

First Florida Bank

A subsidiary of

First Florida Bancorp

For 6 Months Ended

June 30, 2015 June 30, 2014 % Change

Earnings and Performance Ratios

(tax equivalent basis)

| | | | |
|---------------------------|--------------|--------------|--|
| Net income | \$ 1,421,000 | \$ 1,556,000 | |
| Earnings per common share | \$0.22 | \$0.24 | |
| Return on average assets | 0.96% | 1.24% | |
| Return on average equity | 9.20% | 11.64% | |
| Net interest margin | 3.19% | 3.52% | |
| Fee income ratio | 22.34% | 21.08% | |
| Efficiency ratio | 62.36% | 65.74% | |

Period-End Balances

| | | | |
|----------------------|---------------|---------------|--------|
| Total Assets | \$314,714,000 | \$270,353,000 | 16.41% |
| Securities | 91,506,000 | 82,614,000 | 10.76% |
| Loans and leases | 160,487,000 | 142,550,000 | 12.58% |
| Deposits | 282,610,000 | 241,166,000 | 17.18% |
| Shareholders' Equity | 31,847,000 | 28,962,000 | 9.96% |

Selected Capital Information

| | | | |
|-----------------------------|--------|--------|---------|
| Book value per common share | \$5.05 | \$4.83 | 4.55% |
| Tier 2 capital ratio | 12.25% | 13.30% | - 7.89% |
| Leverage capital ratio | 11.26% | 12.25% | - 8.08% |

Asset Quality Ratios

| | | | |
|--------------------------------------|-------|--------|--|
| Nonperforming assets to total assets | 0.36% | 0.73% | |
| Nonperforming loans to average loans | 0.32% | 0.70% | |
| Net charge-offs to average loans | 0.18% | -0.01% | |

To Our Valued Shareholders:

SECOND QUARTER 2015 RESULTS

Our second quarter 2015 performance declined slightly when compared to the second quarter of 2014. Year over year metrics were mixed, with earnings performance down and asset quality/growth producing positive results.

As of June 30, 2015, our Bank generated earnings of \$1,421,000 versus earnings of \$1,556,000 in 2014, a decrease of \$135,000, or 8.68%, from a year earlier. Earnings per share reflected \$0.22, versus \$0.24 in 2014. Return on Assets and Return on Equity, benchmarks for accepted performance, reflected 0.96% and 9.20%, respectively.

Our Net Interest Margin decreased to 319 basis points from 352 basis points, a decrease of 33 basis points or 9.38% from one year earlier. Total Assets increased to \$314,714,000 as of June 30, 2015 or 16.41% over 2014. Securities, our secondary source of earnings and liquidity, increased to \$91,506,000 or 10.76% from the prior year. Loans, our major source of earning assets, arrived at \$160,487,000 an increase of \$17,937,000 or 12.58%. Deposits, our primary source of growth and funding, arrived at \$282,610,000 an increase of \$41,375,000 or 17.18% from the same period in 2014.

Shareholder Equity reflected \$31,847,000 (adjusted for FASB 115) as of June 30, 2015, representing a 9.96% increase over the same period one year earlier. Book Value, as of June 30, 2015, represented \$5.05 per share. Tier One and Tier Two Capital arrived at 11.26% and 12.25%, respectively, at the conclusion of the second quarter. Both ratios are well in excess of regulatory minimums.

CREDIT QUALITY

Credit quality continues to be enhanced through committed performance. Non-performing Assets to Total Assets

decreased to 0.36% as of June 30, 2015, substantially below the second quarter a year earlier ratio of 0.73%. Non-Performing Loans to Average Loan decreased to 0.32% as of June 30, 2015. Net charge-offs to average loans reflected 0.18% from a year earlier. Delinquencies are substantially below Peer Group ranges.

2015 NOTABLES

We are extremely pleased to announce the addition of Raymond James & Associates as a new division of First Florida Bank. Under the moniker, First Florida Wealth Group, we will offer an array of investment services and products to benefit our shareholders and customers. Jared O'Neal, an experienced executive with Raymond James Corporate Offices, joins our expanding organization to increase shareholder value.

As a special note, should you desire to review the complete second quarter Call Report, please visit the URL site <http://ffiec.gov/ubpr>. Upon opening the site, select UBPR (Uniform Bank Performance Report) and input FFB cert# 58370, a complete data base of our operations is available. The June 30, 2015 Call Report should be posted by month end.

On behalf of your Board of Directors, Senior Management and our loyal colleagues, our sincere appreciation for your business and support.

Sincerely,

Frank B. Burge, Chairman/CEO/President