

First Citrus Bancorporation

Third Quarter Shareholder Update

October 31, 2017

Dear Fellow Shareholder:

Your Company continues to benefit from a shrinking Community Bank landscape, concurrent with a growing economy. Our 104% increase in profits through the Third Quarter (Q3) to \$1.76 million, is more support of this market phenomenon. Robust asset, loan, and deposit growth continued through Q3, to \$341 million, \$279 million, and \$277 million, respectively.

Earnings-per-share of \$1.06 were up 104% year-to-date and increased 26% to \$.39 on a quarter-to-date basis. Other Q3 highlights include book value growth of 10.3% to \$15.37 and return on equity growth of 18% to 10.2%.


Naturally, we have ambitious growth goals for 2018 and our Budget calls for total assets to surpass \$400 million. Every \$10 million in asset growth enhances operating efficiencies, hence profit levels! Our value proposition is clear and First Citrus Bank may be at the vanguard of an economic sonic boom.

You may recall, a few months ago, we launched our first capital raise in 14 years. Thanks to you, we exceeded our campaign goal. As we host client appreciation receptions through November however, the Board has extended the Offering period to allow more clients and prospects the opportunity to have a voice in their bank's future!

In that regard, please email shareholder@firstcitrus.com or telephone my office, 813-926-1314, to request a Private Placement Memorandum.

On behalf of your Board, Advisory Board and management team, I'd like to thank our Associates for creating fabulous client experiences daily, and especially you for being a part of what we feel is an extraordinary market opportunity!

Sincerely,



John M. Barrett
President and
Chief Executive Officer

Comparative Consolidated Balance Sheet
(Unaudited)

<u>Assets</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>Percent Change</u>
Cash and Due From Banks	\$46,625,910	53,310,827	(13%)
Investment Securities & Fed Funds Sold	2,031,777	2,280,260	(11%)
Total Loans	279,274,195	236,355,226	18%
Allowance for Loan Losses	(2,596,273)	(2,300,188)	13%
Net Loans	<u>276,677,922</u>	<u>234,055,038</u>	18%
Premises and Equipment, Net	7,806,563	8,029,593	(3%)
Cash Surrender Value of Bank-Owned Life Insurance	5,319,365	5,142,429	3%
Other Assets	3,120,500	3,439,784	(9%)
Total Assets	<u>\$341,582,037</u>	<u>306,257,931</u>	12%
<u>Liabilities and Shareholders' Equity</u>			
Deposits	\$276,995,341	247,833,997	12%
FHLB Advances and Fed Funds Purchased	30,000,000	30,000,000	0%
Subordinated Debentures	5,647,000	3,947,000	43%
Other Liabilities	1,594,655	1,494,744	7%
Total Deposits and Liabilities	<u>314,236,996</u>	<u>283,275,741</u>	11%
Shareholders' Equity	<u>27,345,041</u>	<u>22,982,190</u>	19%
Total Liabilities and Shareholders' Equity	<u>\$341,582,037</u>	<u>306,257,931</u>	12%

Comparative Consolidated Statements of Earnings

(Unaudited - dollars in thousands except per share data)

	Third Quarter		Year to Date	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Interest Income	\$3,672	3,026	\$10,438	8,761
Interest Expense	554	390	1,483	1,193
Net Interest Income	<u>3,118</u>	<u>2,636</u>	<u>8,955</u>	<u>7,568</u>
Provision for Loan Losses	5	33	485	217
Net Interest Income After Provision	<u>3,113</u>	<u>2,603</u>	<u>8,470</u>	<u>7,351</u>
Noninterest Income	278	301	1,242	692
Noninterest Expense	<u>2,349</u>	<u>2,122</u>	<u>6,926</u>	<u>6,715</u>
Earnings Before Income Taxes	1,042	782	2,786	1,328
Income Taxes	<u>383</u>	<u>276</u>	<u>1,022</u>	<u>463</u>
Net Earnings	<u>\$659</u>	<u>506</u>	<u>\$1,764</u>	<u>865</u>
Basic EPS*	\$0.39	0.31	\$1.06	0.52
Diluted EPS*	\$0.39	0.31	\$1.06	0.52
Book Value Per Share at End of Period*	\$15.37	13.94	\$15.37	13.94
Shares Outstanding*	1,778,765	1,649,151	1,778,765	1,649,151
ROE (annualized)	10.2%	8.6%	9.3%	5.0%
Dividends (paid March 3, 2017)	\$0.10	-	\$0.10	-

*Adjusted for 5% stock dividend on October 17, 2016