	167,462	167,462	167,473	167,492	167,508	0	0	0	0	0

Assumptions

As of December 31, 2020

Balance Sheet Growth											
Account Names	Current Position	12 Month Forecast	24 Month Forecast	36 Month Forecast	48 Month Forecast	60 Month Forecast	Year 1 %diff	Year 2 %diff	Year 3 %diff	Year 4 %diff	Year 5 %diff
EQUITY											
Common Stock	1,905	1,905	1,905	1,905	1,905	1,905	0	0	0	0	0
Surplus	4,699	4,699	4,699	4,699	4,699	4,699	0	0	0	0	0
AOCI - Non Tier 1	259	3	5	-0	0	0	(99)	100	(100)	NA	75
Retained Earnings	13,415	14,123	14,095	14,055	14,080	14,182	5	0	0	0	1
Additional Tier 1 Equity	0	(100)	(93)	(83)	(83)	(91)	NA	8	10	0	(10)
Non Qualifying Equity	0	0	0	0	0	0	NA	(17)	(80)	NA	NA
TOTAL EQUITY	20,278	20,629	20,611	20,575	20,601	20,694	2	0	0	0	0
TOTAL LIABS AND EQUITY	187,730	188,091	188,073	188,049	188,093	188,203	0	0	0	0	0
TOTAL EARNING ASSETS	186,145	186,817	186,812	186,787	186,816	186,908	0	0	0	0	0
TOTAL INT BEARING LIABS	167,369	167,369	167,369	167,369	167,369	167,369	0	0	0	0	0

Assumptions

As of December 31, 2020

Offering Rates All Scenarios														
Account Names	New Volume Account	Rotate Negative	Basis Down	Down 400	Down 300	Down 200	Down 100	Current Rates	Up 100	Up 200	Up 300	Up 400	Basis Up	Rotate Positive
Certificates of Deposit Due From	3M	2.15	0	0	0	0	0	0.15	1.15	2.15	3.15	4.15	1.15	0.15
GNM MBS - AFS	60M	2.05	0.25	0.08	0.08	0.08	0.08	0.25	1.25	2.25	3.25	4.25	0.25	0.45
GNM MBS - HTM	60M	2.05	0.25	0.08	0.08	0.08	0.08	0.25	1.25	2.25	3.25	4.25	0.25	0.45
GNM ARMs - AFS	1/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
GNM ARMs - HTM	1/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
GNM Hybrid ARMs - AFS	3/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
GNM Hybrid ARMs - HTM	3/1 180M	3.53	1.60	1.50	1.50	1.50	1.50	1.60	2.60	3.60	4.60	5.60	1.60	1.67
CMO Fixed - AFS	60M	2.27	0.47	0.30	0.30	0.30	0.30	0.47	1.47	2.47	3.47	4.47	0.47	0.67
Taxable Municipals - HTM	120M	2.58	1.25	0.20	0.20	0.20	0.25	1.25	2.25	3.25	4.25	5.25	1.25	1.92
SBA Fixed - AFS	60M	3.97	2.19	2.00	2.00	2.00	2.00	2.19	3.19	4.19	5.19	6.19	2.19	2.41
SBA Variable - AFS	60M	5.25	2.25	0	0.25	1.25	2.25	3.25	4.25	5.25	6.25	7.25	4.25	3.25
FHLB Stock	/3M 120M	0	0	0	0	0	0	0	0	0	0	0	0	0
FRB Stock	120M	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Fixed	120M	6.55	4.75	4.51	4.51	4.51	4.51	4.75	5.75	6.75	7.75	8.75	4.75	4.95
Construction Var Prime	120M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Construction ARM Prime	1/1 60M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Construction Hybrid ARM	3/1 60M	7.14	4.14	3.14	2.14	3.14	4.14	5.14	6.14	7.14	8.14	9.14	6.14	5.14
Construction Hybrid ARM UST	3/1 60M	6.43	4.50	4.40	4.40	4.40	4.40	4.50	5.50	6.50	7.50	8.50	4.50	4.57
Agriculture RE Fixed	120M	7.58	5.84	5.51	5.51	5.51	5.51	5.84	6.84	7.84	8.84	9.84	5.84	6.10
Agriculture RE Hybrid ARM	3/1 180M	5.53	4.00	4.00	4.00	4.00	4.00	4.00	4.60	5.60	6.60	7.60	4.00	4.00
Home Equity Var Prime	120M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage Fixed - 10 Yr	120M	6.17	4.50	3.85	3.85	3.85	3.85	4.50	5.50	6.50	7.50	8.50	4.50	4.83
Mortgage Fixed - 15 Yr	180M	6.03	4.50	3.58	3.58	3.58	3.58	4.50	5.50	6.50	7.50	8.50	4.50	4.97
Mortgage Fixed - 20 Yr	240M	5.83	4.50	3.31	3.31	3.31	3.50	4.50	5.50	6.50	7.50	8.50	4.50	5.17
Mortgage Fixed - 30 Yr	360M	5.83	4.50	3.31	3.31	3.31	3.50	4.50	5.50	6.50	7.50	8.50	4.50	5.17
Mortgage Var Prime	360M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage ARM Prime	1/1 360M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage Hybrid ARM Prime	3/1 360M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Mortgage ARM UST	1/1 360M	5.53	4.00	4.00	4.00	4.00	4.00	4.00	4.60	5.60	6.60	7.60	4.00	4.00
Multi Family RE ARM Prime	1/1 60M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Commercial RE Fixed	120M	7.30	5.50	5.26	5.26	5.26	5.26	5.50	6.50	7.50	8.50	9.50	5.50	5.70
Commercial RE Var Prime	120M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Commercial RE ARM Prime	1/1 60M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Commercial RE Hybrid ARM	3/1 120M	6.25	4.25	4.25	4.25	4.25	4.25	4.25	5.25	6.25	7.25	8.25	5.25	4.25
Commercial RE Hybrid ARM	3/1 120M	5.53	4.00	4.00	4.00	4.00	4.00	4.00	4.60	5.60	6.60	7.60	4.00	4.00
Commercial Fixed	120M	7.80	6.00	5.76	5.76	5.76	5.76	6.00	7.00	8.00	9.00	10.00	6.00	6.20
Commercial Var Prime	120M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Commercial ARM Prime	1/1 60M	6.75	4.75	4.75	4.75	4.75	4.75	4.75	5.75	6.75	7.75	8.75	5.75	4.75
Commercial SBA Fixed	1M	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Consumer Fixed	120M	4.23	2.30	2.11	2.11	2.11	2.11	2.30	3.30	4.30	5.30	6.30	2.30	2.37

Assumptions

As of December 31, 2020

Offering Rates All Scenarios														
Account Names	New Volume Account	Rotate Negative	Basis Down	Down 400	Down 300	Down 200	Down 100	Current Rates	Up 100	Up 200	Up 300	Up 400	Basis Up	Rotate Positive
Demand Retail Fixed	60M	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial Fixed	60M	0	0	0	0	0	0	0	0	0	0	0	0	0
NOW Retail Variable	60M	1.00	0.10	0.10	0.10	0.10	0.10	0.10	0.55	1.00	1.45	1.90	0.10	0.10
NOW Retail Premium Variable	60M	1.15	0.15	0.15	0.15	0.15	0.15	0.15	0.65	1.15	1.65	2.15	0.15	0.15
NOW Commercial Variable	60M	1.00	0.10	0.10	0.10	0.10	0.10	0.10	0.55	1.00	1.45	1.90	0.10	0.10
NOW Commercial Premium	60M	1.15	0.15	0.15	0.15	0.15	0.15	0.15	0.65	1.15	1.65	2.15	0.15	0.15
NOW Public Funds Variable	60M	1.10	0.10	0.10	0.10	0.10	0.10	0.10	0.60	1.10	1.60	2.10	0.10	0.10
MMDA Retail Variable	60M	1.20	0.10	0.10	0.10	0.10	0.10	0.10	0.65	1.20	1.75	2.30	0.10	0.10
MMDA Retail Premium	60M	1.35	0.15	0.15	0.15	0.15	0.15	0.15	0.75	1.35	1.95	2.55	0.15	0.15
MMDA Commercial Variable	60M	1.20	0.10	0.10	0.10	0.10	0.10	0.10	0.65	1.20	1.75	2.30	0.10	0.10
MMDA Commercial Premium	60M	1.35	0.15	0.15	0.15	0.15	0.15	0.15	0.75	1.35	1.95	2.55	0.15	0.15
MMDA Public Funds Variable	60M	1.20	0.10	0.10	0.10	0.10	0.10	0.10	0.65	1.20	1.75	2.30	0.10	0.10
Savings Retail Variable	60M	1.15	0.05	0.05	0.05	0.05	0.05	0.05	0.60	1.15	1.70	2.25	0.05	0.05
Savings Commercial Variable	60M	1.15	0.05	0.05	0.05	0.05	0.05	0.05	0.60	1.15	1.70	2.25	0.05	0.05
CDs Core 1-3 Mo	3M	2.04	0.07	0.05	0.05	0.05	0.05	0.07	1.07	2.07	3.07	4.06	0.07	0.10
CDs Core 4-6 Mo	6M	2.02	0.05	0.05	0.05	0.05	0.05	0.05	1.05	2.05	3.05	4.05	0.05	0.08
CDs Core 7-9 Mo	9M	1.93	0.05	0.05	0.05	0.05	0.05	0.05	1.02	2.02	3.02	4.02	0.05	0.10
CDs Core 10-12 Mo	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17
CDs Core 13-24 Mo	24M	1.96	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.25
CDs Core 25-36 Mo	36M	2.05	0.36	0.05	0.05	0.05	0.05	0.36	1.36	2.36	3.37	4.37	0.36	0.67
CDs Core 49-60 Mo	60M	1.93	0.38	0.05	0.05	0.05	0.05	0.38	1.39	2.39	3.39	4.40	0.38	0.84
IRAs Core	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17
CDs Non Core 1-3 Mo	3M	2.03	0.05	0.05	0.05	0.05	0.05	0.05	1.05	2.05	3.05	4.05	0.05	0.07
CDs Non Core 7-9 Mo	9M	2.00	0.05	0.05	0.05	0.05	0.05	0.05	1.05	2.05	3.05	4.05	0.05	0.10
CDs Non Core 10-12 Mo	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17
CDs Non Core 13-24 Mo	24M	1.97	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.23
CDs Non Core 49-60 Mo	60M	1.85	0.23	0.05	0.05	0.05	0.05	0.23	1.23	2.23	3.23	4.23	0.23	0.61
IRAs Non Core	12M	2.03	0.10	0.05	0.05	0.05	0.05	0.10	1.10	2.10	3.10	4.10	0.10	0.17

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
Demand Retail	STATIC	0	0	0	0	0	0	0	0	0	0	0	0
Demand Retail	STATIC DN 100	0	0	0	0	0	0	0	0	0	0	0	0
Demand Retail	STATIC UP 100	0	0	0	0	0	0	0	0	0	0	0	0
Betas													
Demand Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
Demand Retail Beta Up (%)		0	0	0	0	0	0	0	0	0	0	0	0
Yield													
Demand Commercial	STATIC	0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial	STATIC DN 100	0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial	STATIC UP 100	0	0	0	0	0	0	0	0	0	0	0	0
Betas													
Demand Commercial Beta		0	0	0	0	0	0	0	0	0	0	0	0
Demand Commercial Beta Up		0	0	0	0	0	0	0	0	0	0	0	0
Yield													
NOW Retail	STATIC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Retail	STATIC DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Retail	STATIC UP 100	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Betas													
NOW Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
NOW Retail Beta Up (%)		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Yield													
NOW Retail Premium	STATIC	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Retail Premium	STATIC DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Retail Premium	STATIC UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
NOW Retail Premium Beta		0	0	0	0	0	0	0	0	0	0	0	0
NOW Retail Premium Beta Up		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
NOW Commercial	STATIC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Commercial	STATIC DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Commercial	STATIC UP 100	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Betas													
NOW Commercial Beta Down		0	0	0	0	0	0	0	0	0	0	0	0
NOW Commercial Beta Up (%)		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Yield													
NOW Commercial Premium	STATIC	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Commercial Premium	STATIC DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
NOW Commercial Premium	STATIC UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
NOW Commercial Premium		0	0	0	0	0	0	0	0	0	0	0	0
NOW Commercial Premium		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Yield													
NOW Public Funds	STATIC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Public Funds	STATIC DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
NOW Public Funds	STATIC UP 100	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Betas													
NOW Public Funds Beta Down		0	0	0	0	0	0	0	0	0	0	0	0
NOW Public Funds Beta Up		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Yield													
MMDA Retail	STATIC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Retail	STATIC DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Retail	STATIC UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
MMDA Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Retail Beta Up (%)		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
MMDA Retail Premium	STATIC	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Retail Premium	STATIC DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Retail Premium	STATIC UP 100	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Betas													
MMDA Retail Premium Beta		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Retail Premium Beta		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Yield													
MMDA Commercial	STATIC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Commercial	STATIC DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Commercial	STATIC UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
MMDA Commercial Beta Down		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Commercial Beta Up		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Yield													
MMDA Commercial Premium	STATIC	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Commercial Premium	STATIC DN 100	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
MMDA Commercial Premium	STATIC UP 100	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Betas													
MMDA Commercial Premium		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Commercial Premium		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Yield													
MMDA Public Funds	STATIC	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Public Funds	STATIC DN 100	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
MMDA Public Funds	STATIC UP 100	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Betas													
MMDA Public Funds Beta		0	0	0	0	0	0	0	0	0	0	0	0
MMDA Public Funds Beta Up		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00

