

First Florida Bank

A subsidiary of

First Florida Bancorp

For 9 Months Ended

Sept 30, 2015 Sept 30, 2014 % Change

Earnings and Performance Ratios

(tax equivalent basis)

Net income	\$ 2,129,000	\$ 2,064,000	
Earnings per common share	\$0.34	\$0.33	
Return on average assets	0.94%	1.07%	
Return on average equity	9.19%	10.29%	
Net interest margin	3.15%	3.43%	
Fee income ratio	22.62%	21.52%	
Efficiency ratio	64.62%	67.18%	

Period-End Balances

Total Assets	\$308,307,000	\$268,628,000	14.77%
Securities	98,823,000	93,275,000	5.95%
Loans and leases	153,256,000	137,698,000	11.30%
Deposits	274,871,000	238,626,000	15.19%
Shareholders' Equity	32,920,000	29,565,000	11.35%

Selected Capital Information

Book value per common share	\$5.20	\$4.89	6.34%
Tier 2 capital ratio	12.22%	13.13%	- 6.93%
Leverage capital ratio	11.22%	12.08%	- 7.12%

Asset Quality Ratios

Nonperforming assets to total assets	0.20%	1.65%	
Nonperforming loans to average loans	0.32%	2.62%	
Net charge-offs to average loans	0.13%	0.02%	

To Our Valued Shareholders:

THIRD QUARTER 2015 RESULTS

We are pleased to report another improved quarter of increased earnings, enhanced asset/liability growth and material asset quality improvement.

As of September 30, 2015, earnings reflected \$2,129,000 versus net earnings of \$2,064,000 in 2014, an increase of \$65,000 or 3.15%, from a year earlier. Earnings per share reflected \$0.34 versus \$0.33 in 2014. Return on Assets and Return on Equity, benchmarks for accepted performance, reflected 0.94 and 9.19%, respectively.

Our Net Interest Margin decreased to 315 basis points from 343 basis points, a decrease of 28 basis points or 8.16% from a year earlier. Total Assets increased to \$308,307,000 as of September 30, 2015 or a gain of 14.77% over 2014. Securities, our secondary source of earnings and liquidity, increased to \$98,823,000 or 5.95% from the prior year. Loans, our major source of earning assets, arrived at \$153,256,000 an increase of \$15,558,000 or 11.30%. Deposits, our primary source of growth and funding, arrived at \$274,871,000, an increase of \$36,245,000 or 15.19%.

Shareholder Equity reflected \$32,920,000 (adjusted for FASB 115) as of September 30, 2015, representing an 11.35% increase over the same period one year earlier. Book Value, as of September 30, 2015 represented \$5.20 per share. Tier One and Tier Two Capital arrived at 11.22% and 12.22%, respectively, at the conclusion of the third 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 0.20% as of September 30, 2015, substantially

below the third quarter performance a year earlier of 1.65%. Non-Performing Loans to Average Loans decreased to 0.32% as of 2015 from 2.62% a year earlier. Net charge-offs to average loans reflected 0.13%. Delinquencies continue to arrive substantially below Peer Group ranges.

2015 NOTABLES

In August, our Board of Directors promoted Brett Wilson to the position of President of First Florida Bank and First Florida Bancorp, Inc. Brett has been with the Bank since its inception and has been instrumental in directing the Bank's lending programs. Under Brett's leadership, First Florida Bank is now in the top ten market share leaders in our three county trade area. In addition to being named President, Brett also joins the Board of Directors for both the Bank and Bank Holding Company.

As a special note, should you desire to review the complete second 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 FFB cert# 58370, a complete data base of our operations is available. The September 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