

Board of Governors of the Federal Reserve System



# Annual Report of Holding Companies—FR Y-6

## Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, William Hileman

Name of the Holding Company Director and Official

President & CEO, Director

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

*With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.*

William A Hileman

Signature of Holding Company Director and Official

03/30/2021

Date of Signature

**For holding companies *not* registered with the SEC—**

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

**For Federal Reserve Bank Use Only**

RSSD ID \_\_\_\_\_

C.I. \_\_\_\_\_

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

**Date of Report** (top-tier holding company's fiscal year-end):

December 31, 2020

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

FB BanCorp

Legal Title of Holding Company

P.O. Box 33473

(Mailing Address of the Holding Company) Street / P.O. Box

San Antonio

TX

78265

City

State

Zip Code

17300 Henderson Pass Suite 100, San Antonio, TX 78232

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Jeff Spencer

CFO

Name

Title

210-637-14800 / 1212

Area Code / Phone Number / Extension

210-637-4822

Area Code / FAX Number

jspencer@farmbureaubank.com

E-mail Address

N/A

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? .....	0=No 1=Yes	<input type="radio"/> 0
In accordance with the General Instructions for this report (check only one),		
1. a letter justifying this request is being provided along with the report .....	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately ...	<input type="checkbox"/>	
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."		

## For Use By Tiered Holding Companies

*Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.*

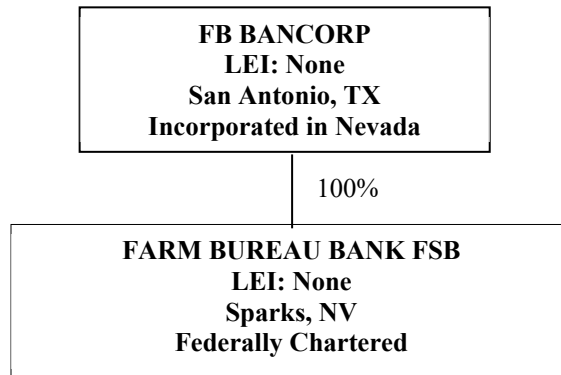
<hr/> <p>Legal Title of Subsidiary Holding Company</p> <hr/> <p>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</p> <hr/> <p>City State Zip Code</p> <hr/> <p>Physical Location (if different from mailing address)</p> <hr/>	<hr/> <p>Legal Title of Subsidiary Holding Company</p> <hr/> <p>(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box</p> <hr/> <p>City State Zip Code</p> <hr/> <p>Physical Location (if different from mailing address)</p> <hr/>
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**Form FR Y-6  
FB BanCorp  
San Antonio, TX  
Fiscal Year Ending December 31, 2020**

Report Item 2

1: The holding company prepares an annual report for its securities holders and is not registered with the SEC. As specified by the responsible Reserve Bank, copy to be sent under a separate cover.

2a: Organizational Chart



2b: Domestic branch listing provided to the Federal Reserve Bank.

2c: No entity has a Legal Entity Identifier (LEI)

**Results: A list of branches for your holding company: FB BANCORP (3818822) of SAN ANTONIO, TX.**  
 The data are as of 12/31/2020. Data reflects information that was received and processed through 01/05/2021.

**Reconciliation and Verification Steps**

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

**Actions**

- OK:** If the branch information is correct, enter 'OK' in the **Data Action** column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
- Close:** If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
- Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

**Submission Procedure**

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.  
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:  
 To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.  
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

\* FDIC UNINUM, Office Number, and ID\_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	2819167	FARM BUREAU BANK FSB	2165 GREEN VISTA DRIVE, SUITE 204	SPARKS	NV	89431	WASHOE	UNITED STATES	Not Required	Not Required	FARM BUREAU BANK FSB	2819167	
OK		Full Service	4044598	SAN ANTONIO BRANCH	17300 HENDERSON PASS, SUITE 100	SAN ANTONIO	TX	78232	BEXAR	UNITED STATES	Not Required	Not Required	FARM BUREAU BANK FSB	2819167	

**Form FR Y-6**

**FB BanCorp**

**Report Item 3: Securities holders**

**(1)(a)(b)(c) and (2)(a)(b)(c)**

**Fiscal Year Ending December 31, 2020**

Current securities holders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-20			Securities holders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-20		
(1)(a) Name City, State, Country	(1)(b) Country of Citizenship Or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name City, State, Country	(2)(b) Country of Citizenship Or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
American Farm Bureau Federation Dale Moore/Ellen Steen Washington, DC USA	USA	260,996 – 8.22% Class B, Series 1, Common Stock	NONE		
Farm Bureau Property and Casualty Ins. Co. Edward Parker West Des Moines, IA USA	USA	198,793 – 6.26% Class B, Series 1, Common Stock	NONE		
North Carolina Farm Bureau Mutual Insurance Co. Peter Daniel Raleigh, NC USA	USA	273,139 – 8.60% Class B, Series 1, Common Stock	NONE		
Oklahoma Farm Bureau Mutual Ins. Co. Thad Doye Oklahoma City, OK USA	USA	160,000 – 5.04% Class B, Series 1, Common Stock	NONE		
United Farm Family Mutual Insurance Company Mark Sigler Indianapolis, IN USA	USA	159,233—5.01% Class B, Series 1, Common Stock	NONE		

**Report Item 4: Insiders****Form FR Y-6****(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)****FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
William A. Hileman San Antonio, TX USA	Banker Farm Bureau Bank	President and CEO, Director	President, CEO, Director Farm Bureau Bank	None	None	None	None
Mark A. Cromer San Antonio, TX USA	Banker Farm Bureau Bank	Assistant Secretary	SVP, Chief Operations Officer Farm Bureau Bank	None	None	None	None
John Poe Schertz, TX USA	Banker Farm Bureau Bank	Secretary	SVP, CRO, CCO Farm Bureau Bank	None	None	None	None
Kelly Hamer New Braunfels, TX USA	Banker Farm Bureau Bank	Assistant Secretary	SVP, Chief Banking Officer Farm Bureau Bank	Partner, KCLA, LLC	None	None	KCLA, LLC – 50% PBHS, LLC – 50%
Jeffrey L. Spencer San Antonio, TX USA	Banker Farm Bureau Bank	Treasurer and CFO	CFO Farm Bureau Bank	None	None	None	None

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**Form FR Y-6**

**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Jeff Aiken Columbia, TN USA	Business Executive	Director	None	President, TFBF  President, Tennessee Farmers Mutual Insurance Company	None	None	None

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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Russell Boening Floresville, TX USA	Farmer	Director	None	President, Texas Farm Bureau & affiliated companies  Vice President, Boening Bros Dairy, Inc.  Boening Enterprises, dba Vista Farms	None	None	33 1/3% - Boening Bros. 33 1/3% - Boening Enterprises



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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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Frank E. Burkett III, Massillon, OH, U.S.A.	Farmer	Director	None	President of Ohio Farm Bureau Federation	None	None	Clardale Farms 25%

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**FB BanCorp / Fiscal Year Ending December 31, 2020**

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Vincent "Zippy" Duvall Washington, D.C. USA	Farmer	Director	None	Owner, Shady Oaks Farm  President, American Farm Bureau Federation	None	None	Shady Oaks Farm – 100%

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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Mark Haney Nancy, KY USA	Farmer	Director	None	Director, Southern Farm Bureau Life Insurance Co.  Partner, Haney's Appledale Farm  Director, American Farm Bureau Federation  Director, American Ag Insurance Company  Director, American Farm Bureau Insurance Services, Inc.  1 <sup>st</sup> Vice President, Capital Investment Corporation  President, Kentucky Farm Bureau Federation  President, Kentucky Farm Bureau Development Corporation	None	None	50% - Haney's Appledale Farm

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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				President, Kentucky Farm Bureau Investment Corporation  President, Kentucky Farm Bureau Mutual Insurance Company  Secretary, Kentucky Farm Bureau Insurance Agency, Inc.  Secretary, Novosphere Holdings 1943 LLC  Director, Avizion LLC  Director, Avizion Glass LLC			

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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Shawn Harding Raleigh, NC USA	Business Executive	Director	None	President, NC Farm Bureau Federation  Director, American Farm Bureau Federation	None	None	None

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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<p>Craig Hill Milo, IA USA</p>	<p>Farmer</p>	<p>Director</p>	<p>None</p>	<p>Owner, CAPA Hill Corp.</p> <p>Director &amp; Chairman, FBL Financial Group, Inc.</p> <p>Director &amp; Chairman, Farm Bureau Life Ins. Co.</p> <p>Director &amp; Chairman, Greenfields Life Ins. Co.</p> <p>Director &amp; Chairman, FBL Financial Services, Inc.</p> <p>Director, Farm Bureau Mutual Holding Co.</p> <p>Director, Farm Bureau Property &amp; Casualty Ins. Co.</p> <p>Director, Western Agricultural Ins. Co.</p>	<p>None</p>	<p>None</p>	<p>CAPA Hill Corporation – 100%</p>

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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				Member, FBL Insurance Brokerage, LLC  President, Farm Bureau Management Corp.  Director, American Farm Bureau Federation  President, Iowa Farm Bureau Federation  President, Iowa Farm Bureau Foundation  President, Farm Bureau Property Management, Inc.  President, Iowa Wetland Mitigation Bank, Inc.  Board of Trustees, Council for Agricultural Science and Technology (CAST)			

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**FB BanCorp / Fiscal Year Ending December 31, 2020**

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				<p>Board of Directors, Iowa Nutrient Research and Education Council (INREC)</p> <p>Advisory Board, Iowa State University Plant Science Institute (PSI)</p> <p>Iowa Alliance for Cooperative Business Development (IACBD)</p> <p>Executive Board, College of Ag &amp; Life Sciences (CALS Advisory Council)</p> <p>Board of Directors, Cultivation Corridor</p> <p>Coordinating Committee, GROWMARK, Inc.</p>			



**Report Item 4: Insiders**

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

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Rich Hillman Little Rock, AR USA	Business Executive	Director	None	President, Arkansas Farm Bureau Federation  Director, American Farm Bureau Federation	None	None	None

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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John Hobblick Gainesville, FL USA	Farmer	Vice Chairman and Director	None	President, Hobblick Greens, Inc.  Director, Ferntrust, Inc.  President, Florida Farm Bureau Federation  President, Florida Farm Bureau Enterprises, Inc.  President, Florida Farm Bureau Marketing Assoc., Inc.  President, Florida Farm Bureau Holding Corporation  President, FFB Investment Corp.  President, Agriculture Education Services and Technology, Inc.	None	None	100% - Hobblick Greens, Inc.