Assumptions

As of December 31, 2020

NMD Repricing Betas and Lags													
Account Names	Model Scenario	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Yield													
Savings Retail	STATIC	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Retail	STATIC DN 100	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Retail	STATIC UP 100	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Betas													
Savings Retail Beta Down (%)		0	0	0	0	0	0	0	0	0	0	0	0
Savings Retail Beta Up (%)		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Yield													
Savings Commercial	STATIC	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Commercial	STATIC DN 100	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Savings Commercial	STATIC UP 100	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Betas													
Savings Commercial Beta		0	0	0	0	0	0	0	0	0	0	0	0
Savings Commercial Beta Up		55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00

Assumptions

As of December 31, 2020

NMD Setup and Terms					
Account Names	Term	Transaction Type	Balance	Rate	
Demand Retail	110.00	Non Maturity	3,657.00	0	
Demand Commercial	120.00	Non Maturity	28,936.00	0	
NOW Retail	120.00	Non Maturity	24,728.00	0.10	
NOW Retail Premium	120.00	Non Maturity	18,208.00	0.15	
NOW Commercial	120.00	Non Maturity	7,734.00	0.10	
NOW Commercial Premium	80.00	Non Maturity	2,428.00	0.15	
NOW Public Funds	5.00	Non Maturity	18,867.00	0.10	
MMDA Retail	40.00	Non Maturity	1,799.00	0.10	
MMDA Retail Premium	60.00	Non Maturity	2,012.00	0.15	
MMDA Commercial	60.00	Non Maturity	10,524.00	0.10	
MMDA Commercial Premium	120.00	Non Maturity	24,679.00	0.15	
MMDA Public Funds	60.00	Non Maturity	94.00	0.10	
Savings Retail	60.00	Non Maturity	2,755.00	0.05	
Savings Commercial	30.00	Non Maturity	813.00	0.05	

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
AGRICULTURE FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
CMO FIXED																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
COMMERCIAL FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
COMMERCIAL RE FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
COMMERCIAL RE VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
COMMERCIAL VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
CONSTRUCTION FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
CONSTRUCTION VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
CONSUMER FIXED																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
1.0001 TO 2	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.0001 TO 3	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
3.0001 TO 4	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
4.0001 TO 99.9999	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
HOME EQUITY VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
MBS ARM																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MBS FIXED																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00

Assumptions

As of December 31, 2020

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
MORTGAGE 15 YR																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
.0001 TO 1	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MORTGAGE 30 YR																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
MORTGAGE ARM																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
1.0001 TO 2	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
2.0001 TO 3	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
3.0001 TO 4	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
4.0001 TO 99.9999	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00

Prepayment Tables by Product- CPR Speeds by Age																	
	0 to 3	4 to 6	7 to 9	10 to 12	13 to 15	16 to 18	19 to 21	22 to 24	25 to 27	28 to 30	31 to 33	34 to 36	37 to 48	49 to 60	61 to 72	73 to 120	121 to 480
MORTGAGE VARIABLE																	
-99.9999 TO -4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-3.9999 TO -3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-2.9999 TO -2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-1.9999 TO -1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
-0.9999 TO 0	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
.0001 TO 1	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
1.0001 TO 2	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
2.0001 TO 3	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
3.0001 TO 4	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
4.0001 TO 99.9999	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
SBA VARIABLE																	
-99.9999 TO -4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-3.9999 TO -3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-2.9999 TO -2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-1.9999 TO -1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
-0.9999 TO 0	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
.0001 TO 1	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
1.0001 TO 2	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2.0001 TO 3	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3.0001 TO 4	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
4.0001 TO 99.9999	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Assumptions

As of December 31, 2020

New Volume Set Up										
Account Names	New Volume Account Description	Repricing Freq	Payment Freq	Term	Balloon Term	Call Put Freq	Accrual Basis	Rate Type	Transaction Type	Repricing Yield Curve
Certificates of Deposit Due From	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	Curve
GNM MBS - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
GNM MBS - HTM	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
GNM ARMs - AFS	1/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM ARMs - HTM	1/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM Hybrid ARMs - AFS	3/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
GNM Hybrid ARMs - HTM	3/1 180M	12	Monthly	180	180	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
CMO Fixed - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
Taxable Municipals - HTM	120M	0		120	120	0	30/360	Fixed Rate	Bullet	Municipals Curve
SBA Fixed - AFS	60M	0	Monthly	60	60	0	30/360	Fixed Rate	Amortizing	UST - 36 Mo
SBA Variable - AFS	60M	1	Monthly	60	60	0	30/360	Floating Rate	Amortizing	Prime
FHLB Stock	/3M 120M	3	Monthly	120	120	0	Actual/Actual	Floating Rate	Bullet	Fed Funds
FRB Stock	120M	1	Monthly	120	120	0	Actual/Actual	Floating Rate	Bullet	
Construction Fixed	120M	0	Monthly	120	12	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Construction Var Prime	120M	1	Monthly	120	12	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction Hybrid ARM Prime	3/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Construction Hybrid ARM UST	3/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Agriculture RE Fixed	120M	0	Monthly	120	120	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Agriculture RE Hybrid ARM UST	3/1 180M	12	Monthly	180	180	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Home Equity Var Prime	120M	1	Monthly	120	120	0	30/360	Floating Rate	Amortizing	Prime
Mortgage Fixed - 10 Yr	120M	0	Monthly	120	120	0	30/360	Fixed Rate	Amortizing	SWAP - 60 Mo
Mortgage Fixed - 15 Yr	180M	0	Monthly	180	180	0	30/360	Fixed Rate	Amortizing	SWAP - 84 Mo
Mortgage Fixed - 20 Yr	240M	0	Monthly	240	240	0	30/360	Fixed Rate	Amortizing	SWAP - 120 Mo
Mortgage Fixed - 30 Yr	360M	0	Monthly	360	360	0	30/360	Fixed Rate	Amortizing	SWAP - 120 Mo
Mortgage Var Prime	360M	1	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage ARM Prime	1/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage Hybrid ARM Prime	3/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	Prime
Mortgage ARM UST	1/1 360M	12	Monthly	360	360	0	30/360	Floating Rate	Amortizing	UST - 12 Mo
Multi Family RE ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Commercial RE Var Prime	120M	1	Monthly	120	36	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Hybrid ARM Prime	3/1 120M	12	Monthly	120	120	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial RE Hybrid ARM UST	3/1 120M	12	Monthly	120	120	0	Actual/Actual	Floating Rate	Amortizing	UST - 12 Mo
Commercial Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	SWAP - 36 Mo
Commercial Var Prime	120M	1	Monthly	120	36	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial ARM Prime	1/1 60M	12	Monthly	60	60	0	Actual/Actual	Floating Rate	Amortizing	Prime
Commercial SBA Fixed	1M	0	Monthly	1	1	0	Actual/Actual	Fixed Rate	Amortizing	ZERO Rate
Other Consumer Fixed	120M	0	Monthly	120	36	0	Actual/Actual	Fixed Rate	Amortizing	LIBOR - 12 Mo

Assumptions

As of December 31, 2020

New Volume Set Up										
Account Names	New Volume Account Description	Repricing Freq	Payment Freq	Term	Balloon Term	Call Put Freq	Accrual Basis	Rate Type	Transaction Type	Repricing Yield Curve
Demand Retail Fixed	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Fixed Pri	
Demand Commercial Fixed	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Fixed Pri	
NOW Retail Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Retail
NOW Retail Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Retail
NOW Commercial Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Commercial
NOW Commercial Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Commercial
NOW Public Funds Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	NOW Public Funds
MMDA Retail Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Retail
MMDA Retail Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Retail
MMDA Commercial Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Commercial
MMDA Commercial Premium Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Commercial
MMDA Public Funds Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	MMDA Public
Savings Retail Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	Savings Retail
Savings Commercial Variable	60M	1	Monthly	60	60	0	Actual/Actual	Floating Rate	Fixed Pri	Savings
CDs Core 1-3 Mo	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	CD 3 Month
CDs Core 4-6 Mo	6M	0	Monthly	6	6	0	Actual/Actual	Fixed Rate	Bullet	CD 6 Month
CDs Core 7-9 Mo	9M	0	Monthly	9	9	0	Actual/Actual	Fixed Rate	Bullet	CD 9 Month
CDs Core 10-12 Mo	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month
CDs Core 13-24 Mo	24M	0	Monthly	24	24	0	Actual/Actual	Fixed Rate	Bullet	CD 24 Month
CDs Core 25-36 Mo	36M	0	Monthly	36	36	0	Actual/Actual	Fixed Rate	Bullet	CD 36 Month
CDs Core 49-60 Mo	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Bullet	CD 60 Month
IRAs Core	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month
CDs Non Core 1-3 Mo	3M	0	Monthly	3	3	0	Actual/Actual	Fixed Rate	Bullet	CD 3 Month
CDs Non Core 7-9 Mo	9M	0	Monthly	9	9	0	Actual/Actual	Fixed Rate	Bullet	CD 9 Month
CDs Non Core 10-12 Mo	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month
CDs Non Core 13-24 Mo	24M	0	Monthly	24	24	0	Actual/Actual	Fixed Rate	Bullet	CD 24 Month
CDs Non Core 49-60 Mo	60M	0	Monthly	60	60	0	Actual/Actual	Fixed Rate	Bullet	CD 60 Month
IRAs Non Core	12M	0	Monthly	12	12	0	Actual/Actual	Fixed Rate	Bullet	CD 12 Month

Assumptions

As of December 31, 2020

New Volume Spreads, Caps & Floors												
Account Names	New Volume Account Description	Key Rate	Market Value Curve	Ratio	Spread	Teaser Spread	Period Cap	Period Floor	Lifetime Cap	Lifetime Floor	Offering Rate	Market Value Spread
Certificates of Deposit Due From	3M	Curve	Libor/Swap	0	(0.100)	0	0	0	0	0	0.150	0
GNM MBS - AFS	60M	UST - 36 Mo	US Treasury	0	0.080	0	0	0	0	0	0.250	0.190
GNM MBS - HTM	60M	UST - 36 Mo	US Treasury	0	0.080	0	0	0	0	0	0.250	0.190
GNM ARMs - AFS	1/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
GNM ARMs - HTM	1/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
GNM Hybrid ARMs - AFS	3/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
GNM Hybrid ARMs - HTM	3/1 180M	UST - 12 Mo	US Treasury	0	1.500	1.500	1.000	1.000	0	0	1.600	1.500
CMO Fixed - AFS	60M	UST - 36 Mo	US Treasury	0	0.300	0	0	0	0	0	0.470	0.350
Taxable Municipals - HTM	120M	Municipals Curve	US Treasury	0	0.200	0	0	0	0	0	1.250	0.200
SBA Fixed - AFS	60M	UST - 36 Mo	Libor/Swap	0	2.000	0	0	0	0	0	0	2.000
SBA Variable - AFS	60M	Prime	Libor/Swap	0	0	0	0	0	0	0	3.250	2.000
FHLB Stock	/3M 120M	Fed Funds	Libor/Swap	0	3.750	3.750	0	0	0	0	0	4.100
FRB Stock	120M		Libor/Swap	0	6.000	6.000	0	0	0	0	0	6.000
Construction Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	4.509	0	0	0	0	0	4.750	7.854
Construction Var Prime	120M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	4.323
Construction ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	4.670
Construction Hybrid ARM Prime	3/1 60M	Prime	Libor/Swap	0	1.890	1.890	0	0	99.000	0	5.140	4.895
Construction Hybrid ARM UST	3/1 60M	UST - 12 Mo	Libor/Swap	0	4.400	4.400	0	0	99.000	0	4.500	3.998
Agriculture RE Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	5.509	0	0	0	0	0	0	4.120
Agriculture RE Hybrid ARM UST	3/1 180M	UST - 12 Mo	Libor/Swap	0	3.500	3.500	0	0	99.000	4.000	4.000	3.255
Home Equity Var Prime	120M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	4.156
Mortgage Fixed - 10 Yr	120M	SWAP - 60 Mo	Libor/Swap	0	3.846	0	0	0	0	0	4.500	5.092
Mortgage Fixed - 15 Yr	180M	SWAP - 84 Mo	Libor/Swap	0	3.576	0	0	0	0	0	4.500	3.460
Mortgage Fixed - 20 Yr	240M	SWAP - 120 Mo	Libor/Swap	0	3.311	0	0	0	0	0	4.500	2.976
Mortgage Fixed - 30 Yr	360M	SWAP - 120 Mo	Libor/Swap	0	3.311	0	0	0	0	0	4.500	3.580
Mortgage Var Prime	360M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	4.078
Mortgage ARM Prime	1/1 360M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	4.994
Mortgage Hybrid ARM Prime	3/1 360M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	5.097
Mortgage ARM UST	1/1 360M	UST - 12 Mo	Libor/Swap	0	3.500	3.500	0	0	99.000	4.000	4.000	2.838
Multi Family RE ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	5.291
Commercial RE Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	5.259	0	0	0	0	0	5.500	4.429
Commercial RE Var Prime	120M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	3.947
Commercial RE ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	3.585
Commercial RE Hybrid ARM Prime	3/1 120M	Prime	Libor/Swap	0	1.000	1.000	0	0	99.000	4.250	4.250	5.104
Commercial RE Hybrid ARM UST	3/1 120M	UST - 12 Mo	Libor/Swap	0	3.500	3.500	0	0	99.000	4.000	4.000	4.650
Commercial Fixed	120M	SWAP - 36 Mo	Libor/Swap	0	5.759	0	0	0	0	0	6.000	4.141
Commercial Var Prime	120M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	3.691
Commercial ARM Prime	1/1 60M	Prime	Libor/Swap	0	1.500	1.500	0	0	99.000	4.750	4.750	3.991
Commercial SBA Fixed	1M	ZERO Rate	Libor/Swap	0	1.000	0	0	0	0	0	1.000	0.790
Other Consumer Fixed	120M	LIBOR - 12 Mo	Libor/Swap	0	1.958	0	0	0	0	0	2.300	1.228

