FIRST HOME BANCORP, INC.
AND SUBSIDIARY

SEMINOLE, FLORIDA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

FIRST HOME BANCORP, INC. AND SUBSIDIARY

SEMINOLE, FLORIDA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

CONTENTS

	PAGE
Independent Auditor's Report	1
Consolidated Statements of Financial Condition	2
Consolidated Statements of Operations	3
Consolidated Statements of Comprehensive Income (Loss)	4
Consolidated Statements of Changes in Stockholders' Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Information:	
Independent Auditor's Report on Supplementary Information	36
Consolidating Statement of Financial Condition	37
Consolidating Statement of Operations	38

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
First Home Bancorp, Inc. and Subsidiary
Seminole, Florida

We have audited the accompanying consolidated financial statements of First Home Bancorp, Inc. and Subsidiary, which comprise the consolidated statements of financial condition as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of First Home Bancorp, Inc. and Subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Saltmarsh Cleaveland & Gund

Tampa, Florida
April 13, 2015

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2014 AND 2013

ASSETS

	2014	2013
Cash and due from banks	$ 4,384,883	$ 9,720,729
Interest-bearing deposits in banks	6,887,430	5,357,876
Cash and cash equivalents	11,272,313	15,078,605
Time deposits in banks	6,951,000	4,758,000
Securities available for sale	-0-	774,077
Securities held to maturity	1,583,542	110,980
Restricted equity securities, at cost	338,001	292,501
Loans receivable, net of allowance for loan losses of $1,395,613 in 2014 and $1,464,130 in 2013	55,754,310	51,238,930
Loans held for sale	1,829,475	-0-
Accrued interest receivable	226,003	179,606
Foreclosed real estate	-0-	1,256,939
Premises and equipment, net	3,403,011	1,720,516
Deferred income taxes	264,080	-0-
Other assets	702,839	83,814
Total Assets	$ 82,324,574	$ 75,493,968

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:		
Noninterest-bearing demand deposits	$ 20,478,145	$ 16,078,872
Interest-bearing demand deposits	16,581,990	15,319,013
Savings deposits	9,564,013	11,040,980
Time deposits	22,074,379	24,307,335
Total deposits	68,698,527	66,746,200
Federal Home Loan Bank advances	6,000,000	4,500,000
Debentures	500,000	-0-
Accrued interest payable	2,364	3,464
Accrued expenses and other liabilities	317,436	233,325
Total liabilities	75,518,327	71,482,989
Commitments and contingencies	-	-
Stockholders' Equity:		
Common stock, $1.00 par value; 1,000,000 shares authorized, 474,880 shares issued in 2014 and 367,450 shares issued in 2013	474,880	367,450
Additional paid-in capital	14,502,681	12,461,511
Accumulated deficit	(8,171,314)	(8,792,059)
Accumulated other comprehensive loss	-0-	(25,923)
Total stockholders' equity	6,806,247	4,010,979
Total Liabilities and Stockholders' Equity	$ 82,324,574	$ 75,493,968

The accompanying notes are an integral
part of these consolidated financial statements.

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Interest Income:		
Loans receivable and fees on loans	$ 2,896,511	$ 3,027,469
Investment securities	102,329	12,869
Interest-bearing deposits in banks	143,014	34,015
Total interest income	3,141,854	3,074,353
Interest Expense:		
Deposits	205,752	271,274
Other	7,490	5,997
Total interest expense	213,242	277,271
Net interest income	2,928,612	2,797,082
Provision for Loan Losses	-0-	-0-
Net interest income after provision for loan losses	2,928,612	2,797,082
Noninterest Income:		
Service charges on deposit accounts	115,642	155,101
Other service charges and fees	138,273	153,032
Gain on sale of foreclosed real estate	42,256	32,273
Loss on sale of securities	(9,760)	-0-
Other income	316,943	193,553
Total noninterest income	603,354	533,959
Noninterest Expense:		
Salaries and employee benefits	1,650,783	1,740,963
Credit and collection expense	43,022	86,697
Professional fees	473,265	421,394
Occupancy expense	256,800	336,878
Equipment expense	92,986	86,221
Foreclosed real estate expenses	12,729	73,765
Regulatory assessments	123,400	197,999
Other expenses	440,496	517,219
Total noninterest expense	3,093,481	3,461,136
Income (Loss) Before Income Taxes	438,485	(130,095)
Income Tax Benefit	(182,260)	-0-
Net Income (Loss)	$ 620,745	$ (130,095)

The accompanying notes are an integral
part of these consolidated financial statements.

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Net Income (Loss)	$ 620,745	$ (130,095)
Other Comprehensive Income (Loss):		
Unrealized gains (losses) arising during the period on securities available-for-sale	16,163	(21,870)
Reclassification of realized losses on sales of securities	9,760	-0-
Other comprehensive income (loss)	25,923	(21,870)
Total Comprehensive Income (Loss)	$ 646,668	$ (151,965)

The accompanying notes are an integral
part of these consolidated financial statements.

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2014 AND 2013

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total
Balance, January 1, 2013	$ 342,350	$ 11,984,611	$ (8,661,964)	$ (4,053)	$ 3,660,944
Net loss			(130,095)		(130,095)
Exercise of warrants	25,100	476,900			502,000
Other comprehensive loss				(21,870)	(21,870)
Balance, December 31, 2013	367,450	12,461,511	(8,792,059)	(25,923)	4,010,979
Net income			620,745		620,745
Exercise of warrants	107,430	2,041,170			2,148,600
Other comprehensive income				25,923	25,923
Balance, December 31, 2014	$ 474,880	$ 14,502,681	$ (8,171,314)	$ -0-	$ 6,806,247

The accompanying notes are an integral
part of these consolidated financial statements.

