Dear Valued Shareholders,

We're thrilled to announce the launch of a new online portal for buying and selling Florida Capital Group (FCG) shares – **exclusively for our valued shareholders**!

Through our partnership with My Private Shares (https://www.myprivateshares.com/), you now have a secure and convenient platform to:

- **Explore reinvestment opportunities:** Increase your stake in FCG by connecting directly with other shareholders interested in buying or selling shares.
- **Enhance liquidity:** My Private Shares' "Postings and Messages" portal facilitates smoother transactions and faster access to potential buyers or sellers.

Unlocking New Investment Possibilities:
This innovative platform empowers you to take greater control over your FCG investment. We believe My Private Shares will be a valuable tool in managing your portfolio and exploring new opportunities within the FCG shareholder community

Get Started Today!
For any questions or assistance with accessing the My Private Shares platform, feel free to contact Meredith Adams directly at 904-814-5217 or via email at madams@flcb.com.

1. **Contact Meredith Adams** at 904-814-5217 or via email at madams@flcb.com to set up your free account and your user profile.
2. **Post your buy or sell offers:** Clearly state your intentions and desired price point within the platform's dedicated forum.
3. **Connect with other FCG shareholders:** Respond to existing posts or initiate your own to find interested parties.
4. **Secure transactions:** We remind you that all trades are facilitated directly between shareholders, and Broadridge remains our trusted transfer agent.

This portal is intended to provide a marketplace for buying and selling common shares of Florida Capital Group, Inc. where price discovery and transaction consummation occurs solely between willing buyers and sellers. Your ability to consummate a transaction is dependent upon there being a willing buyer or willing seller on the other side of the trade. FCG will not act either as a buyer or a seller in any negotiated transaction; however, FCG management will assist shareholders, if desired, in the share transfer process involving Broadridge Financial Solutions, which will remain FCG's transfer agent. Broadridge is not related to MyPrivateShares.

We're confident this new service will be a game-changer for FCG shareholders. Dive in and experience the benefits!

Sincerely,

Keith Perry, CEO
Florida Capital Group, Inc.

Florida Capital Group, Inc.

Management's Discussion and Analysis for the Nine Months Ended September 30, 2024

Company Highlights

Florida Capital Group, Inc. (the "Company") and its wholly owned bank subsidiary Florida Capital Bank, N.A. (the "Bank") are a registered bank holding company and a national bank headquartered in Jacksonville, Florida. The Bank operates four commercial banking offices in the state of Florida with operations in the dynamic banking markets of – Jacksonville, Orlando, Tampa and Gainesville. The state of Florida remains one of the most vibrant banking markets in the United States. In addition, the Bank has nationwide operations in the mortgage banking, warehouse lending and payments processing markets.

The Bank employs approximately 120 employees who are primarily located in Florida. These employees originate residential and commercial loans and service various deposit-based activities, provide warehouse funding to the mortgage banking market and allow clients to manage their payments streams with state-of-the-art payments processing solutions. In addition, these same employees contribute personal time and energy toward pursuits that benefit the communities in which they work and live.

The Bank is organized along the following four lines of business:

- **Commercial Banking** (banking offices, treasury management, lending – residential, commercial, commercial real estate, and government guaranteed lending – SBA and USDA) – Florida-based marketing strategy that generates interest income from traditional community bank lending and raises core deposits in its local markets.

- **Specialty Banking** (prepaid cards, including MasterCard Send "FLCB Instant Money," ACH and third party payment processing services) – a nationwide marketing strategy whose focus is the generation of very low cost core deposits, and fee generation from lower risk, payment processing activities.

- **Mortgage Banking** (residential origination) – a nationwide operation primarily wholesale focused.

- **Warehouse Lending** (short-term lines of credit to mortgage bankers) – a nationwide strategy, and a complement to mortgage banking with cross-over customer relationships, and product comparability.

