July 23, 2024

Capital City Bank Group, Inc. Reports Second Quarter 2024 Results

TALLAHASSEE, Fla., July 23, 2024 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of $14.2 million, or $0.83 per diluted share, for the second quarter of 2024 compared to $12.6 million, or $0.74 per diluted share, for the first quarter of 2024, and $14.2 million, or $0.83 per diluted share, for the second quarter of 2023.

QUARTER HIGHLIGHTS (2nd Quarter 2024 versus 1st Quarter 2024)

Income Statement

- *Tax-equivalent net interest income totaled $39.3 million compared to $38.4 million for the prior quarter - total deposit cost increased 10 basis points to 95 basis points – net interest margin increased one basis point to 4.02%*
- *Stable credit quality metrics and credit loss provision - net loan charge-offs were 18 basis points (annualized) of average loans – allowance coverage ratio increased 2 basis points to 1.09% at June 30, 2024*
- *Noninterest income increased $1.5 million, or 8.3%, due to higher mortgage banking revenues*
- *Noninterest expense was well-controlled with a $0.3 million, or 0.7%, increase for the quarter*
- *Reduction in effective tax rate reflected a new investment in a solar tax credit fund*

Balance Sheet

- *Loan balances decreased $1.9 million, or 0.1% (average), and declined $40.9 million, or 1.5% (end of period)*
- *Deposit balances increased by $64.5 million, or 1.8% (average), and decreased $46.2 million, or 1.3% (end of period)*
- *Tangible book value per diluted share (non-GAAP financial measure) increased $0.72, or 3.4%*

Commenting on the company's results, William G. Smith, Jr., Capital City Bank Group Chairman, President, and CEO, said, "I am pleased with the quarter and how the year is progressing. Our disciplined approach resulted in tangible book value growth of 3.4% for the quarter, driven by margin expansion and stable credit quality. We are poised for a successful year and remain focused on initiatives that drive sustained core profitability."

Discussion of Operating Results

Net Interest Income/Net Interest Margin

Tax-equivalent net interest income for the second quarter of 2024 totaled $39.3 million, compared to $38.4 million for the first quarter of 2024, and $40.2 million for the second quarter of 2023. Compared to the first quarter of 2024, the increase was primarily due to higher overnight funds and loan interest income that was partially offset by higher deposit interest expense. The increase in overnight funds interest income reflected higher average deposit balances and the increase in loan interest income reflected existing loans re-pricing at higher rates and new loan volume at higher rates. The increase in deposit interest expense was attributable to higher average money market account ("MMA") balances and to a lesser extent certificates of deposit ("CD") balances and reflected a combination of re-mix from other deposit categories and higher rates for certain products.

Compared to the second quarter of 2023, the $0.9 million decrease was generally driven by higher deposit interest expense and lower overnight funds and investment interest income, which outpaced an increase in loan interest income. For the first six months of 2024, tax-equivalent net interest income totaled $77.8 million compared to $80.7 million for the same period of 2023. The decrease was primarily driven by the same aforementioned trends.

Our net interest margin for the second quarter of 2024 was 4.02%, an increase of one basis point over the first quarter of 2024 and a decrease of four basis points from the second quarter of 2023. For the month of June 2024, our net interest margin was 4.04%. For the first six months of 2024, our net interest margin was 4.01% compared to 4.05% for the same period of 2023. Compared to the first quarter of 2024, the slight increase was primarily due to the favorable loan repricing that was partially offset by higher deposit cost. The decrease from both prior year periods reflected higher deposit cost related to re-mix within the deposit base and higher rates paid on deposits, partially offset by higher yields from new loan volume and existing loans repricing at higher rates. For the second quarter of 2024, our cost of funds was 97 basis points, an increase of nine basis points over the first quarter of 2024 and an increase of 46 basis points over the second quarter of 2023. Our cost of deposits (including noninterest bearing accounts) was 95 basis points, 85 basis points, and 43 basis points, respectively, for the same periods.

Provision for Credit Losses

We recorded a provision for credit losses of $1.2 million for the second quarter of 2024 compared to $0.9 million for the first quarter of 2024 and $2.2 million for the second quarter of 2023. Compared to the first quarter of 2024, the increase in the provision was primarily due to loan grade migration and slightly higher loss rates partially offset by lower loan balances. For the first six months of 2024, we recorded a provision for credit losses of $2.1 million compared to $5.3 million for the same period of 2023 with the decrease driven primarily by lower new loan volume in 2024. We discuss the allowance for credit losses further below.

Noninterest Income and Noninterest Expense

Noninterest income for the second quarter of 2024 totaled $19.6 million compared to $18.1 million for the first quarter of 2024 and $20.0 million for the second quarter of 2023. The $1.5 million increase over the first quarter of 2024 was due to an increase in mortgage banking revenues driven by higher production. Compared to the second quarter of 2023, the $0.4 million decrease was primarily attributable to a $1.7 million decrease in other income, which reflected a $1.4 million gain from the sale of mortgage servicing rights in the second quarter of 2023, partially offset by a $1.0 million increase in mortgage banking revenues driven by a higher gain on sale margin, and a $0.3 million increase in wealth management fees.