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash Flows From Operating Activities:		
Net income (loss)	$ 620,745	$ (130,095)
Adjustments to reconcile net income (loss)		
to net cash (used in) provided by operating activities -		
Depreciation and amortization	120,760	113,638
Deferred tax benefit	(264,080)	-0-
Write-downs on foreclosed real estate	-0-	3,000
Other than temporary impairment on restricted equity security	-0-	192,361
Net amortization of securities	18,946	3,552
Net loss on sales of securities available for sale	9,760	-0-
Gain on sales of foreclosed real estate	(42,256)	(35,273)
Changes in:		
Loans held for sale	(1,829,475)	-0-
Accrued interest receivable	(46,397)	24,136
Other assets	(619,025)	46,134
Accrued interest payable and other liabilities	83,011	40,227
Net cash (used in) provided by operating activities	(1,948,011)	257,680
Cash Flows From Investing Activities:		
Purchase of time deposits in banks	(2,193,000)	(4,263,000)
Proceeds from sale of securities available for sale	790,240	-0-
Proceeds from calls and principal payments on securities held to maturity	515,992	122,474
Purchase of securities held to maturity	(2,007,500)	-0-
(Purchase) redemption of restricted equity securities	(45,500)	18,800
Net (increase) decrease in loans receivable	(4,602,126)	1,996,346
Proceeds from disposition of foreclosed real estate	1,385,941	35,273
Purchases of premises and equipment	(1,803,255)	(21,981)
Net cash used in investing activities	(7,959,208)	(2,112,088)
Cash Flows From Financing Activities:		
Net increase (decrease) in demand and savings deposits	4,185,283	(2,259,654)
Net (decrease) increase in time deposits	(2,232,956)	2,366,176
Net increase in Federal Home Loan Bank advances	1,500,000	-0-
Net increase in debentures	500,000	-0-
Proceeds from exercise of warrants	2,148,600	502,000
Net cash provided by financing activities	6,100,927	608,522
Net Change in Cash and Cash Equivalents	(3,806,292)	(1,245,886)
Cash and Cash Equivalents, Beginning of Year	15,078,605	16,324,491
Cash and Cash Equivalents, End of Year	$ 11,272,313	$ 15,078,605
Supplemental Disclosures of Cash Flow Information:		
Interest paid on deposits and other	$ 214,342	$ 278,871
Income taxes paid	$ 74,560	$ -0-
Noncash Transactions:		
Loans transferred to foreclosed real estate	$ 220,746	$ 810,688
Sales of foreclosed real estate financed by Bank	$ 134,000	$ -0-

The accompanying notes are an integral
part of these consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

First Home Bancorp, Inc. (the "Company") is a registered bank holding company, incorporated under the laws of the State of Florida on September 1, 2000, for the purpose of becoming a registered financial holding company under The Bank Holding Company Act of 1956, as amended. The Company owns all of the outstanding stock of First Home Bank (the "Bank"). A significant portion of the Company's assets and revenues are derived from the operations of the Bank.

The Bank is a Florida chartered commercial bank organized under the laws of the State of Florida on February 2, 1999, and provides a variety of community banking services in Seminole and Pinellas Park, Florida. The Bank's primary deposit products are demand deposits, NOW accounts, money market accounts, savings deposits and time deposits. The primary lending products are commercial business loans, real estate loans, and consumer loans.

The accounting and reporting policies of the Company, in general, conform to predominant practices in the banking industry and are based on accounting principles generally accepted in the United States of America.

Principles of Consolidation:

The accompanying consolidated financial statements include the financial results of the Company and the Bank. All material intercompany balances and transactions have been eliminated in consolidation.

Accounting Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates include the allowance for loan losses, fair value of investment securities, carrying value of foreclosed real estate, and the valuation of any deferred tax assets. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates (Continued):

While management uses available information to recognize losses on loans and to determine the carrying value of foreclosed real estate, further reductions in the carrying amounts of loans and foreclosed real estate may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans and the carrying value of foreclosed real estate. Such agencies may require the Bank to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans and the carrying value of foreclosed real estate may change materially in the near term. However, the amount of the change that is reasonably possible cannot presently be estimated.

Cash and Cash Equivalents:

For purposes of the consolidated statements of cash flows, cash and cash equivalents include cash and balances due from banks and interest-bearing deposits in banks.

The Bank is required to maintain a daily minimum reserve balance with the Federal Reserve Bank in the amount of $25,000.

Securities:

Debt securities that management has the positive intent and ability to hold to maturity are classified as "held to maturity" and recorded at amortized cost. Securities not classified as held to maturity or trading, including equity securities with readily determinable fair values, are classified as "available for sale" and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Equity Securities:

Restricted equity securities consist of stock in the Federal Home Loan Bank ("FHLB") of Atlanta and Bankers' Bancorporation of Florida, Inc. ("IBB"), which are held in accordance with certain member requirements and are stated at cost, which approximates market value. During 2013, Management determined that the Bank should consider an other-than-temporary impairment in the carrying value of the IBB stock, and, accordingly, recorded an impairment of approximately $192,000, which is included in noninterest other expense for that period.

Loans Receivable:

The Bank grants real estate, commercial, and consumer loans to customers. A substantial portion of the loan portfolio is represented by real estate loans in Pinellas County, Florida. The ability of the Bank's debtors to honor their contracts is dependent upon the real estate and general economic conditions in this area.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay off generally are reported at their outstanding unpaid principal balances adjusted for charge-offs and the allowance for loan losses. Interest income is accrued on the unpaid principal balances.

The accrual of interest on real estate and commercial loans is discontinued at the time the loan is 90 days delinquent unless the credit is well-secured and in process of collection. Other personal loans are typically charged off no later than 180 days past due. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses:

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses (Continued):

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal and interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for real estate and commercial loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment. Accordingly, the Bank generally does not separately identify individual smaller balance consumer loans for impairment disclosures.

Foreclosed Real Estate:

Real estate properties acquired through or in lieu of loan foreclosure are initially recorded at fair value less estimated selling costs at the date of foreclosure. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for loan losses. After foreclosure, valuations are periodically performed by management and property held for sale is carried at the lower of the new cost basis or fair value less costs to sell. Costs of significant property improvements are capitalized, whereas costs relating to holding property are expensed. Valuations are periodically performed by management, and any subsequent write-downs are recorded as a charge to operations, if necessary, to reduce the carrying value of a property to the lower of its cost or fair value less costs to sell.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Premises and Equipment:

Premises and equipment are stated at cost, less accumulated depreciation and amortization computed on the straight-line method over the estimated useful lives of the assets.