The following demonstrate the Bank's commitment to its clients and the communities in which they operate:

- **Client Impacts in 2024 (through the first three quarters)**
  - ✓ The commercial bank originated $50 million of new credit within the Bank's Florida footprint to support small and medium-sized businesses
  - ✓ The residential mortgage banking operation originated $614 million of loans nationwide
  - ✓ The warehouse lending operation funded $1.1 billion of loans to mortgage bankers to support the nation's housing markets
  - ✓ The specialty banking unit processed:
    - 16.6 million unique ACH transactions
    - $12.4 billion of ACH volume
    - 2.8 million unique prepaid card transactions
    - $6.1 billion of prepaid card "spends"

During 2024, the board of directors of the Company instituted several strategic initiatives to increase shareholder value. These objectives remain centered around growth in the commercial banking unit. They include:

- Liability growth, particularly core deposit growth, is currently a critical strategic objective for all FDIC-insured commercial banks. The Bank has a presence in some of the best banking markets in Florida. Management intends to focus resources on these market opportunities with the goal to generate core funding for the Bank. These resources include technology upgrades (particularly digital capabilities), brand marketing, new deposit products, staff additions and potentially additional physical locations.

- Specialty Banking continues to generate double digit growth rates of very low cost funding in the prepaid card market and through third party payment processing. This growth dictates a corresponding growth rate in branch deposits in order to avoid an excessive concentration of deposits in Specialty Banking.

- During early 2024, management determined that renewed growth of branch deposits and continued growth of Specialty Banking deposits necessitated a review of the Bank's existing technology infrastructure. As a result of this review, the decision was made to change core technology vendors. The objective was to transition to a more resilient technology stack with digital capabilities. This conversion is presently underway and should conclude late summer 2025.

- Since the end of the second quarter of 2022, the residential mortgage market has been under significant pressure as the Federal Reserve commenced the fastest and steepest tightening policy in history. This tightening cycle is an effort to combat the inflationary trends resulting from post-Covid fiscal policy. The target policy rate was increased 525 basis points over a two-year period. What had been very low mortgage rates suddenly rose. In spite of high current rates and expensive housing, the mortgage market has recently improved and the board remains strategically focused on mortgage opportunities.

Financial and Operating Summary

The following table presents financial highlights for the nine months ended September 30, 2024, and 2023.

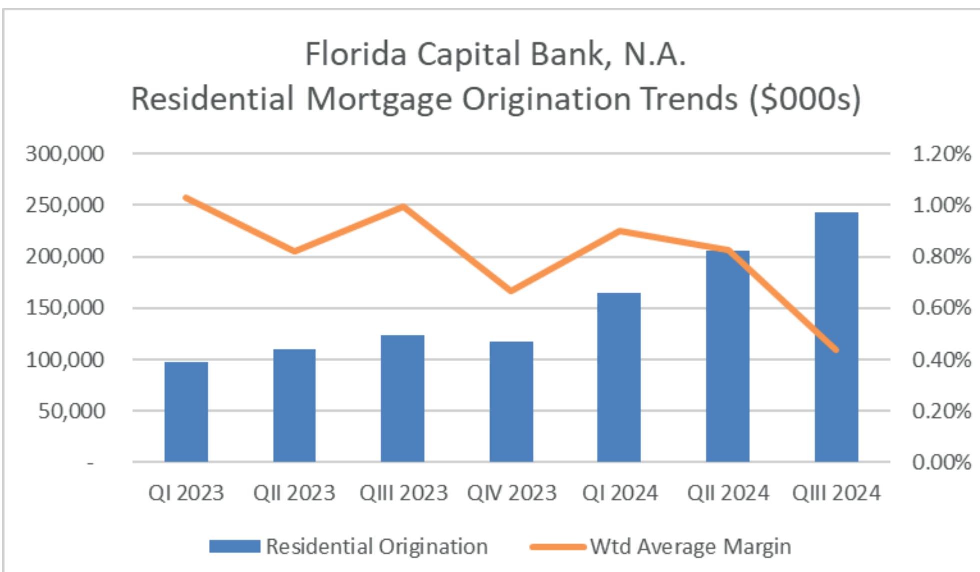
Florida Capital Group, Inc.
Operating Trends and Key Metrics
Nine Months Ended September 30, 2024 and 2023
(000s)

