

First Florida Bank

A subsidiary of

First Florida Bancorp

For 9 Months Ended

Sept 30, 2017 Sept 30, 2016 % Change

Earnings and Performance Ratios

Net income	\$ 3,128,000	\$ 2,370,000	
Earnings per common share	\$0.47	\$0.36	
Return on average assets	1.08%	0.92%	
Return on average equity	10.40%	10.23%	
Net interest margin	3.28%	3.14%	
Fee income ratio	19.67%	17.88%	
Efficiency ratio	63.21%	66.52%	

Period-End Balances

Total Assets	\$389,948,000	\$381,076,000	2.33%
Securities	127,906,000	96,505,000	32.54%
Loans and leases	197,466,000	176,136,000	12.11%
Deposits	343,659,000	336,330,000	2.18%
Shareholders' Equity	45,754,000	38,926,000	17.54%

Selected Capital Information

Book value per common share	\$6.17	\$5.77	6.93%
Tier 2 capital ratio	12.99%	12.30%	5.61%
Leverage capital ratio	12.20%	11.41%	6.92%

Asset Quality Ratios

Nonperforming assets to total assets	0.17%	0.16%	
Nonperforming loans to average loans	0.33%	0.35%	
Net charge-offs to average loans	0.10%	0.02%	

To Our Valued Shareholders:

THIRD QUARTER 2017 RESULTS

Once again, we are pleased to report enhanced performance for the third quarter of 2017 operations. Earnings growth continued to improve as our margins continued to expand with market adjustments. Asset quality continued to increase in all metrics.

As of September 30, 2017, Earnings arrived at \$3,128,000 compared to net earnings of \$2,370,000 in 2016, an increase of \$758,000 or 31.9% from a year earlier. Earnings per share reflected \$0.47 in 2017, versus \$0.36 in 2016. Return on Assets and Return on Equity, benchmarks for accepted performance, reflected 1.08% and 10.40%, respectively.

Our Net Interest Margin increased to 328 basis points, an increase of 14 basis points from a year earlier. Total Assets increased to \$389,948,000 as of September 30, 2017, an increase of \$8,872,000, or 2.33% over 2016. Securities, our secondary source of earnings and liquidity, increased to \$127,906,000 or 32.54% from the prior year. Loans, our major source of earning assets, arrived at \$197,466,000, an increase of 12.11%. Deposits, our primary source of growth and funding, arrived at \$343,659,000, an increase of \$7,329,000 or 2.18%.

Shareholder Equity reflected \$45,754,000 (adjusted for FASB 115) as of September 30, 2017, representing an increase of \$6,828,000 or 17.54% over the same period one year earlier. Book Value, as of September 30, 2017, represented \$6.17 per share. Tier One and Tier Two Capital arrived at 12.20% and 12.99%, respectively, at the conclusion of the third quarter. Both ratios are well in excess of regulatory minimums.

CREDIT QUALITY

Credit quality continues to reflect Peer group quality. Non-Performing Assets to Total Assets increased to 0.17% as of September 30, 2017, from a year earlier of 0.16%. Non-Performing Loans to Average Loans decreased slightly to 0.33% as of September 30, 2017 from 0.35% a year earlier. Net Charge-Offs to Average Loans reflected 0.10%, representing a slight increase. Delinquencies continue to arrive substantially below Peer Group ranges.

2017 NOTABLES

As a reminder, First Florida Bank has partnered with BancList. This partnership provides our shareholders with a convenient, confidential and transparent marketplace to buy or sell First Florida Bancorp, Inc. common stock. To register an account, please call BancList at 1-877-257-0854 and select option "2" for support.

As a special note, should you desire to review the complete third quarter Call Report, please visit the URL site <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>. Upon opening the site, select UBPR (Uniform Bank Performance Report) and input First Florida Bank cert# 58370, a complete data base of our operations is available. The September 30, 2017 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