Advertising:

Advertising costs are expensed as incurred.

Income Taxes:

The Company and the Bank file consolidated tax returns. By consent of the Board of Directors, the Company's S-Corporation status was terminated as of June 30, 2014. As a result, six months of the Company's income for 2014 was subject to federal and state taxes. Prior to June 30, 2014, the Company, by consent of its stockholders, elected to be taxed as an S corporation under the provisions of Section 1362 of the Internal Revenue Code. Under those provisions, the stockholders include the Company's income or loss in their individual income tax returns. Therefore, no provision for income taxes had been made in the financial statements prior to that date.

Effective July 1, 2014, deferred income tax assets and liabilities are determined using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is determined based on the tax effects of the temporary differences between book and taxes bases of the various asset and liabilities in the consolidated statements of financial condition and gives recognition to changes in tax rates and laws.

The Company accounts for uncertainty in income taxes using the provisions of Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. The Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns and that its accruals for tax liabilities are adequate for all open tax years (tax years after 2011) for federal and state based on assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

The Company is no longer subject to U.S. Federal and State income tax examinations for tax years before 2011.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Related Financial Instruments:

In the ordinary course of business, the Bank has entered into commitments to extend credit and letters of credit. Such financial instruments are recorded when they are funded.

Subsequent Events:

Management has evaluated subsequent events through April 13, 2015, the date which the consolidated financial statements were available for issue.

Recent Accounting Pronouncements:

During 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-04 - Receivables - Troubled Debt Restructurings by Creditors (Subtopic 310-40): *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure* is effective for annual periods beginning after December 15, 2014. Early adoption is permitted. The objective of the amendments is to reduce diversity by clarifying when an in substance repossession or foreclosure occurs, that is, when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan receivable should be derecognized and the real estate property recognized. The amendments clarify that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate collateralizing a consumer mortgage loan, upon either: (1) the creditor obtaining legal title to the residential real estate property upon completion of residential foreclosure, or (2) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar agreement. Additional disclosures about such activities are required by these amendments. Management does not expect adoption of this ASU to have a significant impact on the Company's consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued):

In 2011 and 2012, the FASB issued several ASUs relating to the measurement and disclosure requirements for fair value of certain assets and liabilities. ASU 2011-04, which applies to all reporting entities that are required or permitted to measure or disclose the fair value of an asset, a liability, or an instrument classified in a reporting entity's shareholders' equity in the financial statements, was expected to result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. This ASU clarifies the application of existing fair value measurement requirements, and makes certain changes, including the method of measuring the fair value of financial instruments that are managed within a portfolio, the application of premiums and discounts in a fair value measurement, and requires additional disclosures about fair value measurements. ASU 2011-04 became effective for nonpublic companies, for annual periods beginning after December 15, 2011. ASU 2012-04, "Technical Corrections and Improvements" clarified and corrected unintended application of the previous fair value measurement guidance, and requires additional disclosure related to the definition of fair value in an entity's disclosure. Those amendments to the transitional guidance become effective for nonpublic companies January 1, 2014. The adoption of these pronouncements related to fair value did not have a significant impact on the Company's consolidated financial statements other than to increase financial disclosures already provided.

During 2013, the FASB issued ASU 2013-03 - Financial Instruments (Topic 825): *Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities* which is effective upon issuance. The main objective of this ASU is to clarify the scope and applicability of a particular disclosure to nonpublic entities that resulted from the issuance of ASU No. 2011-04, Fair Value Measurement (Topic 820): *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. Contrary to the stated intent of ASU 2011-04 to exempt all nonpublic entities for a particular disclosure, that ASU's amendments to Topic 825 suggested that nonpublic entities that have total assets of $100 million or more or that have one or more derivative instruments would not qualify for the intended exemption. The amendments clarify that the requirement to disclose "the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3)" does not apply to nonpublic entities for items that are not measured at fair value in the statement of financial position but for which fair value is disclosed. The adoption of this ASU did not have a significant impact on the Company's consolidated financial statements.

Reclassifications:

Certain prior period amounts have been reclassified to conform to the current period presentation.

NOTE 2 - INVESTMENT SECURITIES

Investment securities have been classified in the consolidated statements of financial condition according to management's intent. The carrying amount of securities and their approximate fair values were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-For-Sale:				
December 31, 2013 -				
U.S. agency securities	$ 800,000	$ -0-	$ (25,923)	$ 774,077
Held-To-Maturity:				
December 31, 2014 -				
Preferred stock	$ 1,489,630	$ 27,800	$ (3,200)	$ 1,514,230
U.S. agency securities	93,912	1,105	-0-	95,017
	$ 1,583,542	$ 28,905	$ (3,200)	$ 1,609,247
December 31, 2013 -				
U.S. agency securities	$ 110,980	$ -0-	$ (2,357)	$ 108,623

NOTE 2 - INVESTMENT SECURITIES (Continued)

The scheduled maturities of securities based on the weighted-average lives of the underlying collateral at December 31, 2014, were as follows:

	Held-To-Maturity	
	Amortized Cost	Fair Value
Due in one year or less	$ -0-	$ -0-
Due from one to five years	1,489,630	1,514,230
Due from five to ten years	-0-	-0-
Due after ten years	93,912	95,017
	$ 1,583,542	$ 1,609,247

During 2014, the Bank sold its available-for-sale securities at a loss of $9,760, with proceeds from the sale of $790,240. There were no sales of securities in 2013.

Investment securities with a carrying value of approximately $-0- and $774,000 at December 31, 2014 and 2013, respectively, were pledged to the Federal Reserve Bank of Atlanta.

As of December 31, 2014 and 2013, there were no held-to-maturity securities in a continuous loss position over twelve months. As discussed above, the Bank's available-for-sale securities held at December 31, 2013 were sold in 2014.

