



**CAPITAL CITY BANK GROUP, INC.**

**FORM 8-K  
CURRENT REPORT**

**Item 7.01 Regulation FD Disclosure**

Capital City Bank Group, Inc. will make presentations to institutional and individual investors at various meetings during the months of July through September 2018.

A copy of the presentation materials is being furnished as Exhibit 99.1 to this report, substantially in the form intended to be used. Exhibit 99.1 is incorporated by reference under this Item 7.01.

In accordance with general instruction B.2 of Current Report on Form 8-K, this information (including Exhibit 99.1) is furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934.

**Item 9.01 Financial Statements and Exhibits.**

- (d) Exhibits. The exhibits listed in the exhibit index are furnished pursuant to Regulation FD as part of this Current Report on Form 8-K and shall not be deemed filed for purposes of Section 18 of the Securities and Exchange Act of 1934.

Item No.    Description of Exhibit

- 99.1        Copy of presentation Capital City Bank Group, Inc. intends to provide to institutional and individual investors during the months of July through September 2018.
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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CAPITAL CITY BANK GROUP, INC.**

Date: July 27, 2018

By: /s/ J.Kimbrough Davis

J. Kimbrough Davis,  
Executive Vice President and Chief Financial Officer

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**EXHIBIT INDEX**

**Exhibit**

<b>Number</b>	<b>Description</b>
99.1	<a href="#">Investor Presentation for July through September 2018.</a>

# Investor Presentation

Second Quarter  
2018



# Forward-Looking Statement

This presentation includes forward-looking statements, including statements about future results. These statements are subject to uncertainties and risks, which could cause the Company's future results to differ materially. The following factors, among others, could cause the Company's actual results to differ: Our ability to successfully manage interest rate risk, liquidity risk, and other risks inherent to our industry; legislative or regulatory changes, including the Dodd-Frank Act, Basel III, and the ability to repay and qualified mortgage standards; the effects of security breaches and computer viruses that may affect our computer systems or fraud related to debit card products; the accuracy of our financial statement estimates and assumptions, including the estimates used for our loan loss provision, deferred tax asset valuation and pension plan; the frequency and magnitude of foreclosure of our loans; the effects of our lack of a diversified loan portfolio, including the risks of geographic and industry concentrations; the strength of the United States economy in general and the strength of the local economies in which we conduct operations; our ability to declare and pay dividends, the payment of which is now subject to our compliance with real estate markets; changes in monetary and fiscal policies of the U.S. Government; inflation, interest rate, market and monetary fluctuations; the effects of harsh weather conditions, including hurricanes, and man-made disasters; our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate; the willingness of clients to accept third-party products and services rather than our products and services and vice versa; increased competition and its effect on pricing; technological changes; negative publicity and the impact on our reputation; changes in consumer spending and saving habits; growth and profitability of our noninterest income; changes in accounting principles, policies, practices or guidelines; 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.

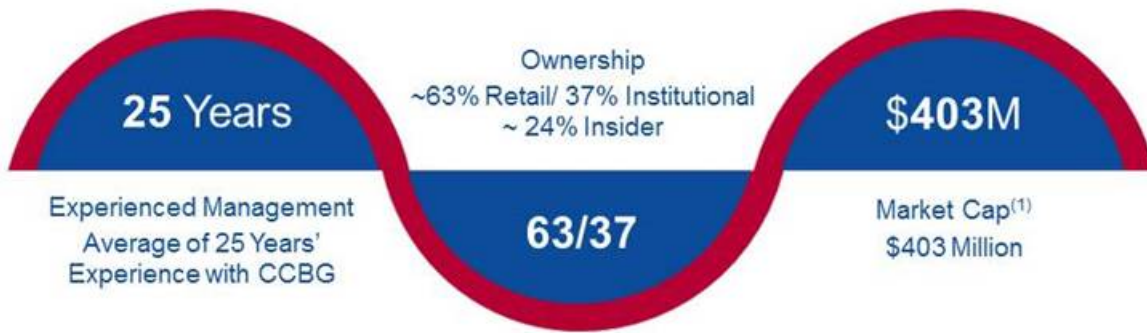
Additional factors can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and the Company's other filings with the SEC, which are available at the SEC's internet site (<http://www.sec.gov>). Forward-looking statements in this presentation speak only as of the date of this presentation. The Company assumes no obligation to update forward-looking statements or the reasons why actual results could differ.