	30-Sep-24	30-Sep-23	Change	% Change
Operating Results:				
Net Income	$ 2,961	$ 1,689	$ 1,272	75.3%
Adjusted Net Income (Pre-Tax, Pre-Credit)	$ 4,517	$ 2,911	$ 1,606	55.2%
Return On Assets	0.72%	0.50%	0.22%	44.0%
Return On Equity	6.78%	4.11%	2.67%	65.0%
Net Interest Margin	3.72%	3.85%	-0.13%	-3.4%
Mortgage Margin (Including Fees)	0.69%	0.95%	-0.26%	-27.4%
Tangible Book Value of Common Stock (Parent)	$ 64,396	$ 60,176	$ 4,220	7.0%
Tangible Book Value per Common Share (Parent)	$ 0.1042	$ 0.0974	0.0068	7.0%

The Company reported net income of $3.0 million for the nine months ended September 30, 2024, compared to net income of $1.7 million for the comparable 2023 period. On a pre-tax, pre-credit provision basis (non-GAAP earnings), the Company reported nine-month earnings of $4.5 million compared to the 2023 comparable period level of $2.9 million. The improved earnings level is related to the continued growth of the commercial bank, higher Specialty Banking unit deposits, and an improved mortgage market. This document and other historical financial materials are located on the Bank's website - floridacapitalbank.com - under the Investor Relations tab.

The fourth quarter of 2024 began on a positive note as the Company reported earnings of approximately $500 thousand for October, total assets exceeded $600 million and gross loans reached the $500 million level. October also saw the first $100 million origination month for the mortgage operation, since June 2022. For the first nineteen days of November, mortgage originations were $72 million compared to $56 million for the same period in October and locks were holding steady at $55 million versus $61 million for October. For the current month, warehouse originations and balance levels are stable compared to October. Since the end of September, the average balance of mortgages held-for-sale and warehouse has increased $25 million. The commercial bank has continued to experience deposit growth as the average balance of interest-bearing core deposits has increased $35 million since the end of the third quarter, while total loans have increased $8 million over the same period. In the event short-term rates continue to decline, management has established a strategy to reduce deposit rates accordingly, which is expected to further improve earnings in the near term.

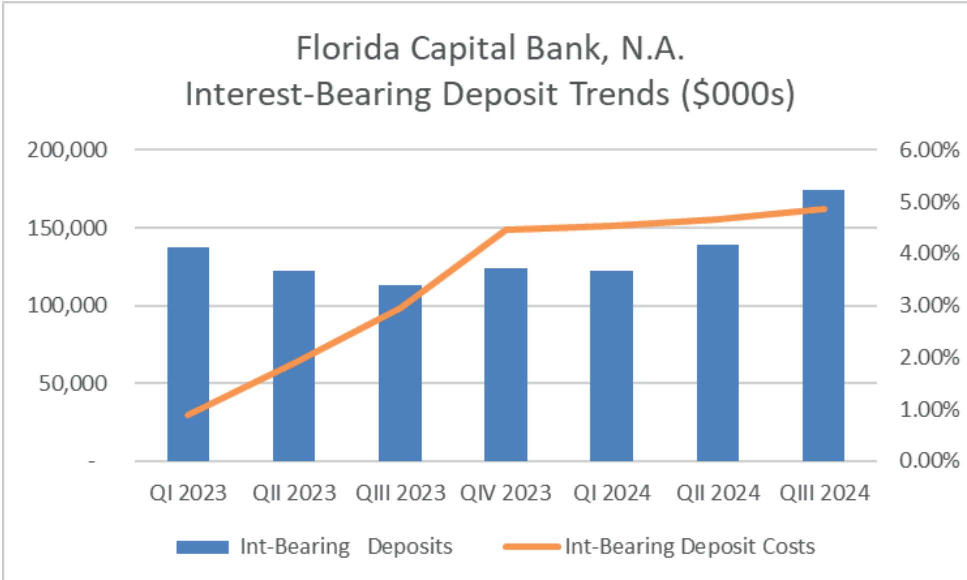
Mortgage reported strong originations in the third quarter of $250 million compared to second quarter originations of $200 million and first quarter originations of $165 million. Lock activity ended the third quarter of 2024 at about $150 million. Fourth quarter originations are expected to be in line with or exceed third quarter levels.