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Bank to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At December 31, 2014, unrealized losses on securities relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, or for the foreseeable future, no declines are deemed to be other-than-temporary.

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES

The components of loans in the consolidated statements of financial condition were as follows:

	2014	2013
Real estate -		
Residential	$ 21,929,530	$ 19,301,004
Commercial	27,012,568	27,624,188
Construction and land	3,444,922	2,625,596
Commercial	3,749,279	2,929,978
Consumer and other	966,412	292,223
	57,102,711	52,772,989
Deferred loan costs (fees)	47,212	(69,929)
Allowance for loan losses	(1,395,613)	(1,464,130)
	$ 55,754,310	$ 51,238,930

The Bank primarily grants real estate, commercial, and consumer loans in the State of Florida with primary concentration being in Pinellas County, Florida. Although the Bank's loan portfolio is diversified, a significant portion of its loans are secured by real estate. The Bank has divided the loan portfolio into five portfolio segments, each with different risk characteristics and methodologies for assessing risk. The portfolio segments identified by the Bank are residential real estate loans, commercial real estate loans, construction and land loans, commercial loans, and consumer and other loans.

Real Estate - Residential. The Bank originates residential real estate loans for the purchase or refinancing of a mortgage. These loans are primarily collateralized by owner-occupied properties located in the Bank's market area.

Real Estate - Commercial. Commercial real estate loans consist of loans to finance real estate purchases, refinancings, and expansions and improvements to commercial properties. These loans are secured primarily by first liens and may include office buildings, apartments, retail and mixed-use properties, churches, warehouses and restaurants located within the market area. The Bank's underwriting analysis includes credit verification, independent appraisals, a review of the borrower's financial condition, and a detailed analysis of the borrower's underlying cash flows. Commercial real estate loans are larger than residential loans and involve greater credit risk. The repayment of these loans largely depends on the results of operations and management of these properties. Adverse economic conditions also affect the repayment ability to a greater extent than residential real estate loans.

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Real Estate - Construction and land. Construction and land loans consist of loans to individuals for the construction of a primary or secondary residence and, in some cases, to real estate investors to acquire and develop land. To the extent construction loans are not made to owner-occupants of single-family homes, they are more vulnerable to changes in economic conditions. Further, the nature of these loans is such that they are more difficult to evaluate and monitor. The risk of loss on a construction loan is dependent largely upon the accuracy of the initial estimate of the property's value upon completion of the project and the estimated cost (including interest) of the project.

Commercial. Commercial loans consist of business loans to small and medium sized companies in the Bank's market area. Commercial loans are generally used for working capital purposes or for acquiring equipment, inventory or furniture. The Bank's underwriting analysis consists of a review of the financial statements of the borrower, the lending history of the borrower, the debt service capabilities of the borrower, the projected cash flows of the business, the value of the collateral, if any, and whether the loan is guaranteed by the principals of the borrower. These loans are generally secured by accounts receivable, inventory and equipment. Commercial loans are typically made on the basis of the borrower's ability to make repayment from the cash flow of the borrower's business, which makes them of higher risk than residential loans and the collateral securing loans may be difficult to appraise and may fluctuate in value based on the success of the business. The Bank seeks to minimize these risks through its underwriting standards.

Consumer and Other. Consumer and other loans mainly consist of automobile, revolving credit plans, and other loans. The Bank's consumer loans may be uncollateralized and rely on the borrower's income for repayment.

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Allowance for Loan Losses:

The following schedule presents a rollforward of the allowance for loan losses as of December 31:

	2014	2013
Balance, beginning of year	$ 1,464,130	$ 1,808,475
Charge-offs:		
Real estate - residential	(125,021)	(232,895)
Real estate - commercial	(96,590)	(93,165)
Real estate - construction and land	-0-	(79,266)
Commercial	(45,405)	(21,637)
Consumer and other	-0-	(20,929)
Total charge-offs	(267,016)	(447,892)
Recoveries:		
Real estate - residential	175,992	25,784
Real estate - commercial	-0-	2,199
Real estate - construction and land	-0-	74,564
Commercial	22,507	1,000
Consumer and other	-0-	-0-
Total recoveries	198,499	103,547
Net charge-offs	(68,517)	(344,345)
Provision charged to operations	-0-	-0-
Balance, end of year	$ 1,395,613	$ 1,464,130

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Allowance for Loan Losses (Continued):

The following tables present the allocation of loan loss reserves and the recorded investment in loans based on impairment method as of December 31, 2014 and 2013:

	Real Estate - Residential	Real Estate - Commercial	Real Estate - Construction and Land	Commercial	Consumer and Other	Total
December 31, 2014 -						
Reserves allocated for loans:						
Individually evaluated for impairment	$ 128,685	$ 10,109	$ -0-	$ -0-	$ -0-	$ 138,794
Collectively evaluated for impairment	429,704	499,645	114,734	189,976	22,760	1,256,819
	$ 558,389	$ 509,754	$ 114,734	$ 189,976	$ 22,760	$ 1,395,613
December 31, 2014 -						
Loans:						
Individually evaluated for impairment	$ 1,324,430	$ 1,056,158	$ -0-	$ -0-	$ -0-	$ 2,380,588
Collectively evaluated for impairment	20,605,100	25,956,410	3,444,922	3,749,279	966,412	54,722,123
	$ 21,929,530	$ 27,012,568	$ 3,444,922	$ 3,749,279	$ 966,412	$ 57,102,711

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Allowance for Loan Losses (Continued):

	Real Estate - Residential	Real Estate - Commercial	Real Estate - Construction and Land	Commercial	Consumer and Other	Total
December 31, 2013 -						
Reserves allocated for loans:						
Individually evaluated for impairment	$ 115,266	$ 229,225	$ -0-	$ -0-	$ -0-	$ 344,491
Collectively evaluated for impairment	460,225	507,085	79,624	67,963	4,742	1,119,639
	$ 575,491	$ 736,310	$ 79,624	$ 67,963	$ 4,742	$ 1,464,130
December 31, 2013 -						
Loans:						
Individually evaluated for impairment	$ 1,921,819	$ 2,179,133	$ -0-	$ 42,342	$ 1	$ 4,143,295
Collectively evaluated for impairment	17,379,185	25,445,055	2,625,596	2,887,636	292,222	48,629,694
	$ 19,301,004	$ 27,624,188	$ 2,625,596	$ 2,929,978	$ 292,223	$ 52,772,989