For the first six months of 2024, noninterest income totaled $37.7 million, which is comparable to the same period of 2023 and reflected a $2.0 million decrease in other income that was partially offset by a $1.0 increase in wealth management fees and a $1.0 million increase in mortgage banking revenues. The decrease in other income was primarily attributable to the aforementioned $1.4 million gain from the sale of mortgage servicing rights in 2023. A decrease in vendor bonus income and miscellaneous income also contributed to the decrease. The increase in wealth management fees was primarily driven by higher retail brokerage fees and to a lesser extent trust fees. The increase in mortgage banking revenues was due to a higher gain on sale margin.

Noninterest expense for the second quarter of 2024 totaled $40.4 million compared to $40.2 million for the first quarter of 2024 and $40.3 million for the second quarter of 2024. The $0.2 million increase over the first quarter of 2024 reflected a $0.2 million increase in other expense which included the write-off of obsolete assets from the remodeling of an office site and a core system migration in the second quarter of 2024. Compared to the second quarter of 2023, the $0.1 million increase reflected a $1.0 million increase in compensation expense and a $0.1 million increase in occupancy expense that was partially offset by a $1.0 million decrease in other expense. The increase in compensation expense reflected a $0.7 million increase in salary expense and a $0.3 million increase in associate benefit expense. The increase in salary expense was primarily due to lower realized loan cost (credit offset to salary expense) of $0.5 million (lower new loan volume) and higher base salary expense of $0.3 million. The increase in associate benefit expense was attributable to higher expense for associate insurance. The increase in occupancy expense was due to higher expense for maintenance agreements (security upgrades). The decrease in other expense was due to a one-time payment for $0.8 million in the second quarter of 2023 related to a consulting engagement for the negotiation of a new core processing agreement.

For the first six months of 2024, noninterest expense totaled $80.6 million compared to $78.0 million for the same period of 2023 with the $2.6 million increase attributable to increases in compensation expense of $1.8 million, occupancy expense of $0.4 million, and other expense of $0.4 million. The increase in compensation expense was primarily due to a lower level of realized loan cost (credit offset to salary expense) of $2.0 million (lower new loan volume) and higher base salary expense of $0.8 million (primarily annual merit raises), partially offset by lower commission expense of $1.1 million. The increase in occupancy was driven by an increase in expense for maintenance agreements (security upgrades and addition of interactive teller machines). The increase in other expense reflected a $1.8 million gain from the sale of a banking office in the first quarter of 2023 that was partially offset by lower pension plan expense of $0.6 million (service cost) and the favorable impact of the aforementioned one-time consulting expense of $0.8 million in 2023.

Income Taxes

We realized income tax expense of $3.2 million (effective rate of 18.5%) for the second quarter of 2024 compared to $3.5 million (effective rate of 23.0%) for the first quarter of 2024 and $3.4 million (effective rate of 19.4%) for the second quarter of 2023. For the first six months of 2024, we realized income tax expense of $6.7 million (effective rate of 20.6%) compared to $7.1 million (effective rate of 20.4%) for the same period of 2023. The decrease in our effective tax rate for the second quarter of 2024 was primarily due to a higher level of tax benefit accrued from a new investment in a solar tax credit equity fund. Absent discrete items, we expect our annual effective tax rate to approximate 20-21% for 2024.

Discussion of Financial Condition

Earning Assets

Average earning assets totaled $3.935 billion for the second quarter of 2024, an increase of $85.7 million, or 2.2%, over the first quarter of 2024, and an increase of $111.3 million, or 2.9%, over the fourth quarter of 2023. The variance for both prior period comparisons was driven by an increase in deposit balances (see below – *Deposits*), resulting in higher levels of overnight funds sold. Compared to the fourth quarter of 2023, the change in the earning asset mix reflected a $162.7 million increase in overnight funds and a $15.5 million increase in loans held for investment ("HFI") that was partially offset by lower investment securities of $43.4 million, and loans held for sale of $23.5 million.

Average loans HFI decreased $1.9 million, or 0.1%, from the first quarter of 2024 and increased $15.5 million, or 0.6%, over the fourth quarter of 2023. Compared to the first quarter of 2024, the slight decrease was driven by a decline in the consumer loans (primarily indirect auto) of $19.0 million, partially offset by increases in residential real estate loans of $10.1 million and commercial real estate loans of $8.0 million. Compared to the fourth quarter of 2023, the increase was primarily attributable to a $51.8 million increase in residential real estate loans that was partially offset by a decrease of $35.0 million in consumer loans (primarily indirect auto).