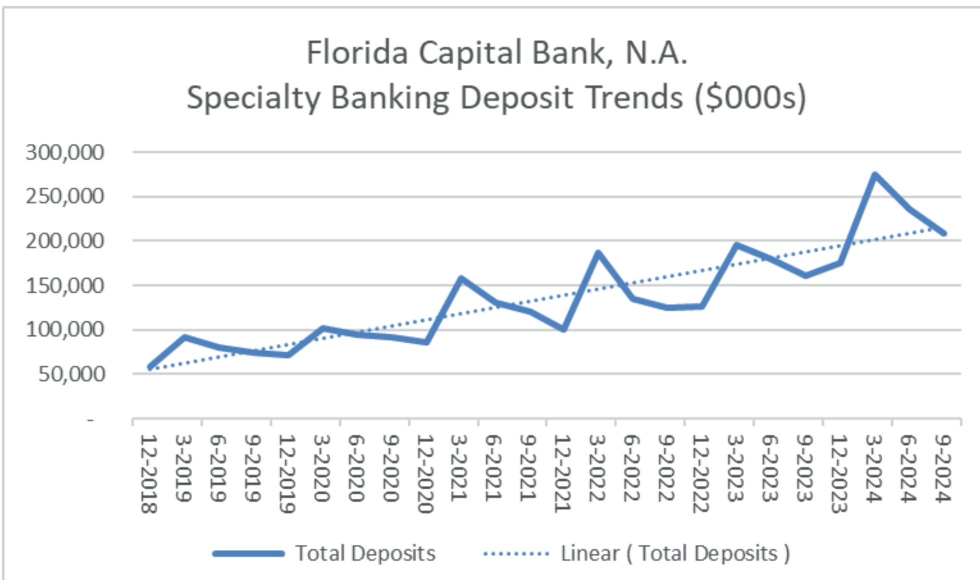


For the first nine months of 2024, the net interest margin was approximately 3.7% compared to 3.8% for the comparable 2023 period. The stable net interest margin resulted from a pause in the Fed's tightening cycle. The last policy rate increase was on July 30, 2023, at a level of 5.50% and remained at this level until the 50 bps rate cut on September 25, 2024.

For the twelve-month period ended September 30, 2024, total deposits increased $114 million or 33%, with sharp growth reported in branch deposits and continued growth recorded in Specialty Banking deposits. For the same period, retail interest-bearing deposits contributed $50 million of this growth, while Specialty Banking deposits increased $51 million.

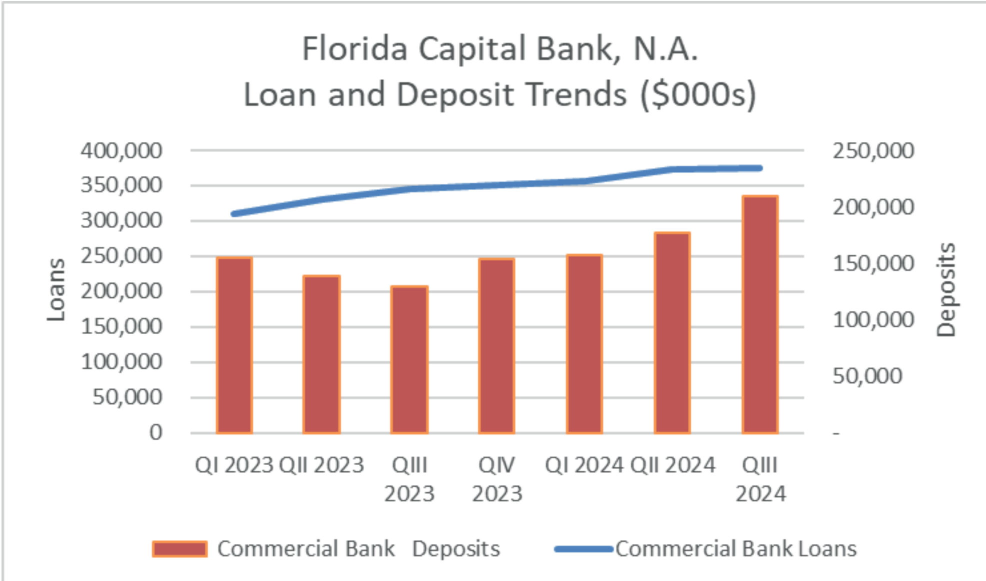
Florida Capital Group, Inc.