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Impaired Loans:

The following tables present impaired loans disaggregated by class as of December 31, 2014 and 2013:

	Recorded Investment	Unpaid Principal Balance	Specific Allowance	Average Recorded Investment	Interest Income Recognized
December 31, 2014 - Without a specific allowance recorded:					
Real estate - residential	$ 552,639	$ 798,351	$ -0-	$ 999,618	$ 74,045
Real estate - commercial	735,872	1,078,788	-0-	1,323,085	119,335
Real estate - construction and land	-0-	-0-	-0-	-0-	-0-
Commercial	-0-	-0-	-0-	21,480	-0-
Consumer and other	-0-	-0-	-0-	-0-	-0-
	$ 1,288,511	$ 1,877,139	$ -0-	$ 2,344,183	$ 193,380
December 31, 2014 - With a specific allowance recorded:					
Real estate - residential	$ 771,791	$ 787,465	$ 128,685	$ 715,016	$ 42,954
Real estate - commercial	320,286	367,383	10,109	325,442	21,216
Real estate - construction and land	-0-	-0-	-0-	-0-	-0-
Commercial	-0-	-0-	-0-	-0-	-0-
Consumer and other	-0-	-0-	-0-	-0-	-0-
	$ 1,092,077	$ 1,154,848	$ 138,794	$ 1,040,458	$ 64,170
Totals, December 31, 2014	$ 2,380,588	$ 3,031,987	$ 138,794	$ 3,384,641	$ 257,550

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Impaired Loans (Continued):

	Recorded Investment	Unpaid Principal Balance	Specific Allowance	Average Recorded Investment	Interest Income Recognized
December 31, 2013 -					
Without a specific allowance recorded:					
Real estate - residential	$ 1,586,896	$ 1,901,430	$ -0-	$ 1,929,381	$ 117,119
Real estate - commercial	1,521,579	1,631,476	-0-	2,053,045	88,742
Real estate - construction and land	-0-	-0-	-0-	-0-	-0-
Commercial	42,342	124,864	-0-	131,182	1,254
Consumer and other	1	13,169	-0-	13,352	1,317
	$ 3,150,818	$ 3,670,939	$ -0-	$ 4,126,960	$ 208,432
December 31, 2013 -					
With a specific allowance recorded:					
Real estate - residential	$ 334,923	$ 334,923	$ 115,266	$ 336,756	$ 21,111
Real estate - commercial	657,554	657,554	229,225	671,130	36,296
Real estate - construction and land	-0-	-0-	-0-	-0-	-0-
Commercial	-0-	-0-	-0-	-0-	-0-
Consumer and other	-0-	-0-	-0-	-0-	-0-
	$ 992,477	$ 992,477	$ 344,491	$ 1,007,886	$ 57,407
Totals, December 31, 2013	$ 4,143,295	$ 4,663,416	$ 344,491	$ 5,134,846	$ 265,839

There were no troubled debt restructurings granted during 2014 or 2013.

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Credit Quality:

Internal risk-rating grades are assigned to loans by lending, credit administration or loan review personnel, based on an analysis of the financial and collateral strength and other credit attributes underlying each loan. Management analyzes the resulting ratings, as well as other external statistics and factors such as delinquency, to track the migration performance of the portfolio balances. This analysis is performed at least annually. The Bank uses the following definitions for its risk ratings:

Pass. Loans properly approved, documented, collateralized, and performing which do not reflect an abnormal credit risk.

Special Mention. These credits constitute an undue and unwarranted credit risk, but not to a point of justifying a classification of "Substandard". They have weaknesses that, if not checked or corrected, weaken the asset or inadequately protect the Bank.

Substandard. These loans are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

Doubtful. These loans have all the weaknesses inherent in those classified as substandard with the added characteristic that the weaknesses make collection or repayment in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable.

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Credit Quality (Continued):

The tables below sets forth credit exposure for the loan portfolio disaggregated by class based on internally assigned risk ratings at December 31, 2014 and 2013:

Credit Exposure Based on Risk Ratings:

	Pass	Special Mention	Substandard	Doubtful
December 31, 2014 -				
Loan Category				
Real estate - residential	$ 18,745,929	$ 1,215,183	$ 1,968,418	$ -0-
Real estate - commercial	24,552,082	1,533,958	926,528	-0-
Real estate - construction and land	3,444,922	-0-	-0-	-0-
Commercial	3,730,108	19,171	-0-	-0-
Consumer and other	966,412	-0-	-0-	-0-
	$ 51,439,453	$ 2,768,312	$ 2,894,946	$ -0-
December 31, 2013 -				
Loan Category				
Real estate - residential	$ 15,662,582	$ 1,160,927	$ 2,477,495	$ -0-
Real estate - commercial	23,804,632	1,044,079	2,775,477	-0-
Real estate - construction and land	2,625,596	-0-	-0-	-0-
Commercial	2,838,765	48,868	8,847	33,498
Consumer and other	292,223	-0-	-0-	-0-
	$ 45,223,798	$ 2,253,874	$ 5,261,819	$ 33,498

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Past Due and Nonaccrual Loans:

The following tables present an aging of past due loans disaggregated by class at December 31, 2014 and 2013:

	30-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current Loans	Total Loans	Loans > 90 Days and Accruing
December 31, 2014 -						
Real estate - residential	$ 197,827	$ 344,303	$ 542,130	$ 21,387,400	$ 21,929,530	$ -0-
Real estate - commercial	-0-	-0-	-0-	27,012,568	27,012,568	-0-
Real estate - construction and land	-0-	-0-	-0-	3,444,922	3,444,922	-0-
Commercial	16,459	-0-	16,459	3,732,820	3,749,279	-0-
Consumer and other	-0-	-0-	-0-	966,412	966,412	-0-
	$ 214,286	$ 344,303	$ 558,589	$ 56,544,122	$ 57,102,711	$ -0-
December 31, 2013 -						
Real estate - residential	$ 455,260	$ 60,140	$ 515,400	$ 18,785,604	$ 19,301,004	$ -0-
Real estate - commercial	-0-	516,787	516,787	27,107,401	27,624,188	-0-
Real estate - construction and land	-0-	-0-	-0-	2,625,596	2,625,596	-0-
Commercial	20,032	8,844	28,876	2,901,102	2,929,978	-0-
Consumer and other	-0-	-0-	-0-	292,223	292,223	-0-
	$ 475,292	$ 585,771	$ 1,061,063	$ 51,711,926	$ 52,772,989	$ -0-

Included in the balances of current loans in the tables above are approximately $309,000 and $634,000 of loans classified as nonaccrual at December 31, 2014 and 2013, respectively. These loans primarily consist of restructured loans that are current per the new contract or modified terms, where the source of repayment is not assured. Management maintains these loans on nonaccrual status until either the primary source or secondary source of repayment assures full repayment of the loan.

NOTE 3 - LOANS AND THE ALLOWANCE FOR LOAN LOSSES (Continued)

Past Due and Nonaccrual Loans (Continued):

The following table presents the composition of nonaccrual loans disaggregated by class at December 31, 2014 and 2013:

	2014	2013
Real estate - residential	$ 440,078	$ 514,543
Real estate - commercial	213,126	696,634
Real estate - construction and land	-0-	-0-
Commercial	-0-	8,849
Consumer and other	-0-	-0-
	$ 653,204	$ 1,220,026

NOTE 4 - PREMISES AND EQUIPMENT

Components of premises and equipment included in the consolidated statements of financial condition were as follows:

	2014	2013
Land	$ 1,380,670	$ 499,595
Building and improvements	2,484,103	1,325,166
Furniture and equipment	685,082	697,610
Leasehold improvements	-0-	458,879
Construction in process	175,935	-0-
	4,725,790	2,981,250
Accumulated depreciation and amortization	(1,322,779)	(1,260,734)
	$ 3,403,011	$ 1,720,516

Depreciation and amortization expense charged to operations amounted to $120,760 in 2014 and $113,638 in 2013.

NOTE 4 - PREMISES AND EQUIPMENT (Continued)

Leases:

The Bank leased a full service branch for its office in Seminole, Florida under an operating lease agreement which was set to expire in 2019. During 2014, the Bank purchased this building. Rental expense relating to the operating lease amounted to approximately $58,000 in 2014 (prior to the purchase) and $130,000 in 2013.

NOTE 5 - TIME DEPOSITS

The aggregate amount of time deposits at December 31, each with a minimum denomination of $250,000 was approximately $1,569,000 in 2014 and $1,313,000 in 2013.

At December 31, 2014, the scheduled maturities of time deposits were as follows:

2015	$ 16,171,256
2016	3,664,710
2017	1,198,308
2018	855,682
2019 and thereafter	184,423
	$ 22,074,379

NOTE 6 - FEDERAL HOME LOAN BANK ADVANCES

A summary of Federal Home Loan Bank ("FHLB") advances by maturity and interest rate follows:

Maturity	Interest Rate	At December 31, 2014	At December 31, 2013
01/14/15	0.21%	$ 1,000,000	$ -0-
01/23/15	0.23%	3,000,000	-0-
10/27/15	0.36%	2,000,000	-0-
01/21/14	0.18%	-0-	2,000,000
01/23/14	0.31%	-0-	2,000,000
01/30/14	0.17%	-0-	500,000
		$ 6,000,000	$ 4,500,000

NOTE 6 - FEDERAL HOME LOAN BANK ADVANCES (Continued)

The advances are collateralized by FHLB stock and a blanket floating lien agreement on the Bank's real estate loan portfolio. As of December 31, 2014, the Bank had a remaining available line with the FHLB of approximately $9.27 million based on the availability of qualifying collateral.

NOTE 7 - DEBENTURES

In December 2014, the Bank issued $500,000 in Subordinated Debentures (the "Debentures") in a private placement. Under the agreement, there is a remaining amount of $1,500,000 in Debentures that may be issued by the Bank. The Debentures have a final maturity of December 31, 2029, and accrue interest at the greater of 8.75% per annum or LIBOR plus 4.95% per annum as determined two business days prior to each interest payment date. The Debentures are redeemable after the fifth anniversary, in whole or in part, at the option of the Bank at a redemption price equal to 100% plus the applicable premium (3% within year six, 2% within year seven, and 1% during year eight, and 0% thereafter) together with accrued interest. The balance of debentures outstanding at December 31, 2014 was $500,000.

Interest expense under these borrowings was $122 in 2014.

NOTE 8 - INCOME TAXES

For the period from January 1, 2014 through June 30, 2014 and for the year ended December 31, 2013, the Company by consent of its stockholders, had elected to be taxed as an S corporation under the provisions of Section 1362 of the Internal Revenue Code. Under those provisions, the stockholders included the Company's income or loss in their individual federal income tax returns. Therefore, no provision for federal income taxes has been made in the financial statements for the period from January 1, 2014 through June 30, 2014, or for the year ended December 31, 2013.

For the period from July 1, 2014 through December 31, 2014, the Company's income was subject to federal and state taxes, which approximated $75,000. This tax expense was offset by the recognition of previously unrecorded deferred tax benefits. In addition, the Company recorded a deferred tax benefit of approximately $182,000 which was recognized in the consolidated financial statements for 2014, based on Management's estimate of future taxable income.

NOTE 8 - INCOME TAXES (Continued)

The tax effects of each type of significant item that gave rise to deferred income taxes as of December 31, 2014 are as follows:

Deferred tax assets:		
Allowance for loan losses	$	523,959
Accumulated depreciation		15,758
Deferred loan fees		68,210
Other		131
		608,058
Deferred tax liabilities:		
Accrual to cash conversion		34,278
Valuation allowance		(309,700)
Net deferred tax asset	$	264,080

The Company had no unrecognized tax benefits as of December 31, 2014. The Company has no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase within the next twelve months. The Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for tax years before 2011.