Period end loans HFI decreased $40.9 million, or 1.5%, from the first quarter of 2024 and decreased $43.7 million, or 1.6%, from the fourth quarter of 2023. Compared to the first quarter of 2024, the decline reflected a $20.0 million decrease in consumer loans (primarily indirect auto) and a $13.3 million decrease in commercial loans (primarily tax-exempt loans). The decrease from the fourth quarter of 2023 was primarily attributable to a $36.8 million decrease in consumer loans (primarily indirect auto) and commercial loans of $20.2 million (primarily tax-exempt loans) that was partially offset by a $11.3 million increase in residential real estate loans.

Allowance for Credit Losses

At June 30, 2024, the allowance for credit losses for HFI loans totaled $29.2 million compared to $29.3 million at March 31, 2024 and $29.9 million at December 31, 2023. Activity within the allowance is provided on Page 9. The slight decrease in the allowance from March 31, 2024 reflected a lower level of net charge-offs (18 basis points for the second quarter of 2024 versus 22 basis points for the first quarter of 2024) that was offset by a higher credit loss provision (see above – *Provision for Credit Losses*). The decrease in the allowance from December 31, 2023 was primarily due to lower loan balances. At June 30, 2024, the allowance represented 1.09% of HFI loans compared to 1.07% at March 30, 2024, and 1.10% at December 31, 2023.

Credit Quality

Nonperforming assets (nonaccrual loans and other real estate) totaled $6.2 million at June 30, 2024 compared to $6.8 million at March 31, 2024 and $6.2 million at December 31,

2023. At June 30, 2024, nonperforming assets as a percent of total assets equaled 0.15%, compared to 0.16% at March 31, 2024 and 0.15% at December 31, 2023. Nonaccrual loans totaled $5.5 million at June 30, 2024, a $1.3 million decrease from March 31, 2024 and a $0.7 million decrease from December 31, 2024. Further, classified loans totaled $25.6 million at June 30, 2024, a $3.3 million increase over March 31, 2024 and a $3.4 million increase over December 31, 2023.

Deposits

Average total deposits were $3.641 billion for the second quarter of 2024, an increase of $64.5 million, or 1.8%, over the first quarter of 2024 and an increase of $92.5 million, or 2.6%, over the fourth quarter of 2023. Compared to both prior periods, growth occurred in both money market and CD balances which reflected a combination of balances migrating from savings, and to a lesser extent noninterest bearing accounts, in addition to receiving new deposits from existing and new clients via various deposit strategies. In addition, compared to the fourth quarter of 2023, the increase in NOW balances reflected higher average public funds balances as municipal tax receipts are received/deposited by those clients starting in late November. To a lesser extent, we have realized NOW account inflows from new and existing business accounts which reflected our bankers focus on deposit gathering initiatives.

At June 30, 2024, total deposits were $3.609 billion, a decrease of $46.2 million, or 1.3%, from March 31, 2024, and a decrease of $93.3 million, or 2.5%, from December 31, 2023. The decreases from both prior periods was primarily due to lower NOW account balances, partially offset by the aforementioned growth in money market and CD balances from both new and existing clients. The decline in NOW accounts primarily reflects seasonal public fund balance activity. Total public funds balances were $575.0 million at June 30, 2024, $615.0 million at March 31, 2024, and $709.8 million at December 31, 2023.

Liquidity

The Bank maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of $262.4 million in the second quarter of 2024 compared to $140.5 million in the first quarter of 2024 and $99.8 million in the fourth quarter of 2023. Compared to both prior periods, the increase was primarily driven by higher average deposits and investment portfolio cash flow run-off.

At June 30, 2024, we had the ability to generate approximately $1.500 billion (excludes overnight funds position of $273 million) in additional liquidity through various sources including various federal funds purchased lines, Federal Home Loan Bank borrowings, the Federal Reserve Discount Window, and brokered deposits.

We also view our investment portfolio as a liquidity source as we have the option to pledge securities in our portfolio as collateral for borrowings or deposits, and/or to sell selected securities in our portfolio. Our portfolio consists of debt issued by the U.S. Treasury, U.S. governmental agencies, municipal governments, and corporate entities. At June 30, 2024, the weighted-average maturity and duration of our portfolio were 2.67 years and 2.16, respectively, and the available-for-sale portfolio had a net unrealized tax-effected loss of $24.5 million.

Capital

Shareowners' equity was $461.0 million at June 30, 2024 compared to $448.3 million at March 31, 2024 and $440.6 million at December 31, 2023. For the first six months of 2024, shareowners' equity was positively impacted by net income attributable to shareowners of $26.7 million, a $1.2 million decrease in the net unrealized loss on available for sale securities, net adjustments totaling $0.9 million related to transactions under our stock compensation plans, stock compensation accretion of $0.7 million, and a $0.3 million increase in the fair value of the interest rate swap related to subordinated debt. Shareowners' equity was reduced by a common stock dividend of $7.1 million ($0.42 per share) and the repurchase of common stock of $2.3 million (82,540 shares).