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

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				President, Center for Agriculture Education  President, Florida Farm Bureau Scholarship  Chairman, Florida Farm Bureau Political Action Committee  Chairman, Florida Farm Bureau Federation FEDPAC  Director, American Farm Bureau Federation  Director & Vice- Chair, Southern Farm Bureau Casualty Ins. Co.  Director, Southern Farm Bureau Life Ins. Co.  Director, American Agricultural Ins. Co.			

**Report Item 4: Insiders**

**Form FR Y-6**

**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>(4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Randall Kron Evansville, IN USA	Farmer	Director	None	President, Indiana Farm Bureau, Inc.; United Farm Family Life Insurance Company; United Farm Family Mutual Insurance Company; UFB Casualty Insurance Company	None	None	None

**Report Item 4: Insiders****Form FR Y-6****(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)****FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Mike LaPlant Ephrata, WA USA	Farmer	Director	None	President, Washington Farm Bureau Service Co.	None	None	President, MCL Farms, Ephrata, WA – 50%

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Rex Larson, Spanish Fork, Utah, USA	Farmer	Director	None	Vice President and Board Member with Utah Farm Bureau Federation, Sandy, Utah	None	None	None

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Daryl J. Lies Douglas, ND USA	Farmer, Rancher	Director	None	President, North Dakota Farm Bureau  DJ Auction Service  Full Flavor Distributing LLC	None	None	DJ Auction Service, - 100%  Full Flavor Distributing LLC -25%

**Report Item 4: Insiders****Form FR Y-6****(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)****FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Bevan Lister Sparks, NV USA	Farmer	Director	None	President, Nevada Farm Bureau Federation	None	None	50% - 8 Mile Farms, LLC 50% - 8 Mile Well Service, LLC



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**Form FR Y-6**

**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>(4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
David Michael McCormick, Union Church, Mississippi, U.S.A.	Farmer	Director	None	Mississippi Farm Bureau Federation, President  McCormick Farms	None	None	100% - McCormick Farms

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**Form FR Y-6**

**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Rodd Moesel Oklahoma City,OK USA	Horticulturalist	Director	None	President, Oklahoma Farm Bureau  President, American Plant Products and Services, Inc.	None	None	100% - American Plant Products and Services, Inc.

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c)List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Harry L. Ott, Jr. St. Matthews, SC USA	Farmer	Director	None	Director, Southern Farm Bureau Property Ins. Co.  Director, Arkansas Farm Bureau Casualty Ins. Co.  Director, Florida Farm Bureau Casualty Ins. Co.  Director, Florida Farm Bureau General Ins. Co.  Director, Mississippi Farm Bureau Casualty Ins. Co.  Director, Louisiana Farm Bureau Casualty Ins. Co.  Director, South Carolina Farm Bureau Ins. Co.  Director, Southern Farm Bureau Brokerage Co.  Director, Florida Farm Bureau Ins. Agency, Inc.	None	None	100% Harry Ott Farm

**Report Item 4: Insiders**

**Form FR Y-6**

**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c)List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
				Director, Rural Ins. Agency  Owner/Operator Harry Ott Farm			

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Bryan Searle Shelley, ID USA	Farmer	Director	None	President (Idaho Farm Bureau)  Owner ( Double S Farms LLC)  Member (MBS Properties)  Diversified Ag Marketing Searle Farms	None	None	Double S Farms LLC – 100%

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**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with all direct and indirect Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c)List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
Stefanie Smallhouse, Mesa, AZ, USA	Rancher	Director	None	President, Arizona, Farm Bureau Federation	None	None	50% - Owner Redington Livestock LLP. 55% - Owner Bayless Berkalew Co. ( DBA Carlink Ranch)

**Report Item 4: Insiders****Form FR Y-6****(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)****FB BanCorp / Fiscal Year Ending December 31, 2020**

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J. Joseph Stroble Jackson, MS USA	Retired CEO of Southern Farm Bureau Life Ins. Co.	Director	None	Director, Deposit Alternatives, LLC  Director, Bedford Reinsurance LTD	None	None	None

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**(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)**

**FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
<p>Scott VanderWal Volga, SD USA</p>	<p>Farmer</p>	<p>Director</p>	<p>None</p>	<p>Executive Officer, VanderWal Farms, Inc.</p> <p>Partner, M&amp;S Investors, LLC</p> <p>Director, Farm Bureau Property and Casualty Ins. Co.</p> <p>Director, Farm Bureau Life Ins. Co.</p> <p>Director, FBL Financial Group</p> <p>Vice President, American Farm Bureau Federation</p> <p>Director and President, South Dakota Farm Bureau Federation</p> <p>Vice Chairman, U.S. Farmers and Ranchers Alliance</p> <p>Director, American Farm Bureau Insurance Services</p>	<p>None</p>	<p>None</p>	<p>50% - M&amp;S Investors, LLC</p>



**Report Item 4: Insiders****Form FR Y-6****(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)****FB BanCorp / Fiscal Year Ending December 31, 2020**

<b>(1) Name City, State, Country</b>	<b>(2) Principal Occupation if other than with Holding Company</b>	<b>(3)(a) Title &amp; Position with Holding Company</b>	<b>(3)(b) Title &amp; Position with Subsidiaries (include names of subsidiaries)</b>	<b>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</b>	<b>(4)(a) Percentage of Voting Shares in Holding Company</b>	<b>4)(b) Percentage of Voting Shares in Subsidiaries (includes names of subsidiaries)</b>	<b>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</b>
David M. Winkles, Jr., West Columbia, SC, USA	Retired Farmer	Director	None	Managing Partner, D. M. Winkles, LLC	None	None	33% - D.M. Winkles, LLC

# **FB BanCorp and Subsidiaries**

## **Consolidated Financial Statements and Supplementary Information**

December 31, 2020 and 2019

# FB BanCorp and Subsidiaries

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RSM US LLP

## **Independent Auditor's Report**

Board of Directors and Stockholders  
FB BanCorp

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of FB BanCorp and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2020 and 2019; the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended; and the related notes to the consolidated financial statements (collectively, the financial statements).

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FB BanCorp and Subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*RSM US LLP*

San Antonio, Texas

April 19, 2021

# FB BanCorp and Subsidiaries

## Consolidated Balance Sheets

December 31, 2020 and 2019

(Dollars in Thousands, Except Share Data)

	<u>2020</u>	<u>2019</u>
Cash and due from banks	\$ 169,478	\$ 87,365
Federal funds sold	<u>232</u>	<u>119</u>
Cash and cash equivalents	169,710	87,484
Equity investment	1,000	1,000
Securities held to maturity	29,006	17,221
Federal home loan bank stock – at cost	450	446
Loans and leases, net of unearned income and fees	552,400	671,267
Less allowance for loan and lease losses	<u>(10,679)</u>	<u>(7,842)</u>
Net loans	541,721	663,425
Bank premises and equipment – net	4,455	4,506
Deferred tax asset	2,861	2,548
Accrued interest receivable	2,323	2,679
Other assets – net	<u>10,218</u>	<u>7,692</u>
Total assets	\$ <u>761,744</u>	\$ <u>787,001</u>

