Our employees provide superior customer service. They are the reason the readers of the Naples Daily News have voted us Best Bank 7 years in a row!
2017 was our most successful year ever! In this letter, I want to share with you just a few of the highlights for the year.

**Net Income:**
I am pleased to announce the significant earnings momentum which began in 2016, continued through 2017, resulting in another record year for TGR Financial, Inc. We increased net income by 42% to $8.1 million, even after considering the one-time mandatory adjustment of $1.2 million related to the enactment of the Tax Cuts and Job Act (the “Tax Act”). The enactment of this Act required companies to adjust deferred tax assets and deferred tax liabilities by an amount equal to the reduction in the federal corporate tax rate to 21%. As a result of this one-time adjustment, which increased our provision for income taxes, it is more appropriate to consider the increase in income before taxes, which increased by 51%.

**Return on Average Assets:**
Banks are valued based on many factors. I believe that the most important one is its return on average assets. Our return on average assets in 2017 increased from 0.47% to 0.64%. However, adjusting for the impact of the Tax Act, the return on average assets was up significantly to 0.73%. We continue to improve our return on assets by becoming a high earning bank, driven to maximize profitability and quality growth, without changing our overall risk profile or operating efficiency.

**Shareholder Value:**
The positive operating performance of the company has resulted in a significant increase in the market value of your stock, which trades on the OTCQX Market under the symbol TGRF. The chart below reflects a 45.5% improvement since our initial listing on the OTCQX Market on August 25, 2016. I am further pleased to report that your 2017 stock performance outperformed both the OTCQX Banks Index (“OTCQXBK”) which increased by 29.6% and the KBW Regional Banking Portfolio Index (“KBWR”) which increased by 36.2%.
In 2017 total shareholder return was 8.28%, prior to the one-time adjustment for the Tax Act. This return represented a significant improvement over the 5.41% earned in 2016. Additionally, tangible book value per share increased from $5.52 to $6.03.

**Current and Future Focus:**
2017 was a pivotal year for TGR Financial as we transitioned from a company focused primarily on growth to a company focused on earnings and balanced growth. We launched our “ROAdrunner,” strategic initiative which emphasized a concentrated focus on our highest yielding product lines, discontinuance of lower yielding product lines, and the continued generation of low cost deposit relationships. These initiatives accomplished a strong foundation for the future by expanding commercial based lending efforts through an emphasis on owner occupied properties, asset based lending and account receivable factoring. In order to enhance our return on average assets, we made a strategic decision to eliminate the origination of portfolio residential mortgages.

Our physical office footprint is strategically located to take full advantage of being deeply rooted in communities that are highly dynamic and growing. Recently the IRS reported that, during 2015 and 2016, more income migrated to Collier and Lee counties than to the entire state of Texas. We continue to be the largest community bank headquartered in Collier County, maintaining the fifth highest deposit share among all banks. The Company’s value proposition combined with its outstanding and dedicated employees have allowed us to efficiently and effectively penetrate this highly desirable market, which leads the state in the majority of all economic indicators.

Your leadership team remains focused on prudent capital stewardship while delivering sustainable shareholder value, as demonstrated by our strong capital position, superior asset quality and the ability to generate sufficient capital to support higher quality growth initiatives.

**Our Commitment to You:**
As we look to the future, we are highly confident that your Company is appropriately positioned both strategically and financially. Our priority is to continue to provide superior customer service, while investing in high growth areas that allow us to generate strong, sustained organic growth and shareholder returns. We are a customer centric organization reflecting a strong desire to meet the needs of how our customers choose to bank. We continue to invest in technology to further deepen customer relationships and serve our communities in new and exciting ways. As we invest in technology, we also must invest in our professional teammates and our culture, which remains our most significant and valuable assets.

TGR Financial’s success and opportunities for continued growth are due to the hard work and commitment of the Company’s talented employees. They have worked tirelessly to bring the Company’s cultural commitments to fruition. We share their commitment to delivering outstanding results for our shareholders, customers, and communities.

On behalf of our employees and directors, we thank you for your continuous support of TGR Financial, Inc. and First Florida Integrity Bank. We wholeheartedly appreciate your continued investment and interest in our Company. If you are currently not a customer, please stop at one of our offices for a cookie and visit with a personal banker to establish your banking relationship.