Assumptions

As of December 31, 2020

New Volume Spreads, Caps & Floors												
Account Names	New Volume Account Description	Key Rate	Market Value Curve	Ratio	Spread	Teaser Spread	Period Cap	Period Floor	Lifetime Cap	Lifetime Floor	Offering Rate	Market Value Spread
Demand Retail Fixed	60M		Libor/Swap	0	0	0	0	0	0	0	0	0
Demand Commercial Fixed	60M		Libor/Swap	0	0	0	0	0	0	0	0	0
NOW Retail Variable	60M	NOW Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
NOW Retail Premium Variable	60M	NOW Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
NOW Commercial Variable	60M	NOW Commercial	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
NOW Commercial Premium Variable	60M	NOW Commercial	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
NOW Public Funds Variable	60M	NOW Public	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
MMDA Retail Variable	60M	MMDA Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
MMDA Retail Premium Variable	60M	MMDA Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
MMDA Commercial Variable	60M	MMDA	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
MMDA Commercial Premium Variable	60M	MMDA	Libor/Swap	0	0	0	0	0	99.990	0	0.150	0
MMDA Public Funds Variable	60M	MMDA Public	Libor/Swap	0	0	0	0	0	99.990	0	0.100	0
Savings Retail Variable	60M	Savings Retail	Libor/Swap	0	0	0	0	0	99.990	0	0.050	0
Savings Commercial Variable	60M	Savings	Libor/Swap	0	0	0	0	0	99.990	0	0.050	0
CDs Core 1-3 Mo	3M	CD 3 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 4-6 Mo	6M	CD 6 Month	Libor/Swap	0	0	0	0	0	0	0	0.050	0
CDs Core 7-9 Mo	9M	CD 9 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 10-12 Mo	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Core 13-24 Mo	24M	CD 24 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 25-36 Mo	36M	CD 36 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
CDs Core 49-60 Mo	60M	CD 60 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
IRAs Core	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Non Core 1-3 Mo	3M	CD 3 Month	Libor/Swap	0	0	0	0	0	0	0	0.050	0
CDs Non Core 7-9 Mo	9M	CD 9 Month	Libor/Swap	0	0	0	0	0	0	0	0.050	0
CDs Non Core 10-12 Mo	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Non Core 13-24 Mo	24M	CD 24 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0
CDs Non Core 49-60 Mo	60M	CD 60 Month	Libor/Swap	0	0	0	0	0	0	0	0	0
IRAs Non Core	12M	CD 12 Month	Libor/Swap	0	0	0	0	0	0	0	0.100	0



INTEREST RATE RISK ANALYSIS STATIC-SHOCK SUMMARY REPORT

FIRST NATIONAL BANK NORTHWEST FLORIDA

**As of:
December 31, 2020**

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Current Position As of December 31, 2020					
	(\$000)				(%)
TOTAL ASSETS:	187,730	PRIME:	3.25		
TOTAL LOANS:	70,591	FED FUNDS:	0.25		
TOTAL DEPOSITS:	167,369	UST 5 YEAR YIELD:	0.36		

Earnings at Risk					
	Average Performance for Months 1 - 12				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+200	-200	+400	-400
NET INTEREST INCOME (\$000)	3,855	4,208	3,675	4,826	3,601
(PERCENTAGE CHANGE FROM FORWARD)	-	9.16%	-4.67%	25.19%	-6.59%
NET INCOME (\$000)	708	1,061	528	1,679	454
(PERCENTAGE CHANGE FROM FORWARD)	-	49.90%	-25.43%	137.20%	-35.91%
ROA (%)	0.38	0.56	0.28	0.89	0.24
ROE (%)	3.46	5.15	2.59	8.04	2.23
NET INTEREST MARGIN (%)	2.07	2.25	1.97	2.58	1.93
LOAN YIELDS (%)	4.60	5.51	4.43	6.80	4.32
COST OF FUNDS (%)	0.11	0.96	0.10	1.82	0.10
BOOK EQUITY TO ASSETS RATIO (%)	10.85	10.86	10.82	10.92	10.81

Equity at Risk					
	Current Balance Sheet				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+200	-200	+400	-400
NET ECONOMIC VALUE (\$000)	24,637	27,620	21,744	30,684	21,437
(PERCENTAGE CHANGE FROM FORWARD)	-	12.11	-11.74	24.55	-12.99
NEV OF EQUITY TO ASSETS (%)	13.05	14.92	11.42	16.83	11.28

Cumulative Gap						
Current Balance Sheet	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
CUMULATIVE RATE SENSITIVE ASSETS TO RATE SENSITIVE LIABILITIES (RATIO)	1.16	1.31	1.50	1.58	1.38	

Projected Position As of December 31, 2021	
	(\$000)
TOTAL ASSETS:	188,091
TOTAL LOANS:	70,591
TOTAL DEPOSITS:	167,369

Earnings at Risk					
	Average Performance for Months 13 - 24				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+200	-200	+400	-400
NET INTEREST INCOME (\$000)	3,240	4,394	2,972	5,805	2,898
(PERCENTAGE CHANGE FROM FORWARD)	-	35.63%	-8.26%	79.18%	-10.57%
NET INCOME (\$000)	(28)	1,126	(296)	2,537	(370)
(PERCENTAGE CHANGE FROM FORWARD)	-	NA%	-952.25%	NA%	-1218.13%
ROA (%)	-0.01	0.60	-0.16	1.33	-0.20
ROE (%)	-0.14	5.25	-1.45	11.23	-1.83
NET INTEREST MARGIN (%)	1.73	2.34	1.59	3.08	1.55
LOAN YIELDS (%)	4.19	5.39	3.97	6.92	3.86
COST OF FUNDS (%)	0.10	1.04	0.09	1.98	0.09
BOOK EQUITY TO ASSETS RATIO (%)	10.97	11.32	10.84	11.82	10.79

Current Position As of December 31, 2020					
	(\$000)				(%)
TOTAL ASSETS:	187,730	PRIME:	3.25		
TOTAL LOANS:	70,591	FED FUNDS:	0.25		
TOTAL DEPOSITS:	167,369	UST 5 YEAR YIELD:	0.36		

Earnings at Risk					
	Average Performance for Months 1 - 12				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+100	-100	+300	-300
NET INTEREST INCOME (\$000)	3,855	3,963	3,725	4,516	3,635
(PERCENTAGE CHANGE FROM FORWARD)	-	2.80%	-3.36%	17.15%	-5.70%
NET INCOME (\$000)	708	816	578	1,369	488
(PERCENTAGE CHANGE FROM FORWARD)	-	15.25%	-18.30%	93.43%	-31.04%
ROA (%)	0.38	0.43	0.31	0.73	0.26
ROE (%)	3.46	3.98	2.83	6.60	2.40
NET INTEREST MARGIN (%)	2.07	2.12	2.00	2.42	1.95
LOAN YIELDS (%)	4.60	4.96	4.50	6.16	4.37
COST OF FUNDS (%)	0.11	0.53	0.10	1.39	0.10
BOOK EQUITY TO ASSETS RATIO (%)	10.85	10.84	10.83	10.89	10.82

Equity at Risk					
	Current Balance Sheet				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+100	-100	+300	-300
NET ECONOMIC VALUE (\$000)	24,637	25,992	21,992	29,218	21,575
(PERCENTAGE CHANGE FROM FORWARD)	-	5.50	-10.74	18.59	-12.43
NEV OF EQUITY TO ASSETS (%)	13.05	13.92	11.55	15.91	11.34

Cumulative Gap						
Current Balance Sheet	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
CUMULATIVE RATE SENSITIVE ASSETS TO RATE SENSITIVE LIABILITIES (RATIO)	1.16	1.31	1.50	1.58	1.38	

Projected Position As of December 31, 2021	
	(\$000)
TOTAL ASSETS:	188,091
TOTAL LOANS:	70,591
TOTAL DEPOSITS:	167,369

Earnings at Risk					
	Average Performance for Months 13 - 24				
	Current Rates (Forward)	Immediate Shock		Immediate Shock	
		+100	-100	+300	-300
NET INTEREST INCOME (\$000)	3,240	3,754	3,031	5,095	2,932
(PERCENTAGE CHANGE FROM FORWARD)	-	15.87%	-6.44%	57.27%	-9.52%
NET INCOME (\$000)	(28)	486	(237)	1,827	(336)
(PERCENTAGE CHANGE FROM FORWARD)	-	NA%	-742.18%	NA%	-1097.20%
ROA (%)	-0.01	0.26	-0.13	0.96	-0.18
ROE (%)	-0.14	2.32	-1.16	8.30	-1.66
NET INTEREST MARGIN (%)	1.73	2.01	1.62	2.71	1.57
LOAN YIELDS (%)	4.19	4.70	4.05	6.15	3.91
COST OF FUNDS (%)	0.10	0.57	0.09	1.51	0.09
BOOK EQUITY TO ASSETS RATIO (%)	10.97	11.10	10.87	11.57	10.81

Current Position As of December 31, 2020					
	(\$000)		(%)		
TOTAL ASSETS:	187,730		PRIME:	3.25	
TOTAL LOANS:	70,591		FED FUNDS:	0.25	
TOTAL DEPOSITS:	167,369		UST 5 YEAR YIELD:	0.36	

Earnings at Risk					
	Average Performance for Months 1 - 12				
	Current Rates (Forward)	Basis Change		YC Rotation	
		Basis Up	Basis Dn	Rotate (Neg)	Rotate (Pos)
NET INTEREST INCOME (\$000)	3,855	4,643	3,735	4,212	3,855
(PERCENTAGE CHANGE FROM FORWARD)	-	20.45%	-3.11%	9.27%	0.01%
NET INCOME (\$000)	708	1,496	588	1,065	708
(PERCENTAGE CHANGE FROM FORWARD)	-	111.39%	-16.95%	50.49%	0.07%
ROA (%)	0.38	0.80	0.31	0.57	0.38
ROE (%)	3.46	7.19	2.88	5.17	3.46
NET INTEREST MARGIN (%)	2.07	2.48	2.00	2.26	2.07
LOAN YIELDS (%)	4.60	4.92	4.51	5.50	4.62
COST OF FUNDS (%)	0.11	0.11	0.11	0.96	0.14
BOOK EQUITY TO ASSETS RATIO (%)	10.85	10.98	10.83	10.86	10.85

Equity at Risk					
	Current Balance Sheet				
	Current Rates (Forward)	Basis Change		YC Rotation	
		Basis Up	Basis Dn	Rotate (Neg)	Rotate (Pos)
NET ECONOMIC VALUE (\$000)	24,637	26,002	24,089	27,193	25,308
(PERCENTAGE CHANGE FROM FORWARD)	-	5.54	-2.22	10.38	2.72
NEV OF EQUITY TO ASSETS (%)	13.05	13.67	12.79	14.60	13.47

Cumulative Gap						
Current Balance Sheet	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
CUMULATIVE RATE SENSITIVE ASSETS TO RATE SENSITIVE LIABILITIES (RATIO)	1.16	1.31	1.50	1.58	1.38	

Projected Position As of December 31, 2021	
	(\$000)
TOTAL ASSETS:	188,091
TOTAL LOANS:	70,591
TOTAL DEPOSITS:	167,369

Earnings at Risk					
	Average Performance for Months 13 - 24				
	Current Rates (Forward)	Basis Change		YC Rotation	
		Basis Up	Basis Dn	Rotate (Neg)	Rotate (Pos)
NET INTEREST INCOME (\$000)	3,240	4,473	3,060	4,322	3,371
(PERCENTAGE CHANGE FROM FORWARD)	-	38.07%	-5.56%	33.39%	4.04%
NET INCOME (\$000)	(28)	1,205	(208)	1,054	103
(PERCENTAGE CHANGE FROM FORWARD)	-	NA%	-641.34%	NA%	NA%
ROA (%)	-0.01	0.64	-0.11	0.56	0.05
ROE (%)	-0.14	5.52	-1.02	4.92	0.50
NET INTEREST MARGIN (%)	1.73	2.38	1.64	2.30	1.80
LOAN YIELDS (%)	4.19	4.63	4.09	5.28	4.30
COST OF FUNDS (%)	0.10	0.10	0.10	0.96	0.21
BOOK EQUITY TO ASSETS RATIO (%)	10.97	11.53	10.88	11.32	10.99

Regular Tax Computation (For Comparison Purposes Only)		
	Actual December 31, 2020	Projected December 31, 2021
BANK'S PRE-TAX INCOME	\$1,434	\$708
DEDUCT:		
State income Tax	\$86	\$0
FEDERAL PRE-TAX INCOME	\$1,348	\$708
Deductions for "Book" Income Tax:		
Interest on Tax exempts (less TEFRA)	\$0	\$0
TAXABLE INCOME PER BOOKS	\$1,348	\$708
Deductions for Tax Return:	\$0	\$0
"REGULAR" TAXABLE INCOME PER TAX RETURN	\$1,348	\$708
Regular Tax	\$458	\$241

Alternative Minimum Tax Computation (For Comparison Purposes Only)		
	Actual December 31, 2020	Projected December 31, 2021
REGULAR TAXABLE INCOME (per Tax Return)	\$1,348	\$708
ADD PREFERENCE ITEMS	\$0	\$0
AMTI before "book income preference"	\$1,348	\$708
ADD BOOK UNTAXED REPORTED PROFITS (Federal Pre-Tax Income minimum AMTI before Book income preference) X 75%	\$0	\$0
AMTI**	\$1,348	\$708
Alternative Minimum Tax (@20%)	\$270	\$142

Sub S - Actual Net Income and Actual Plus Forecast		
	Actual December 31, 2020	Projected December 31, 2021
NET INCOME	\$1,434	\$708
RETURN ON AVERAGE ASSETS	0.77%	0.38%
RETURN ON EQUITY	7.25%	3.47%

** The AMTI is reduced by a \$40,000 exemption before the 20% tax is applied; however, this exemption is reduced by 25% of the amount by which AMTI exceeds \$150,000. Therefore, no exemption is allowed if AMTI exceeds \$310,000.