NOTE 9 - STOCKHOLDERS' EQUITY

The Company and the Bank are subject to certain restrictions on the amount of dividends they may declare without regulatory approval.

NOTE 10 - STOCK WARRANTS AND OPTIONS

Outstanding Warrants:

At the date of inception, the initial investors in the Company were granted warrants to purchase additional common stock equal to 100% of their initial investment in the common stock of the Company for a total of 275,000 shares. The warrants were exercisable up to March 11, 2014 at $20 per share. During 2014, 107,430 warrants were exercised and 142,470 expired. During 2013, warrants in the amount of 25,100 were exercised, and none were forfeited. At December 31, 2014, there were no longer any warrants outstanding.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Credit Related Financial Instruments:

The Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and letters of credit. These financial instruments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the consolidated statements of financial condition.

The Bank's exposure to credit loss is represented by the contractual amount of these commitments. The Bank follows the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

At December 31, the following financial instruments were outstanding whose contract amounts represent credit risk:

	2014	2013
Commitments to extend credit	$ 6,707,000	$ 3,551,000
Standby letters-of-credit	$ 58,400	$ 58,400

Commitments to extend credit are agreements to lend to customers as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments to extend credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the customer

Unfunded commitments under commercial lines of credit and revolving credit lines are commitments for possible future extensions of credit to existing customers. These lines of credit may be uncollateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Bank is committed.

Letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those letters of credit are primarily issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Bank generally holds collateral for those commitments for which collateral is deemed necessary.

The Bank has not incurred any losses on its commitments in 2014 or 2013.

NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)

Unused Lines of Credit:

The Bank has unsecured federal funds lines of credit with other financial institutions enabling the Bank to borrow up to $2,800,000 with interest determined at the time of any advance. The Bank had no advances as of December 31, 2014. The arrangements are reviewed quarterly for renewal or modification of the credit lines.

Other:

Various legal claims arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on the Company's consolidated financial statements.

NOTE 12 - RELATED PARTY TRANSACTIONS

The Bank has entered into transactions with its directors, significant stockholders, and their affiliates (related parties). The aggregate amount of loans to such related parties was approximately $3,465,000 and $1,952,000, respectively, at December 31, 2014 and 2013. Also, certain related parties maintain deposit balances with the Bank in the aggregate amount of approximately $8,252,000 and $8,487,000, respectively, at December 31, 2014 and 2013.

In the ordinary course of business, the Bank has entered into transactions with certain members of the Board of Directors of the Company and the Bank for various professional services including legal, insurance and loan closings.

NOTE 13 - REGULATORY MATTERS

Capital Requirements:

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under the regulatory capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines involving quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total risk-based capital and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and Tier I capital (as defined) to average assets (as defined).

NOTE 13 - REGULATORY MATTERS (Continued)

Capital Requirements (Continued):

As of December 31, 2014, the most recent notification from the FDIC categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the following table. There are no conditions or events since that notification that management believes have changed the Bank's category. The Bank's actual capital amounts and ratios are presented in the following table:

	Actual		Minimum To Be Adequately Capitalized Under Prompt Corrective Action Provisions		Minimum To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2014:						
Total Capital (to Risk Weighted Assets)	$ 7,868,000	13.22%	≥ $ 4,763,000	≥ 8.00%	≥ $ 5,954,000	≥ 10.00%
Tier I Capital (to Risk Weighted Assets)	$ 6,616,000	11.11%	≥ $ 2,382,000	≥ 4.00%	≥ $ 3,572,000	≥ 6.00%
Tier I Capital (to Average Assets)	$ 6,616,000	8.74%	≥ $ 3,029,000	≥ 4.00%	≥ $ 3,786,000	≥ 5.00%
As of December 31, 2013:						
Total Capital (to Risk Weighted Assets)	$ 4,682,000	9.16%	≥ $ 4,090,000	≥ 8.00%	≥ $ 5,112,000	≥ 10.00%
Tier I Capital (to Risk Weighted Assets)	$ 4,033,000	7.89%	≥ $ 2,045,000	≥ 4.00%	≥ $ 3,067,000	≥ 6.00%
Tier I Capital (to Average Assets)	$ 4,033,000	5.74%	≥ $ 2,809,000	≥ 4.00%	≥ $ 3,511,000	≥ 5.00%

NOTE 14 - FAIR VALUE MEASUREMENT

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The statement describes three levels of inputs that may be used to measure fair value: Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data. Level 3: Significant unobservable inputs that reflect a Company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Securities. Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid government securities and certain other products. The Bank's available-for-sale securities fall into Level 2 of the fair value hierarchy. These securities are generally priced via independent service providers. In obtaining such valuation information, the Bank has evaluated the valuation methodologies used to develop the fair values. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Impaired Loans. A loan is considered to be impaired when it is probable the Bank will be unable to collect all principal and interest payments due in accordance with the contractual terms of the loan agreement. In most cases, the Bank measures fair value based on the value of the collateral securing the loan. Collateral may be in the form of real estate and/or business or personal assets, including but not limited to equipment, inventory, and accounts receivable. The vast majority of the collateral is real estate. The fair value of real estate collateral is determined based on third party appraisals by qualified licensed appraisers as well as internal estimates. The fair value of other business or personal assets is generally based on amounts reported on the financial statements of the customer or customer's business. Appraised and reported values may be adjusted based on management's historical knowledge, changes in market conditions from the time of valuation and management's knowledge of the customer and the customer's business. Since not all valuation inputs are observable, these nonrecurring fair value determinations are classified as Level 3. Impaired loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly, based on the same factors previously identified.