At June 30, 2024, our total risk-based capital ratio was 17.50% compared to 16.84% at March 31, 2024 and 16.57% at December 31, 2023. Our common equity tier 1 capital ratio was 14.44%, 13.82%, and 13.52%, respectively, on these dates. Our leverage ratio was 10.51%, 10.45%, and 10.30%, respectively, on these dates. At June 30, 2024, all our regulatory capital ratios exceeded the thresholds to be designated as "well-capitalized" under the Basel III capital standards. Further, our tangible common equity ratio (non-GAAP financial measure) was 8.91% at June 30, 2024 compared to 8.53% and 8.26% at March 31, 2024 and December 31, 2023, respectively. If our unrealized held-to-maturity securities losses of $21.7 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 8.38%.

About Capital City Bank Group, Inc.

Capital City Bank Group, Inc. (NASDAQ: CCBG) is one of the largest publicly traded financial holding companies headquartered in Florida and has approximately $4.2 billion in assets. We provide a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services. Our bank subsidiary, Capital City Bank, was founded in 1895 and now has 63 banking offices and 105 ATMs/ITMs in Florida, Georgia and Alabama. For more information about Capital City Bank Group, Inc., visit www.ccbg.com.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Press Release are based on current plans and expectations that are subject to uncertainties and risks, which could cause our future results to differ materially. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "vision," "goal," and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our actual results to differ: our ability to successfully manage credit risk, interest rate risk, liquidity risk, and other risks inherent to our industry; legislative or regulatory changes; adverse developments in the financial services industry; the effects of changes in the levels of checking or savings account deposits and the competition for deposits on our funding costs, net interest margin and ability to replace maturing deposits and advances; inflation, interest rate, market and monetary fluctuations; uncertainty in the pricing of residential mortgage loans that we sell, as well as competition for the mortgage servicing rights related to these loans; interest rate risk and price risk resulting from retaining mortgage servicing rights and the effects of higher interest rates on our loan origination volumes; changes in monetary and fiscal policies of the U.S. Government; the cost and effects of cybersecurity incidents or other failures, interruptions, or security breaches of our systems or those of our customers or third-party providers; the effects of fraud related to debit card products; the accuracy of our financial statement estimates and assumptions; changes in accounting principles, policies, practices or guidelines; the frequency and magnitude of foreclosure of our loans; the effects of our lack of a diversified loan portfolio; the strength of the local economies in which we operate; our ability to declare and pay dividends; structural changes in the markets for origination, sale and servicing of residential mortgages; our ability to retain key personnel; the effects of natural disasters (including hurricanes), widespread health emergencies (including pandemics), military conflict, terrorism, civil unrest or other geopolitical events; our ability to comply with the extensive laws and regulations to which we are subject; the impact of the restatement of our previously issued consolidated statements of cash flows; any deficiencies in the processes undertaken to effect these restatements and to identify and correct all errors in our historical financial statements that may require restatement; any inability to implement and maintain effective internal control over financial reporting and/or disclosure control or inability to remediate our existing material weaknesses in our internal controls deemed ineffective; the willingness of clients to accept third-party products and services rather than our products and services; technological changes; the outcomes of litigation or regulatory proceedings; negative publicity and the impact on our reputation; changes in consumer spending and saving habits; growth and profitability of our noninterest income; the limited trading activity of our common stock; the concentration of ownership of our common stock; anti-takeover provisions under federal and state law as well as our Articles of Incorporation and our Bylaws; other risks described from time to time in our filings with the Securities and Exchange Commission; and our ability to manage the risks involved in the foregoing. Additional factors can be found in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2023, and our other filings with the SEC, which are available at the SEC’s internet site (http://www.sec.gov). Forward-looking statements in this Press Release speak only as of the date of the Press Release, and we assume no obligation to update forward-looking statements or the reasons why actual results could differ, except as may be required by law.

USE OF NON-GAAP FINANCIAL MEASURES
Unaudited

We present a tangible common equity ratio and a tangible book value per diluted share that removes the effect of goodwill and other intangibles resulting from merger and acquisition activity. We believe these measures are useful to investors because it allows investors to more easily compare our capital adequacy to other companies in the industry.

The GAAP to non-GAAP reconciliations are provided below.

(Dollars in Thousands, except per share data)		Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Shareowners' Equity (GAAP)		$ 460,999	$ 448,314	$ 440,625	$ 419,706	$ 412,422
Less: Goodwill and Other Intangibles (GAAP)		92,853	92,893	92,933	92,973	93,013
Tangible Shareowners' Equity (non-GAAP)	A	368,146	355,421	347,692	326,733	319,409
Total Assets (GAAP)		4,225,695	4,259,922	4,304,477	4,138,287	4,391,206
Less: Goodwill and Other Intangibles (GAAP)		92,853	92,893	92,933	92,973	93,013
Tangible Assets (non-GAAP)	B	$ 4,132,842	$ 4,167,029	$ 4,211,544	$ 4,045,314	$ 4,298,193
Tangible Common Equity Ratio (non-GAAP)	**A/B**	**8.91%**	**8.53%**	**8.26%**	**8.08%**	**7.43%**
Actual Diluted Shares Outstanding (GAAP)	C	16,970,228	16,947,204	17,000,758	16,997,886	17,025,023
Tangible Book Value per Diluted Share (non-GAAP)	**A/C**	**$ 21.69**	**$ 20.97**	**$ 20.45**	**$ 19.22**	**$ 18.76**