*See notes to consolidated financial statements.*

	<u>2020</u>	<u>2019</u>
<b>Liabilities</b>		
Deposits:		
Demand	\$ 22,678	\$ 20,225
NOW and money market	217,024	192,269
Time	<u>402,269</u>	<u>469,221</u>
Total deposits	641,971	681,715
Subordinated debt	6,380	6,380
Accrued interest payable	389	598
Accrued pension benefit	3,616	3,512
Other liabilities	<u>31,121</u>	<u>19,871</u>
Total liabilities	<u>683,477</u>	<u>712,076</u>
Commitments and contingencies (notes 8, 12 and 13)		
<b>Stockholders' Equity</b>		
Common stock:		
Class B, Series One – \$0.001 par value; 25,000,000 shares authorized; 3,175,194 shares issued and outstanding, at December 31, 2020 and 2019	3	3
Class B, Series Two – \$0.001 par value; 25,000,000 shares authorized; 3,823,381 shares issued and outstanding at December 31, 2020 and 2019	3	3
Class B, Series Three – \$0.001 par value; 25,000,000 shares authorized; 715,308 shares issued and outstanding at December 31, 2020 and 2019	1	1
Preferred stock, 20,000,000 shares authorized:		
Redeemable preferred stock:		
Series A – \$.001 par value; 250,000 shares authorized; 20,000 shares issued and outstanding at December 31, 2020 and 2019; redemption and liquidation value of \$200 thousand at December 31, 2020 and 2019	-	-
Perpetual preferred stock:		
Series B – \$.001 par value; 1,500,000 shares authorized; 975,000 shares issued and outstanding, at December 31, 2020 and 2019; redemption and liquidation value of \$9.75 million, at December 31, 2020 and 2019	1	1
Surplus	81,798	81,798
Accumulated deficit	(1,921)	(5,431)
Accumulated other comprehensive loss	<u>(1,618)</u>	<u>(1,450)</u>
Total stockholders' equity	<u>78,267</u>	<u>74,925</u>
Total liabilities and stockholders' equity	<u>\$ 761,744</u>	<u>\$ 787,001</u>

# FB BanCorp and Subsidiaries

## Consolidated Statements of Income

Years Ended December 31, 2020 and 2019

(Dollars in Thousands)

	<u>2020</u>	<u>2019</u>
Interest and dividend income:		
Loans – including fees	\$ 35,911	\$ 39,175
Equity investment	13	29
Securities to be held to maturity	573	802
Other	<u>386</u>	<u>1,042</u>
Total interest income	<u>36,883</u>	<u>41,048</u>
Interest expense:		
Deposits:		
Savings and interest-bearing demand	606	1,964
Time	8,968	10,726
Subordinated debt	<u>491</u>	<u>491</u>
Total interest expense	<u>10,065</u>	<u>13,181</u>
Net interest income	26,818	27,867
Provision for loan and lease losses	<u>6,982</u>	<u>5,599</u>
Net interest income after provision for loan and lease losses	<u>19,836</u>	<u>22,268</u>
Noninterest income:		
Service charges and net interchange fees	4,943	4,804
Other	<u>11,475</u>	<u>5,694</u>
Total noninterest income	<u>16,418</u>	<u>10,498</u>
Noninterest expenses:		
Salaries and employee benefits	15,573	14,401
Occupancy and equipment expenses	1,308	1,283
Processing and servicing fees	2,872	3,138
Marketing	862	961
Professional fees	661	1,301
Other	<u>9,692</u>	<u>8,520</u>
Total noninterest expenses	<u>30,968</u>	<u>29,604</u>
Income before income taxes	5,286	3,162
Provision for income taxes	<u>1,377</u>	<u>850</u>
Net income	<u>\$ 3,909</u>	<u>\$ 2,312</u>

See notes to consolidated financial statements.



# FB BanCorp and Subsidiaries

## Consolidated Statements of Comprehensive Income

Years Ended December 31, 2020 and 2019

(Dollars in Thousands)

	2020	2019
Net income	<u>\$ 3,909</u>	<u>\$ 2,312</u>
Other items of comprehensive income:		
Change in benefit obligation related to the Supplemental Executive Retirement Plan	(168)	(431)
<b>Total other items of comprehensive income</b>	<u>(168)</u>	<u>(431)</u>
Comprehensive income	<u>\$ 3,741</u>	<u>\$ 1,881</u>

*See notes to consolidated financial statements.*

# FB BanCorp and Subsidiaries

## Consolidated Statements of Changes in Stockholders' Equity

Years Ended December 31, 2020 and 2019

(Dollars in Thousands, Except Share Data)

	Class B Common Stock					
	Series One		Series Two		Series Three	
	Shares	Par Value	Shares	Par Value	Shares	Par Value
Balance at January 1, 2019	3,175,194	\$ 3	3,823,381	\$ 3	715,308	\$ 1
Net income – year ended December 31, 2019	-	-	-	-	-	-
Preferred stock dividend	-	-	-	-	-	-
Change in accumulated other comprehensive income	-	-	-	-	-	-
Balance at December 31, 2019	3,175,194	3	3,823,381	3	715,308	1
Net income – year ended December 31, 2020	-	-	-	-	-	-
Preferred stock dividend	-	-	-	-	-	-
Change in accumulated other comprehensive income	-	-	-	-	-	-
Balance at December 31, 2020	<b><u>3,175,194</u></b>	<b><u>\$ 3</u></b>	<b><u>3,823,381</u></b>	<b><u>\$ 3</u></b>	<b><u>715,308</u></b>	<b><u>\$ 1</u></b>

See notes to consolidated financial statements.

Preferred Stock

Series A		Series B		Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Shares	Par Value	Shares	Par Value				
20,000	-	975,000	\$ 1	\$ 81,798	\$ (7,342)	\$ (1,019)	\$ 73,445
-	-	-	-	-	2,312	-	2,312
-	-	-	-	-	(401)	-	(401)
-	-	-	-	-	-	(431)	(431)
20,000	-	975,000	1	81,798	(5,431)	(1,450)	74,925
-	-	-	-	-	3,909	-	3,909
-	-	-	-	-	(399)	-	(399)
-	-	-	-	-	-	(168)	(168)
<b>20,000</b>	<b>\$ -</b>	<b>975,000</b>	<b>\$ 1</b>	<b>\$ 81,798</b>	<b>\$ (1,921)</b>	<b>\$ (1,618)</b>	<b>\$ 78,267</b>

# FB BanCorp and Subsidiaries

## Consolidated Statements of Cash Flows

Years Ended December 31, 2020 and 2019

(Dollars in Thousands)

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 3,909	\$ 2,312
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income tax expense	(313)	216
Proceeds from sale of loans	288,141	82,951
Net gain on sale of loans	(6,316)	(768)
Provision for loan losses	6,982	5,599
Depreciation	537	556
Net accretion on securities	410	(55)
Net change in:		
Accrued interest receivable and other assets	(2,170)	(638)
Accruals and other liabilities	10,977	72
Net cash provided by operating activities	<u>302,157</u>	<u>90,245</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of held-to-maturity investment securities	(31,995)	(9,158)
Proceeds from paydowns and maturities of held-to-maturity investment securities	19,800	14,894
Net change in Federal Home Loan Bank stock	(4)	(11)
Net change in loans	(169,479)	(59,976)
Recoveries on loans previously charged off	2,376	1,968
Capital expenditures	(486)	(330)
Net cash used in investing activities	<u>(179,788)</u>	<u>(52,613)</u>
<b>Cash Flows From Financing Activities</b>		
Net changes in:		
Demand deposits	2,453	(14,769)
NOW and money market deposits	24,755	13,037
Time deposits	(66,952)	16,175
Payment of dividends on preferred stock	(399)	(401)
Net cash provided by (used in) financing activities	<u>(40,143)</u>	<u>14,042</u>
Net increase in cash and cash equivalents	82,226	51,674
Cash and cash equivalents at beginning of year	<u>87,484</u>	<u>35,810</u>
Cash and cash equivalents at end of year	<u>\$ 169,710</u>	<u>\$ 87,484</u>
<b>Schedules of Other Cash Flow Information</b>		
Interest paid	<u>\$ 10,274</u>	<u>\$ 13,178</u>
Taxes paid	<u>\$ 734</u>	<u>\$ 599</u>

See notes to consolidated financial statements.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies

#### **General**

FB BanCorp was incorporated under the laws of the state of Nevada on March 9, 1998. The Farm Bureau Bank FSB (the “Bank”) offers primarily retail banking services to Farm Bureau members in 43 states. Products and services are offered through the mail, telephone, Internet, and referrals of Farm Bureau insurance companies’ and federations’ agents. The Bank’s loan products include credit card, installment, mortgage and commercial, which include equipment loans, and business lines of credit products. The Bank’s deposit products include checking, money market, certificate of deposit (“CD”), negotiable order of withdrawal (“NOW”), and individual retirement account products.

#### **Consolidation**

The consolidated financial statements as of December 31, 2020 and 2019 include the accounts of FB BanCorp and its wholly owned subsidiaries, FB Financial Services Corporation and the Bank, and the Bank’s subsidiary, Farm Bureau Service Corporation (“FBSC”), and FBSC’s subsidiary, Farm Bureau Management Service Corporation (“FBMSC”) (collectively, the “Company” or “FB BanCorp”). All significant intercompany accounts and transactions have been eliminated in consolidation.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses.

#### **Risks and Uncertainties**

The situation surrounding the COVID-19 global health pandemic, which was declared in March 2020, remains uncertain and has driven the implementation of significant, government-imposed measures to prevent or reduce its spread, including travel restrictions, testing regimes, closing of borders, “stay at home” orders and business closures. The Company continues to adapt to the changing dynamics of the COVID-19 pandemic’s impact on its customers and employees. The ultimate extent of the impact to the Company’s business and financial condition will depend on future developments, including duration of the pandemic and distribution of vaccines, which are highly uncertain and cannot be predicted. The Company is continuing to monitor the pandemic, its economic impact and related risks. Primary areas of potential future impact to the Company may include further decreases in interest and fee income, increased provision for loan losses and deterioration in loan credit quality.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

#### ***New and Recently Issued Accounting Standards***

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact on adopting this new guidance on its consolidated financial statements.

