



Legacy Bank of Florida
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January 31, 2008

Dear Shareholder,

I am pleased to report our second year's progress ending December 31, 2007 to you.

Before focusing on the 2007 results, let me take a moment to reflect on the accomplishments during the past year:

- Raised \$3,125,000 in secondary capital @ \$12.50 per share
- Serviced over 1,200 new relationships in 2007
- Established and maintained strong credit quality – there were no past dues at year end
- Had an impressive 11% Non-Interest Bearing Deposits to Total Deposits at year end
- Added a new Director, Tom McDonald, to the Board of Directors
- Have relationships with over 80% of our shareholders, a very high industry mark
- Numerous financial achievements (see below)

We ended the year with over \$162 million of assets. We originated over \$54 million of loans, with net loans outstanding exceeding \$106 million at the end of the year. Our loan pipeline remains very strong as we begin 2008. The economic environment continues to be very difficult. In addition, the Federal Reserve's rate reductions have made it a challenging time to be in banking. Nevertheless, we continue to navigate the South Florida marketplace very well.

Total Deposits at year end exceeded \$118 million, a \$70 million increase from the previous year. The Bank continues to be extremely well-capitalized with a capital-to-asset ratio of 19.8%. Our income statement is on track with our original business plan. I have enclosed a summary balance sheet dated December 31, 2007 for your review.

Our deposit rates are very attractive. Our Investment Checking account is paying 4.00% APY¹ through March 31, 2008; thereafter, the account will be repriced at 50% of Legacy Bank's floating prime rate (currently 3.00%). Please contact one of our offices if we can assist you.

I am happy to announce that we have opened our fifth office located in Pompano Beach. The address is 6825 Powerline Road. Marcy Kabolowsky manages the office. She can be reached at (954) 984-0965. Please come by and visit our newest location.

Finally, I have enclosed an article in the November 2007 edition of Florida Trend. We continue to receive favorable press statewide.

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 3.92%. 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 31, 2008. 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 March 31, 2008.