



Legacy Bank of Florida
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November 10, 2008

Dear Shareholder:

I am pleased to report our third quarterly results ending September 30, 2008.

We ended the quarter with over \$208 million in assets, growing by \$46 million during the year. Our net loans totaled \$153 million, a \$47 million change, slightly outpacing asset growth. Our total deposits ended the quarter at \$155 million, increasing \$37 million throughout the year. Attracting deposits in our market area remains challenging. We have been able to migrate new deposit customers because of the failure of some banks in the marketplace. Nevertheless, with the Federal Reserve's actions to reduce rates and the aggressive deposit rates offered by our competitors, we are seeing our margin continue to get squeezed. I have enclosed a summary balance sheet for your review for the third quarter 2008.

Our lending prospects remain considerable allowing us to become more selective with our loans. The current real estate market in South Florida has realized significant downturns. Nonetheless, our credit quality remains sound. We continue to tread the South Florida real estate market cautiously.

The Bank continues to be positioned for solid growth, with capital levels exceeding the "well-capitalized" categories. The Bank's income statement has been impacted by additional reserves resulting from the economic environment. We continue to adjust rates when appropriate and closely monitor and control our expenses. We look forward to profitability in the coming year.

I have also enclosed a copy of an advertisement that we have been using to ask prospective clients to move their business to us. We feel that we have a six to twelve month window of opportunity whereby our competitors are inwardly focused and we are able to pick up their customers. If you know anyone concerned about their bank, please refer them to us.

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 blue ink that reads "Dennis G. Bedley".

Dennis G. Bedley
Chairman & CEO