



Legacy Bank of Florida
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January 31, 2007

Dear Shareholder,

I am pleased to report our first year's progress ending December 31, 2006 to you.

Before focusing on the 2006 results, let me take a moment to reflect on the accomplishments during the past year:

- Opened Legacy Bank of Florida on May 15, 2006
- Raised \$31 million in capital (largest capital raise in Palm Beach County)
- Opened Legacy Bank with four offices (West Palm Beach, Delray Beach, Boca Raton and Fort Lauderdale)
- Opened Legacy Bank with 29 employees
- Serviced over 600 new relationships in 2006
- Established and maintained strong credit quality – There were no past dues through out the year
- Won an award from the City of Delray Beach for best exterior renovations of the Delray office.

There were numerous other achievements during the year.

We ended the year with over \$78.7 million of assets. We originated over \$62.1 million of loans, with net loans outstanding exceeding \$53.1 million at the end of the year. Our loan pipeline remains very strong as we begin 2007. Total deposits at year end exceeding \$48.7 million. The Bank continues to be extremely well-capitalized with a capital-to asset ratio of 37.3%. Our income statement is on track with our original business plan. I have enclosed a summary balance sheet dated December 31, 2006 for your review.

Our deposit rates are very attractive. Our Investment Checking account is paying 5.00% APY¹ through June 30, 2007; thereafter, the account will be repriced at 50% of Legacy Bank's floating prime rate (currently 4.125%). Enclosed, please find one of our flyers. Please contact one of our offices if we can assist you.

Please visit our website at www.legacybankfl.com and check out everything we have to offer, from product specials and information to branch locations. Want to know how to retire with \$10 million? Click on our *Retirement Planner*, located on the Financial Tools page, to learn more!

Thank you for your continued support. I look forward to seeing you in one of our offices or speaking to you soon.

Sincerely,

A handwritten signature in black ink that reads "Dennis G. Bedley".

Dennis G. Bedley
Chairman & CEO

¹ Annual Percentage Yield (APY) is based on minimum average daily collected balance (ADCB) of \$5,000 and an interest rate of 4.88%. This is a tiered variable rate account and the rate is subject to change after opening. The Interest Rate on ADCB of \$5,000 or greater will be 50% of the bank's current prime rate. ADCB under \$5,000 will earn interest at the Tier One level interest rate of the bank's current Legacy Checking account rate – which is .15% APY as of January 2, 2007. No monthly fee on accounts with ADCB of \$5,000 or greater. \$15 monthly fee for accounts with ADCB of less than \$5,000. Fees may reduce earnings on the account. 5.00% Annual Percentage Yield is offered through June 30, 2007.