

January 28, 2025



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

TALLAHASSEE, Fla., Jan. 28, 2025 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of \$13.1 million, or \$0.77 per diluted share, for the fourth quarter of 2024 compared to \$13.1 million, or \$0.77 per diluted share, for the third quarter of 2024, and \$11.7 million, or \$0.70 per diluted share, for the fourth quarter of 2023.

For the full year of 2024, net income attributable to common shareowners totaled \$52.9 million, or \$3.12 per diluted share, compared to net income of \$52.3 million, or \$3.07 per diluted share, for the same period of 2023.

QUARTER HIGHLIGHTS (4th Quarter 2024 versus 3rd Quarter 2024)

Income Statement

- *Tax-equivalent net interest income totaled \$41.2 million compared to \$40.3 million for the prior quarter*
 - *Net interest margin increased 5 basis points to 4.17% (total deposit costs down 6 basis points partially offset by a 1 basis point decrease in earning asset yield).*
- *Stable credit quality metrics and credit loss provision – net loan charge-offs were 25 basis points (annualized) of average loans – allowance coverage ratio was 1.10% at December 31, 2024*
- *Noninterest income decreased \$0.8 million, or 3.9%, driven by lower mortgage banking revenues*
- *Noninterest expense decreased \$1.1 million, or 2.7%, primarily due to lower other expense which included a gain from the sale of a banking office*

Balance Sheet

- *Loan balances decreased \$16.1 million, or 0.6% (average), and \$31.5 million, or 1.2% (end of period)*
- *Deposit balances increased \$28.4 million, or 0.8% (average), and increased \$92.9 million, or 2.6% (end of period), reflective of the seasonal increase in public fund balances*
- *Tangible book value per share increased \$1.05, or 4.6%, due in part to a favorable year-end re-measurement adjustment for the pension plan (\$0.60 per diluted share)*

FULL YEAR 2024 HIGHLIGHTS

Income Statement

- *Tax-equivalent net interest income totaled \$159.2 million for 2024 compared to \$159.4 million for 2023 driven by higher yields across our earning assets, partially offset by*

higher deposit cost which was well controlled at 89 basis points for the year – net interest margin was 4.08% for 2024 compared to 4.05% for 2023

- *Credit quality metrics remained strong throughout the year – allowance coverage ratio remained stable at 1.10% - net loan charge-offs were 21 basis points of average loans for 2024 versus 18 basis points for 2023*
- *Noninterest income increased \$4.4 million, or 6.1%, driven by higher mortgage banking revenues and wealth management fees*
- *Noninterest expense increased \$8.3 million, or 5.3%, primarily due to higher compensation expense reflective of higher incentive compensation, merit raises, and higher health insurance costs*

Balance Sheet

- *Loan balances increased \$50.1 million, or 1.9% (average), and decreased \$82.4 million, or 3.0% (end of period)*
- *Deposit balances decreased \$72.2 million, or 2.0% (average), and decreased \$29.8 million, or 0.8% (end of period)*
- *Tangible book value per share increased \$3.20, or 15.6%, driven by strong earnings and favorable investment security and pension plan accumulated other comprehensive loss adjustments*

“In 2024, we delivered record earnings and advanced our commitment to creating shareholder value, which is demonstrated by a 15.6% increase in tangible book value per share, a 15.8% increase in the dividend, and the repurchase of 83,000 shares,” said William G. Smith, Jr., President, Chairman and CEO of Capital City Bank Group. “Our associates also earned us recognition for the 12th consecutive year as one of the best banks to work for—an achievement that underscores the strength of our organization and the core values we embrace. We remain focused on soundness, profitability, growth, and making strategic investments that add long-term value. Our fortress balance sheet, diversified revenues, and growth markets together position us well for 2025 and beyond.”

Discussion of Operating Results

Net Interest Income/Net Interest Margin

Tax-equivalent net interest income for the fourth quarter of 2024 totaled \$41.2 million, compared to \$40.3 million for the third quarter of 2024, and \$39.3 million for the fourth quarter of 2023. For 2024, tax-equivalent net interest income totaled \$159.2 million compared to \$159.4 million for 2023. Compared to the third quarter of 2024, the increase reflected higher investment securities interest due to new investment purchases at higher yields, in addition to lower deposit interest expense, partially offset by lower loan interest due to lower balances. Compared to 2023, the slight decrease reflected an increase in deposit interest expense and a decrease in investment securities interest that was offset by increases in loan interest and overnight funds interest.

Our net interest margin for the fourth quarter of 2024 was 4.17%, an increase of five basis points over the third quarter of 2024 and an increase of 10 basis points over the fourth quarter of 2023. For the month of December 2024, our net interest margin was 4.18%. For 2024, our net interest margin was 4.08%, an increase of three basis points over 2023. Compared to the third quarter of 2024, the increase reflected higher yield in the investment

portfolio driven by new purchases during the quarter, in addition to lower deposit interest expense. The increase over 2023 reflected a combination of earning assets re-pricing at higher interest rates and higher average loan balances, partially offset by a higher cost of deposits. For the fourth quarter of 2024, our cost of funds was 88 basis points, a decrease of five basis points from the third quarter of 2024 and an increase of 15 basis points over the fourth quarter of 2023. Our total cost of deposits (including noninterest bearing accounts) was 86 basis points, 92 basis points, and 66 basis points, respectively, for the same periods.