CAPITAL CITY BANK GROUP, INC.
EARNINGS HIGHLIGHTS
Unaudited

	Three Months Ended			Six Months Ended	
(Dollars in thousands, except per share data)	**Jun 30, 2024**	**Mar 31, 2024**	**Jun 30, 2023**	**Jun 30, 2024**	**Jun 30, 2023**
EARNINGS					
Net Income Attributable to Common Shareowners	$ 14,150	$ 12,557	$ 14,174	$ 26,707	$ 27,883
Diluted Net Income Per Share	$ 0.83	$ 0.74	$ 0.83	$ 1.57	$ 1.64
PERFORMANCE					
Return on Average Assets (annualized)	1.33 %	1.21 %	1.32 %	1.27 %	1.29 %
Return on Average Equity (annualized)	12.23	11.07	13.58	11.66	13.67
Net Interest Margin	4.02	4.01	4.06	4.01	4.05
Noninterest Income as % of Operating Revenue	33.30	32.06	33.22	32.69	31.90
Efficiency Ratio	68.61 %	71.06 %	66.93 %	69.81 %	65.82 %
CAPITAL ADEQUACY					
Tier 1 Capital	16.31 %	15.67 %	14.56 %	16.31 %	14.56 %
Total Capital	17.50	16.84	15.68	17.50	15.68
Leverage	10.51	10.45	9.54	10.51	9.54
Common Equity Tier 1	14.44	13.82	12.73	14.44	12.73
Tangible Common Equity[(1)]	8.91	8.53	7.43	8.91	7.43
Equity to Assets	10.91 %	10.52 %	9.39 %	10.91 %	9.39 %
ASSET QUALITY					
Allowance as % of Non-Performing Loans	529.79 %	431.46 %	426.44 %	529.79 %	426.44 %
Allowance as a % of Loans HFI	1.09	1.07	1.05	1.09	1.05
Net Charge-Offs as % of Average Loans HFI	0.18	0.22	0.07	0.20	0.15
Nonperforming Assets as % of Loans HFI and OREO	0.23	0.25	0.25	0.23	0.25
Nonperforming Assets as % of Total Assets	0.15 %	0.16 %	0.15 %	0.15 %	0.15 %
STOCK PERFORMANCE					
High	$ 28.58	$ 31.34	$ 34.16	$ 31.34	$ 36.86
Low	25.45	26.59	28.03	25.45	28.03
Close	$ 28.44	$ 27.70	$ 30.64	$ 28.44	$ 30.64
Average Daily Trading Volume	29,861	31,023	33,412	30,433	37,574

[(1)]Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 6.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
Unaudited

	2024		2023		
(Dollars in thousands)	**Second Quarter**	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**
ASSETS					
Cash and Due From Banks	$ 75,304	$ 73,642	$ 83,118	$ 72,379	$ 83,679
Funds Sold and Interest Bearing Deposits	272,675	231,047	228,949	95,119	285,129
Total Cash and Cash Equivalents	347,979	304,689	312,067	167,498	368,808
Investment Securities Available for Sale	310,941	327,338	337,902	334,052	386,220
Investment Securities Held to Maturity	582,984	603,386	625,022	632,076	641,398
Other Equity Securities	2,537	3,445	3,450	3,585	1,703
Total Investment Securities	896,462	934,169	966,374	969,713	1,029,321
Loans Held for Sale	24,022	24,705	28,211	34,013	44,659
Loans Held for Investment ("HFI"):					
Commercial, Financial, & Agricultural	204,990	218,298	225,190	221,704	227,219
Real Estate - Construction	200,754	202,692	196,091	197,526	226,404
Real Estate - Commercial	823,122	823,690	825,456	828,234	831,285
Real Estate - Residential	1,012,541	1,012,791	1,001,257	966,512	893,384
Real Estate - Home Equity	211,126	214,617	210,920	203,606	203,142
Consumer	234,212	254,168	270,994	285,122	295,646
Other Loans	2,286	3,789	2,962	1,401	5,425
Overdrafts	1,192	1,127	1,048	1,076	1,007
Total Loans Held for Investment	2,690,223	2,731,172	2,733,918	2,705,181	2,683,512
Allowance for Credit Losses	(29,219)	(29,329)	(29,941)	(29,083)	(28,243)
Loans Held for Investment, Net	2,661,004	2,701,843	2,703,977	2,676,098	2,655,269
Premises and Equipment, Net	81,414	81,452	81,266	81,677	82,062
Goodwill and Other Intangibles	92,853	92,893	92,933	92,973	93,013
Other Real Estate Owned	650	1	1	1	1
Other Assets	121,311	120,170	119,648	116,314	118,073
Total Other Assets	296,228	294,516	293,848	290,965	293,149
Total Assets	$ 4,225,695	$ 4,259,922	$ 4,304,477	$ 4,138,287	$ 4,391,206
LIABILITIES					
Deposits:					
Noninterest Bearing Deposits	$ 1,343,606	$ 1,361,939	$ 1,377,934	$ 1,472,165	$ 1,520,134
NOW Accounts	1,177,180	1,212,452	1,327,420	1,092,996	1,269,839
Money Market Accounts	413,594	398,308	319,319	304,323	321,743
Savings Accounts	514,560	530,782	547,634	571,003	590,245
Certificates of Deposit	159,624	151,320	129,515	99,958	86,905
Total Deposits	3,608,564	3,654,801	3,701,822	3,540,445	3,788,866
Repurchase Agreements	22,463	23,477	26,957	22,910	22,619
Other Short-Term Borrowings	3,307	8,409	8,384	18,786	28,054
Subordinated Notes Payable	52,887	52,887	52,887	52,887	52,887
Other Long-Term Borrowings	1,009	265	315	364	414
Other Liabilities	69,987	65,181	66,080	75,585	77,192
Total Liabilities	3,758,217	3,805,020	3,856,445	3,710,977	3,970,032
Temporary Equity	6,479	6,588	7,407	7,604	8,752
SHAREOWNERS' EQUITY					
Common Stock	169	169	170	170	170
Additional Paid-In Capital	35,547	34,861	36,326	36,182	36,853
Retained Earnings	445,959	435,364	426,275	418,030	408,771
Accumulated Other Comprehensive Loss, Net of Tax	(20,676)	(22,080)	(22,146)	(34,676)	(33,372)
Total Shareowners' Equity	460,999	448,314	440,625	419,706	412,422
Total Liabilities, Temporary Equity and Shareowners' Equity	$ 4,225,695	$ 4,259,922	$ 4,304,477	$ 4,138,287	$ 4,391,206
OTHER BALANCE SHEET DATA					