Peer Group Analysis

As of December 31, 2020

Margins	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Yield on Total Assets	3.98	2.92	2.56	3.85
Cost to Fund	0.64	0.39	0.13	0.74
Net Interest Margin (NIM)	3.34	2.53	2.43	3.11
Yield on Earning Assets	4.21	3.27	6.30	3.92
Cost to Fund	0.67	0.43	0.33	0.76
Net Interest Margin	3.54	2.84	5.97	3.16
Non-Interest Income *	0.51	0.10	0.03	0.06
Non-Interest Expense	2.61	1.85	1.56	1.80
Net Non-Interest Margin	-2.10	-1.75	-1.53	-1.74

Operating Ratios	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Net Loans/Total Deposits	78.44	40.89	42.18	41.15
Loan Loss Reserve/Total Loans	1.27	1.76	1.74	1.83
Earning Assets/Total Assets	95.03	89.38	99.29	98.25
DDA/Total Assets	21.50	19.73	17.39	22.50
Personnel Expense/Total Assets	1.51	1.14	0.95	1.09
Occupancy Expense/Total Assets	0.27	0.26	0.13	0.28
Total Assets	n/a	\$190,857	\$187,441	\$182,303
Total Deposits	n/a	\$170,604	\$167,369	\$163,201

Capital Ratios	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Return on Assets	1.09	0.79	0.92	1.37
Return on Equity	9.53	7.50	8.57	13.24
Book Equity/Total Assets	11.25	10.46	10.80	10.30
Tier 1 Core Ratio	16.99	33.33	33.90	35.29
Risk Based Capital Ratio	18.11	34.59	35.16	36.56
Leverage Capital Ratio	10.93	10.35	10.66	10.27

Liquidity Ratios	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Liquidity Ratio	n/a	69.95	69.03	69.50
Net S/T Non Core Fund Dependence	6.00	5.13	18.58	5.50
Net Non Core Fund Dependence	-5.04	-131.53	19.16	-118.74
S/T Inv to S/T Non core Fund	474.46	1133.67	9.27	1012.50
S/T Assets to S/T Liabilities	225.57	606.09	137.20	579.14
Net S/T Liabilities to Assets	-10.62	-51.44	-3.73	-52.19

Yields	Peer Group # 8**	First National Bank Northwest Florida		
	Sep-20	Sep-20	Dec-20 MTD	2019 AVG
Total Securities (TE)	2.17	2.94	18.41	3.03
Total Loans (TE)	5.06	4.78	5.12	4.70
Total Deposits	1.52	0.99	0.75	1.21

* Non-Interest Income for peer group excludes loan fees.

** Data taken from "Uniform Bank Performance Report".

Assets		
FFS/OVERNIGHT DEPOSITS		0
UNPLEDGED SECURITIES (MARKET VALUE)		5,807
TRADING ACCOUNT		-0
LOAN MATURITIES 1 – 30 DAYS:		
All Loans	2,596	2,596
CASH & DUE FROM (CURRENCY & CASH)		109,082
TOTAL		\$117,485

Liabilities		
FEDERAL FUNDS PURCHASED:	0	
CORRESPONDENT DOWNSTREAM – 50	0	
NOTES PAYABLE	0	
REPOS < 30 Days	0	
FHLB < 30 Days	0	0
C/D's MATURING 1 – 30 Days		
CONSUMER – 25%	83	
JUMBO – 50%	2,876	2,959
		\$2,959
BASIC SURPLUS DEFICIT		\$114,526
LESS ADJUSTMENTS		
END OF MONTH NET DEMAND	34,600	
LESS: AVERAGE NET DEMAND	35,821	1,220

SURPLUS		115,746
DIVIDED BY ACTUAL ASSETS		187,730
LIQUIDITY RATIO		61.66%

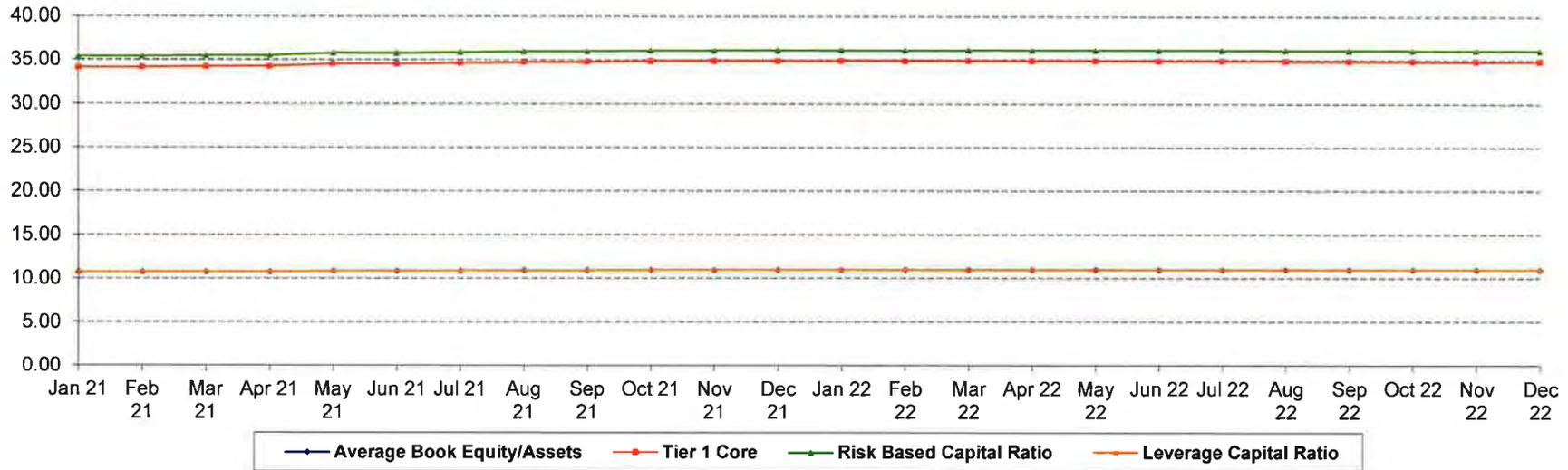
Projected Capital Ratios

As of December 31, 2020

Capital Ratios (Year 1)												
Forward Rate Forecast	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
AVERAGE BOOK EQUITY/ASSETS	10.74	10.75	10.77	10.78	10.86	10.86	10.89	10.92	10.93	10.96	10.96	10.97
TIER 1 CORE	34.09	34.13	34.19	34.25	34.51	34.50	34.61	34.70	34.73	34.82	34.83	34.84
RISK BASED CAPITAL RATIO	35.35	35.39	35.45	35.51	35.77	35.76	35.87	35.96	35.99	36.08	36.09	36.10
LEVERAGE CAPITAL RATIO	10.74	10.75	10.77	10.78	10.86	10.86	10.89	10.92	10.93	10.96	10.96	10.97

Capital Ratios (Year 2)												
Forward Rate Forecast	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
AVERAGE BOOK EQUITY/ASSETS	10.97	10.97	10.98	10.97	10.98	10.97	10.97	10.97	10.97	10.97	10.96	10.96
TIER 1 CORE	34.87	34.85	34.87	34.86	34.87	34.85	34.86	34.85	34.84	34.83	34.81	34.81
RISK BASED CAPITAL RATIO	36.13	36.11	36.13	36.12	36.13	36.12	36.12	36.11	36.10	36.09	36.08	36.07
LEVERAGE CAPITAL RATIO	10.97	10.97	10.97	10.97	10.97	10.97	10.97	10.97	10.97	10.96	10.96	10.96

Projected Capital Ratios



Income Prior Period Look-Back - Summary					
	Actual	Forecast for	Actual	Variance From Forecast	
	September 30, 2020	December 31, 2020	December 31, 2020	Dollars	Percentage
INTEREST INCOME					
Loans	260	259	259	(1)	-0.25%
Loan Fees	19	0	40	40	NA
Total Loans	279	259	299	40	15.31%
Investments	114	18	105	87	473.91%
Overnight Investments	0	90	0	(90)	-100.00%
Other Assets	0	0	0	0	NA
Other Interest Income	0	0	0	0	NA
TOTAL INTEREST INCOME	393	368	404	36	9.80%
INTEREST EXPENSE					
Non-maturity Deposits	16	18	8	(10)	-54.42%
Time Deposits	15	12	13	1	4.92%
Total Deposits	31	31	21	(9)	-30.81%
Borrowings	0	0	0	0	NA
Overnight Borrowings	0	0	0	0	NA
Other Liabilities	0	0	0	0	NA
Other Interest Expense	0	0	0	0	NA
TOTAL INTEREST EXPENSE	31	31	21	(9)	-30.81%
TOTAL OFF BALANCE SHEET	0	0	0	0	NA
NET INTEREST INCOME	362	337	383	45	13.48%
Provision for Loan Loss	0	0	0	0	NA
TOTAL OTHER INCOME	4	8	5	(3)	-38.15%
TOTAL OTHER EXPENSES	278	293	244	(49)	-16.89%
TOTAL TAXES	0	0	0	0	-100.00%
NET INCOME	88	52	144	92	175.54%
Effective Tax Rate	0%	0.0%	0%	NA	NA

Balance Sheet Prior Period Look-Back – Summary Ending Balances					
	Actual	Forecast for	Actual	Variance From Forecast	
	September 30, 2020	December 31, 2020	December 31, 2020	Dollars	Percentage
ASSETS					
Cash and Due From	112,395	90,658	109,082	18,424	20.32%
Gross Loans	71,010	71,010	71,841	831	1.17%
Loan Loss Reserve	(1,250)	(1,250)	(1,249)	0	0.04%
Total Loans	69,760	69,760	70,591	831	1.19%
Investments	7,393	7,123	6,734	(389)	-5.46%
Overnight Investments	0	21,919	0	(21,919)	-100.00%
Other Assets	1,309	1,335	1,322	(13)	-0.96%
TOTAL ASSETS	190,857	190,795	187,730	(3,065)	-1.61%
LIABILITIES					
Non-maturity Deposits	150,014	150,014	147,247	(2,767)	-1.84%
Time Deposits	20,589	20,589	20,122	(468)	-2.27%
Total Deposits	170,604	170,604	167,369	(3,235)	-1.90%
Borrowings	0	0	0	0	NA
Overnight Borrowings	0	0	0	0	NA
Other Liabilities	298	347	83	(264)	-76.13%
TOTAL LIABILITIES	170,902	170,950	167,452	(3,498)	-2.05%
TOTAL EQUITY	19,955	19,845	20,278	433	2.18%
TOTAL LIABILITY & EQUITY	190,857	190,795	187,730	(3,065)	-1.61%

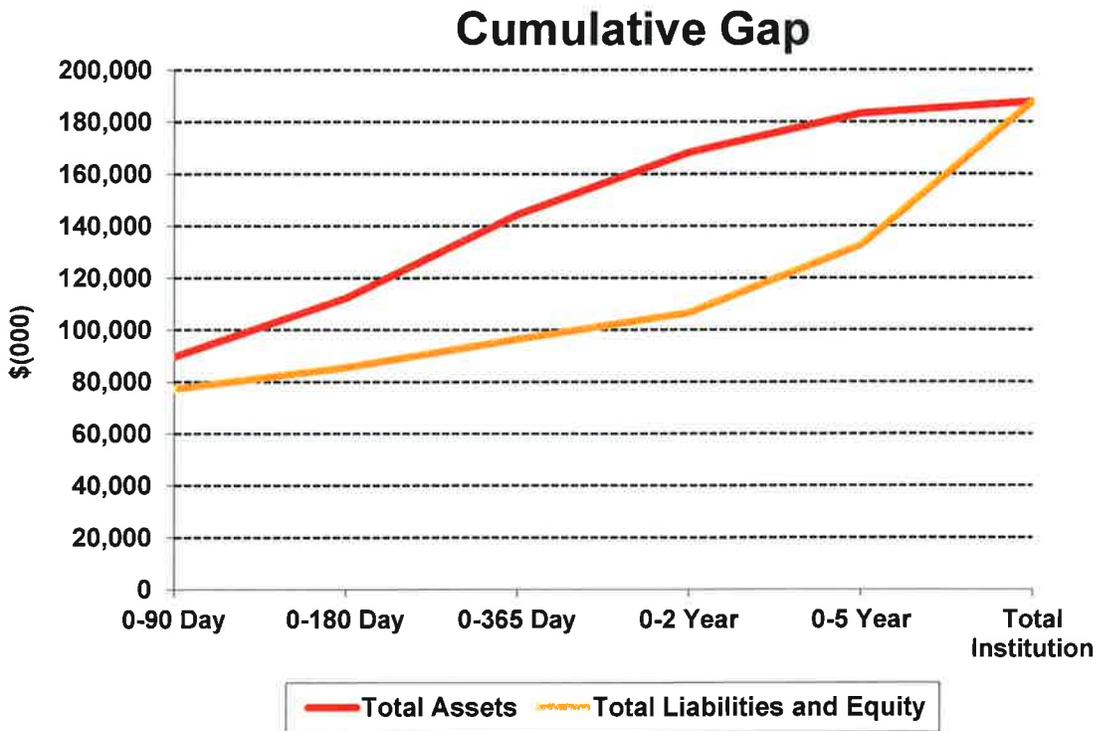
Balance Sheet Prior Period Look-Back – Summary Ending Yields					
	Actual	Forecast for	Actual	Variance From Forecast	
	September 30, 2020	December 31, 2020	December 31, 2020	Yield Difference	
ASSETS					
Total Loans	4.48	4.46	4.38	(0.08)	
Investments	3.41	3.24	3.41	0.17	
Overnight Investments	0	0.26	0	(0.26)	
Other Assets	0	0	0	0	
TOTAL ASSETS	2.37	2.32	2.32	0.00	
LIABILITIES					
Non-maturity Deposits	0.15	0.15	0.09	(0.05)	
Time Deposits	0.86	0.71	0.69	(0.01)	
Total Deposits	0.23	0.22	0.17	(0.05)	
Borrowings	0	0	0	0	
Overnight Borrowings	0	0	0	0	
Other Liabilities	0	0	0	0	
TOTAL LIABILITIES	0.23	0.21	0.17	(0.05)	