Provision for Credit Losses

We recorded a provision expense for credit losses of \$0.7 million for the fourth quarter of 2024 compared to \$1.2 million for the third quarter of 2024 and \$2.0 million for the fourth quarter of 2023. Compared to the third quarter of 2024, the provision expense reflected a \$0.8 million decrease in the provision for loans held for investment (“HFI”) and a \$0.3 million decrease in the provision benefit for unfunded loan commitments. The decrease in the provision for loans HFI was primarily due to lower loan balances and slightly lower loss rates.

For 2024, we recorded a provision expense for credit losses of \$4.0 million compared to \$9.7 million for 2023. The decrease reflected a \$4.5 million decrease in the provision for loans HFI and a \$1.2 million decrease in the provision for unfunded loan commitments. The decrease in the provision for loans HFI was primarily due to lower new loan volume and loan balances in 2024 and favorable loan grade migration. The decrease in the provision for unfunded loan commitments reflected a lower level of loan commitments. We discuss the allowance for credit losses further below.

Noninterest Income and Noninterest Expense

Noninterest income for the fourth quarter of 2024 totaled \$18.8 million compared to \$19.5 million for the third quarter of 2024 and \$17.2 million for the fourth quarter of 2023. Compared to the third quarter of 2024, the \$0.7 million decrease from the third quarter of 2024 reflected a \$0.8 million decrease in mortgage banking revenues attributable to lower production volume and a \$0.3 million decrease in deposit fees that was partially offset by a \$0.4 million increase in wealth management fees, primarily from retail brokerage. The \$1.6 million increase over the fourth quarter of 2023 was driven by higher mortgage banking revenues of \$0.8 million driven by a higher gain on sale margin and wealth management fees of \$0.9 million, primarily from retail brokerage and to a lesser extent trust.

For 2024, noninterest income totaled \$76.0 million compared to \$71.6 million for 2023, primarily attributable to a \$3.9 million increase in mortgage banking revenues and a \$2.8 million increase in wealth management fees, partially offset by a \$2.2 million decrease in other income. The increase in mortgage banking revenues was due to a higher gain on sale margin. The increase in wealth management fees was primarily driven by higher retail brokerage fees and to a lesser extent trust fees, primarily attributable to both new account growth and higher account values driven by higher market returns. The decrease in other income was primarily attributable to a \$1.4 million gain from the sale of mortgage servicing rights in 2023, and to a lesser extent a decrease in vendor bonus income and miscellaneous income.

Noninterest expense for the fourth quarter of 2024 totaled \$41.8 million compared to \$42.9

million for the third quarter of 2024 and \$40.0 million for the fourth quarter of 2023. The \$1.1 million decrease from the third quarter of 2024 was primarily attributable to lower other expense of \$1.2 million and occupancy expense of \$0.2 million that was partially offset by a \$0.3 million increase in compensation expense. The decrease in other expense was primarily attributable to a \$1.0 million decrease in other real estate expense driven by the sale of a banking office and lower miscellaneous expense of \$0.5 million which reflected a non-routine VISA Class B swap payment in the third quarter of 2024. The decrease in occupancy expense reflected lower property tax and software license expense. The increase in compensation was driven by higher incentive plan compensation. Compared to the fourth quarter of 2023, the \$1.8 million increase was driven by a \$2.3 million increase in compensation expense that was partially offset by a \$0.2 million decrease in occupancy expense and a \$0.3 million decrease in other expense. The unfavorable variance in compensation expense reflected a \$1.4 million increase in salary expense and a \$0.9 million increase in other benefit expense with the salary expense driven by higher incentive compensation and merit adjustments and the associate benefit expense reflective of higher health insurance cost.

For 2024, noninterest expense totaled \$165.3 million compared to \$157.0 million for 2023, primarily attributable to increases in compensation expense of \$6.9 million, occupancy expense of \$0.3 million, and other expense of \$1.1 million. The increase in compensation reflected a \$5.4 million increase in salary expense and a \$1.6 million increase in other associate benefit expense. The increase in salary expense was primarily due to a lower level of realized loan cost (credit offset to salary expense) of \$3.1 million (lower new loan volume), higher base salary expense of \$2.2 million (primarily annual merit raises), and a \$1.2 million increase in cash incentive compensation that was partially offset by lower commission expense of \$1.4 million (lower residential mortgage volume). The unfavorable variance in other associate benefit expense was due to a \$0.9 million increase in associate insurance cost and a \$0.6 million increase in stock compensation expense. The increase in occupancy expense was attributable to increases in software license and maintenance agreement expenses. The increase in other expense was driven by a \$1.1 million increase in other real estate expense and a \$1.4 million increase in processing expense that was partially offset by a \$1.4 million decrease in miscellaneous expense. The increase in other real estate expense reflected a lower level of gains from the sale of banking offices in 2024. The increase in processing expense reflected both inflationary increases on contract renewals and the outsourcing of our core processing system. The decrease in miscellaneous expense was attributable to lower pension plan expense for the non-service related component of the plan.