#### ***Investment Securities***

Debt securities that management has the positive intent and ability to hold to maturity are classified as “held to maturity” and recorded at amortized cost. Securities not classified as held to maturity are classified as “available for sale” and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income net of income taxes. During the years ended December 31, 2020 and 2019, the Company had no securities classified as available for sale securities.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Declines in the fair value of held-to-maturity securities are evaluated to determine whether declines in fair value below their amortized cost are other than temporary. In estimating other-than-temporary impairment losses on debt securities, management considers a number of factors, including, but not limited to, (1) the length of time and the extent to which the fair value has been less than the amortized cost; (2) the financial condition and near-term prospects of the issuer; (3) the current market conditions; and (4) the intent and ability of the Company to not sell the security or whether it is more likely than not the Company will be required to sell the security before its anticipated recovery. No other than temporary write-downs have been recorded on these securities.

#### ***Federal Home Loan Bank Stock***

Federal Home Loan Bank (“FHLB”) stock is carried at cost on the consolidated balance sheets. These equity securities are “restricted,” in that they can only be sold back to the respective institution or another member institution at par. Therefore, they are less liquid than other marketable equity securities. The Company views its investment in FHLB stock as a long-term investment. Accordingly,

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

when evaluating for impairment, the value is determined based on the ultimate recovery of the par value, rather than recognizing temporary declines in value. No other than temporary write-downs have been recorded on these securities.

#### ***Equity Investment***

The Company's equity investment is in the Solomon Hess SBA Loan Fund, LLC (the "Fund"). Because the Company owns less than 20% of the Fund and does not exercise significant influence over its operations, the investment has been recorded by the Company at its invested value in the accompanying financial statements.

#### ***Loans and Leases***

The Company grants credit card, installment, mortgage, and commercial loans to customers. A substantial portion of the loan portfolio is represented by installment loans throughout the United States. The ability of the Company's debtors to honor their contracts is dependent upon the real estate and general economic conditions in the United States.

The Company has lending policies and procedures in place to grant loans to borrowers only after a full evaluation of the credit history and repayment abilities of the borrower. Installment, commercial, and mortgage real estate loans are subject to underwriting standards that evaluate cash flow and fair value of the collateral. The collectability of real estate loans may be adversely affected by conditions in the real estate markets or the general economy. Management monitors and evaluates real estate loans based on cash flow, collateral, geography and risk criteria.

Commercial loans are underwritten after evaluating and understanding the borrower's ability to operate profitably. Such evaluations involve reviews of historical and cash flow projections and valuations of collateral provided by the borrower. Most commercial loans are secured by the assets being financed or other available business assets and frequently include a personal guarantee by the principal owners; however, some commercial loans may be made on an unsecured basis. The repayment of commercial loans is substantially dependent on the ability of borrowers to operate their businesses profitably and collect amounts due from their customers.

Installment and credit card loans are originated after evaluation of the credit history and repayment ability of the borrower based on current personal income. The repayment of installment and credit card loans can be adversely affected by economic conditions and other factors that impact the borrower's income.

Loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at their outstanding principal balance, adjusted for any charge-offs, the allowance for loan losses, and any deferred fees and costs. Interest income is accrued on the unpaid principal balance.

Loan origination fees and costs are deferred and recognized over the contractual term of the loan for installment and commercial loans, and the estimated life of the loan account for credit card loans.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

A loan is considered delinquent when principal and/or interest amounts are not current, in accordance with the contractual loan agreement.

The accrual of interest on installment, mortgage, and commercial loans is discontinued at the time the loan is 90 days delinquent. The accrual of interest on credit card loans is not discontinued, however at 91 days past due charging privileges are ended. The credit card loan is ultimately charged-off at the time the loan is 180 days delinquent.

All interest accrued, but not collected, for installment loans that are placed on nonaccrual status or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost recovery method, until qualifying for return to accrual status. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis for mortgage and commercial loans, taking into consideration all circumstances surrounding the loan and the borrower, including length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured for commercial and mortgage loans by either the loan's obtainable market price, or the fair value of the collateral, if the loan is collateral dependent. Installment loans are considered impaired when the loan is placed on nonaccrual status.

Loans may be fully or partially charged down to the fair value of the collateral securing the loan less estimated costs to sell when management determines the loan to be uncollectible, repayment is deemed to be delayed or doubtful beyond reasonable time frames, the borrower has declared bankruptcy, or the loan is past due for an unreasonable time period. Installment loans are fully charged down at the time the loan is 120 days delinquent; credit card loans at the time the loan is 180 days delinquent. Such charge-offs are charged against the allowance for loan losses. Recoveries of previous loan charge-offs are credited to the allowance for loan losses only when the Company receives cash in repayment of the loan.

In situations related to a borrower's financial difficulties, the Company may grant a concession to the borrower for other than an insignificant period of time that would not otherwise be considered. In such instances, the loan will be classified as a troubled debt restructuring. These concessions may include interest rate reductions, payment forbearance, reduction in principle, or other actions intended to minimize the economic loss and avoid foreclosure of the collateral.



# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

#### ***Allowance for Loan and Lease Losses***

The Company maintains an allowance for loan and lease losses as a reserve established through a provision for possible loan and lease losses charged to expense, which represents management's best estimate of probable losses that will be incurred within the existing portfolio of loans and leases. The allowance, in the opinion of management, is necessary to reserve for estimated loan and lease losses and risks inherent in the loan and lease portfolio. The Company's methodology for the allowance for loan and lease losses includes allowance allocations calculated in accordance with the *FASB Accounting Standards Codification (ASC), Receivables*, and *ASC, Contingencies*. Accordingly, the methodology is based on historical loss experience by type of credit and specific homogeneous risk pools, with adjustments for current events and conditions.

The Company's process for determining the appropriate level of the allowance for loan and lease losses is designed to predict losses in the coming year. Factors that influence the determination include quantifiable aspects, such as loan volume, loan payment trends, including trends in past-due loans; current period loan charge-offs; and recoveries. The determination also includes qualitative aspects, such as changes in regional or national economies or markets, and other factors. Such qualitative factors are highly judgmental and require constant refinement.

The Company's allowance for loan and lease losses consists primarily of a general valuation allowance determined in accordance with the ASC based on historical loan loss experience for pools of similar loans, which is then adjusted to reflect the impact of current trends and conditions.

#### ***Revenue Recognition***

Interest income on credit card loans, installment loans, and mortgage loans is calculated by using the simple interest method on the daily balances of the principal amounts outstanding. Other revenue is recognized at the time service is rendered or transactions occur.

Interest and dividend income for all loans and for investment securities is included in the interest and dividend section of the accompanying consolidated statements of income.

In general, for revenue not associated with financial instruments, guarantees and lease contracts, the Company applies the following steps in accordance with ASC 606 when recognizing revenue from contracts with customers: (i) identify the contract; (ii) identify the performance obligation; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; and (v) recognize revenue when a performance obligation is satisfied. The Company's contracts with customers are generally short term in nature, due within one year or less or cancellable by the Company or the customer upon a short notice period. Performance obligations for the customer contracts are generally satisfied at a single point in time, typically when the transaction is complete, or over time. For performance obligations satisfied over time, the Company primarily uses the output method, directly measuring the value of the products/services transferred to the customer to determine when the performance obligations have been satisfied. The Company typically receives payments from the customers and revenue concurrent with the satisfaction of its performance obligations.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

#### ***Bank Premises and Equipment***

Land is carried at cost. Bank premises and equipment are carried at cost, less accumulated depreciation. Depreciation expense is recognized on a straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years.

#### ***Long-lived Assets***

Long-lived assets, including premises and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows from operations of the asset are less than the carrying value of the asset. The cash flows used for this analysis are those directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the asset. An impairment loss would be measured by the amount by which the carrying value of the asset exceeds its fair value. For the years ended December 31, 2020 and 2019, there were no impairment losses.

#### ***Reposessed Assets***

Assets acquired through, or in lieu of, loan repossession are held for sale and are initially recorded at fair value less estimated costs to sell at the date of repossession, establishing a new cost basis. Subsequent to repossession, valuations are periodically performed by management, and the assets are carried at the lower of carrying amount or fair value, less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in other operating expenses. At December 31, 2020 there was \$380 thousand in reposessed assets included in other assets on the consolidated balance sheets (\$289 thousand in 2019).

#### ***Transfers of Financial Assets***

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company; (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets; and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

#### ***Advertising Cost***

Advertising costs are expensed as incurred.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

#### ***Income Taxes***

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and noncurrent based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized.

FB BanCorp files a consolidated tax return. In accordance with FB BanCorp's Inter-Company Tax Allocation Agreement, each entity computes its federal tax liability as if the entity was filing a separate federal income tax return.

The Company is subject to the Texas gross margin tax and income tax expense in the states in which it does business.

#### ***Off-Balance Sheet Credit-Related Financial Instruments***

In the ordinary course of business, the Company has entered into off-balance sheet financial instruments consisting of commitments to extend credit, standby letters of credit, and credit card commitments. Such financial instruments are recorded in the consolidated financial statements when they are funded, or related fees are incurred or received.

