



Legacy Bank of Florida
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August 3, 2007

Dear Shareholder:

I am pleased to report our second quarterly results ending June 30, 2007.

We ended the quarter with over \$117 million in assets. Our net loans at June 30, 2007 totaled \$72 million, while our total deposits were \$80 million. Our loan pipeline continues to be very strong. However, we continue to tread the South Florida real estate market cautiously. Our asset quality continues to be very strong and the Bank's extremely well-capitalized position creates a very healthy financial institution. Our income statement continues to track with our budget for the second quarter. I have enclosed a summary balance sheet for your review for the second quarter 2007.

During the second quarter of 2007, we sold an additional \$1.1 million of common stock at \$12.50 per share. That stock was sold to prospects and customers of the Bank who were unable to buy stock during our initial offering.

We continue to offer several great promotional products. Take advantage of the low rate on our Home Equity Line of Credit* this summer. The APR is 6.99% for the first six months and prime minus .50% thereafter. We will also pay all standard closing costs on loans up to \$250,000, and credit up to \$2,250 towards closing costs on loans of \$250,000 and greater. Please stop by one of our offices or call us at (561) 544-8400.

I also wanted to mention to you that we added a new director to help our business development in Broward and Palm Beach counties. Tom McDonald became a Director on June 1, 2007. He is the President of Craven Thompson & Associates, Inc., a 100 person, Ft. Lauderdale-based engineering, planning and surveying firm. We welcome Tom on his appointment to the board and know that he will be a valuable asset to the Bank.

I have enclosed a copy of an article that appeared in the May 23, 2007 Daily Business Review. We continue to receive positive press coverage.

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

Respectfully yours,

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

Dennis G. Bedley
Chairman & CEO

*6.99% APR discounted rate in effect for first 6 months. Reverts to prime minus .50% thereafter. As of August 3, 2007, current Prime minus .50% equals 7.75%. 18% maximum APR. No annual fee. No standard closing costs for loans up to \$250,000. \$50,000 minimum draw on line to incur no closing costs. Property insurance on home must be purchased and maintained by borrower. Consult your tax advisor on the deductibility of interest. No prepayment penalty. If the line is paid off and closed prior to 24 months, the full amount of the closing costs will be applied to the payoff amount. Maximum LTV 80%. Legacy Bank checking account required.

	30-Jun-07	31-Dec-06	Change	% Change
(000's) omitted				
Assets:				
Cash and balances due from banks	572	2,012	(1,440)	-71.6%
Federal funds sold	9,820	38	9,782	N/A
Investments Available for Sale	30,518	20,529	9,989	48.7%
Loans	73,330	53,824	19,506	36.2%
Allowance for Loan Loss	964	674	290	43.0%
Net Loans	72,366	53,150	19,216	36.2%
Premises and Equipment	1,351	1,198	153	12.8%
Other Assets	2,643	1,807	836	46.3%
Total Assets	<u>117,270</u>	<u>78,734</u>	38,536	48.9%
Liabilities:				
Deposits				
Noninterest Bearing	10,538	8,200	2,338	28.5%
Interest Bearing	69,549	40,506	29,043	71.7%
Total Deposits	80,087	48,706	31,381	64.4%
Federal funds Purchased & Other Borrowed Mon	5,000	578	4,422	N/A
Other Liabilities	262	105	157	149.5%
TOTAL LIABILITIES	85,349	49,389	35,960	72.8%
Stockholders' Equity:				
Common Stock, par value	16,759	15,503	1,256	8.1%
Additional Paid in Capital (surplus)	17,375	15,621	1,754	11.2%
Net Unrealized Gain(Loss) on Sec AFS	(190)	62	(252)	-406.5%
Retained Earnings	(2,023)	(1,841)	(182)	9.9%
Total Stockholders' Equity	31,921	29,345	2,576	8.8%
Total Liabilities and Stockholders' Equity	<u>117,270</u>	<u>78,734</u>	38,536	48.9%