Income Taxes

We realized income tax expense of \$4.2 million (effective rate of 24.3%) for the fourth quarter of 2024 compared to \$3.0 million (effective rate of 19.1%) for the third quarter of 2024 and \$2.9 million (effective rate of 20.3%) for the fourth quarter of 2023. Compared to the third quarter of 2024, the increase in our effective tax rate was attributable to a lower than projected level of pre-tax income from Capital City Home Loans ("CCHL") in relation to our consolidated income as the non-controlling interest adjustment for CCHL is accounted for as a permanent tax adjustment. Further, we realized a higher than projected Internal Revenue Code ("IRC") Section 162(m) limitation related to current and future compensation. For 2024, we realized income tax expense of \$13.9 million (effective rate of 21.2%)

compared to \$13.0 million (effective rate of 20.4%) for 2023 with the increase in the effective tax rate primarily attributable to a higher IRC Section 162(m) limitation and lower tax-exempt interest income. Absent discrete items or new tax credit investments, we expect our annual effective tax rate to approximate 24% for 2025.

Discussion of Financial Condition

Earning Assets

Average earning assets totaled \$3.922 billion for the fourth quarter of 2024, an increase of \$38.5 million, or 1.0 %, over the third quarter of 2024, and an increase of \$97.9 million, or 2.6%, over the fourth quarter of 2023. The increase over both prior periods was primarily driven by higher deposit balances (see below – *Deposits*). Compared to the third quarter of 2024, the change in earning asset mix was primarily attributable to a \$41.4 million increase in short term investments (overnight funds sold), a \$6.7 million increase in investment securities, and \$6.5 million increase in loans held for sale, partially offset by a \$16.1 million decrease in loans HFI. Compared to the fourth quarter of 2023, the change in earning asset mix reflected a \$198.4 million increase in short term investments (overnight funds sold) that was partially offset by a \$48.0 million decrease in investment securities, a \$33.8 million decrease in loans HFI, and a \$18.7 million decrease in loans held for sale.

Average loans HFI for the fourth quarter of 2024 decreased \$16.1 million, or 0.6%, from the third quarter of 2024 and decreased \$33.8 million, or 1.3%, from the fourth quarter of 2023. Compared to the third quarter of 2024, the decline was primarily attributable to decreases in consumer loans (primarily indirect auto) of \$18.3 million and commercial mortgage real estate loans of \$24.1 million, partially offset by increases in construction real estate loans of \$13.1 million, and residential real estate loans of \$11.6 million. Compared to the fourth quarter of 2023, the decrease was driven by decreases in consumer loans (primarily indirect auto) of \$72.8 million, commercial loans of \$30.2 million, and commercial mortgage real estate loans of \$25.3 million, partially offset by increases in residential real estate loans of \$70.8 million, construction real estate loans of \$16.6 million, and home equity loans of \$10.2 million.

Loans HFI at December 31, 2024 decreased \$31.5 million, or 1.2%, from September 30, 2024 and decreased \$82.4 million, or 3.0%, from December 31, 2023. Compared to September 30, 2024, the decrease was driven by decreases in commercial mortgage real estate loans of \$40.9 million, consumer loans (primarily indirect auto) of \$13.8 million, and commercial loans of \$5.4 million, partially offset by increases in home equity loans of \$9.1 million, other loans of \$13.5 million, and residential real estate loans of \$5.0 million. Compared to December 31, 2023, the decrease was primarily attributable to decreases in consumer loans (primarily indirect auto) of \$71.5 million, commercial mortgage real estate loans of \$46.4 million, and commercial loans of \$36.0 million, partially offset by increases in residential real estate loans of \$27.2 million, construction real estate loans of \$23.9 million, and home equity loans of \$9.1 million.

Allowance for Credit Losses

At December 31, 2024, the allowance for credit losses for loans HFI totaled \$29.3 million compared to \$29.8 million at September 30, 2024 and \$29.9 million at December 31, 2023. Activity within the allowance is provided on Page 9. The decreases in the allowance from

September 30, 2024 and December 31, 2023 were primarily attributable to lower loan balances and favorable loan migration. Net loan charge-offs were 25 basis points of average loans for the fourth quarter of 2024 versus 19 basis points for the third quarter of 2024. For 2024, net loan charge-offs were 21 basis points of average loans compared to 18 basis points in 2023. At December 31, 2024, the allowance represented 1.10% of loans HFI compared to 1.11% at September 30, 2024, and 1.10% at December 31, 2023.

Credit Quality

Nonperforming assets (nonaccrual loans and other real estate) totaled \$6.7 million at December 31, 2024 compared to \$7.2 million at September 30, 2024 and \$6.2 million at December 31, 2023. At December 31, 2024, nonperforming assets as a percent of total assets equaled 0.15%, compared to 0.17% at September 30, 2024 and 0.15% at December 31, 2023. Nonaccrual loans totaled \$6.3 million at December 31, 2024, a \$0.3 million decrease from September 30, 2024 and a \$0.1 million increase over December 31, 2023. Further, classified loans totaled \$19.9 million at December 31, 2024, a \$5.6 million decrease from September 30, 2024 and a \$2.3 million decrease from December 31, 2023.