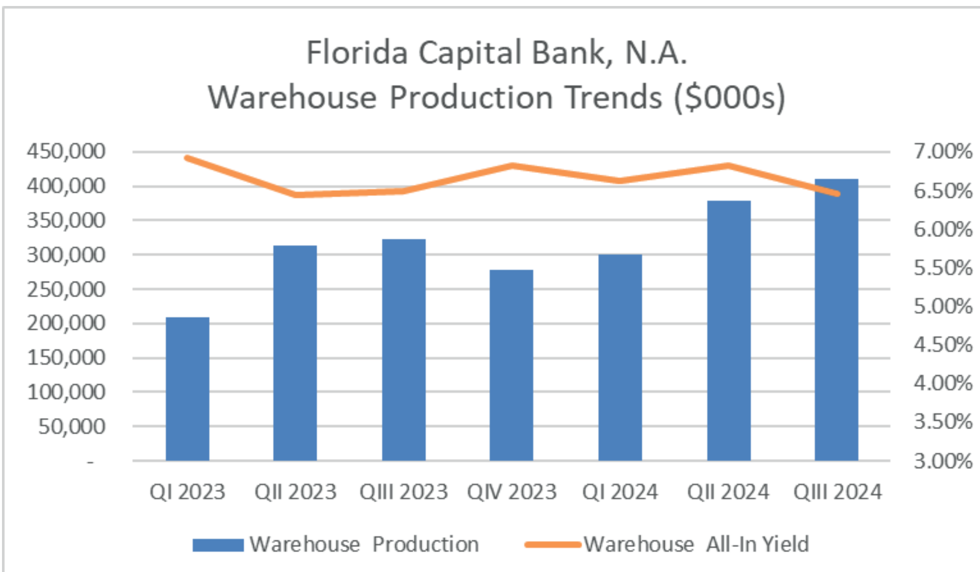




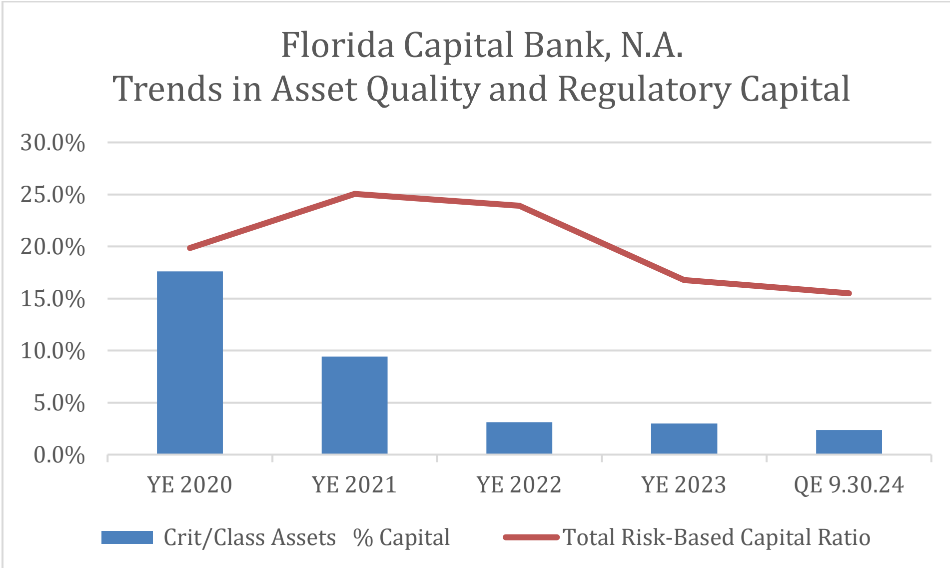
Loan growth remained robust during 2024. The balance of the commercial caption increased $35 million to $217 million, while total Bank loans grew to $433 million. An improved mortgage market for part of 2024 resulted in higher mortgage-related balances. For the period September 30, 2023, to September 30, 2024, warehouse balances increased $15 million to $58 million, while loans held-for-sale increased $32 million to $52 million.