Best regards,

Chairman and CEO
## TGR FINANCIAL, INC. AND SUBSIDIARIES
### Consolidated Statements of Financial Condition
As of December 31,

(dollars in thousands, except book value)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>$41,454</td>
<td>$14,482</td>
<td>$6,999</td>
<td>$8,543</td>
</tr>
<tr>
<td>Interest earning balances due from banks and others</td>
<td>96,088</td>
<td>20,778</td>
<td>28,856</td>
<td>10,240</td>
</tr>
<tr>
<td><strong>TOTAL CASH AND CASH EQUIVALENTS</strong></td>
<td>$137,542</td>
<td>$35,260</td>
<td>$35,855</td>
<td>$18,783</td>
</tr>
<tr>
<td>Securities available-for-sale</td>
<td>169,920</td>
<td>188,401</td>
<td>262,714</td>
<td>260,813</td>
</tr>
<tr>
<td>Securities held-to-maturity</td>
<td>30,510</td>
<td>4,336</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal Reserve Bank stock</td>
<td>3,203</td>
<td>3,147</td>
<td>3,005</td>
<td>2,725</td>
</tr>
<tr>
<td>Federal Home Loan Bank stock</td>
<td>1,078</td>
<td>3,729</td>
<td>3,356</td>
<td>3,496</td>
</tr>
<tr>
<td>Loans, net of allowance for loan losses</td>
<td>958,955</td>
<td>900,951</td>
<td>801,993</td>
<td>645,175</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>21,796</td>
<td>19,229</td>
<td>19,729</td>
<td>20,138</td>
</tr>
<tr>
<td>Other real estate owned, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>3,348</td>
<td>2,661</td>
<td>2,283</td>
<td>1,929</td>
</tr>
<tr>
<td>Goodwill and other intangibles</td>
<td>5,542</td>
<td>5,633</td>
<td>5,734</td>
<td>5,837</td>
</tr>
<tr>
<td>Bank owned life insurance</td>
<td>27,418</td>
<td>26,739</td>
<td>23,641</td>
<td>19,026</td>
</tr>
<tr>
<td>Deferred tax asset, net</td>
<td>3,032</td>
<td>7,382</td>
<td>9,734</td>
<td>11,533</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,944</td>
<td>1,617</td>
<td>751</td>
<td>705</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$1,364,261</td>
<td>$1,199,085</td>
<td>$1,168,795</td>
<td>$990,235</td>
</tr>
</tbody>
</table>

| LIABILITIES:                                   |       |       |       |       |
| Non-interest bearing demand deposits           | $206,142 | $183,245 | $155,879 | $124,525 |
| **TOTAL LIABILITIES**                         | $1,248,297 | $1,092,686 | $1,067,375 | $895,166 |

| STOCKHOLDERS' EQUITY:                         |       |       |       |       |
| Common stock, $1 par value                    | 17,263 | 17,228 | 17,227 | 16,789 |
| Preferred stock, nonvoting series a convertible $1 par value | 1,038 | 1,038 | 1,038 | 1,038 |
| Additional paid-in capital                    | 92,254 | 91,315 | 90,874 | 88,592 |
| Accumulated earnings/(deficit)                | 6,923 | (1,201) | (6,904) | (11,581) |
| Accumulated other comprehensive (loss)/income | (1,514) | (1,981) | (815) | 231 |
| **TOTAL STOCKHOLDERS' EQUITY**                | 115,964 | 106,399 | 101,420 | 95,069 |

| TANGIBLE BOOK VALUE (includes preferred shares) | $6.03 | $5.52 | $5.24 | $5.01 |
**TGR FINANCIAL, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
For the Years Ended December 31,  

(dollars in thousands, except per share data)  