Deposits

Average total deposits were \$3.600 billion for the fourth quarter of 2024, an increase of \$28.4 million, or 0.8%, over the third quarter of 2024 and an increase of \$51.9 million, or 1.5%, over the fourth quarter of 2023. Compared to the third quarter of 2024, the increase was primarily attributable to higher NOW account balances which reflected the seasonal inflow of public funds from municipal clients as they receive their tax receipts beginning in late November. The increase over the fourth quarter of 2023 reflected higher NOW, MMA, and certificates of deposit ("CD") balances that were partially offset by decreases in noninterest bearing and savings balances. During 2024, we realized a re-mix in deposits as rate sensitive clients sought higher yield deposit products. Average core deposit balances (total deposits less public funds) increased \$20.3 million over the third quarter of 2024 and \$28.4 million over the fourth quarter of 2023.

At December 31, 2024, total deposits were \$3.672 billion, an increase of \$92.9 million, or 2.6%, over September 30, 2024 and a decrease of \$29.8 million, or 0.8%, from December 31, 2023. Compared to the third quarter of 2024, the increase was primarily due to a \$110.7 million increase in NOW account balances which reflected the aforementioned seasonal inflow of public funds balances. The decrease from the fourth quarter of 2023 was driven by lower noninterest bearing, NOW, and savings account balances that were partially offset by higher MMA and CD balances which reflected the aforementioned re-mix in balances during 2024. Core deposit balances (total deposits less public funds) decreased \$50.3 million from the third quarter of 2024 and increased \$21.9 million over the fourth quarter of 2023.

Liquidity

The Bank maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of \$298.3 million in the fourth quarter of 2024 compared to \$256.9 million in the third quarter of 2024 and \$99.8 million in the fourth quarter of 2023. Compared to both prior periods, the increases reflected growth in average core and public fund deposit balances.

At December 31, 2024, we had the ability to generate approximately \$1.535 billion (excludes overnight funds position of \$321 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 and have the option to pledge securities in our portfolio as collateral for borrowings or deposits, and/or to sell selected securities. Our portfolio consists of debt issued by the U.S. Treasury, U.S. governmental agencies, municipal governments, and corporate entities. At December 31, 2024, the weighted-average maturity and duration of our portfolio were 2.54 years and 2.19 years, respectively, and the available-for-sale portfolio had a net unrealized after-tax loss of \$19.2 million.

Capital

Shareowners' equity was \$495.3 million at December 31, 2024 compared to \$476.5 million at September 30, 2024 and \$440.6 million at December 31, 2023. For the fourth quarter of 2024, shareowners' equity was positively impacted by net income attributable to common shareowners of \$13.1 million, a net \$7.6 million decrease in the accumulated other comprehensive loss, the issuance of stock of \$0.9 million, stock compensation accretion of \$0.7 million, and a \$0.4 million reclassification from temporary equity (concurrent with the agreement to assign the minority membership interest (49%) in Capital City Home Loans, LLC, temporary equity was reclassified to other liabilities and included a \$0.4 million net credit to retained earnings to account for the difference between the fair value and the book value of the minority interest). The net favorable change in accumulated other comprehensive loss reflected a \$10.1 million decrease in the pension plan loss from the year-end re-measurement of the plan and a \$0.7 million increase in the fair value of the interest rate swap related to subordinated debt, that was partially offset by a \$3.2 million increase in the investment securities loss. Shareowners' equity was reduced by common stock dividends of \$3.9 million (\$0.23 per share).

For the full year 2024, shareowners' equity was positively impacted by net income attributable to common shareowners of \$52.9 million, a net \$15.7 million decrease in the accumulated other comprehensive loss, the issuance of stock of \$3.1 million, and stock compensation accretion of \$1.9 million. The net favorable change in accumulated other comprehensive loss reflected a \$10.1 million decrease in the pension plan loss from the year-end re-measurement of the plan and a \$5.6 million decrease in the investment securities loss. Shareowners' equity was reduced by common stock dividends of \$14.9 million (\$0.88 per share), the repurchase of stock of \$2.3 million (82,540 shares), net adjustments totaling \$1.4 million related to transactions under our stock compensation plans, and a \$0.3 million reclassification from temporary equity.

At December 31, 2024, our total risk-based capital ratio was 18.77% compared to 17.97% at September 30, 2024 and 16.57% at December 31, 2023. Our common equity tier 1 capital ratio was 15.64%, 14.88%, and 13.52%, respectively, on these dates. Our leverage ratio was 11.05%, 10.89%, and 10.30%, respectively, on these dates. At December 31, 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 was 9.55% at December 31, 2024 compared to 9.28% and 8.26% at September 30, 2024 and December 31, 2023, respectively. If our unrealized held-to-maturity securities losses of

\$16.0 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 9.17%.