NOTE 14 - FAIR VALUE MEASUREMENT (Continued)

Foreclosed Real Estate. Estimates of fair values are determined based on a variety of information, including the use of available appraisals, estimates of market value by licensed appraisers or local real estate brokers and the knowledge and experience of the Bank's management related to values of properties in the Bank's market areas. Management takes into consideration the type, location and occupancy of the property as well as current economic conditions in the area the property is located in assessing estimates of fair value. Accordingly, the fair values estimates for foreclosed real estate and other repossessed assets are classified as Level 3.

The following table presents the financial instruments carried at fair value as of December 31, 2014 and 2013, by caption on the consolidated statements of financial condition and by the valuation hierarchy (as described above):

Assets and liabilities measured at fair value on a recurring basis:

	Total carrying value in the consolidated statements of financial condition	Quoted market prices in an active market (Level 1)	Internal models with significant observable market parameters (Level 2)	Internal models with significant unobservable market parameters (Level 3)
December 31, 2013 -				
Available-for-sale securities	$ 774,000	$ -0-	$ 774,000	$ -0-

NOTE 14 - FAIR VALUE MEASUREMENT (Continued)

Assets and liabilities measured at fair value on a nonrecurring basis:

	Total carrying value in the consolidated statements of financial condition	Quoted market prices in an active market (Level 1)	Internal models with significant observable market parameters (Level 2)	Internal models with significant unobservable market parameters (Level 3)
December 31, 2014 -				
Impaired loans, net of specific reserves	$ 2,242,000	$ -0-	$ -0-	$ 2,242,000
December 31, 2013 -				
Impaired loans, net of specific reserves	$ 3,799,000	$ -0-	$ -0-	$ 3,799,000
Foreclosed real estate	1,257,000	-0-	-0-	1,257,000

There were no transfers between levels of the fair value hierarchy for the years ended December 31, 2014 and 2013.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
First Home Bancorp, Inc.
and Subsidiary
Seminole, Florida

We have audited the consolidated financial statements of First Home Bancorp, Inc. and Subsidiary as of and for the year ended December 31, 2014, and our report appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 37 through 38 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Saltmarsh Cleaveland & Gund

Tampa, Florida
April 13, 2015

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2014

ASSETS

	Bank	Holding Company	Eliminating Entries	Consolidated
Cash and due from banks	$ 4,384,883	$ 196,816	$ (196,816)	$ 4,384,883
Interest-bearing deposits in banks	6,887,430			6,887,430
Cash and cash equivalents	11,272,313	196,816	(196,816)	11,272,313
Time deposits in banks	6,951,000			6,951,000
Securities held to maturity	1,583,542			1,583,542
Restricted equity securities, at cost	338,001			338,001
Loans receivable, net of allowance for loan losses	55,754,310			55,754,310
Loans held for sale	1,829,475			1,829,475
Accrued interest receivable	226,003			226,003
Premises and equipment, net	3,403,011			3,403,011
Deferred income taxes	264,080			264,080
Investment in Subsidiary	-0-	6,616,691	(6,616,691)	-0-
Other assets	702,839			702,839
Total Assets	$ 82,324,574	$ 6,813,507	$ (6,813,507)	$ 82,324,574

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:				
Noninterest-bearing demand deposits	$ 20,674,961	$	$ (196,816)	$ 20,478,145
Interest-bearing demand deposits	16,581,990			16,581,990
Savings deposits	9,564,013			9,564,013
Other time deposits	22,074,379			22,074,379
Total deposits	68,895,343	-0-	(196,816)	68,698,527
Federal Home Loan Bank advances	6,000,000			6,000,000
Debentures	500,000			500,000
Accrued interest payable	2,364			2,364
Accrued expenses and other liabilities	310,176	7,260		317,436
Total liabilities	75,707,883	7,260	(196,816)	75,518,327
Stockholders' Equity:				
Common stock	2,677,500	474,880	(2,677,500)	474,880
Additional paid-in capital	11,820,930	14,502,681	(11,820,930)	14,502,681
Accumulated deficit	(7,881,739)	(8,171,314)	7,881,739	(8,171,314)
Accumulated other comprehensive loss	-0-	-0-	-0-	-0-
Total stockholders' equity	6,616,691	6,806,247	(6,616,691)	6,806,247
Total Liabilities and Stockholders' Equity	$ 82,324,574	$ 6,813,507	$ (6,813,507)	$ 82,324,574

FIRST HOME BANCORP, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2014

	Bank	Holding Company	Eliminating Entries	Consolidated
Interest Income:				
Loans receivable and fees on loans	$ 2,896,511	$	$	$ 2,896,511
Investment securities	102,329			102,329
Interest-bearing deposits in banks	143,014			143,014
Total interest income	3,141,854	-0-	-0-	3,141,854
Interest Expense:				
Deposits	205,752			205,752
Other	7,490			7,490
Total interest expense	213,242	-0-	-0-	213,242
Net interest income	2,928,612	-0-	-0-	2,928,612
Provision for Loan Losses	-0-	-0-		-0-
Net interest income after provision for loan losses	2,928,612	-0-	-0-	2,928,612
Noninterest Income:				
Equity in earnings of subsidiary	-0-	652,280	(652,280)	-0-
Service charges on deposit accounts	115,642			115,642
Other service charges and fees	138,273			138,273
Gain on sale of foreclosed real estate	42,256			42,256
Loss on sale of securities	(9,760)			(9,760)
Other income	316,943			316,943
Total noninterest income	603,354	652,280	(652,280)	603,354
Noninterest Expense:				
Salaries and employee benefits	1,633,188	17,595		1,650,783
Credit and collection expense	43,022			43,022
Professional fees	452,065	21,200		473,265
Occupancy expense	256,800			256,800
Equipment expense	92,986			92,986
Foreclosed real estate expenses	12,729			12,729
Regulatory assessments	123,400			123,400
Other expenses	440,496			440,496
Total noninterest expense	3,054,686	38,795	-0-	3,093,481
Income Before Income Taxes	477,280	613,485	(652,280)	438,485
Income Tax Benefit	(175,000)	(7,260)	-0-	(182,260)
Net Income	$ 652,280	$ 620,745	$ (652,280)	$ 620,745