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$40,719</td>
<td>$35,003</td>
<td>$29,575</td>
</tr>
<tr>
<td>Investment securities</td>
<td>4,206</td>
<td>3,752</td>
<td>4,247</td>
</tr>
<tr>
<td>Interest bearing balances due from banks</td>
<td>684</td>
<td>494</td>
<td>294</td>
</tr>
<tr>
<td><strong>TOTAL INTEREST INCOME</strong></td>
<td>45,609</td>
<td>39,249</td>
<td>34,116</td>
</tr>
<tr>
<td><strong>Interest expense:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>5,866</td>
<td>4,535</td>
<td>3,762</td>
</tr>
<tr>
<td>Customer repurchase agreements</td>
<td>636</td>
<td>320</td>
<td>296</td>
</tr>
<tr>
<td>Other borrowed funds</td>
<td>281</td>
<td>306</td>
<td>221</td>
</tr>
<tr>
<td><strong>TOTAL INTEREST EXPENSE</strong></td>
<td>6,783</td>
<td>5,161</td>
<td>4,279</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME</strong></td>
<td>38,826</td>
<td>34,088</td>
<td>29,837</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>-</td>
<td>971</td>
<td>1,070</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</strong></td>
<td>38,826</td>
<td>33,117</td>
<td>28,767</td>
</tr>
<tr>
<td><strong>Non-interest income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service charges and fees on deposit accounts</td>
<td>1,362</td>
<td>1,237</td>
<td>1,060</td>
</tr>
<tr>
<td>Title and closing services revenue</td>
<td>510</td>
<td>446</td>
<td>501</td>
</tr>
<tr>
<td>Gain on sale of other real estate owned</td>
<td>1,021</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(loss) on sale of securities, net</td>
<td>(393)</td>
<td>7</td>
<td>32</td>
</tr>
<tr>
<td>Bank owned life insurance</td>
<td>679</td>
<td>697</td>
<td>616</td>
</tr>
<tr>
<td>Other non-interest income</td>
<td>551</td>
<td>497</td>
<td>331</td>
</tr>
<tr>
<td><strong>Non-interest expense:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>16,927</td>
<td>15,913</td>
<td>13,960</td>
</tr>
<tr>
<td>Occupancy and equipment</td>
<td>4,027</td>
<td>3,814</td>
<td>3,503</td>
</tr>
<tr>
<td>Professional fees</td>
<td>916</td>
<td>803</td>
<td>544</td>
</tr>
<tr>
<td>Data processing</td>
<td>1,529</td>
<td>1,292</td>
<td>1,133</td>
</tr>
<tr>
<td>Advertising, marketing, and business development</td>
<td>924</td>
<td>977</td>
<td>974</td>
</tr>
<tr>
<td>Regulatory assessments</td>
<td>997</td>
<td>955</td>
<td>850</td>
</tr>
<tr>
<td>Other non-interest expense</td>
<td>3,772</td>
<td>3,328</td>
<td>3,058</td>
</tr>
<tr>
<td><strong>INCOME BEFORE INCOME TAXES</strong></td>
<td>13,464</td>
<td>8,919</td>
<td>7,285</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>5,340</td>
<td>3,216</td>
<td>2,608</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$8,124</td>
<td>$5,703</td>
<td>$4,677</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>$0.47</td>
<td>$0.33</td>
<td>$0.26</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$0.43</td>
<td>$0.30</td>
<td>$0.25</td>
</tr>
</tbody>
</table>
Select Financial Highlights

*Dollars in Millions

Net Income*

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4.7</td>
<td>$5.7</td>
<td>$8.1</td>
</tr>
</tbody>
</table>

Total Loans & Leases*

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$810.8</td>
<td>$910.1</td>
<td>$968.3</td>
</tr>
</tbody>
</table>

Total Deposits & Customer Repos*

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,007.5</td>
<td>$1,026.8</td>
<td>$1,244.4</td>
</tr>
</tbody>
</table>

Net Charge Offs

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-0.03%</td>
<td>0.06%</td>
<td>-0.02%</td>
</tr>
</tbody>
</table>

Non-Accual Loans and OREO*

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3.2</td>
<td>$1.6</td>
<td>$1.0</td>
</tr>
</tbody>
</table>
Please join us for our Annual Shareholders’ Meeting
THE HILTON - NAPLES
5111 Tamiami Trail North, Naples, FL 34103
Monday, May 14, 2018 - 6:00 PM
RSVP by Monday, May 7 - (239) 352-3868 or alyssahaney@ffibank.com

REVISED 04/10/2018
Get in Touch

Corporate Headquarters
3560 Kraft Rd  |  Naples, FL 34105
Phone: 1-877-763-0244  |  Website: ffibank.com

OTCQX
Website: otcmarkets.com  |  Ticker Symbol: TGRF
Shareholder Relations: Ann E. Crowley
Phone: 239-325-5901  |  Email: shareholder@ffibank.com

Social Media
facebook.com/ffibank
google.com/+FirstFloridaIntegrityBankNaples
linkedin.com/company/first-florida-integrity-bank
pinterest.com/firstfloridaint
@firstfloridaintegritybank
@firstfloridaintegritybank
@FFIBANK

BRANCH LOCATIONS

3580 Pine Ridge Rd.
Naples, FL 34105
(239) 348-8000

811 Anchor Rode Dr.
Naples, FL 34103
(239) 649-6000

1055 Crosspointe Dr.
Naples, FL 34110
(239) 593-5522

895 5th Ave. S.
Naples, FL 34102
(239) 919-5199

5078 Pope John Paul II Blvd., 100
Ave Maria, FL 34142
(239) 354-5250

690 Bald Eagle Dr.
Marco, Island, FL 34145
(239) 642-1166

4404 W. Kennedy Blvd.
Tampa, FL 33609
(813) 517-1760

Member FDIC  Equal Housing Lender