Earning Assets	$ 3,883,382	$ 3,921,093	$ 3,957,452	$ 3,804,026	$ 4,042,621
Interest Bearing Liabilities	2,344,624	2,377,900	2,412,431	2,163,227	2,372,706
Book Value Per Diluted Share	$ 27.17	$ 26.45	$ 25.92	$ 24.69	$ 24.21
Tangible Book Value Per Diluted Share[1]	21.69	20.97	20.45	19.22	18.76
Actual Basic Shares Outstanding	16,942	16,929	16,950	16,958	16,992
Actual Diluted Shares Outstanding	16,970	16,947	17,001	16,998	17,025

[1]Tangible book value per diluted share is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 6.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
Unaudited

	2024		2023			Six Months Ended June 30,	
(Dollars in thousands, except per share data)	**Second Quarter**	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**2024**	**2023**
INTEREST INCOME							
Loans, including Fees	$ 41,138	$ 40,683	$ 40,407	$ 39,344	$ 37,608	$ 81,821	$ 72,499
Investment Securities	4,004	4,244	4,392	4,561	4,815	8,248	9,739
Federal Funds Sold and Interest Bearing Deposits	3,624	1,893	1,385	1,848	2,782	5,517	6,893
Total Interest Income	48,766	46,820	46,184	45,753	45,205	95,586	89,131
INTEREST EXPENSE							
Deposits	8,579	7,594	5,872	5,214	4,008	16,173	6,496
Repurchase Agreements	217	201	199	190	115	418	124
Other Short-Term Borrowings	68	39	310	440	336	107	788
Subordinated Notes Payable	630	628	627	625	604	1,258	1,175
Other Long-Term Borrowings	3	3	5	4	5	6	11
Total Interest Expense	9,497	8,465	7,013	6,473	5,068	17,962	8,594
Net Interest Income	39,269	38,355	39,171	39,280	40,137	77,624	80,537
Provision for Credit Losses	1,204	920	2,025	2,393	2,197	2,124	5,296
Net Interest Income after Provision for Credit Losses	38,065	37,435	37,146	36,887	37,940	75,500	75,241
NONINTEREST INCOME							
Deposit Fees	5,377	5,250	5,304	5,456	5,326	10,627	10,565
Bank Card Fees	3,766	3,620	3,713	3,684	3,795	7,386	7,521
Wealth Management Fees	4,439	4,682	4,276	3,984	4,149	9,121	8,077
Mortgage Banking Revenues	4,381	2,878	2,327	1,839	3,363	7,259	6,234
Other	1,643	1,667	1,537	1,765	3,334	3,310	5,328
Total Noninterest Income	19,606	18,097	17,157	16,728	19,967	37,703	37,725
NONINTEREST EXPENSE							
Compensation	24,406	24,407	23,822	23,003	23,438	48,813	46,962
Occupancy, Net	6,997	6,994	7,098	6,980	6,820	13,991	13,582
Other	9,038	8,770	9,038	9,122	10,027	17,808	17,417
Total Noninterest Expense	40,441	40,171	39,958	39,105	40,285	80,612	77,961
OPERATING PROFIT	17,230	15,361	14,345	14,510	17,622	32,591	35,005
Income Tax Expense	3,189	3,536	2,909	3,004	3,417	6,725	7,126
Net Income	14,041	11,825	11,436	11,506	14,205	25,866	27,879
Pre-Tax Loss (Income) Attributable to Noncontrolling Interest	109	732	284	1,149	(31)	841	4
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	$ 14,150	$ 12,557	$ 11,720	$ 12,655	$ 14,174	$ 26,707	$ 27,883
PER COMMON SHARE							
Basic Net Income	$ 0.84	$ 0.74	$ 0.69	$ 0.75	$ 0.83	$ 1.58	$ 1.64
Diluted Net Income	0.83	0.74	0.70	0.74	0.83	1.57	1.64
Cash Dividend	$ 0.21	$ 0.21	$ 0.20	$ 0.20	$ 0.18	$ 0.42	$ 0.36
AVERAGE SHARES							
Basic	16,931	16,951	16,947	16,985	17,002	16,941	17,009
Diluted	16,960	16,969	16,997	17,025	17,035	16,964	17,040