Florida Capital Group, Inc.





The bank's credit quality remains strong although the outlook for credit generally remains uncertain. For the nine months ended September 30, 2024, management recorded provision expense of $605 thousand compared to $638 thousand for the comparable 2023 period. Regulatory capital ratios were 10.8% and 15.5% at September 30, 2024, which were consistent with the Bank's peer group levels. All liquidity measures exceeded management's established benchmarks.



Economic and Industry Trends

The Overall Economy

During the third quarter, the Fed shifted the course of monetary policy and embarked upon more accommodative policy in September with a 50 bps reduction to 5.0% in the targeted federal funds rate followed by another 25 bps cut to 4.75% in November. Presently, the financial markets anticipate another 25 bps rate cut in December. Fed funds futures markets are currently pricing in 90 bps of further easing by the end of 2025 (rate of 3.85%). The consensus among Fed watchers is that the Fed: 1) still favors cutting rates; 2) the pace of cuts should be moderate; and 3) the path should be data dependent.

Long-term rates (10Y UST) have backed up recently about 50 bps, which has resulted in 30Y fixed rate mortgages moving from around 6.1% in the second quarter to closer to 7.0% currently. Presidential election results have generated expectations of higher rates associated with current levels of government spending, and the impact of the federal budget deficit.

The odds of a recession occurring in 2025 are presently assessed at 15% by Goldman Sachs economists (a decline from 20%) and at 30% by economists at the American Bankers Association. Economic growth was 2.8% in the third quarter, while the CPI increased 0.2% in October taking the twelve-month inflation rate to 2.6%. The employment numbers were terrible for October at twelve thousand but were impacted by two hurricanes and the longshoreman's strike and are not expected to influence the Fed's policy rate decision in December.

The Banking Industry – Commercial

The commercial banking industry remains healthy. The industry's net income increased during the current quarter, which resulted from lower non-interest expenses and higher non-recurring gains. Net interest margin decreased to 3.16% quarter-to-quarter, primarily due to funding costs which exceeded earning asset yields by 1 bps. Net operating revenue (net interest income plus non-interest income) increased 0.5% during the quarter, while non-interest expenses declined 2.4% for the quarter. The industry efficiency ratio improved to 56.6% from 58.7%.

Provision for credit losses was higher in the current quarter and has now exceeded the pre-pandemic levels for the past eight quarters. Asset quality metrics remained generally favorable as non-current loans were unchanged at 0.91% for the quarter, which is well below the pre-pandemic average of 1.28%. The non-current rate of 1.77% for nonowner-occupied commercial real estate is at its highest level since the third quarter of 2013. The industry's net charge-off ratio was the highest quarterly rate reported since the second quarter of 2013.

From a balance sheet perspective, loan balances increased 1.0% during the quarter with the majority of banks reporting quarterly loan growth. For the same period, domestic deposits decreased 1.1%, which is well below pre-pandemic quarterly growth of 0.2%. Equity capital increased 1.8% during the quarter and the leverage capital ratio increased 12 bps to 9.31%.

The number of problem banks on the FDIC's "Problem Bank List" increased from 66 to 68 during the quarter, which is within the normal range of all banks during non-crisis periods. The total number of FDIC-insured institutions declined by 29 to 4,529 during the quarter.