Balance Sheet 12 Month Look-Back* – Summary Ending Balances					
	Actual	Forecast for	Actual	Variance From Forecast	
	December 31, 2019	December 31, 2020	December 31, 2020	Dollars	Percentage
ASSETS					
Cash and Due From	101,093	70,198	109,082	38,884	55.39%
Gross Loans	66,545	66,545	71,841	5,296	7.96%
Loan Loss Reserve	(1,250)	(1,250)	(1,249)	0	0.02%
Total Loans	65,295	65,295	70,591	5,296	8.11%
Investments	9,477	9,311	6,734	(2,577)	-27.67%
Overnight Investments	0	32,229	0	(32,229)	-100.00%
Other Assets	1,338	1,402	1,322	(80)	-5.68%
TOTAL ASSETS	177,204	178,436	187,730	9,294	5.21%
LIABILITIES					
Non-maturity Deposits	135,790	135,790	147,247	11,458	8.44%
Time Deposits	22,176	22,176	20,122	(2,054)	-9.26%
Total Deposits	157,966	157,966	167,369	9,403	5.95%
Borrowings	0	0	0	0	NA
Overnight Borrowings	0	0	0	0	NA
Other Liabilities	178	281	83	(198)	-70.51%
TOTAL LIABILITIES	158,144	158,246	167,452	9,205	5.82%
TOTAL EQUITY	19,060	20,189	20,278	89	0.44%
TOTAL LIABILITY & EQUITY	177,204	178,436	187,730	9,294	5.21%

Balance Sheet 12 Month Look-Back* – Summary Ending Yields					
	Actual	Forecast for	Actual	Variance From Forecast	
	December 31, 2019	December 31, 2020	December 31, 2020	Yield Difference	
ASSETS					
Total Loans	5.87	5.87	4.38	(1.49)	
Investments	3.38	3.17	3.41	0.24	
Overnight Investments	0	1.81	0	(1.81)	
Other Assets	0	0	0	0	
TOTAL ASSETS	3.55	3.32	2.32	(1.00)	
LIABILITIES					
Non-maturity Deposits	0.72	0.73	0.09	(0.64)	
Time Deposits	1.52	0.95	0.69	(0.26)	
Total Deposits	0.83	0.76	0.17	(0.59)	
Borrowings	0	0	0	0	
Overnight Borrowings	0	0	0	0	
Other Liabilities	0	0	0	0	
TOTAL LIABILITIES	0.83	0.76	0.17	(0.59)	

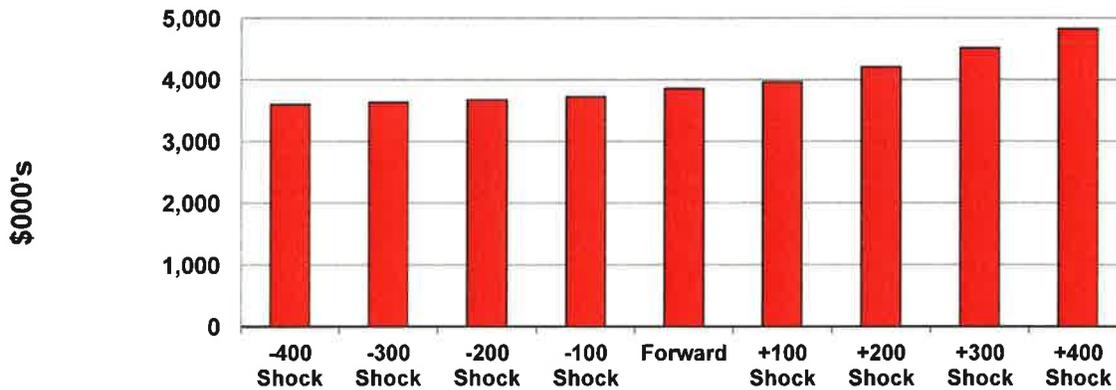
*Look-Back is not intended to replace a regulatory Back-Test.

Cumulative Gap						
Current Balance Sheet (\$000)	0-90 Day	0-180 Day	0-365 Day	0-2 Year	0-5 Year	Total Institution
ASSETS:						
Cash And Due	43,204	57,676	78,629	97,091	107,580	109,082
Overnight Funds	0	0	0	0	0	0
Investments	1,035	1,363	2,169	3,646	5,654	6,734
Net Loans	45,381	53,066	63,491	67,390	69,942	70,591
Other Assets	0	0	0	0	0	1,322
Total Assets	89,620	112,105	144,290	168,128	183,176	187,730
LIABILITIES:						
Fed Funds Purchased	0	0	0	0	0	0
Non Maturity Deposits	67,057	73,059	77,515	86,427	112,391	147,247
Certificates of Deposit	10,115	12,348	18,829	20,049	20,122	20,122
Borrowings	0	0	0	0	0	0
Other Liabilities	0	0	0	0	0	83
Equity Capital	0	0	0	0	0	20,278
Total Liabilities and Equity	77,172	85,407	96,343	106,476	132,513	187,730
SUMMARY GAP STATISTICS:						
Assets - Liab GAP	12,448	26,698	47,946	61,652	50,663	0
RSA / RSL (ratio)	1.16	1.31	1.50	1.58	1.38	
GAP / Assets (%)	6.63	14.22	25.54	32.84	26.99	
Rate Sen Loans / Tot Loans (%)	64	75	90	95	99	

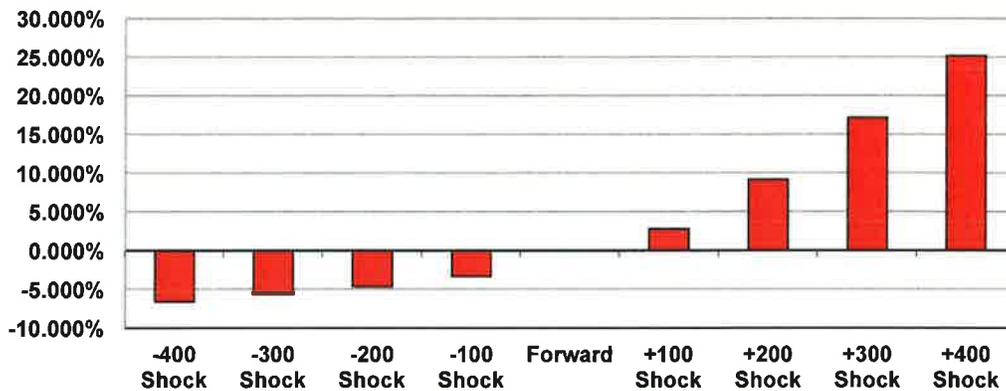


Net Interest Income Jan-21 to Dec-21			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	4,826	25.19	-40%
+300 Shock	4,516	17.15	-30%
+200 Shock	4,208	9.16	-20%
+100 Shock	3,963	2.80	-10%
Forward	3,855	0	--
-100 Shock	3,725	-3.36	-10%
-200 Shock	3,675	-4.67	-20%
-300 Shock	3,635	-5.70	-30%
-400 Shock	3,601	-6.59	-40%

Net Interest Income by Rate Scenario

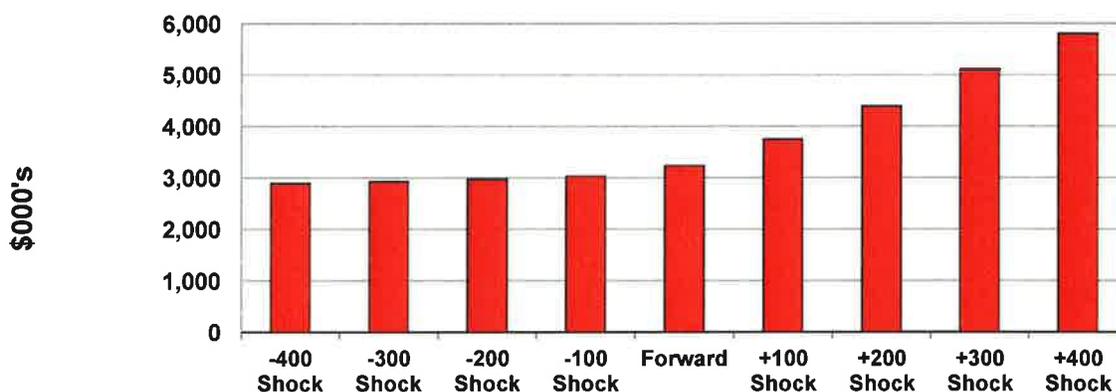


Percentage Change in Net Interest Income from Flat Rates

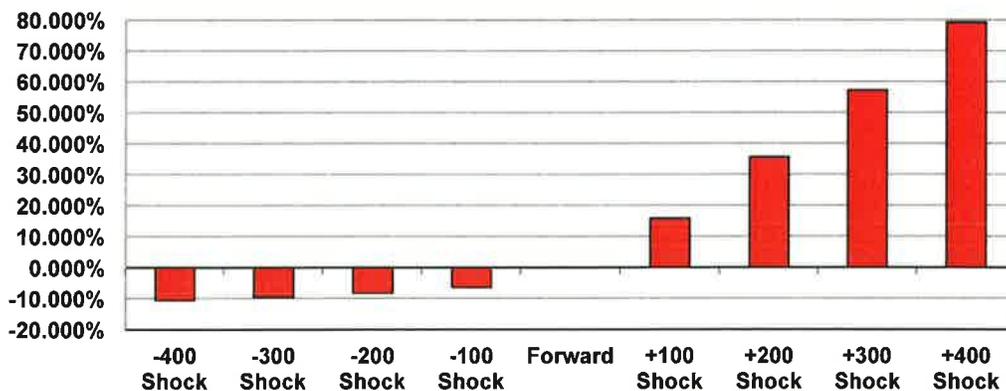


Net Interest Income Jan-22 to Dec-22			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	5,805	79.18	-45%
+300 Shock	5,095	57.27	-35%
+200 Shock	4,394	35.63	-25%
+100 Shock	3,754	15.87	-15%
Forward	3,240	0	--
-100 Shock	3,031	-6.44	-15%
-200 Shock	2,972	-8.26	-25%
-300 Shock	2,932	-9.52	-35%
-400 Shock	2,898	-10.57	-40%

Net Interest Income by Rate Scenario

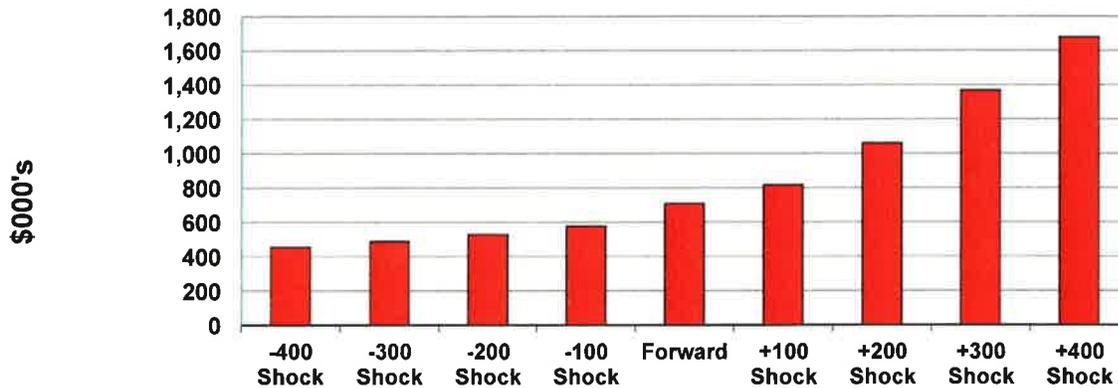


Percentage Change in Net Interest Income from Flat Rates

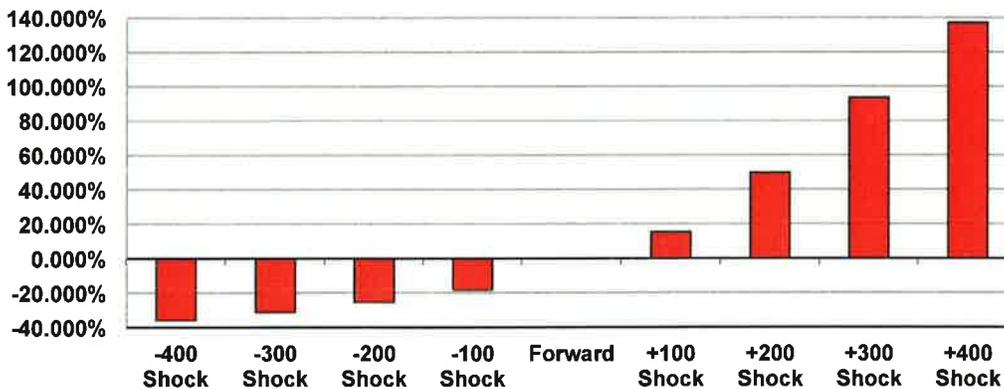


Net Income Jan-21 to Dec-21			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	1,679	137.20	--
+300 Shock	1,369	93.43	--
+200 Shock	1,061	49.90	--
+100 Shock	816	15.25	--
Forward	708	0	--
-100 Shock	578	-18.30	--
-200 Shock	528	-25.43	--
-300 Shock	488	-31.04	--
-400 Shock	454	-35.91	--