CAPITAL CITY BANK GROUP, INC.
ALLOWANCE FOR CREDIT LOSSES ("ACL")
AND CREDIT QUALITY
Unaudited

	2024	2023	Six Months Ended June 30,

(Dollars in thousands, except per share data)	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	2024	2023
ACL - HELD FOR INVESTMENT LOANS							
Balance at Beginning of Period	$ 29,329	$ 29,941	$ 29,083	$ 28,243	$ 26,808	$ 29,941	$ 25,068
Transfer from Other (Assets) Liabilities	-	(50)	66	-	-	(50)	-
Provision for Credit Losses	1,129	932	2,354	1,993	1,922	2,061	5,182
Net Charge-Offs (Recoveries)	1,239	1,494	1,562	1,153	487	2,733	2,007
Balance at End of Period	$ 29,219	$ 29,329	$ 29,941	$ 29,083	$ 28,243	$ 29,219	$ 28,243
As a % of Loans HFI	1.09%	1.07%	1.10%	1.08%	1.05%	1.09%	1.05%
As a % of Nonperforming Loans	529.79%	431.46%	479.70%	619.58%	426.44%	529.79%	426.44%
ACL - UNFUNDED COMMITMENTS							
Balance at Beginning of Period	3,121	$ 3,191	$ 3,502	$ 3,120	$ 2,833	$ 3,191	$ 2,989
Provision for Credit Losses	18	(70)	(311)	382	287	(52)	131
Balance at End of Period[1]	3,139	3,121	3,191	3,502	3,120	3,139	3,120
ACL - DEBT SECURITIES							
Provision for Credit Losses	$ 57	$ 58	$ (18)	$ 18	$ (12)	$ 115	$ (17)
CHARGE-OFFS							
Commercial, Financial and Agricultural	$ 400	$ 282	$ 217	$ 76	$ 54	$ 682	$ 218
Real Estate - Construction	-	-	-	-	-	-	-
Real Estate - Commercial	-	-	-	-	-	-	120
Real Estate - Residential	-	17	79	-	-	17	-
Real Estate - Home Equity	-	76	-	-	39	76	39
Consumer	1,061	1,550	1,689	1,340	993	2,611	2,725
Overdrafts	571	638	602	659	894	1,209	1,528
Total Charge-Offs	$ 2,032	$ 2,563	$ 2,587	$ 2,075	$ 1,980	$ 4,595	$ 4,630
RECOVERIES							
Commercial, Financial and Agricultural	$ 59	$ 41	$ 83	$ 28	$ 71	$ 100	$ 166
Real Estate - Construction	-	-	-	-	1	-	2
Real Estate - Commercial	19	204	16	17	11	223	19
Real Estate - Residential	23	37	34	30	132	60	189
Real Estate - Home Equity	37	24	17	53	131	61	156
Consumer	313	410	433	418	514	723	1,085
Overdrafts	342	353	442	376	633	695	1,006
Total Recoveries	$ 793	$ 1,069	$ 1,025	$ 922	$ 1,493	$ 1,862	$ 2,623
NET CHARGE-OFFS (RECOVERIES)	$ 1,239	$ 1,494	$ 1,562	$ 1,153	$ 487	$ 2,733	$ 2,007
Net Charge-Offs as a % of Average Loans HFI[2]	0.18%	0.22%	0.23%	0.17%	0.07%	0.20%	0.15%
CREDIT QUALITY							
Nonaccruing Loans	$ 5,515	$ 6,798	$ 6,242	$ 4,694	$ 6,623		
Other Real Estate Owned	650	1	1	1	1		
Total Nonperforming Assets ("NPAs")	$ 6,165	$ 6,799	$ 6,243	$ 4,695	$ 6,624		
Past Due Loans 30-89 Days	$ 5,672	$ 5,392	$ 6,854	$ 5,577	$ 4,207		
Classified Loans	25,566	22,305	22,203	21,812	14,973		
Nonperforming Loans as a % of Loans HFI	0.21%	0.25%	0.23%	0.17%	0.25%		
NPAs as a % of Loans HFI and Other Real Estate	0.23%	0.25%	0.23%	0.17%	0.25%		
NPAs as a % of Total Assets	0.15%	0.16%	0.15%	0.11%	0.15%		