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 \$4.3 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 104 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; the effects of changes in the level 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; legislative or regulatory changes; adverse developments in the financial services industry generally; 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 and any deficiencies in the processes undertaken to effect such restatements; 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 for the fiscal year ended December 31, 2023, as amended, 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)

	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Shareowners' Equity (GAAP)	\$ 495,317	\$ 476,499	\$ 460,999	\$ 448,314	\$ 440,625
Less: Goodwill and Other Intangibles (GAAP)	92,773	92,813	92,853	92,893	92,933
Tangible Shareowners' Equity (non-GAAP)	A <u>402,544</u>	<u>383,686</u>	<u>368,146</u>	<u>355,421</u>	<u>347,692</u>
Total Assets (GAAP)	4,307,142	4,225,316	4,225,695	4,259,922	4,304,477
Less: Goodwill and Other Intangibles (GAAP)	92,773	92,813	92,853	92,893	92,933
Tangible Assets (non-GAAP)	B \$ <u>4,214,369</u>	\$ <u>4,132,503</u>	\$ <u>4,132,842</u>	\$ <u>4,167,029</u>	\$ <u>4,211,544</u>
Tangible Common Equity Ratio (non-GAAP)	A/B <u>9.55%</u>	<u>9.28%</u>	<u>8.91%</u>	<u>8.53%</u>	<u>8.26%</u>
Actual Diluted Shares Outstanding (GAAP)	C 17,018,122	16,980,686	16,970,228	16,947,204	17,000,758
Tangible Book Value per Diluted Share (non-GAAP)	A/C \$ <u>23.65</u>	\$ <u>22.60</u>	\$ <u>21.69</u>	\$ <u>20.97</u>	\$ <u>20.45</u>

CAPITAL CITY BANK GROUP, INC.
EARNINGS HIGHLIGHTS
Unaudited

<i>(Dollars in thousands, except per share data)</i>	Three Months Ended			Twelve Months Ended	
	Dec 31, 2024	Sep 30, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
EARNINGS					
Net Income Attributable to Common Shareowners	\$ 13,090	\$ 13,118	\$ 11,720	\$ 52,915	\$ 52,258
Diluted Net Income Per Share	\$ 0.77	\$ 0.77	\$ 0.70	\$ 3.12	\$ 3.07
PERFORMANCE					
Return on Average Assets (annualized)	1.22%	1.24%	1.12%	1.25%	1.22%
Return on Average Equity (annualized)	10.60	10.87	10.69	11.18	12.40
Net Interest Margin	4.17	4.12	4.07	4.08	4.05
Noninterest Income as % of Operating Revenue	31.34	32.67	30.46	32.34	31.05
Efficiency Ratio	69.74%	71.81%	70.82%	70.30%	67.99%
CAPITAL ADEQUACY					
Tier 1 Capital	17.58%	16.77%	15.37%	17.58%	15.37%
Total Capital	18.77	17.97	16.57	18.77	16.57
Leverage	11.05	10.89	10.30	11.05	10.30
Common Equity Tier 1	15.64	14.88	13.52	15.64	13.52
Tangible Common Equity ⁽¹⁾	9.55	9.28	8.26	9.55	8.26
Equity to Assets	11.50%	11.28%	10.24%	11.50%	10.24%
ASSET QUALITY					
Allowance as % of Non-Performing Loans	464.14%	452.64%	479.70%	464.14%	479.70%
Allowance as a % of Loans HFI	1.10	1.11	1.10	1.10	1.10
Net Charge-Offs as % of Average Loans HFI	0.25	0.19	0.23	0.21	0.18
Nonperforming Assets as % of Loans HFI and OREO	0.25	0.27	0.23	0.25	0.23
Nonperforming Assets as % of Total Assets	0.15%	0.17%	0.15%	0.15%	0.15%
STOCK PERFORMANCE					
High	\$ 40.86	\$ 36.67	\$ 32.56	\$ 40.86	\$ 36.86
Low	33.00	26.72	26.12	25.45	26.12
Close	\$ 36.65	\$ 35.29	\$ 29.43	\$ 36.65	\$ 29.43
Average Daily Trading Volume	27,484	37,151	33,297	31,390	33,775

⁽¹⁾ Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 7.

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

<i>(Dollars in thousands)</i>	2024				2023
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter
ASSETS					
Cash and Due From Banks	\$ 70,543	\$ 83,431	\$ 75,304	\$ 73,642	\$ 83,118
Funds Sold and Interest Bearing Deposits	321,311	261,779	272,675	231,047	228,949
Total Cash and Cash Equivalents	391,854	345,210	347,979	304,689	312,067
Investment Securities Available for Sale	403,345	336,187	310,941	327,338	337,902
Investment Securities Held to Maturity	567,155	561,480	582,984	603,386	625,022
Other Equity Securities	2,399	6,976	2,537	3,445	3,450
Total Investment Securities	972,899	904,643	896,462	934,169	966,374
Loans Held for Sale	28,672	31,251	24,022	24,705	28,211

