

## Management's Discussion and Analysis for the Fourth Quarter Ended December 31, 2025

### 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 Bank also manages nationwide operations in mortgage banking, warehouse lending and specialty banking, primarily a card-based and payments related business unit.

During the fourth quarter of 2025, the board of directors of the Company remained focused on objectives centered around retail branch deposit growth in the commercial banking unit and a diversification of deposit relationships in specialty banking.

- Total loan balances were unchanged during the fourth quarter at \$500 million. Both mortgage banking and commercial loan balances were stable during the quarter. Loans held-for-investment were \$453 million and represented 91% of total loans at the end of the quarter. The Bank’s loan-to-deposit ratio was 67% in the fourth quarter, which management believes is an appropriate level given evolving economic and geopolitical uncertainties.
- Core deposits were relatively stable during the fourth quarter, increasing from \$577 million to \$581 million. Retail branch deposits increased \$11 million during the fourth quarter to \$273 million. Retail branch deposit growth reflects new leadership, enhanced staffing and the benefits of the Bank’s third quarter core technology conversion.
- The bank’s specialty banking unit – prepaid cards and third party payment processors - historically reports seasonal deposit declines during the fourth quarter due to the nature of the prepaid card market; however, this year’s fourth quarter decline was a very modest \$7 million. At the end of the fourth quarter, Specialty banking deposits were \$283 million or 50% of the Bank’s core deposits. On an average balance basis, these deposits were \$53 million greater than the level reported for December 2024. During the first quarter of 2026, the Bank has experienced record deposit inflows from this business unit, which continues to generate low cost, core funding.
- The bank’s mortgage-related business units - mortgage banking and warehouse lending – reported stable production levels during the fourth quarter. For the full year 2025, residential mortgage originations were \$873 million compared to budget of \$920 million, and the mortgage margin (including fees) of 77 bps reflected a favorable budget variance of 24 bps. For the same period, warehouse lending production was \$1.7 billion versus budget of \$1.8 billion.
- The bank completed the conversion of its core technology infrastructure during August to a next generation platform with digital capability. During the first quarter of 2026, management commenced a year-long project to adapt this technology to the Bank’s operational and technology processes to fully realize the long-term benefits of this significant investment.

## Financial and Operating Summary

### Florida Capital Group, Inc

#### Comparative Operating Trends and Key Metrics (Unaudited)

Year End 2025, Quarters Ended December 31, 2025, September 30, 2025, June 30, 2025, and March 31, 2025

(000s)

Operating Results:	YTD 2025	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Net Income	\$ 6,723	\$ 1,097	\$ 1,554	\$ 1,660	\$ 2,413	\$ 1,074
Adjusted Net Income (PTPC)	\$ 9,176	\$ 1,516	\$ 2,030	\$ 2,314	\$ 3,317	\$ 1,353
Return on Assets	1.01%	0.67%	0.95%	1.00%	1.57%	0.71%
Return on Equity	9.71%	6.11%	8.85%	9.68%	14.24%	6.62%
Total Assets	\$ 657,206	\$ 657,206	\$ 653,057	\$ 660,557	\$ 615,416	\$ 650,855
Net Interest Margin	3.67%	3.48%	3.82%	3.77%	3.77%	3.27%
Mortgage Margin (Including Fees)	0.80%	0.60%	1.03%	0.42%	1.20%	0.53%
TBV of Common Stock (Parent)	\$ 72,148	\$ 72,148	\$ 71,104	\$ 69,463	\$ 67,760	\$ 65,173
TBV per Common Share (Parent)	\$ 0.1167	\$ 0.1167	\$ 0.1150	\$ 0.1124	\$ 0.1096	\$ 0.1054

The Company reported net income of \$1.1 million for the fourth quarter of 2025 and \$6.7 million year-to-date, which represented a 68% increase compared to the \$4.0 million reported for 2024. On a pre-tax, pre-credit provision basis (non-GAAP earnings), the Company reported year-to-date earnings of \$9.2 million compared to the comparable period level of \$5.9 million. The decrease in the fourth quarter earnings was primarily attributed to lower interest rates and tighter mortgage margins. The improved earnings level reported in 2025 is associated with increased loan outstandings, continued deposit growth, lower cost of funds, and improved mortgage unit results.

### The Overall Economy

The third quarter government shutdown continues to present challenges for assessing the future direction of the economy. In combination with heightened geopolitical risks, these two events paint an opaque picture of the future. Nevertheless, third quarter GDP growth of 4.2% and anticipated fourth quarter GDP growth of 3.7% (Federal Reserve Bank of Atlanta GDPNow model) indicate a relatively strong economy. All measures of inflation remain above the Fed's 2.0% target level; however, the FOMC has continued to reduce the policy rate (currently 3.50% - 3.75%) and two more 25 bps reductions are anticipated in 2026. These economic measures seemingly conflict with what many market agents believe are a weakening labor market as numerous large employers continue to announce significant layoffs. The financial markets continue to disregard this economic reality as the DJIA recently breached the 50,000 level on the upside, and long-term rates continue to decline.

### A Message to Our Shareholders

Our goals are to provide a return to our shareholders, to attract, retain and engage our employees, and to enhance the customer experience. We thank you for your steadfast support and look forward to our continued success.



W. Andrew Krusen, Jr.  
Chairman of the Board



Sam Ishee  
Chief Financial Officer