The Banking Industry – Mortgage

The mortgage banking industry remains stressed, and mortgage origination levels for 2023 and 2024 are among the lowest levels this century with the 2024 market driven by purchase activity and not refinance levels. Current estimates are a low 3.5% gain in dollar volume compared to 2023. The costs of home ownership continue to increase and preclude a segment of potential homeowners from acquiring a home.

Interest rates remain high, and home prices have not declined, which means housing affordability continues to be a significant constraint on originations. However, the Mortgage Bankers Association predicts that mortgage rates will decline by year end. A slower 2025 economy with a likely weaker labor market is expected to generate growth in loan originations of 14%. Current 30Y fixed mortgage rates are around 6.93% for Fannie Mae and 6.72% for Freddie Mac.

Balance Sheet

Total assets of $564 million on September 30, 2024, were $63 million or 13% greater than the $501 million reported on September 30, 2023. This growth reflects the Board's continuing strategic focus to increase commercial banking assets. On September 30, 2024, the Bank's held-for-investment loan portfolio, excluding warehouse balances, totaled $375 million, which represented annual growth of $30 million or 9%. The majority of this growth occurred in the CRE/construction caption. For the same period, mortgage-related balances (held-for-sale and warehouse) totaled $109 million and were $62 million or 75% higher than the amount reported atSeptember 30, 2023. The higher levels are the result of the improved mortgage market in 2024.

Total deposits at September 30, 2024, were $464 million, which represented a $114 million or 33% increase from the comparable prior year period. Non-interest bearing deposits increased $21 million or 9% compared to the same period in 2023 and represented approximately 55% of total deposits at September 30, 2024. The year-over-year deposit growth was primarily contributed by the banking offices as interest-bearing deposits increased $93 million or 79%. Specialty Banking unit deposits were $211 million at September 30, 2024, compared to $161 million at September 30, 2023. At September 30, 2024, the overall cost of funding was 2.36% compared to 2.26% at September 30, 2023.

At September 30, 2024, on-balance sheet liquidity was adequate at 11% with available liquidity (access to a variety of on and off-balance sheet funding sources) at 64%. Regulatory capital ratios remained very strong and consistent with peer levels at September 30, 2024. The tier 1 leverage ratio was 10.8% at the end of the third quarter of 2024, and the total risk-based capital ratio was 15.5% at the same date. Asset quality measures remain strong at September 20, 2024, as all metrics remain within board-established risk limits.

Income Statement

For the nine months ended September 30, 2024, net interest income was $14.8 million, which was a $1.1 million or 8% improvement over the comparable period 2023 reported amount of $13.7 million. This significant improvement resulted from: 1) growth of traditional community bank loans and higher mortgage-related balances; 2) a stabilization of the total cost of deposits; 3) less reliance on wholesale funding due to branch deposit growth; and 4) continued growth of low cost Specialty Banking deposits. For the nine months ended September 30, 2024, total interest income of $21.2 million was $3.6 million or 21% greater than the $17.6 million reported for the same period of 2023. This improvement was primarily volume related.

For the first nine months of 2024, interest expense was $6.4 million, which was $2.5 million or 66% higher than the comparable level reported for 2023. The total cost of funding remained relatively stable over this period, while the mix of funding shifted sharply toward more branch deposits and less use of wholesale funding. The interest cost of the Bank's deposit base increased $3.4 million or 196% to $5.1 million for the first nine months of 2024. This increase was both volume related and rate related as interest-bearing deposits increased from $124 million in September 2023 to $174 million in September 2024, and the Bank's cost of deposits increased from 1.10% to 2.07% for the same period. The higher deposit rates were an industry response necessary to compete with alternative investment choices. Wholesale borrowing costs declined sharply from $2.1 million to $1.2 million, which was a 40% reduction due to greater use of core deposits to fund loan growth.

Non-interest income was $6.1 million for the nine months ended September 30, 2024, compared to $5.3 million for the same period of 2023 representing an $800 thousand or 15% increase, primarily associated with higher mortgage banking income. For the same period, non-interest expenses were stable at $16.4 million compared to $16.1 million.