Loans Held for Investment ("HFI"):					
Commercial, Financial, & Agricultural	189,208	194,625	204,990	218,298	225,190
Real Estate - Construction	219,994	218,899	200,754	202,692	196,091
Real Estate - Commercial	779,095	819,955	823,122	823,690	825,456
Real Estate - Residential	1,028,498	1,023,485	1,012,541	1,012,791	1,001,257
Real Estate - Home Equity	220,064	210,988	211,126	214,617	210,920
Consumer	199,479	213,305	234,212	254,168	270,994
Other Loans	14,006	461	2,286	3,789	2,962
Overdrafts	1,206	1,378	1,192	1,127	1,048
Total Loans Held for Investment	2,651,550	2,683,096	2,690,223	2,731,172	2,733,918
Allowance for Credit Losses	(29,251)	(29,836)	(29,219)	(29,329)	(29,941)
Loans Held for Investment, Net	2,622,299	2,653,260	2,661,004	2,701,843	2,703,977
Premises and Equipment, Net	81,952	81,876	81,414	81,452	81,266
Goodwill and Other Intangibles	92,773	92,813	92,853	92,893	92,933
Other Real Estate Owned	367	650	650	1	1
Other Assets	116,326	115,613	121,311	120,170	119,648
Total Other Assets	291,418	290,952	296,228	294,516	293,848
Total Assets	\$ 4,307,142	\$ 4,225,316	\$ 4,225,695	\$ 4,259,922	\$ 4,304,477
LIABILITIES					
Deposits:					
Noninterest Bearing Deposits	\$ 1,306,254	\$ 1,330,715	\$ 1,343,606	\$ 1,361,939	\$ 1,377,934
NOW Accounts	1,285,281	1,174,585	1,177,180	1,212,452	1,327,420
Money Market Accounts	404,396	401,272	413,594	398,308	319,319
Savings Accounts	506,766	507,604	514,560	530,782	547,634
Certificates of Deposit	169,280	164,901	159,624	151,320	129,515
Total Deposits	3,671,977	3,579,077	3,608,564	3,654,801	3,701,822
Repurchase Agreements	26,240	29,339	22,463	23,477	26,957
Other Short-Term Borrowings	2,064	7,929	3,307	8,409	8,384
Subordinated Notes Payable	52,887	52,887	52,887	52,887	52,887
Other Long-Term Borrowings	794	794	1,009	265	315
Other Liabilities	57,863	71,974	69,987	65,181	66,080
Total Liabilities	3,811,825	3,742,000	3,758,217	3,805,020	3,856,445
Temporary Equity	-	6,817	6,479	6,588	7,407
SHAREOWNERS' EQUITY					
Common Stock	170	169	169	169	170
Additional Paid-In Capital	37,684	36,070	35,547	34,861	36,326
Retained Earnings	463,949	454,342	445,959	435,364	426,275
Accumulated Other Comprehensive Loss, Net of Tax	(6,486)	(14,082)	(20,676)	(22,080)	(22,146)
Total Shareowners' Equity	495,317	476,499	460,999	448,314	440,625
Total Liabilities, Temporary Equity and Shareowners' Equity	\$ 4,307,142	\$ 4,225,316	\$ 4,225,695	\$ 4,259,922	\$ 4,304,477
OTHER BALANCE SHEET DATA					
Earning Assets	\$ 3,974,431	\$ 3,880,769	\$ 3,883,382	\$ 3,921,093	\$ 3,957,452
Interest Bearing Liabilities	2,447,708	2,339,311	2,344,624	2,377,900	2,412,431
Book Value Per Diluted Share	\$ 29.11	\$ 28.06	\$ 27.17	\$ 26.45	\$ 25.92
Tangible Book Value Per Diluted Share⁽¹⁾	23.65	22.60	21.69	20.97	20.45
Actual Basic Shares Outstanding	16,975	16,944	16,942	16,929	16,950
Actual Diluted Shares Outstanding	17,018	16,981	16,970	16,947	17,001

(1) Tangible book value per diluted share is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 7.

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

	2024				2023	Twelve Months Ended December 31,	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2024	2023
<i>(Dollars in thousands, except per share data)</i>							
INTEREST INCOME							
Loans, including Fees	\$ 41,453	\$ 41,659	\$ 41,138	\$ 40,683	\$ 40,407	\$ 164,933	\$ 152,250
Investment Securities	4,694	4,155	4,004	4,244	4,392	17,097	18,692
Federal Funds Sold and Interest Bearing Deposits	3,596	3,514	3,624	1,893	1,385	12,627	10,126
Total Interest Income	49,743	49,328	48,766	46,820	46,184	194,657	181,068
INTEREST EXPENSE							
Deposits	7,766	8,223	8,579	7,594	5,872	32,162	17,582
Repurchase Agreements	199	221	217	201	199	838	513
Other Short-Term Borrowings	83	52	68	39	310	242	1,538
Subordinated Notes Payable	581	610	630	628	627	2,449	2,427
Other Long-Term Borrowings	11	11	3	3	5	28	20
Total Interest Expense	8,640	9,117	9,497	8,465	7,013	35,719	22,080
Net Interest Income	41,103	40,211	39,269	38,355	39,171	158,938	158,988
Provision for Credit Losses	701	1,206	1,204	920	2,025	4,031	9,714
Net Interest Income after Provision for Credit Losses	40,402	39,005	38,065	37,435	37,146	154,907	149,274
NONINTEREST INCOME							
Deposit Fees	5,207	5,512	5,377	5,250	5,304	21,346	21,325
Bank Card Fees	3,697	3,624	3,766	3,620	3,713	14,707	14,918
Wealth Management Fees	5,222	4,770	4,439	4,682	4,276	19,113	16,337
Mortgage Banking Revenues	3,118	3,966	4,381	2,878	2,327	14,343	10,400
Other	1,516	1,641	1,643	1,667	1,537	6,467	8,630
Total Noninterest Income	18,760	19,513	19,606	18,097	17,157	75,976	71,610
NONINTEREST EXPENSE							
Compensation	26,108	25,800	24,406	24,407	23,822	100,721	93,787
Occupancy, Net	6,893	7,098	6,997	6,994	7,098	27,982	27,660
Other	8,781	10,023	9,038	8,770	9,038	36,612	35,576
Total Noninterest Expense	41,782	42,921	40,441	40,171	39,958	165,315	157,023
OPERATING PROFIT	17,380	15,597	17,230	15,361	14,345	65,568	63,861
Income Tax Expense	4,219	2,980	3,189	3,536	2,909	13,924	13,040
Net Income	13,161	12,617	14,041	11,825	11,436	51,644	50,821
Pre-Tax Loss (Income) Attributable to Noncontrolling Interest	(71)	501	109	732	284	1,271	1,437
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 13,090	\$ 13,118	\$ 14,150	\$ 12,557	\$ 11,720	\$ 52,915	\$ 52,258
PER COMMON SHARE							
Basic Net Income	\$ 0.77	\$ 0.77	\$ 0.84	\$ 0.74	\$ 0.69	\$ 3.12	\$ 3.08
Diluted Net Income	0.77	0.77	0.83	0.74	0.70	3.12	3.07
Cash Dividend	\$ 0.23	\$ 0.23	\$ 0.21	\$ 0.21	\$ 0.20	\$ 0.88	\$ 0.76
AVERAGE SHARES							
Basic	16,946	16,943	16,931	16,951	16,947	16,943	16,987
Diluted	16,990	16,979	16,960	16,969	16,997	16,969	17,023