#### ***Credit Card Origination Costs***

Credit card origination costs are amortized over 84 months, except for cards set up prior to the 3<sup>rd</sup> quarter of 2015. These costs are amortized over 10 years and have \$74 thousand remaining as of December 31, 2020 (\$153 thousand in 2019).

#### ***Consolidated Statements of Cash Flows***

For purposes of reporting cash flows, cash and cash equivalents include cash, balances due from banks, and federal funds sold. The Company maintains cash in deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

#### ***Comprehensive Income***

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as changes in the benefit obligation for the Supplemental Executive Retirement Plan, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (Continued)

#### ***Reclassification***

Certain reclassifications have been made in the prior-year consolidated financial statement to conform to current-year presentation. There is no effect on previously reported net income or retained earnings.

#### ***Subsequent Events***

The Company has evaluated subsequent events through April 19, 2021, the date the consolidated financials were available to be issued.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 2. Fair Value Measurements

Accounting guidance on fair value measurements defines fair value, establishes a framework for measuring fair value using a hierarchy system and requires disclosures of fair value measurements. The hierarchy is intended to maximize the use of observable inputs and minimize the use of unobservable inputs and includes three levels based upon valuation techniques used. The three levels are as follows:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**Level 3:** Significant unobservable inputs that reflect a reporting entity's own judgments about the assumptions that market participants would use in pricing an asset or liability.

Valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy follows.

As of December 31, 2020 and 2019, the Company had no assets or liabilities measured on a recurring basis.

As of December 31, 2020 and 2019 the Company had \$5.9 million and \$5.8 million, respectively, in impaired loans measured on a nonrecurring basis as Level 3. Impaired loans represent certain loans for which the carrying value of certain asset has been adjusted or a valuation allowance has been provided using fair value measurements. When adjustments have been made to appraisals or to other values based on assumptions not observable in the marketplace, the resulting fair value measurement is categorized as a Level 3 measurement.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 3. Restrictions on Cash and Amounts Due From Banks

Effective on March 26, 2020, the Board of Governors of the Federal Reserve System reduced the reserve requirement to 0%. This action eliminated reserve requirements for all depository institutions. Prior to this decision, depository institutions were required by law to maintain reserves against their transaction deposits. At December 31, 2019, the reserve requirement was \$789 thousand.

### 4. Investment Securities

The amortized cost and fair value of securities, with gross unrealized gains and losses, were as follows (dollars in thousands):

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Approximate Fair Value</u>
<b>Securities Held to Maturity at December 31, 2020</b>				
United States Treasury notes	\$ -	\$ -	\$ -	\$ -
US government agency securities	8,419	-	131	8,288
Mortgage-backed securities	<u>20,587</u>	<u>447</u>	<u>49</u>	<u>20,985</u>
	<u>\$ 29,006</u>	<u>\$ 447</u>	<u>\$ 180</u>	<u>\$ 29,273</u>
<b>Securities Held to Maturity at December 31, 2019</b>				
United States Treasury notes	\$ 9,987	\$ 69	\$ -	\$ 10,056
United States government agency securities	-	-	-	-
Mortgage-backed securities	<u>7,234</u>	<u>22</u>	<u>-</u>	<u>7,256</u>
	<u>\$ 17,221</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 17,312</u>

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than the amortized cost; (2) the financial condition and near-term prospects of the issuer; (3) the current market conditions; and (4) the intent and ability of the Company to not sell the security or whether it is more likely than not the Company will be required to sell the security before its anticipated recovery. For held to maturity securities, the Company must determine that it has the ability to hold the securities to maturity. An impairment loss is recorded for held to maturity securities for which declines in the fair value below their amortized cost basis are deemed to be other than temporary. Any portion of a decline in value associated with credit loss is recognized in earnings as realized losses.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 4. Investment Securities (Continued)

As of December 31, 2020, there were no securities in a continuous loss position 12 months or more (no security was in a continuous loss position 12 months or more in 2019).

The amortized cost and fair value of held-to-maturity securities by contractual maturity at December 31, 2020 were as follows (dollars in thousands):

	Securities Held to Maturity	
	Amortized Cost	Fair Value
Within one year or less	\$ -	\$ -
Within one year to five years	-	-
Within five years to ten years	8,419	8,288
After ten years	-	-
	<u>\$ 8,419</u>	<u>\$ 8,288</u>
Mortgage-backed securities	<u>20,587</u>	<u>20,985</u>
	<u><b>\$ 29,006</b></u>	<u><b>\$ 29,273</b></u>

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without prepayment penalties.

The Company had \$29 million of pledged securities as of December 31, 2020 (\$17 million in 2019).

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 5. Loans and Leases and Allowance for Loan and Lease Losses

The components of loans and leases in the consolidated balance sheets are net of deferred loan fees and costs that total \$6.7 million at December 31, 2020 (\$8.3 million in 2019) and were as follows (dollars in thousands):

	December 31,	
	<u>2020</u>	<u>2019</u>
Credit card	\$ 128,019	\$ 129,059
Installment	330,967	483,856
Mortgage	19,434	4,141
Commercial	<u>73,980</u>	<u>54,211</u>
	552,400	671,267
Allowance for loan and lease losses	<u>(10,679)</u>	<u>(7,842)</u>
	<u>\$ 541,721</u>	<u>\$ 663,425</u>

During the year ended December 31, 2020, the Company sold \$279.6 million in loans to other financial institutions at a net gain of \$6.3 million (\$81.6 million sold in 2019 at a net gain of \$768 thousand).

The Coronavirus Aid, Relief and Economic Security (CARES) Act created funding for the Small Business Administration's SBA loan program providing forgiveness of up to the full principal amount of qualifying loans guaranteed under the new program called the Paycheck Protection Program (PPP). The intent of the PPP is to provide loans to small businesses in order to keep their employees on the payroll and make certain other eligible payments. Loans granted under the PPP are guaranteed by the SBA and are fully forgivable if used for qualifying expenses, such as payroll, rent and utilities. If the loans are not forgiven, they must be repaid over a term not to exceed five years. Under the PPP, through December 31, 2020, the Company funded \$30.0 million in loans to 868 borrowers and deferred approximately \$1.2 million of SBA processing fees that will be recognized as interest income over the term of the loans. As of December 31, 2020, \$25.9 million of principal remained outstanding on these PPP loans with remaining deferred fees of approximately \$756 thousand.

As part of its on-going monitoring of the credit quality of the Company's loan and lease portfolio, management assigns risk grades to loans and leases as follows:

- Pass – loans and leases to borrowers with acceptable credit quality and risk.
- Other Assets Especially Mentioned (“OAEM”) – loans and leases to borrowers whose credit quality may have deteriorated since origination and are at risk of further decline unless measures are taken to correct the situation.
- Substandard – loans and leases to borrowers with well-defined credit quality weaknesses, which make payment default or principal exposure possible, but not yet probable.
- Doubtful – loans and leases to borrowers in which payment default or principal exposure is probable.



# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 5. Loans and Leases and Allowance for Loan and Lease Losses (Continued)

At December 31, 2020 and 2019, the Company's loan and lease portfolio risk grades by loan and lease class were as follows (dollars in thousands):

	<u>Pass</u>	<u>OAEM</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
<b>December 31, 2020</b>					
Credit card	\$ 126,595	\$ -	\$ 1,424	\$ -	\$ 128,019
Installment	325,619	860	4,488	-	330,967
Mortgage	19,399	-	35	-	19,434
Commercial	<u>73,671</u>	<u>39</u>	<u>270</u>	<u>-</u>	<u>73,980</u>
	<b><u>\$ 545,284</u></b>	<b><u>\$ 899</u></b>	<b><u>\$ 6,217</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 552,400</u></b>
<b>December 31, 2019</b>					
Credit card	\$ 127,533	\$ -	\$ 1,526	\$ -	\$ 129,059
Installment	478,231	621	5,004	-	483,856
Mortgage	4,141	-	-	-	4,141
Commercial	<u>53,832</u>	<u>34</u>	<u>345</u>	<u>-</u>	<u>54,211</u>
	<b><u>\$ 663,737</u></b>	<b><u>\$ 655</u></b>	<b><u>\$ 6,875</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 671,267</u></b>

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 5. Loans and Leases and Allowance for Loan and Lease Losses (Continued)

An aged analysis of past-due loans and leases, segregated by class, as of December 31, 2020 and 2019 was as follows (dollars in thousands):

	<u>30-89 Days Past Due</u>	<u>90 or More Days Past Due</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total</u>	<u>Accruing 90 Days or More Past Due</u>
<b>December 31, 2020</b>						
Credit card	\$ 1,516	\$ 1,424	\$ 2,940	\$ 125,079	\$ 128,019	\$ 1,424
Installment	3,413	886	4,299	326,668	330,967	-
Mortgage	-	35	35	19,399	19,434	-
Commercial	403	159	562	73,418	73,980	51
	<u>\$ 5,332</u>	<u>\$ 2,504</u>	<u>\$ 7,836</u>	<u>\$ 544,564</u>	<u>\$ 552,400</u>	<u>\$ 1,475</u>
<b>December 31, 2019</b>						
Credit card	\$ 2,051	\$ 1,551	\$ 3,602	\$ 125,457	\$ 129,059	\$ 1,551
Installment	5,412	1,212	6,624	477,232	483,856	-
Mortgage	36	-	36	4,105	4,141	-
Commercial	638	129	767	53,444	54,211	67
	<u>\$ 8,137</u>	<u>\$ 2,892</u>	<u>\$ 11,029</u>	<u>\$ 660,238</u>	<u>\$ 671,267</u>	<u>\$ 1,618</u>