(1) Recorded in other liabilities

(2) Annualized

CAPITAL CITY BANK GROUP, INC.
AVERAGE BALANCE AND INTEREST RATES
Unaudited

	Second Quarter 2024			First Quarter 2024			Fourth Quarter 2023			Third
(Dollars in thousands)	*Average Balance*	*Interest*	*Average Rate*	*Average Balance*	*Interest*	*Average Rate*	*Average Balance*	*Interest*	*Average Rate*	*Average Balance*
ASSETS:										
Loans Held for Sale	$ 26,281	$ 517	5.26 %	$ 27,314	$ 563	5.99 %	$ 49,790	$ 817	6.50 %	$ 62,768
Loans Held for Investment(1)	2,726,748	40,683	6.03	2,728,629	40,196	5.95	2,711,243	39,679	5.81	2,672,653
Investment Securities										
Taxable Investment Securities	918,989	3,998	1.74	952,328	4,239	1.78	962,322	4,389	1.81	1,002,547
Tax-Exempt Investment Securities(1)	843	9	4.36	856	9	4.34	862	7	4.32	2,456
Total Investment Securities	919,832	4,007	1.74	953,184	4,248	1.78	963,184	4,396	1.82	1,005,003
Federal Funds Sold and Interest Bearing Deposits	262,419	3,624	5.56	140,488	1,893	5.42	99,763	1,385	5.51	136,556
Total Earning Assets	3,935,280	$ 48,831	4.99 %	3,849,615	$ 46,900	4.90 %	3,823,980	$ 46,277	4.80 %	3,876,980
Cash and Due From Banks	74,803			75,763			76,681			75,941
Allowance for Credit Losses	(29,564)			(30,030)			(29,998)			(29,172)
Other Assets	291,669			295,275			296,114			295,106
Total Assets	$ 4,272,188			$ 4,190,623			$ 4,166,777			$ 4,218,855
LIABILITIES:										
Noninterest Bearing Deposits	$ 1,346,546			$ 1,344,188			$ 1,416,825			$ 1,474,574
NOW Accounts	1,207,643	$ 4,425	1.47 %	1,201,032	$ 4,497	1.51 %	1,138,461	$ 3,696	1.29 %	1,125,171
Money Market Accounts	407,387	2,752	2.72	353,591	1,985	2.26	318,844	1,421	1.77	322,623
Savings Accounts	519,374	176	0.14	539,374	188	0.14	557,579	202	0.14	579,245
Time Deposits	160,078	1,226	3.08	138,328	924	2.69	116,797	553	1.88	95,203
Total Interest Bearing Deposits	2,294,482	8,579	1.50	2,232,325	7,594	1.37	2,131,681	5,872	1.09	2,122,242
Total Deposits	3,641,028	8,579	0.95	3,576,513	7,594	0.85	3,548,506	5,872	0.66	3,596,816
Repurchase Agreements	26,999	217	3.24	25,725	201	3.14	26,831	199	2.94	25,356
Other Short-Term Borrowings	6,592	68	4.16	3,758	39	4.16	16,906	310	7.29	24,306
Subordinated Notes Payable	52,887	630	4.71	52,887	628	4.70	52,887	627	4.64	52,887

Other Long-Term Borrowings	258	3	4.31	281	3	4.80	336	5	4.72	387
Total Interest Bearing Liabilities	2,381,218	$ 9,497	1.60 %	2,314,976	$ 8,465	1.47 %	2,228,641	$ 7,013	1.25 %	2,225,178
Other Liabilities	72,634			68,295			78,772			83,099
Total Liabilities	3,800,398			3,727,459			3,724,238			3,782,851
Temporary Equity	6,493			7,150			7,423			8,424
SHAREOWNERS' EQUITY:	465,297			456,014			435,116			427,580
Total Liabilities, Temporary Equity and Shareowners' Equity	$ 4,272,188			$ 4,190,623			$ 4,166,777			$ 4,218,855
Interest Rate Spread		$ 39,334	3.38 %		$ 38,435	3.43 %		$ 39,264	3.55 %	
Interest Income and Rate Earned(1)		48,831	4.99		46,900	4.90		46,277	4.80	
Interest Expense and Rate Paid(2)		9,497	0.97		8,465	0.88		7,013	0.73	
Net Interest Margin		$ 39,334	4.02 %		$ 38,435	4.01 %		$ 39,264	4.07 %	

(1) *Interest and average rates are calculated on a tax-equivalent basis using a 21% Federal tax rate.*

(2) *Rate calculated based on average earning assets.*

For Information Contact:
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Source: Capital City Bank Group