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

AND CREDIT QUALITY
Unaudited

	2024				2023		Twelve Months Ended December 31,	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	2024	2023	
<i>(Dollars in thousands, except per share data)</i>								
ACL - HELD FOR INVESTMENT LOANS								
Balance at Beginning of Period	\$ 29,836	\$ 29,219	\$ 29,329	\$ 29,941	\$ 29,083	\$ 29,941	\$ 25,068	
Transfer from Other Liabilities	-	-	-	(50)	66	(50)	66	
Provision for Credit Losses	1,085	1,879	1,129	932	2,354	5,025	9,529	
Net Charge-Offs (Recoveries)	1,670	1,262	1,239	1,494	1,562	5,665	4,722	
Balance at End of Period	\$ 29,251	\$ 29,836	\$ 29,219	\$ 29,329	\$ 29,941	\$ 29,251	\$ 29,941	
As a % of Loans HFI	1.10%	1.11%	1.09%	1.07%	1.10%	1.10%	1.10%	
As a % of Nonperforming Loans	464.14%	452.64%	529.79%	431.46%	479.70%	464.14%	479.70%	
ACL - UNFUNDED COMMITMENTS								
Balance at Beginning of Period	2,522	\$ 3,139	\$ 3,121	\$ 3,191	\$ 3,502	\$ 3,191	\$ 2,989	
Provision for Credit Losses	(367)	(617)	18	(70)	(311)	(1,036)	202	
Balance at End of Period ⁽¹⁾	2,155	2,522	3,139	3,121	3,191	2,155	3,191	
ACL - DEBT SECURITIES								
Provision for Credit Losses	\$ (17)	\$ (56)	\$ 57	\$ 58	\$ (18)	\$ 42	\$ (17)	
CHARGE-OFFS								
Commercial, Financial and Agricultural	\$ 499	\$ 331	\$ 400	\$ 282	\$ 217	\$ 1,512	\$ 511	
Real Estate - Construction	47	-	-	-	-	47	-	
Real Estate - Commercial	-	3	-	-	-	3	120	
Real Estate - Residential	44	-	-	17	79	61	79	
Real Estate - Home Equity	33	23	-	76	-	132	39	
Consumer	1,307	1,315	1,061	1,550	1,689	5,233	5,754	
Overdrafts	574	611	571	638	602	2,394	2,789	
Total Charge-Offs	\$ 2,504	\$ 2,283	\$ 2,032	\$ 2,563	\$ 2,587	\$ 9,382	\$ 9,292	
RECOVERIES								
Commercial, Financial and Agricultural	\$ 103	\$ 176	\$ 59	\$ 41	\$ 83	\$ 379	\$ 277	
Real Estate - Construction	3	-	-	-	-	3	2	
Real Estate - Commercial	33	5	19	204	16	261	52	
Real Estate - Residential	28	88	23	37	34	176	253	
Real Estate - Home Equity	17	59	37	24	17	137	226	
Consumer	352	405	313	410	433	1,480	1,936	
Overdrafts	298	288	342	353	442	1,281	1,824	
Total Recoveries	\$ 834	\$ 1,021	\$ 793	\$ 1,069	\$ 1,025	\$ 3,717	\$ 4,570	
NET CHARGE-OFFS (RECOVERIES)	\$ 1,670	\$ 1,262	\$ 1,239	\$ 1,494	\$ 1,562	\$ 5,665	\$ 4,722	
Net Charge-Offs as a % of Average Loans HFI ⁽²⁾	0.25%	0.19%	0.18%	0.22%	0.23%	0.21%	0.18%	
CREDIT QUALITY								
Nonaccruing Loans	\$ 6,302	\$ 6,592	\$ 5,515	\$ 6,798	\$ 6,242			
Other Real Estate Owned	367	650	650	1	1			
Total Nonperforming Assets ("NPAs")	\$ 6,669	\$ 7,242	\$ 6,165	\$ 6,799	\$ 6,243			
Past Due Loans 30-89 Days	\$ 4,311	\$ 9,388	\$ 5,672	\$ 5,392	\$ 6,855			
Classified Loans	19,896	25,501	25,566	22,305	22,203			
Nonperforming Loans as a % of Loans HFI	0.24%	0.25%	0.21%	0.25%	0.23%			
NPAs as a % of Loans HFI and Other Real Estate	0.25%	0.27%	0.23%	0.25%	0.23%			
NPAs as a % of Total Assets	0.15%	0.17%	0.15%	0.16%	0.15%			