A Message to Our Shareholders

We wish to express our heartfelt appreciation for the continuing support of our loyal shareholders who have participated in our long journey. You provide the capital, our management team leads the way, and our employees perform the services and sell the products. Our goals remain to provide a return to our shareholders, to attract, retain and engage our employees, and to satisfy and nurture our customer relationships.

T. Keith Perry

W. Andrew Krusen, Jr.
Chairman of the Board

T. Keith Perry
Chief Executive Officer

Florida Capital Group, Inc. and Subsidiary
Consolidated Statements of Financial Condition
September 30, 2024 and 2023
(Internally Prepared by Management)

	Internally Prepared September 30, 2024		Internally Prepared September 30, 2023	
Assets:				
Cash and due from banks	$	4,091,114	$	10,520,571
Interest-bearing deposits in banks		38,342,369		45,189,117
Cash and cash equivalents		42,433,483		55,709,688
Securities available for sale		14,913,430		12,927,738
Loans receivable, net of allowance for credit losses		426,562,681		382,603,043
Loans held for sale		51,549,946		19,435,118
Accrued interest and dividends receivable		1,576,157		1,267,283
Premises and equipment, net		1,424,412		1,859,112
Deferred tax asset		2,346,932		2,355,522
Other assets		23,496,913		24,828,508
Total Assets	$	564,303,954	$	500,986,012
Liabilities:				
Noninterest-bearing demand deposits	$	254,429,698	$	233,266,438
Interest-bearing deposits		209,614,374		116,791,084
Total Deposits		464,044,072		350,057,522
		55%		
Other borrowings		31,243,939		85,350,486
Accrued interest payable		236,786		560,192
Accrued expenses and other liabilities		4,323,843		4,729,413
Total Liabilities		499,848,641		440,697,613
Commitments and contingencies		-		-
Stockholders' Equity:				
Common stock, $0.01 par value; 619,000,000 authorized; 618,425,756 issued at September 30, 2024 and 2023, respectively		6,184,258		6,184,258
Additional paid-in capital		168,137,254		168,135,424
Accumulated deficit		(109,042,463)		(112,540,207)
Treasury stock, at cost; 372,721 and 392,721 shares at September 30, 2024 and 2023, respectively		(3,174)		(3,345)
Accumulated other comprehensive loss		(820,560)		(1,487,731)
Total Stockholders' Equity		64,455,314		60,288,399
Total Liabilities and Stockholders' Equity	$	564,303,955	$	500,986,012

Florida Capital Group, Inc. and Subsidiary
Consolidated Statements of Income
Nine Months Ended September 30, 2024 and 2023
(Internally Prepared by Management)

	Internally Prepared Nine Months Ended September 30, 2024	Internally Prepared Nine Months Ended September 30, 2023
INTEREST INCOME:		
Loans receivable and fees on loans	$ 18,506,036	$ 14,512,337
Investment securities	2,692,657	3,052,520
Total interest income	21,198,693	17,564,857
INTEREST EXPENSE:		
Deposits	5,098,184	1,723,341
Other	1,282,853	2,129,603
Total interest expense	6,381,037	3,852,944
NET INTEREST INCOME	14,817,656	13,711,913
PROVISION FOR CREDIT LOSSES	605,000	638,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	14,212,656	13,073,913
NONINTEREST INCOME:		
Service charges on deposit accounts	626,096	435,820
Other noninterest income	5,439,567	4,858,246
Total noninterest income	6,065,663	5,294,066
NONINTEREST EXPENSE:		
Salaries and employee benefits	10,360,836	10,317,631
Occupancy and equipment expense	783,348	822,026
Regulatory fees	235,268	208,892
Data processing, communications and telephone	1,492,919	1,281,200
Other expenses	3,494,039	3,465,230
Total noninterest expense	16,366,410	16,094,979
Income Before Income Taxes	3,911,909	2,273,000
Income Tax Expense	950,553	583,800
Net Income	$ 2,961,356	$ 1,689,200