Net Income by Rate Scenario

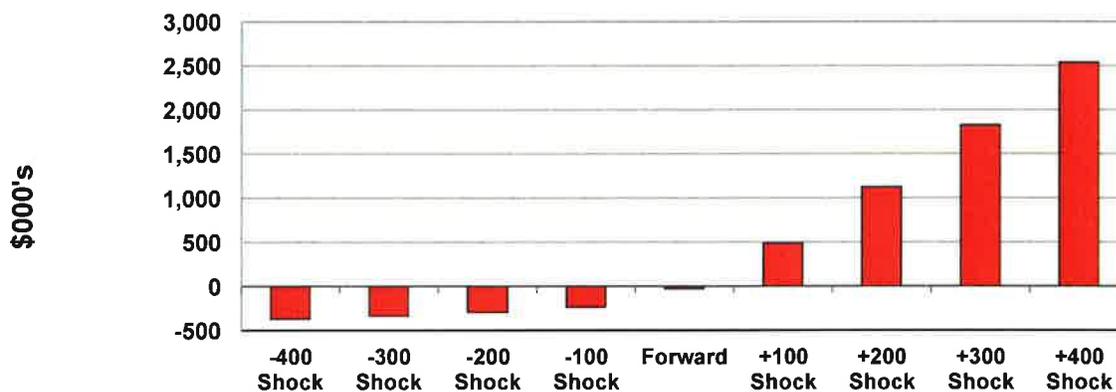


Percentage Change in Net Income from Flat Rates

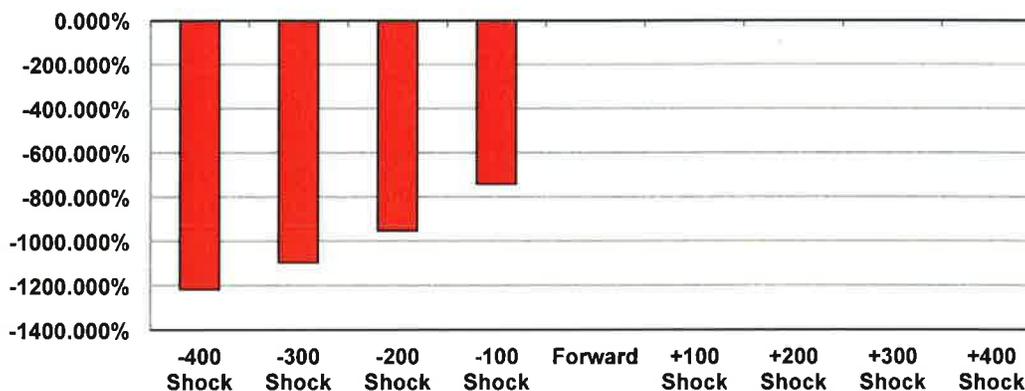


Net Income Jan-22 to Dec-22			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	2,537	NA	--
+300 Shock	1,827	NA	--
+200 Shock	1,126	NA	--
+100 Shock	486	NA	--
Forward	(28)	0	--
-100 Shock	(237)	-742.18	--
-200 Shock	(296)	-952.25	--
-300 Shock	(336)	-1097.20	--
-400 Shock	(370)	-1218.13	--

Net Income by Rate Scenario

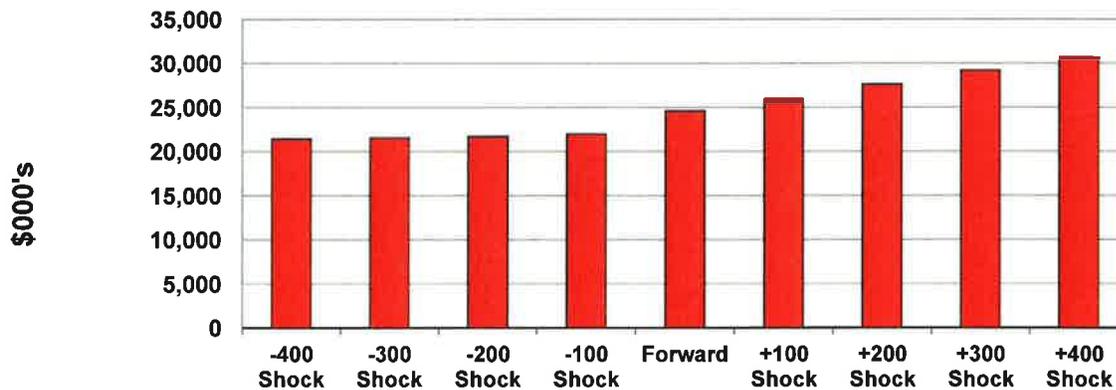


Percentage Change in Net Income from Flat Rates

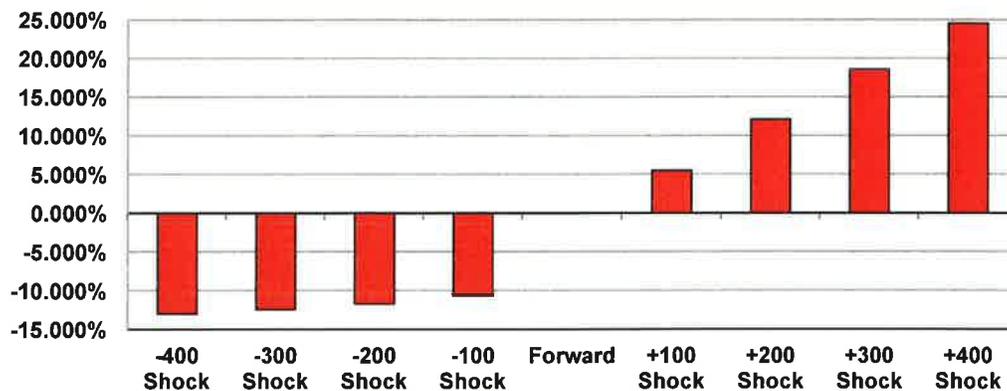


Net Economic Value As of December 31, 2020			
Scenario	(\$000s)	% Var from Flat	Policy Guideline
+400 Shock	30,684	24.55	-25%
+300 Shock	29,218	18.59	-20%
+200 Shock	27,620	12.11	-15%
+100 Shock	25,992	5.50	-10%
Forward	24,637	0	--
-100 Shock	21,992	-10.74	-10%
-200 Shock	21,744	-11.74	-15%
-300 Shock	21,575	-12.43	-20%
-400 Shock	21,437	-12.99	-25%

Net Economic Value by Rate Scenario



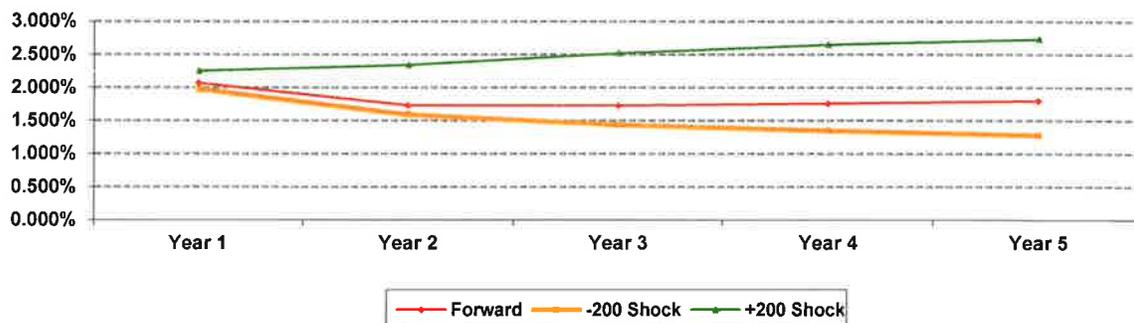
Percentage Change in Net Economic Value from Flat Rates



Key Items (Averages)					
Forward Rate Forecast	Year 1	Year 2	Year 3	Year 4	Year 5
PROFITABILITY (%)					
Net Interest Margin	2.07	1.73	1.73	1.76	1.80
Return on Assets	0.38	-0.01	-0.02	0.01	0.05
Return on Equity	3.46	-0.14	-0.20	0.12	0.49
INCOME STATEMENT (\$000)					
Interest Income	4,034	3,403	3,569	3,886	4,190
Interest Expense	179	163	341	593	820
Net Interest Income	3,855	3,240	3,228	3,293	3,370
Provision Expense	0	0	0	0	0
Non-Interest Income	60	60	60	60	60
Non-Interest Expense	3,207	3,328	3,328	3,328	3,328
Taxes	0	0	0	0	0
Net Income	708	(28)	(40)	25	102
PERFORMANCE RATIOS (%)					
Equity to Assets	10.85	10.97	10.94	10.94	10.96
Efficiency Ratio	81.92	100.85	101.22	99.24	97.04
Loans to Deposits Ratio	42.17	42.17	42.18	42.18	42.18
Earning Assets to Assets Ratio	99.34	99.37	99.37	99.36	99.36
YIELDS (%)					
Loans	4.60	4.19	4.25	4.37	4.49
Investments	2.86	2.36	1.96	1.87	1.92
Fed Funds Sold	0.25	0.25	0.51	0.74	0.95
Earning Assets	2.16	1.82	1.91	2.08	2.24
COST OF FUNDS (%)					
Deposits	0.11	0.10	0.20	0.35	0.49
Borrowings	0	0	0	0	0
Fed Funds Purchased	0	0	0	0	0
Rate Related Liabilities	0.11	0.10	0.20	0.35	0.49
KEY BALANCE SHEET ITEMS (\$000)					
Total Assets	187,854	188,081	188,029	188,034	188,087
Earning Assets	186,615	186,887	186,840	186,836	186,879
Loans	70,586	70,586	70,592	70,594	70,594
Investments	6,476	6,480	6,476	6,475	6,475
Deposits	167,371	167,369	167,368	167,369	167,369
Fed Funds Purchased	0	0	0	0	0
Fed Funds Sold	17,712	17,890	17,987	17,946	17,989
Equity	20,390	20,625	20,569	20,564	20,608

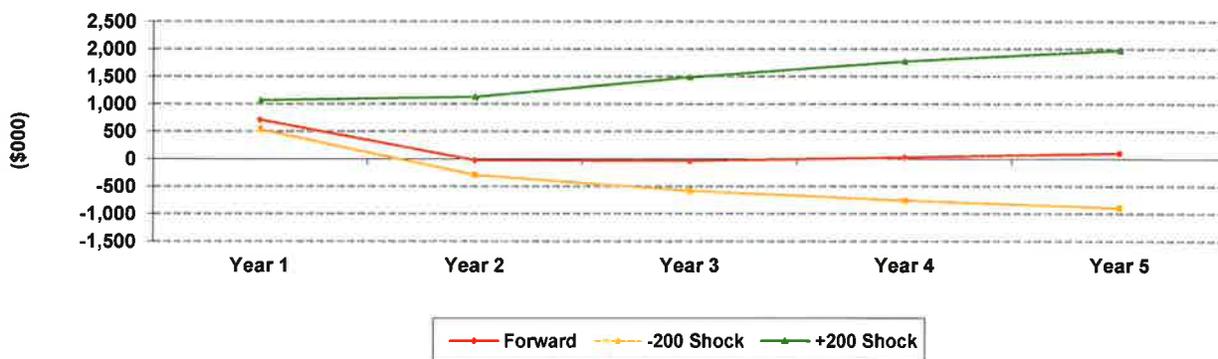
Net Interest Margin					
Scenario	Year 1	Year 2	Year 3	Year 4	Year 5
Forward	2.07	1.73	1.73	1.76	1.80
-200 Shock	1.97	1.59	1.44	1.35	1.28
+200 Shock	2.25	2.34	2.52	2.65	2.73

Net Interest Margin



Net Income					
Scenario	Year 1	Year 2	Year 3	Year 4	Year 5
Forward	708	(28)	(40)	25	102
-200 Shock	528	(296)	(583)	(758)	(896)
+200 Shock	1,061	1,126	1,485	1,773	1,978