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 5. Loans and Leases and Allowance for Loan and Lease Losses (Continued)

Installment, mortgage, and commercial loans and leases are considered impaired and placed on nonaccrual status when they become 90 days past due. Credit card loans are not placed on non-accrual, however at 91 days past due charging privileges are ended. The credit card loan is ultimately charged-off at the time the loan is 180 days delinquent. An analysis of impaired and nonaccrual loans and leases, segregated by class, as of December 31, 2020 and 2019 is as follows (dollars in thousands):

	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment and Unpaid Balance	Related Allowance	Average Recorded Investment
<b>December 31, 2020</b>					
Credit Card	\$ 2,496	\$ -	\$ 2,496	\$ -	\$ 2,333
Installment	3,002	-	3,002	-	3,161
Mortgage	-	-	-	-	-
Commercial	371	-	371	-	326
	<u>\$ 5,869</u>	<u>\$ -</u>	<u>\$ 5,869</u>	<u>\$ -</u>	<u>\$ 5,820</u>
<b>December 31, 2019</b>					
Credit Card	\$ 2,170	\$ -	\$ 2,170	\$ -	\$ 2,403
Installment	3,320	-	3,320	-	3,477
Mortgage	-	-	-	-	-
Commercial	280	-	280	-	306
	<u>\$ 5,770</u>	<u>\$ -</u>	<u>\$ 5,770</u>	<u>\$ -</u>	<u>\$ 6,186</u>

During the years ended December 31, 2020 and 2019, the Company did not recognize any significant interest income on impaired and nonaccrual loans.

As of December 31, 2020, the Company held \$4.6 million in loans that have been modified in a troubled debt restructuring (TDRs). These loans consist of 520 credit card loans totaling \$2.5 million, 387 installment loans totaling \$1.8 million and 35 commercial loans totaling \$268 thousand. As of December 31, 2019, the Company held \$3.5 million in TDRs consisting of 440 credit card loans totaling \$2.2 million, 173 installment loans totaling \$1.2 million, and 17 commercial loans totaling \$163 thousand. TDRs are generally modified by allowing the borrower concessions that delay the payment of principal or interest beyond contractual requirements, which sometimes include the forgiveness of principal or interest. For the years ended December 31, 2020 and 2019, \$453 thousand and \$643 thousand, respectively, in loans that had been modified within the previous year defaulted in the current year.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 5. Loans and Leases and Allowance for Loan and Lease Losses (Continued)

Changes in the allowance for loan and lease losses, by class, for the years ended December 31, 2020 and 2019 were as follows (dollars in thousands):

<b>Year Ended December 31, 2020</b>	<u>Credit Card</u>	<u>Installment</u>	<u>Mortgage</u>	<u>Commercial</u>	<u>Total</u>
Balance at beginning of year	\$ 5,468	\$ 2,184	\$ 37	\$ 153	\$ 7,842
Provision for loan and lease losses	5,093	1,763	12	114	6,982
Charge-offs	(4,455)	(1,941)	-	(125)	(6,521)
Recoveries	<u>1,185</u>	<u>1,035</u>	<u>-</u>	<u>156</u>	<u>2,376</u>
Net (charge-offs) recoveries	<u>(3,270)</u>	<u>(906)</u>	<u>-</u>	<u>31</u>	<u>(4,145)</u>
Balance at end of year	<u>\$ 7,291</u>	<u>\$ 3,041</u>	<u>\$ 49</u>	<u>\$ 298</u>	<u>\$ 10,679</u>
<b>Year Ended December 31, 2019</b>					
Balance at beginning of year	\$ 5,164	\$ 3,307	\$ 4	\$ 297	\$ 8,772
Provision for loan and lease losses	5,054	428	33	84	5,599
Charge-offs	(5,723)	(2,321)	-	(453)	(8,497)
Recoveries	<u>973</u>	<u>770</u>	<u>-</u>	<u>225</u>	<u>1,968</u>
Net charge-offs	<u>(4,750)</u>	<u>(1,551)</u>	<u>-</u>	<u>(228)</u>	<u>(6,529)</u>
Balance at end of year	<u>\$ 5,468</u>	<u>\$ 2,184</u>	<u>\$ 37</u>	<u>\$ 153</u>	<u>\$ 7,842</u>

At December 31, 2020 and 2019, all loans and leases were collectively evaluated for impairment.

During the year ended December 31, 2020, the Company did not implement any significant changes to its allowance for loan and lease loss methodology.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 6. Bank Premises and Equipment

Components of bank premises and equipment were as follows (dollars in thousands):

	December 31,	
	<u>2020</u>	<u>2019</u>
Land	\$ 710	\$ 710
Buildings and improvements	6,605	6,576
Furniture and equipment	3,086	2,587
Work in progress	<u>56</u>	<u>98</u>
	10,457	9,971
Less accumulated depreciation	<u>(6,002)</u>	<u>(5,465)</u>
	<u>\$ 4,455</u>	<u>\$ 4,506</u>

Depreciation expense for the years ended December 31, 2020 and 2019 amounted to \$537 thousand and \$556 thousand, respectively.

### 7. Time Deposits

The aggregate amount of time deposits in denominations greater than or equal to \$250 thousand was \$65.0 million at December 31, 2020 (\$70.0 million in 2019).

At December 31, 2020, the scheduled maturities of all time deposits were as follows (dollars in thousands):

Year ending December 31,	
2021	\$ 252,509
2022	89,900
2023	32,986
2024	15,752
2025	10,619
Thereafter	<u>503</u>
	<u>\$ 402,269</u>

Brokered Certificates of Deposit totaled \$41.4 million at December 31, 2020 (\$76.3 million in 2019).

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 8. Off-Balance Sheet Activities

#### *Credit-Related Financial Instruments*

The Company is a party to credit-related financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and commitments under credit card arrangements. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance sheet instruments.

At December 31, 2020 and 2019, the following financial instruments, whose contract amounts represent potential credit risk, were outstanding (dollars in thousands):

	Contract Amount	
	December 31,	
	2020	2019
Unfunded commitments under credit card agreements	\$ 476,233	\$ 513,628
Commercial real estate unfunded commitments	3,883	44
Other unused commitments	17,460	250
	<u>\$ 497,576</u>	<u>\$ 513,922</u>

To reduce credit risk related to the use of credit-related financial instruments, the Company might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Company's credit evaluation of the customer. Collateral held varies, but may include cash; securities; property, plant, and equipment; and real estate.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 9. Federal Income Taxes

The provision for federal income taxes consists of the following (dollars in thousands):

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
Current:		
Federal	\$ 1,287	\$ 429
State	403	205
Deferred:		
Federal	(246)	191
State	<u>(67)</u>	<u>25</u>
	\$ <u>1,377</u>	\$ <u>850</u>

The provision for federal income tax differs from the amount which would be provided by applying the statutory federal income tax rates as indicated in the following analysis (dollars in thousands):

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
Computed at the expected statutory rate of 21%	\$ 1,110	\$ 664
Permanent differences	5	10
State income tax expense	336	230
Other	<u>(74)</u>	<u>(54)</u>
	\$ <u>1,377</u>	\$ <u>850</u>

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 9. Federal Income Taxes (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (dollars in thousands):

	December 31,	
	<u>2020</u>	<u>2019</u>
Deferred tax assets:		
Allowance for possible loan and lease losses for book purposes in excess of tax bad debt reserve	\$ 2,243	\$ 1,647
Compensation expense for book purposes in excess of the amount deductible for tax purposes	542	671
Reward point accrual	688	776
Other	112	108
Total gross deferred tax assets	<u>3,585</u>	<u>3,202</u>
Less valuation allowance	<u>-</u>	<u>-</u>
Deferred tax assets net of valuation allowance	<u>3,585</u>	<u>3,202</u>
Deferred tax liabilities:		
Loan origination fees	104	130
State taxes	44	111
Basis difference in bank premises and equipment	74	51
FHLB stock dividend	20	19
Other	482	343
Total gross deferred tax liabilities	<u>724</u>	<u>654</u>
Net deferred tax asset	<u>\$ 2,861</u>	<u>\$ 2,548</u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, and there is no valuation allowance at December 31, 2020.

The Company files a United States federal income tax return, as well as state returns. With few exceptions, the Company is no longer subject to United States federal or Texas state tax examinations by tax authorities for years before 2017.



# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 9. Federal Income Taxes (Continued)

The Company accounts for uncertainty in income taxes in accordance with the provisions of ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addressed de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

### 10. Stockholders' Equity

The Company has the following shares of stock authorized:

Type	December 31,	
	2020	2019
	Number of Shares	Number of Shares
Redeemable Preferred Stock Series A	250,000	250,000
Perpetual Preferred Stock Series B	1,500,000	1,500,000
Preferred Shares not yet designated	18,238,000	18,238,000
Total Preferred Shares Authorized	19,988,000	19,988,000
Common stock:		
Class A	75,000,000	75,000,000
Class B, Series One	25,000,000	25,000,000
Class B, Series Two	25,000,000	25,000,000
Class B, Series Three	25,000,000	25,000,000

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 10. Stockholders' Equity (Continued)

#### ***Perpetual Preferred Stock***

Perpetual preferred stock may be issued in more than one series. The Board has the authority to establish all rights and limitations of any series of preferred stock and to fix the number of shares of such series.