⁽¹⁾ Recorded in other liabilities

⁽²⁾ Annualized

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

<i>(Dollars in thousands)</i>	Fourth Quarter 2024			Third Quarter 2024			Second Quarter 2024			First Quarter 2024	
	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest
ASSETS:											
Loans Held for Sale	\$ 31,047	\$ 976	7.89%	\$ 24,570	\$ 720	7.49%	\$ 26,281	\$ 517	5.26%	\$ 27,314	563
Loans Held for Investment ⁽¹⁾	2,677,396	40,521	6.07	2,693,533	40,985	6.09	2,726,748	40,683	6.03	2,728,629	40,196
Investment Securities											
Taxable Investment Securities	914,353	4,688	2.04	907,610	4,148	1.82	918,989	3,998	1.74	952,328	4,239
Tax-Exempt Investment Securities ⁽¹⁾	849	9	4.31	846	10	4.33	843	9	4.36	856	9
Total Investment Securities	915,202	4,697	2.04	908,456	4,158	1.82	919,832	4,007	1.74	953,184	4,248
Federal Funds Sold and Interest Bearing Deposits	298,255	3,596	4.80	256,855	3,514	5.44	262,419	3,624	5.56	140,488	1,893
Total Earning Assets	3,921,900	\$ 49,790	5.05%	3,883,414	\$ 49,377	5.06%	3,935,280	\$ 48,831	4.99%	3,849,615	\$ 46,900
Cash and Due From Banks	73,992			70,994			74,803			75,763	
Allowance for Credit Losses	(30,107)			(29,905)			(29,564)			(30,030)	
Other Assets	293,884			291,359			291,669			295,275	
Total Assets	\$4,259,669			\$4,215,862			\$4,272,188			\$4,190,623	
LIABILITIES:											
Noninterest Bearing Deposits	\$1,323,556			\$1,332,305			\$1,346,546			\$1,344,188	
NOW Accounts	1,182,073	\$ 3,826	1.29%	1,145,544	\$ 4,087	1.42%	1,207,643	\$ 4,425	1.47%	1,201,032	\$ 4,497
Money Market Accounts	422,615	2,526	2.38	418,625	2,694	2.56	407,387	2,752	2.72	353,591	1,985
Savings Accounts	504,859	179	0.14	512,098	180	0.14	519,374	176	0.14	539,374	188
Time Deposits	167,321	1,235	2.94	163,462	1,262	3.07	160,078	1,226	3.08	138,328	924
Total Interest Bearing Deposits	2,276,868	7,766	1.36	2,239,729	8,223	1.46	2,294,482	8,579	1.50	2,232,325	7,594
Total Deposits	3,600,424	7,766	0.86	3,572,034	8,223	0.92	3,641,028	8,579	0.95	3,576,513	7,594
Repurchase Agreements	28,018	199	2.82	27,126	221	3.24	26,999	217	3.24	25,725	201
Other Short-Term Borrowings	6,510	83	5.06	2,673	52	7.63	6,592	68	4.16	3,758	39
Subordinated Notes Payable	52,887	581	4.30	52,887	610	4.52	52,887	630	4.71	52,887	628
Other Long-Term Borrowings	794	11	5.57	795	11	5.55	258	3	4.31	281	3
Total Interest Bearing Liabilities	2,365,077	\$ 8,640	1.45%	2,323,210	\$ 9,117	1.56%	2,381,218	\$ 9,497	1.60%	2,314,976	\$ 8,465
Other Liabilities	73,130			73,767			72,634			68,295	

Total Liabilities	3,761,763		3,729,282		3,800,398		3,727,459
Temporary Equity	6,763		6,443		6,493		7,150
SHAREOWNERS' EQUITY:	491,143		480,137		465,297		456,014
Total Liabilities, Temporary Equity and Shareowners' Equity	<u>\$4,259,669</u>		<u>\$4,215,862</u>		<u>\$4,272,188</u>		<u>\$4,190,623</u>
Interest Rate Spread	\$ 41,150	3.59%	\$ 40,260	3.49%	\$ 39,334	3.38%	\$ 38,435
Interest Income and Rate Earned ⁽¹⁾	49,790	5.05	49,377	5.06	48,831	4.99	46,900
Interest Expense and Rate Paid ⁽²⁾	8,640	0.88	9,117	0.93	9,497	0.97	8,465
Net Interest Margin	\$ 41,150	4.17%	\$ 40,260	4.12%	\$ 39,334	4.02%	\$ 38,435

⁽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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Executive Vice President and Chief Financial Officer

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Source: Capital City Bank Group