Net Income



Monthly Projections

As of December 31, 2020

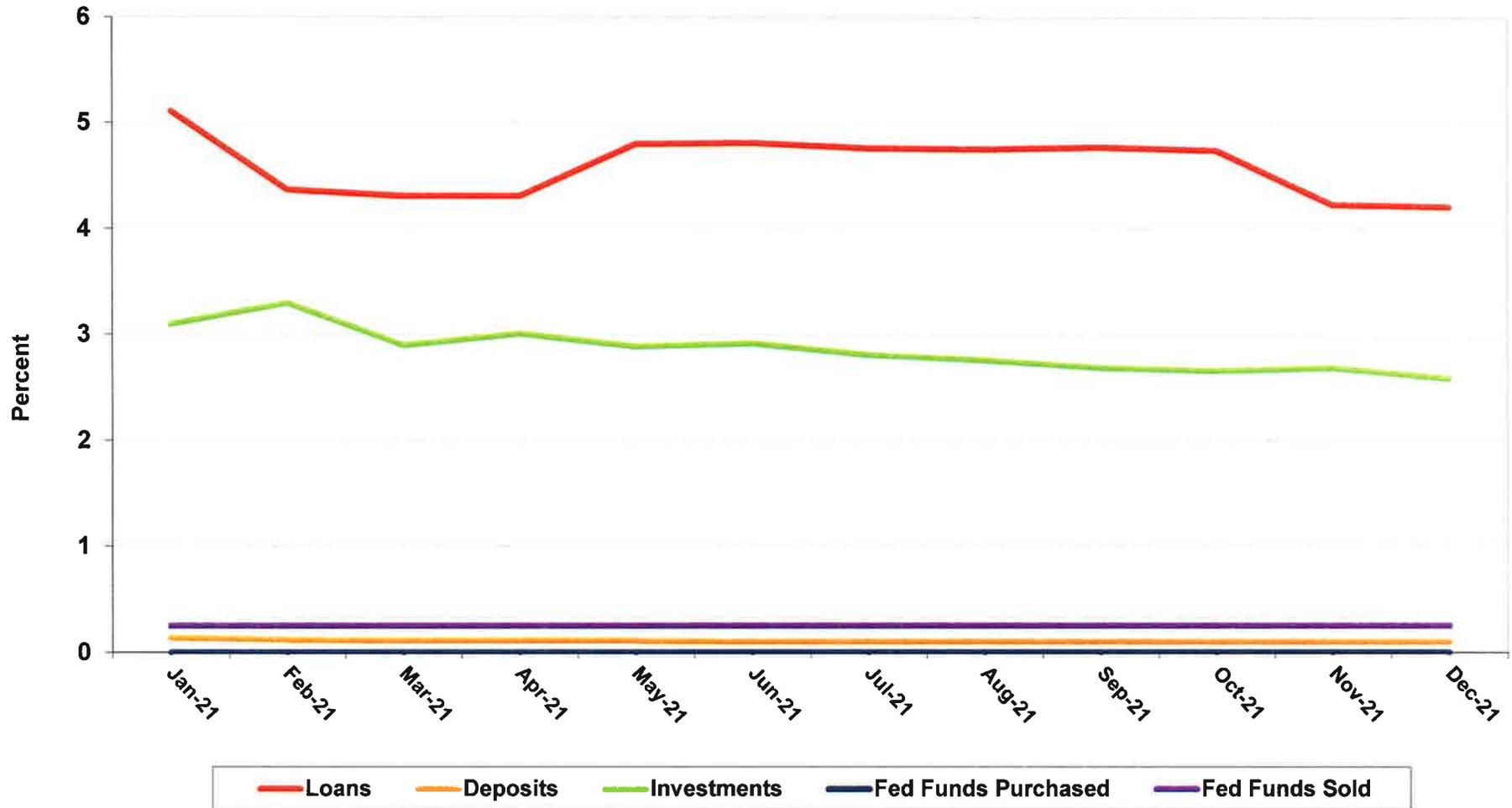
Key Items (Averages)													
Forward Rate Forecast	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Avg/Tot
PROFITABILITY (%)													
Net Interest Margin	2.47	2.17	2.01	1.97	2.13	2.13	2.11	2.08	2.05	2.02	1.83	1.81	2.07
Return on Assets	0.77	0.22	0.31	0.21	1.05	0.38	0.41	0.38	0.30	0.33	0.07	0.07	0.38
Return on Equity	7.15	2.04	2.91	1.99	9.72	3.47	3.75	3.49	2.74	2.98	0.62	0.61	3.46
INCOME STATEMENT (\$000)													
Interest Income	411	326	335	317	352	341	348	344	329	335	294	301	4,034
Interest Expense	21	15	16	15	15	14	14	14	14	14	13	14	179
Net Interest Income	391	311	319	302	337	327	334	330	315	321	280	288	3,855
Provision Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Interest Income	5	5	5	5	5	5	5	5	5	5	5	5	60
Non-Interest Expense	274	284	274	274	174	274	274	274	274	274	275	282	3,207
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	122	32	50	33	168	58	65	61	46	52	10	11	708
PERFORMANCE RATIOS (%)													
Equity to Assets	10.71	10.75	10.75	10.77	10.82	10.87	10.87	10.90	10.93	10.95	10.96	10.96	10.85
Efficiency Ratio	69.21	89.99	84.59	89.23	50.93	82.48	80.82	81.85	85.56	84.01	96.34	96.33	81.92
Loans to Deposits Ratio	42.17	42.17	42.17	42.17	42.17	42.19	42.18	42.18	42.17	42.17	42.17	42.17	42.17
Earning Assets to Assets Ratio	99.32	99.33	99.35	99.34	99.34	99.32	99.33	99.35	99.36	99.35	99.36	99.36	99.34
YIELDS (%)													
Loans	5.11	4.37	4.31	4.31	4.80	4.81	4.76	4.75	4.77	4.74	4.23	4.21	4.60
Investments	3.10	3.30	2.90	3.01	2.89	2.92	2.81	2.76	2.69	2.66	2.69	2.59	2.86
Fed Funds Sold	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Earning Assets	2.61	2.29	2.12	2.07	2.23	2.23	2.20	2.17	2.15	2.12	1.92	1.90	2.16
COST OF FUNDS (%)													
Deposits	0.14	0.12	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.11
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Funds Purchased	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Related Liabilities	0.14	0.12	0.11	0.11	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.11
KEY BALANCE SHEET ITEMS (\$000)													
Total Assets	187,538	187,622	187,651	187,686	187,785	187,889	187,902	187,968	187,994	188,049	188,073	188,087	187,854
Earning Assets	186,266	186,359	186,424	186,439	186,540	186,615	186,634	186,738	186,791	186,831	186,863	186,879	186,615
Loans	70,578	70,586	70,577	70,583	70,577	70,609	70,603	70,598	70,571	70,583	70,583	70,582	70,586
Investments	6,475	6,475	6,475	6,476	6,476	6,476	6,477	6,477	6,477	6,478	6,478	6,478	6,476
Deposits	167,366	167,367	167,379	167,372	167,370	167,363	167,378	167,378	167,360	167,369	167,364	167,379	167,371
Fed Funds Purchased	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Funds Sold	17,353	17,310	17,527	17,659	17,788	17,927	17,624	17,644	17,775	17,872	18,219	17,844	17,712
Equity	20,082	20,164	20,179	20,221	20,320	20,432	20,429	20,494	20,541	20,586	20,616	20,619	20,390

Monthly Projections

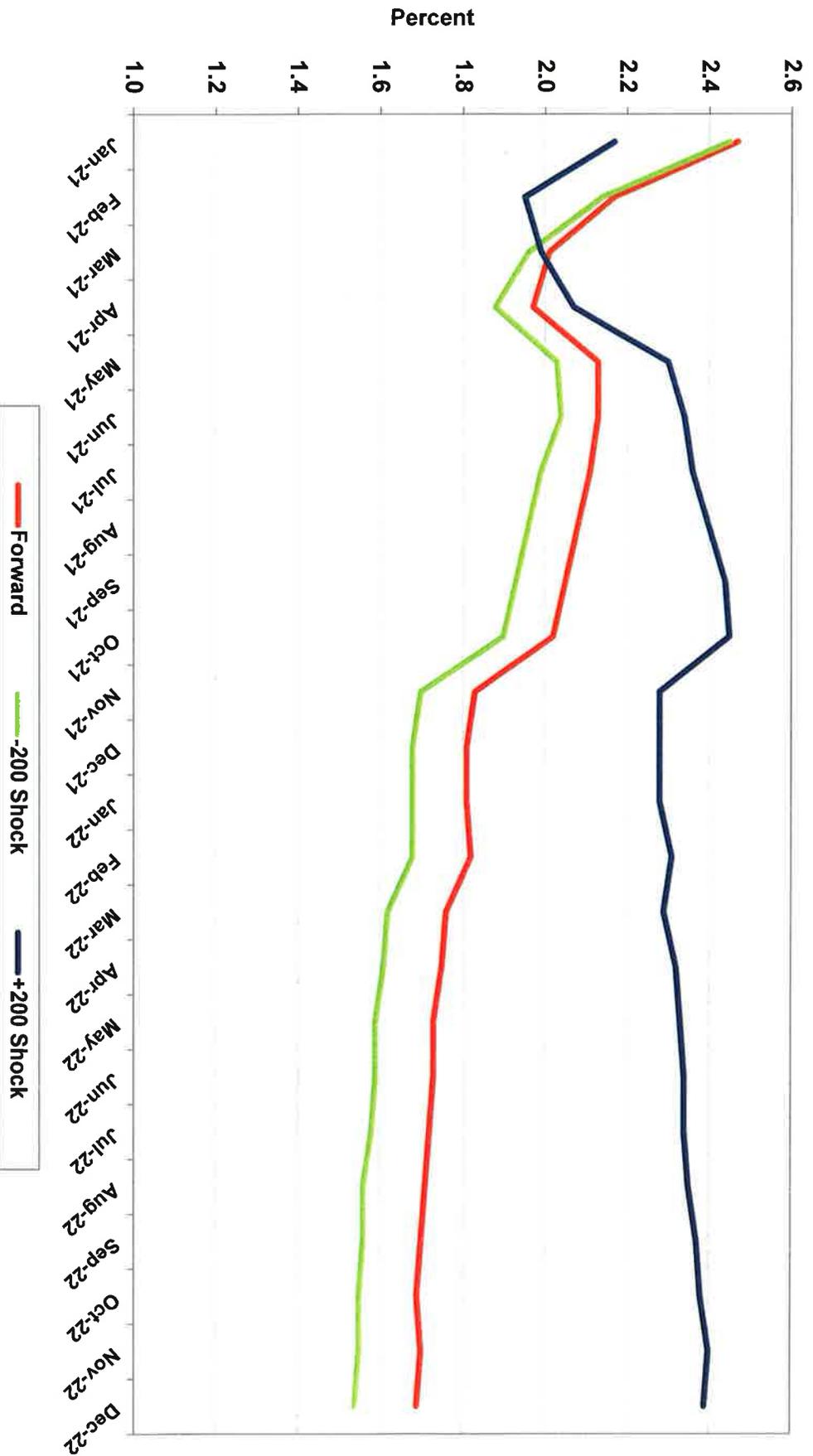
As of December 31, 2020

Key Items (Averages)													
Forward Rate Forecast	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Avg/Tot
PROFITABILITY (%)													
Net Interest Margin	1.81	1.82	1.76	1.75	1.73	1.73	1.72	1.71	1.70	1.69	1.70	1.69	1.73
Return on Assets	0.09	-0.08	0.05	-0.02	0.02	-0.04	0.00	-0.01	-0.07	-0.02	-0.07	-0.05	-0.01
Return on Equity	0.84	-0.71	0.42	-0.21	0.18	-0.33	0.04	-0.06	-0.60	-0.17	-0.66	-0.47	-0.14
INCOME STATEMENT (\$000)													
Interest Income	300	273	293	282	289	280	287	285	275	283	274	282	3,403
Interest Expense	14	12	14	13	14	13	14	14	14	14	14	14	163
Net Interest Income	287	261	279	268	275	266	273	271	262	269	261	268	3,240
Provision Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Interest Income	5	5	5	5	5	5	5	5	5	5	5	5	60
Non-Interest Expense	277	277	277	277	277	277	277	277	277	277	277	281	3,328
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	15	(11)	7	(4)	3	(6)	1	(1)	(10)	(3)	(11)	(8)	(28)
PERFORMANCE RATIOS (%)													
Equity to Assets	10.97	10.97	10.97	10.97	10.97	10.97	10.97	10.96	10.97	10.96	10.96	10.96	10.97
Efficiency Ratio	94.96	104.22	97.43	101.29	98.87	102.09	99.72	100.41	103.79	101.12	104.22	102.99	100.85
Loans to Deposits Ratio	42.17	42.17	42.17	42.18	42.17	42.18	42.17	42.16	42.18	42.18	42.18	42.18	42.17
Earning Assets to Assets Ratio	99.36	99.36	99.37	99.37	99.36	99.36	99.36	99.37	99.37	99.37	99.37	99.36	99.37
YIELDS (%)													
Loans	4.21	4.24	4.20	4.21	4.20	4.20	4.19	4.17	4.18	4.17	4.18	4.16	4.19
Investments	2.56	2.73	2.41	2.52	2.43	2.46	2.25	2.23	2.19	2.18	2.21	2.14	2.36
Fed Funds Sold	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Earning Assets	1.90	1.91	1.85	1.84	1.82	1.82	1.81	1.80	1.80	1.79	1.79	1.78	1.82
COST OF FUNDS (%)													
Deposits	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Funds Purchased	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Related Liabilities	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
KEY BALANCE SHEET ITEMS (\$000)													
Total Assets	188,085	188,083	188,089	188,088	188,093	188,085	188,086	188,074	188,079	188,076	188,067	188,061	188,081
Earning Assets	186,877	186,886	186,900	186,898	186,895	186,887	186,888	186,889	186,893	186,887	186,875	186,865	186,887
Loans	70,574	70,585	70,587	70,599	70,574	70,589	70,587	70,567	70,590	70,592	70,591	70,593	70,586
Investments	6,478	6,479	6,479	6,479	6,480	6,480	6,480	6,481	6,481	6,481	6,481	6,482	6,480
Deposits	167,369	167,370	167,369	167,367	167,369	167,369	167,369	167,369	167,369	167,369	167,369	167,369	167,369
Fed Funds Purchased	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Funds Sold	17,984	17,793	17,817	17,790	17,856	18,062	17,877	17,730	17,874	18,017	17,931	17,953	17,890
Equity	20,629	20,626	20,632	20,634	20,637	20,629	20,631	20,619	20,623	20,620	20,612	20,605	20,625