*Conversion Rights* – Each share of Series B Preferred Stock has no conversion rights.

*Voting Rights* – Each share of Series B Preferred Stock has no voting rights.

*Redemption* - The Company may redeem all or a portion of the Series B Preferred Stock held by any stockholder at any time on or after September 30, 2025. The redemption price shall be equal to the stated value, plus the amount of any accrued and unpaid dividends on each share.

*Dividends* – Preferred stockholders of Series B shares are entitled to receive dividends, if and when declared by the Board of Directors (the "Board") and as authorized to be paid by the Board. During 2020 and 2019, the Company paid Series B Preferred Stock dividends of \$390 thousand.

*Liquidation Rights* – Each stockholder of Series B Preferred Stock outstanding at the time of a liquidating event shall be entitled to be paid in preference of holders of junior shares an amount equal to the stated value, plus the amount of any accrued and unpaid dividends on each share.

#### ***Redeemable Preferred Stock***

Redeemable preferred stock may be issued in more than one series. The Board has the authority to establish all rights and limitations of any series of preferred stock and to fix the number of shares of such series.

*Conversion Rights* – Each share of Series A Preferred Stock has no conversion rights.

*Voting Rights* – Each share of Series A Preferred Stock has no voting rights.

*Redemption* – The Company shall redeem the shares held by any preferred stockholder of Series A shares on June 30, 2024. The redemption price shall be equal to the stated value, plus the amount of accumulated and unpaid preferred distribution.

*Dividends* – Preferred stockholders of Series A shares are entitled to receive dividends, which are to be paid quarterly, on each share in an amount equal to the stated value multiplied by a dividend rate equal to the 10-year Treasury rate plus 3% through June 30, 2019; and a rate equal to the 5-year Treasury rate plus 2% through June 30, 2024. Dividends, including accumulated or unpaid preferred distributions, are payable in cash out of funds legally available in preference and priority to any payment of any distribution on common shares. During 2020 and 2019, the Company paid Series A Preferred Stock dividends of \$9 thousand and \$11 thousand, respectively, and there were no accrued dividends or dividends due in arrears.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 10. Stockholders' Equity (Continued)

*Liquidation Rights* – Each stockholder of Series A Preferred Stock outstanding at the time of a liquidating event shall be entitled to be paid in preference of holders of junior shares an amount equal to the stated value, plus any accumulated, but unpaid preferred distributions.

#### **Common Stock**

Shares of Class A common stock may be held by any person and shares of Class B common stock may be held by Farm Bureau entities and Company employees only. All voting rights are vested in the holders of Class A common stock and Class B Series One common stock. All holders of Class A; Class B, Series One; Class B, Series Two; and Class B, Series Three common stock have the same equal rights to general dividends or any other general distributions. However, Class B Series Three common stock carries a 5% annual compounded dividend rate for 15 years. The dividend may be payable in cash, only to the extent that FB BanCorp's book value does not grow at an annual compounded rate that equals or exceeds 5%. After 15 years, this stock can either be redeemed or converted into Class B Series Two common stock, at the option of the stockholder. The redemption value is equal to the original issuance price of \$6.99 per share compounded at an annual growth rate of 5%, less any dividends paid in cash during the 15-year period. If not redeemed, the stock will be converted into Class B Series Two common stock on a one-for-one conversion basis.

At December 31, 2020 and 2019, no shares of Class A common stock have been issued.

Holders of Class B Series One common stock shall elect the Class B Directors. The number of Class B Directors shall not be less than 15 or more than 30, the exact number to be set by a resolution of the Board, as provided in the Company's by-laws. Holders of Class A common stock, if any, shall elect Class A Directors. The number of Class A Directors shall not be less than 3 or more than 5, the exact number to be set by a resolution of the Board, as provided by the Company's by-laws.

The Bank is subject to the rules and regulations of the Office of the Comptroller of the Currency ("OCC") regarding capital distributions. Such rules and regulations may require OCC approval or notification prior to making a capital distribution.

### 11. Subordinated Debt

As of December 31, 2020 and 2019, approximately \$6.4 million in unsecured subordinated debt instruments was outstanding. Interest is paid quarterly from the date of issue at a rate of 7.69%, and principal is due at maturity. The debt instruments mature in 2024 (\$4.6 million) and 2025 (\$1.8 million).

### 12. Borrowings

The Company has an available line of credit with the FHLB secured by pledged investment securities. At December 31, 2020, the amount available for borrowing totaled \$25.3 million (\$16.8 million in 2019). There were no outstanding advances on this line of credit as of December 31, 2020 and 2019.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 13. Employee Benefit Plans

#### ***401(k) Plan***

FB BanCorp sponsors a 401(k) Safe Harbor Plan (the "Plan") covering substantially all employees. Employees may contribute to the Plan, subject to certain limits based on federal tax laws. The Company makes matching contributions equal to 100% of the first 5% of an employee's compensation contributed to the Plan. For the year ended December 31, 2020, expenses attributable to the Plan amounted to approximately \$457 thousand (\$394 thousand in 2019).

#### ***Deferred Compensation Plan***

The Company also sponsors a deferred compensation plan that permits certain key employees to defer portions of their compensation and direct the deferred amount into certain investments. In 2019 the Company also started a long-term discretionary compensation program for key employees with any employer matching or discretionary contributions vesting over five years. The deferrals are held in a separate trust, which is subject to the claims of the Company's creditors in the event the Company were to become insolvent. As a partial offset to these liabilities, the Company purchased and maintains corporate-owned life insurance policies on select plan participants. These policies had cash values totaling \$2.1 million as of December 31, 2020 (\$914 thousand in 2019), which are included in other assets, net in the accompanying consolidated balance sheets.

#### ***Supplemental Executive Retirement Plan***

FB BanCorp provides pension benefits for certain former executive officers through a Supplemental Executive Retirement Plan ("SERP"). Eligible executives participate in the SERP on a noncontributory basis and are fully vested. The SERP was frozen as of December 31, 2008. The SERP is unfunded and has no assets as of December 31, 2020 and 2019. The measurement date used to determine pension amounts is December 31.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 13. Employee Benefit Plan (Continued)

Information pertaining to the activity in the SERP is as follows (dollars in thousands):

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 3,512	\$ 3,151
Interest cost	98	130
Actuarial (gain)/loss	260	485
Benefit/expenses paid	<u>(254)</u>	<u>(254)</u>
Projected benefit obligation at end of year	<u>3,616</u>	<u>3,512</u>
Changes in plan assets:		
Employer contributions	254	254
Benefit/expenses paid	<u>(254)</u>	<u>(254)</u>
Unfunded status at end of year	<u>\$ 3,616</u>	<u>\$ 3,512</u>
Information for pension plans with an accumulated benefit obligation in excess of plan assets:		
Net actuarial losses included in other accumulated comprehensive income	\$ 1,618	\$ 1,450
Projected benefit obligation included in consolidated balance sheet	\$ (3,616)	\$ (3,512)
Components of net periodic benefit cost and other amounts:		
Net periodic benefit cost:		
Interest cost	\$ 99	\$ 130
Recognized net loss	<u>92</u>	<u>54</u>
	<u>\$ 191</u>	<u>\$ 184</u>
Other changes in plan assets and benefit obligations:		
Net (gain) loss	\$ 260	\$ 485
Amortization of net loss	<u>(92)</u>	<u>(54)</u>
	<u>\$ 168</u>	<u>\$ 431</u>

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 13. Employee Benefit Plan (Continued)

		Assumptions	
		2020	2019
Weighted-average assumptions used to determine end of year obligations:			
Life expectancy of participants	Post Annuitant	Pri 2012 Mortality Tables Projected Generationally from 2012 with the Mortality Improvement Scale MP-2020	RP 2014 Mortality Tables projected from 2006 with the revised Social Security Generational Improvement Scale based on the 2019 Trustees Report
	Pre Annuitant	None	None
Discount rate – current year		2.20%	2.94%
Rate of compensation increase		N/A since all participants are inactive	N/A since all participants are inactive
Retirement age assumptions		N/A since all participants are inactive	N/A since all participants are inactive

The Company expects to contribute \$263 thousand in 2021, and the following benefit payments, which reflect future service, are expected to be paid as follows (dollars in thousands):

2021	\$	263
2022		257
2023		250
2024		243
2025		235
Thereafter		1,043
	\$	2,291

### 14. Contingencies

The Company may, from time to time, be involved in litigation and claims arising in the normal course of business. Management, after consultation with legal counsel, believes that the liabilities, if any, arising from such litigations and claims will not be material to the Company's financial position.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 15. Related Party Transactions

In the ordinary course of business, the Bank has granted loans to principal officers and directors and their affiliates. The aggregate balance of loans to related parties at December 31, 2020 totaled \$1.5 million (\$1.7 million in 2019).

At December 31, 2020, deposits from related parties held by the Bank totaled \$3.6 million (\$2.7 million in 2019).

### 16. Capital and Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Capital adequacy and prompt corrective action regulations involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about component classification, risk weighting, and other factors.

