

First Florida Bank

A subsidiary of

First Florida Bancorp

For 3 Months Ended

Mar 31, 2016 Mar 31, 2015 % Change

Earnings and Performance Ratios

Net income	\$ 713,000	\$ 687,000	
Earnings per common share	\$0.11	\$0.11	
Return on average assets	0.91%	0.98%	
Return on average equity	9.23%	8.90%	
Net interest margin	3.34%	3.42%	
Fee income ratio	13.60%	22.29%	
Efficiency ratio	65.91%	66.30%	

Period-End Balances

Total Assets	\$319,321,000	\$293,242,000	8.89%
Securities	96,673,000	88,512,000	9.22%
Loans and leases	164,210,000	147,244,000	11.52%
Deposits	279,132,000	260,896,000	6.99%
Shareholders' Equity	34,644,000	31,812,000	8.90%

Selected Capital Information

Book value per common share	\$5.33	\$5.04	5.75%
Tier 2 capital ratio	12.09%	12.59%	- 3.97%
Leverage capital ratio	11.13%	11.65%	- 4.46%

Asset Quality Ratios

Nonperforming assets to total assets	0.14%	0.39%
Nonperforming loans to average loans	0.26%	0.34%
Net charge-offs to average loans	0.03%	0.19%

To Our Valued Shareholders:

FIRST QUARTER 2016 RESULTS

The first quarter of 2016 generated mixed results when compared to the first quarter of last year. On a comparative basis overall growth and asset quality continued to reflect positive trends.

As of March 31, 2016, earnings reflected \$713,000 versus net earnings of \$687,000 in 2015. Earnings per share reflected \$0.11, which is the same as last year. Return on Assets and Return on Equity, benchmarks for accepted performance, reflected 0.91% and 9.23%, respectively.

Our Net Interest Margin decreased to 334 basis points from 342 basis points, a decrease of 8 basis points from a year earlier. Total Assets increased to \$319,321,000 as of March 31, 2016 or a gain of 8.89% over 2015. Securities, our secondary source of earnings and liquidity, increased to \$96,673,000 or 9.22% from the prior year. Loans, our major source of earning assets, arrived at \$164,210,000 an increase of 11.52%. Deposits, our primary source of growth and funding, arrived at \$279,132,000, an increase of \$18,236,000 or 6.99%.

Shareholder Equity reflected \$34,644,000 (adjusted for FASB 115) as of March 31, 2016, representing an 8.90% increase over the same period one year earlier. Book Value, as of March 31, 2016 represented \$5.33 per share. Tier One and Tier Two Capital arrived at 11.13% and 12.09%, respectively, at the conclusion of the first quarter. Both ratios are well in excess of regulatory minimums.

CREDIT QUALITY

Credit quality continues to strengthen. Non-performing Assets to Total Assets decreased to 0.14% as of March 31, 2016, substantially below a year earlier of 0.39%. Non-

Performing Loans to Average Loans decreased to 0.26% as of March 31, 2016 from 0.34% a year earlier. Net charge-offs to average loans reflected 0.03%. Delinquencies continue to arrive substantially below Peer Group ranges.

2016 NOTABLES

The Board of Directors is continuing its plan of expanding the Bank's footprint along the Emerald Coast. In approximately 30 days we will be opening a Loan Production Office in Panama City to expand our lending portfolio into Bay County.

Additionally, you should have recently received a letter notifying you that the Bank has now partnered with a company called BanList. This partnership will provide you with a convenient and transparent marketplace to post notice to buy or sell First Florida Bancorp, Inc., stock. For help getting started, please call BanList at 1-877-257-0854 and select option "2" for support. They will be happy to assist you.

As a special note, should you desire to review the complete first 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 March 31, 2016 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