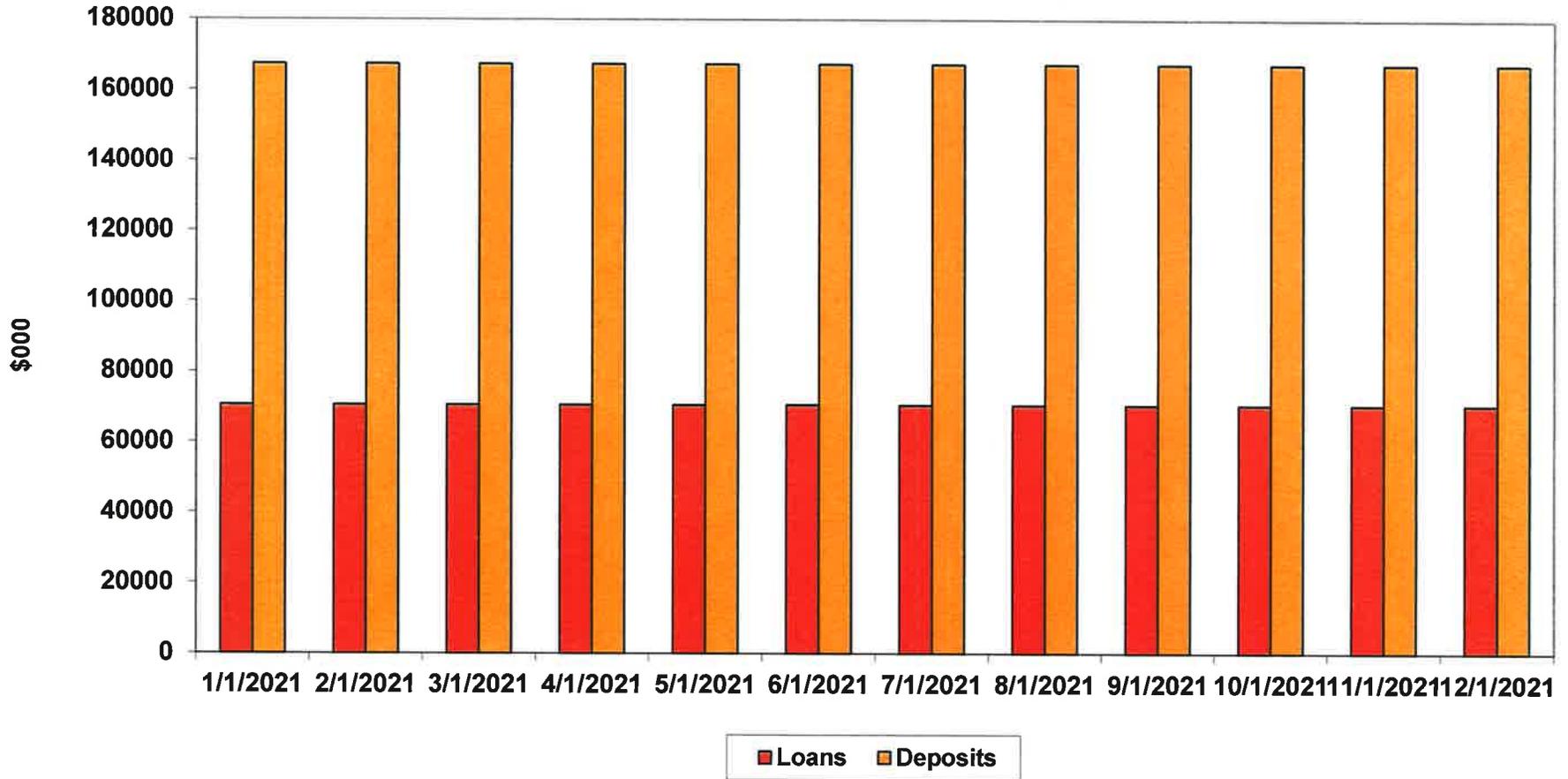
Yield on Earning Assets and Cost of Funds Forward Rate Forecast



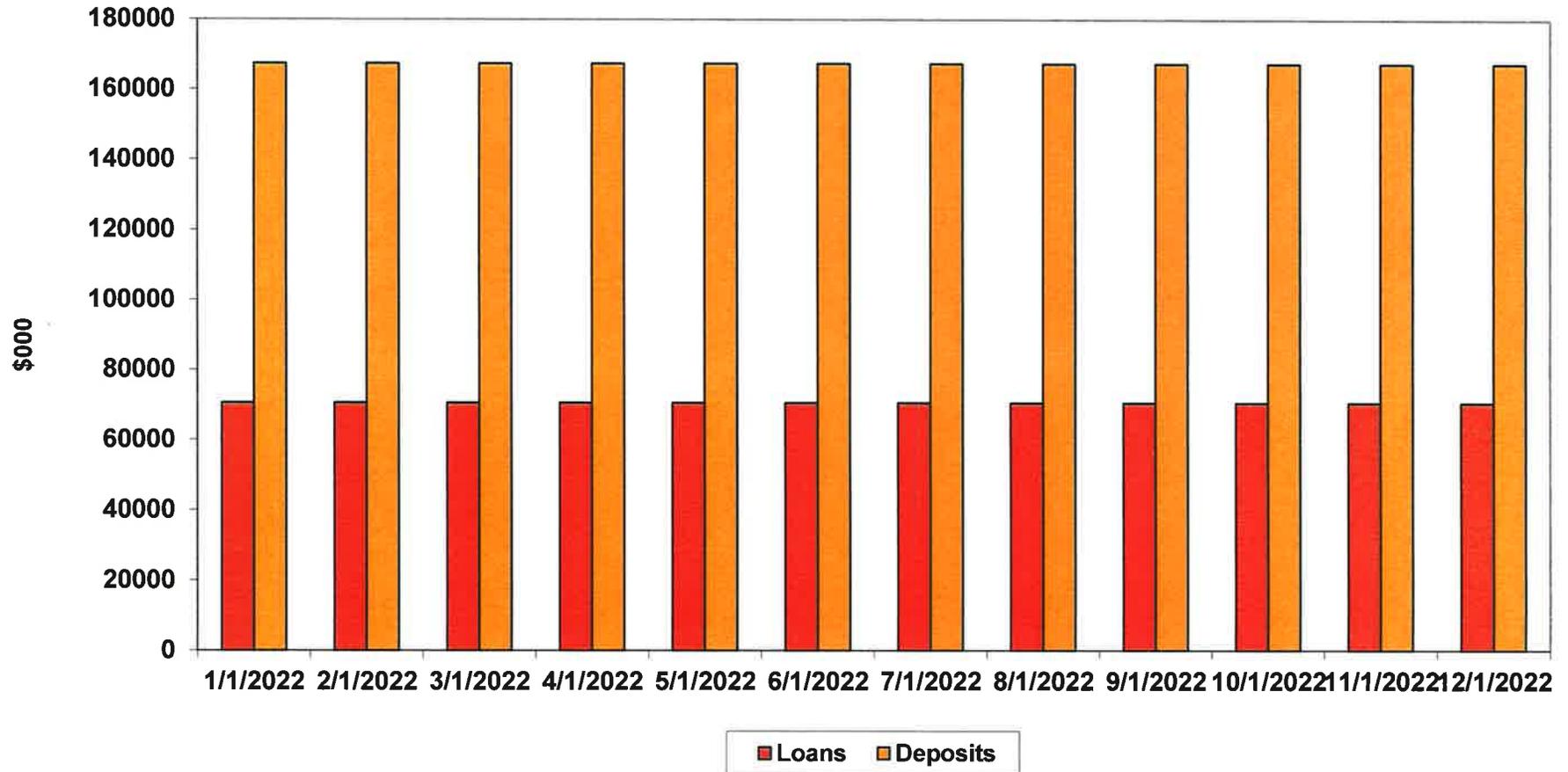
Scenario Comparisons of Net Interest Margin



Loan and Deposit Balance Forward Rate Forecast



Loan and Deposit Balance Forward Rate Forecast



Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
Assets			
Cash and Due From			
Cash and Due - Non Int Bearing			
Cash	0	0	0
Due From	0	0	0
Total Cash and Due - Non Int Bearing	0	0	0
Cash and Due - Int Bearing			
Other Int Bearing Due From	0	0	0.03
Certificates of Deposit Due From	0.93	-0.66	11.27
Total Cash and Due - Int Bearing	0.79	-0.55	9.47
Total Cash and Due From	0.78	-0.55	9.36
Funds Sold			
F.F. Sold (Bal.)	0	0	0
Total Funds Sold	0	0	0
Investments			
MBS and CMOs			
GNM MBS - AFS	1.15	-0.20	33.19
GNM MBS - HTM	0.83	0.25	19.22
GNM ARMs - AFS	0.94	1.86	84.15
GNM ARMs - HTM	1.17	2.33	28.50
GNM Hybrid ARMs - AFS	0.40	0.79	22.39
GNM Hybrid ARMs - HTM	0.49	0.98	23.81
CMO Fixed - AFS	1.99	-0.31	28.80
Total MBS and CMOs	1.13	-0.08	34.91
Municipals and Other			
Taxable Municipals - HTM	1.36	-1.09	21.78
SBA Fixed - AFS	4.99	-0.62	38.07
SBA Variable - AFS	0.26	0	71.58
FHLB Stock	0	0	119.03
FRB Stock	0	0	120.00
Total Municipals and Other	2.38	-0.68	48.25
Investment Gains and Losses	0	0	0
Total Investments	1.60	-0.31	39.99

Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
Loans			
Real Estate Loans			
Construction			
Construction Fixed	0.32	-0.27	4.01
Construction Variable	0.60	-0.43	7.61
Construction Adjustable	1.55	-0.26	50.61
Total Construction	0.78	-0.34	18.55
Agriculture Real Estate			
Agriculture RE Fixed	5.13	-0.58	82.76
Agriculture RE Adjustable	4.88	-0.52	85.32
Total Agriculture Real Estate	5.00	-0.55	84.14
Home Equity			
Home Equity Variable	2.80	1.52	70.94
Total Home Equity	2.80	1.52	70.94
Mortgage			
Mortgage Fixed	2.81	-2.44	59.68
Mortgage Variable	3.21	0.94	68.02
Mortgage Adjustable	2.51	0.66	68.88
Total Mortgage	3.01	-0.04	65.89
Multi Family Real Estate			
Multi Family RE Adjustable	1.05	-0.25	19.76
Total Multi Family Real Estate	1.05	-0.25	19.76
Commercial Real Estate			
Commercial RE Fixed	2.13	-0.70	31.61
Commercial RE Variable	2.76	1.89	73.69
Commercial RE Adjustable	2.20	0.07	67.31
Total Commercial Real Estate	2.35	0.54	66.76
Total Real Estate Loans	2.44	0.31	63.15
Commercial Loans			
Commercial			
Commercial Fixed	0.37	-0.28	4.63
Commercial Variable	0.67	-0.43	9.35
Commercial Adjustable	-0.08	-0.80	108.94
Total Commercial	0.35	-0.55	46.57
Commercial SBA			
Commercial SBA Fixed	0.53	-0.42	6.40
Total Commercial SBA	0.53	-0.42	6.40
Total Commercial Loans	0.51	-0.43	10.07

Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
Consumer Loans			
Consumer			
Consumer Fixed	1.23	-1.00	15.83
Total Consumer	1.23	-1.00	15.83
Total Consumer Loans	1.23	-1.00	15.83
Other Loan G/L Balances			
Unearned Disc. & Oth.	0	0	0
Total Other Loan G/L Balances	0	0	0
Loan Loss Reserve	0	0	0
Total Loans	2.15	0.18	54.91
Other Assets			
Fixed Assets	0	0	0
Interest Receivable	0	0	0
Other Non Earning Assets	0	0	0
Total Other Assets	0	0	0
Total Assets	1.32	-0.26	27.51
Liabilities			
Deposits			
Non Maturity Deposits			
Demand			
Demand Retail	4.53	-0.98	55.50
Demand Commercial	4.92	-0.83	60.50
Total Demand	4.88	-0.85	59.94
NOW Accounts			
NOW Retail	3.75	1.31	59.53
NOW Retail Premium	3.63	1.54	59.53
NOW Commercial	3.75	1.31	59.53
NOW Commercial Premium	2.45	0.19	39.53
NOW Public Funds	0.13	-0.05	2.03
Total NOW Accounts	2.71	0.97	43.78
Money Market Accounts			
MMDA Retail	1.18	-0.37	19.53
MMDA Retail Premium	1.72	-0.08	29.53
MMDA Commercial	1.78	-0.20	29.53
MMDA Commercial Premium	3.39	2.01	59.53

Duration			
Forward Rate Forecast	Effective Duration	Convexity Spread	Average Life
MMDA Public Funds	1.78	-0.20	29.53
Total Money Market Accounts	2.76	1.18	48.00
Savings Accounts			
Savings Retail	1.78	-0.20	29.53
Savings Commercial	0.88	-0.30	14.53
Total Savings Accounts	1.58	-0.22	26.11
Non Maturity Deposits G/L	0	0	0
Total Non Maturity Deposits	3.17	0.60	48.05
Time Deposits			
Time Deposits Core			
CDs Core 1-3 Mo	0.10	-0.09	1.25
CDs Core 4-6 Mo	0.05	-0.05	0.63
CDs Core 7-9 Mo	0.50	-0.39	6.03
CDs Core 10-12 Mo	0.57	-0.45	6.89
CDs Core 13-24 Mo	0.99	-0.79	11.91
CDs Core 25-36 Mo	1.36	-1.07	16.27
CDs Core 49-60 Mo	2.85	-1.98	34.20
IRAs Core	0.74	-0.58	9.00
Total Time Deposits Core	0.72	-0.56	8.67
Time Deposits Non Core			
CDs Non Core 1-3 Mo	0.02	-0.02	0.26
CDs Non Core 7-9 Mo	0.12	-0.10	1.41
CDs Non Core 10-12 Mo	0.32	-0.26	3.88
CDs Non Core 13-24 Mo	0.64	-0.51	7.60
CDs Non Core 49-60 Mo	0.40	-0.31	4.81
IRAs Non Core	1.07	-0.85	12.83
Total Time Deposits Non Core	0.34	-0.27	4.06
Total Time Deposits	0.42	-0.33	5.02
Total Deposits	2.83	0.49	42.88
Other Liabilities			
Other Liabilities Non Int Bearing	0	0	0
Interest Payable	0	0	0
Tax Deferred Liability	0	0	0
Total Other Liabilities	0	0	0
Total Liabilities	2.83	0.49	42.86