The Basel III capital rules became effective for the Bank on January 1, 2015, subject to a four-year phase-in period. Qualitative measures established by the Basel III capital rules to ensure capital adequacy require the maintenance of minimum amounts and ratios of Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital to Risk-Weighted-Assets, and of Tier 1 Capital to Average Assets. Basel III capital rules also introduced capital conservation buffers in excess of those minimums for Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital to Risk-Weighted-Assets. The capital conservation buffer of 2.5% is required so that the Bank can avoid limits on capital distributions and certain discretionary bonus payments to executive officers and similar employees. The minimum amounts and ratios, including the required conservation buffer, are included in the tables below.

Management believes, as of December 31, 2020 and 2019, that the Bank met all capital adequacy requirements to which it is subject. As of December 31, 2020, the Bank is well capitalized under the regulatory framework for prompt corrective action.

The following tables present actual and required capital ratios as of December 31, 2020 and 2019 for the Bank under the Basel III capital rules. Capital levels to be considered well capitalized under prompt corrective action regulations are also presented.

# FB BanCorp and Subsidiaries

## Notes to the Financial Statements

### 16. Capital and Regulatory Matters (Continued)

(Dollars in Thousands)	Actual		Minimum Required For Capital Adequacy Purposes		Minimum Required to be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>December 31, 2020</b>						
Common Equity Tier 1 Capital to Risk-Weighted Assets	\$85,602	15.5%	\$38,571	7.0%	\$35,816	6.5%
Tier 1 Capital to Risk-Weighted Assets	\$85,602	15.5%	\$46,836	8.5%	\$44,081	8.0%
Total Capital to Risk-Weighted Assets	\$92,536	16.8%	\$57,856	10.5%	\$55,101	10.0%
Tier 1 Capital to Average Assets	\$85,602	11.3%	\$30,417	4.0%	\$38,021	5.0%
<b>December 31, 2019</b>						
Common Equity Tier 1 Capital to Risk-Weighted Assets	\$82,305	11.9%	\$48,383	7.0%	\$44,927	6.5%
Tier 1 Capital to Risk-Weighted Assets	\$82,305	11.9%	\$58,751	8.5%	\$55,295	8.0%
Total Capital to Risk-Weighted Assets	\$90,147	13.0%	\$72,575	10.5%	\$69,119	10.0%
Tier 1 Capital to Average Assets	\$82,305	10.5%	\$31,495	4.0%	\$39,369	5.0%



## Supplementary Information



RSM US LLP

## Independent Auditor's Report on Supplementary Information

Board of Directors and Stockholders  
FB BanCorp

We have audited the consolidated financial statements of FB BanCorp and Subsidiaries, as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated April 19, 2021, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*RSM US LLP*

San Antonio, Texas  
April 19, 2021

# FB BanCorp and Subsidiaries

## Consolidating Balance Sheet

December 31, 2020

(Dollars in Thousands)

### Assets

	FB BanCorp	FB Financial Services Corporation	Farm Bureau Bank FSB Consolidated	Total	Eliminating Entries	FB BanCorp and Subsidiaries
Cash and due from banks	\$ 1,196	\$ -	\$ 169,478	\$ 170,674	\$ (1,196)	\$ 169,478
Federal funds sold	-	-	232	232	-	232
Cash and cash equivalents	1,196	-	169,710	170,906	(1,196)	169,710
Equity investment	-	-	1,000	1,000	-	1,000
Securities to be held to maturity	-	-	29,006	29,006	-	29,006
FHLB stock – at cost	-	-	450	450	-	450
Loans and leases held for investment	-	-	552,400	552,400	-	552,400
Less allowance for loan and lease losses	-	-	(10,679)	(10,679)	-	(10,679)
Net loans and leases	-	-	541,721	541,721	-	541,721
Bank premises and equipment – net	-	-	4,455	4,455	-	4,455
Deferred tax asset	699	-	2,162	2,861	-	2,861
Accrued interest receivable	-	-	2,323	2,323	-	2,323
Investment in subsidiaries	86,607	-	-	86,607	(86,607)	-
Other assets – net	647	449	9,571	10,667	(449)	10,218
	<u>\$ 89,149</u>	<u>\$ 449</u>	<u>\$ 760,398</u>	<u>\$ 849,996</u>	<u>\$ (88,252)</u>	<u>\$ 761,744</u>

### Liabilities and Stockholders' Equity

<b>Liabilities</b>						
Deposits:						
Demand	\$ -	\$ -	\$ 22,678	\$ 22,678	\$ -	\$ 22,678
NOW and money market	-	-	218,220	218,220	(1,196)	217,024
Time	-	-	402,269	402,269	-	402,269
Total deposits	-	-	643,167	643,167	(1,196)	641,971
Subordinated debt	6,380	-	-	6,380	-	6,380
Accrued interest payable	-	-	389	389	-	389
Accrued pension benefit	3,616	-	-	3,616	-	3,616
Other liabilities	886	-	30,684	31,570	(449)	31,121
Total liabilities	<u>10,882</u>	<u>-</u>	<u>674,240</u>	<u>685,122</u>	<u>(1,645)</u>	<u>683,477</u>
<b>Stockholders' Equity</b>						
Common stock	7	-	1	8	(1)	7
Preferred stock	1	-	-	1	-	1
Surplus	81,798	8,553	68,185	158,536	(76,738)	81,798
Accumulated deficit	(1,921)	(8,104)	17,972	7,947	(9,868)	(1,921)
Accumulated other comprehensive loss	(1,618)	-	-	(1,618)	-	(1,618)
Total stockholders' equity	<u>78,267</u>	<u>449</u>	<u>86,158</u>	<u>164,874</u>	<u>(86,607)</u>	<u>78,267</u>
	<u>\$ 89,149</u>	<u>\$ 449</u>	<u>\$ 760,398</u>	<u>\$ 849,996</u>	<u>\$ (88,252)</u>	<u>\$ 761,744</u>

See independent auditor's report on supplementary information.

# FB BanCorp and Subsidiaries

## Consolidating Statement of Income

Year Ended December 31, 2020

(Dollars in Thousands)

	<u>FB BanCorp</u>	<u>FB Financial Services Corporation</u>	<u>Farm Bureau Bank FSB Consolidated</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>FB BanCorp and Subsidiaries</u>
<b>Interest and dividend income:</b>						
Loans – including fees	\$ -	\$ -	\$ 35,911	\$ 35,911	\$ -	\$ 35,911
Equity investment	-	-	13	13	-	13
Securities to be held to maturity	-	-	573	573	-	573
Other	1	-	387	388	(2)	386
Dividends	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Total interest income	<u>1,001</u>	<u>-</u>	<u>36,884</u>	<u>37,885</u>	<u>(1,002)</u>	<u>36,883</u>
<b>Interest expense:</b>						
<b>Deposits:</b>						
Savings and interest-bearing demand	-	-	608	608	(2)	606
Time	-	-	8,968	8,968	-	8,968
Subordinated debt	<u>491</u>	<u>-</u>	<u>-</u>	<u>491</u>	<u>-</u>	<u>491</u>
Total interest expense	<u>491</u>	<u>-</u>	<u>9,576</u>	<u>10,067</u>	<u>(2)</u>	<u>10,065</u>
Net interest income	510	-	27,308	27,818	(1,000)	26,818
Provision for loan and lease losses	<u>-</u>	<u>-</u>	<u>6,982</u>	<u>6,982</u>	<u>-</u>	<u>6,982</u>
Net interest income after provision for loan and lease losses	<u>510</u>	<u>-</u>	<u>20,326</u>	<u>20,836</u>	<u>(1,000)</u>	<u>19,836</u>
<b>Noninterest income:</b>						
Service charges and net interchange fees	-	-	4,943	4,943	-	4,943
Equity in income of subsidiaries	3,563	-	-	3,563	(3,563)	-
Other	<u>-</u>	<u>-</u>	<u>11,609</u>	<u>11,609</u>	<u>(134)</u>	<u>11,475</u>
Total noninterest income	<u>3,563</u>	<u>-</u>	<u>16,552</u>	<u>20,115</u>	<u>(3,697)</u>	<u>16,418</u>
<b>Noninterest expenses:</b>						
Salaries and employee benefits	193	-	15,380	15,573	-	15,573
Occupancy and equipment expenses	-	-	1,308	1,308	-	1,308
Processing and servicing fees	-	-	2,872	2,872	-	2,872
Marketing	-	-	862	862	-	862
Professional fees	90	-	705	795	(134)	661
Other	<u>55</u>	<u>-</u>	<u>9,637</u>	<u>9,692</u>	<u>-</u>	<u>9,692</u>
Total noninterest expenses	<u>338</u>	<u>-</u>	<u>30,764</u>	<u>31,102</u>	<u>(134)</u>	<u>30,968</u>
Income before income taxes	3,735	-	6,114	9,849	(4,563)	5,286
Provision (benefit) for income taxes	<u>(174)</u>	<u>-</u>	<u>1,551</u>	<u>1,377</u>	<u>-</u>	<u>1,377</u>
Net income	<u>\$ 3,909</u>	<u>\$ -</u>	<u>\$ 4,563</u>	<u>\$ 8,472</u>	<u>\$ (4,563)</u>	<u>\$ 3,909</u>

See independent auditor's report on supplementary information.