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Capital City Bank Group, Inc. Reports 2006 Earnings of $1.79 per Diluted Share, Up 7.8% From 2005

TALLAHASSEE, Fla., Jan. 23 /PRNewswire-FirstCall/ -- Capital City Bank Group, Inc. (Nasdaq: CCBG) today reported earnings for the year ended December 31, 2006 totaling $33.3 million, or $1.79 per diluted share. This compares to $30.3 million or $1.66 per diluted share for 2005. Results in 2006 reflect the acquisition of First National Bank of Alachua in May 2005. The Return on Average Assets was 1.29% and the Return on Average Equity was 10.48%, compared to 1.22% and 10.56%, respectively, for 2005.

The increase in earnings for the year was attributable to an increase in operating revenues (net interest income plus noninterest income) of $15.5 million and a reduction in the loan loss provision of $0.6 million, partially offset by an increase in noninterest expense of $11.8 million and income taxes of $1.3 million. The increase in operating revenues is reflective of an 8.3% increase in net interest income and a 13.0% increase in noninterest income. The increase in net interest income is attributable to an improvement in the net interest margin, which increased 26 basis points to 5.35%. Growth in noninterest income was driven primarily by higher deposit fees, retail brokerage fees, and card processing fees. The lower loan loss provision is reflective of a lower level of required reserves. Higher expense for compensation, occupancy, intangible amortization, and interchange fees were the primary reasons for the increase in noninterest expense.

Supplemental Materials

Additional financial, statistical and business related information, as well as a written narrative addressing business financial trends relating to the fourth quarter and year-end results, are available in the Investor Relations section on the Company's internet website at www.ccbg.com.

About Capital City Bank Group, Inc.

Capital City Bank Group, Inc. (Nasdaq: CCBG) is one of the largest financial services companies headquartered in Florida and has approximately $2.6 billion in assets. The Company's bank subsidiary, Capital City Bank, was founded in 1895 and now has 69 banking offices, four mortgage lending offices, and 80 ATMs in Florida, Georgia and Alabama.

SOURCE Capital City Bank Group, Inc.