## Corporate Profile

- Oldest Florida-based Publicly Traded Bank
- Managed Multiple Business Cycles Successfully
- \$2.9B Assets
- Loans: \$1.7B/Deposits: \$2.5B
- 85% Florida/15% Georgia
- 50/50 Mix of Consumer and Commercial Clients
- \$1.4B Assets Under Management



# Corporate Profile



(1) As of 6/30/18



## Florida at a Glance

- Highest Migration Rate in U.S. - Twice U.S. Average ~1,000 People Per Day
- 3<sup>rd</sup> Most Populous State - Projected Population Growth 2X National Average
- Several Growth Measures (Jobs, Personal Income, GDP, Tourism) Now Surpass Prior Peaks and National Average
- Business-friendly State with No Personal Income Tax
- State/Local Budgets Growing and Healthy
- CCBG Markets Expected to Benefit from Multiplier Effect



Government  
Higher Education  
Healthcare  
Agriculture  
Manufacturing  
Retail Distribution  
Professional Associations  
Retirees  
Tourism  
Defense  
Technology  
Transportation

# Growth Markets

## TALLAHASSEE MSA

Total Deposits (in Thousands)	\$1,109,301
Market Share <sup>(1)</sup>	14.36%
Market Share Rank <sup>(1)</sup>	#3
Top 3 Industries	Government, Education, Professional
Projected Population Growth <sup>(2)</sup>	4.4%
Projected HH Income Growth <sup>(2)</sup>	5.6%

## GAINESVILLE MSA

Total Deposits (in Thousands)	\$266,182
Market Share <sup>(1)</sup>	6.21%
Market Share Rank <sup>(1)</sup>	#6
Top 3 Industries	Education, Healthcare, Retail Distribution
Projected Population Growth <sup>(2)</sup>	5.5%
Projected HH Income Growth <sup>(2)</sup>	12.9%

## MACON MSA

Total Deposits (in Thousands)	\$94,865
Market Share <sup>(1)</sup>	2.74%
Market Share Rank <sup>(1)</sup>	#8
Top 3 Industries	Education, Healthcare, Defense
Projected Population Growth <sup>(2)</sup>	.81%
Projected HH Income Growth <sup>(2)</sup>	7.5%

## RURAL COMBINED - 15 Markets<sup>(3)</sup>

Total Deposits (in Thousands)	\$924,593
Market Share <sup>(1)(3)</sup>	10.34%
Market Champions	Agriculture, Manufacturing, County Seat
- Top 3 Market Share in 8 of 15 Markets	
- Top 4 Market Share in 10 of 15 Markets	

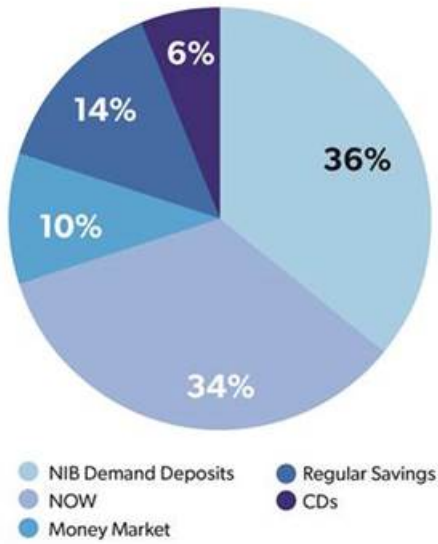
(1) Source: S&P Global Market Intelligence as of 6/30/2017

(2) Projected Change from 2018-2023 (Nielsen)

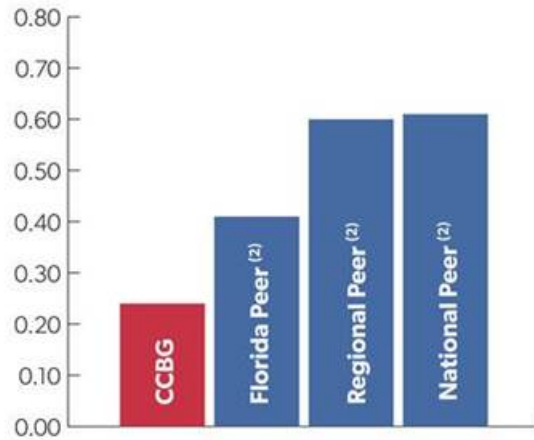
(3) Excludes Markets with < 2% Share

# Core Deposit Advantage

AVERAGE DEPOSITS BY TYPE<sup>(1)</sup>



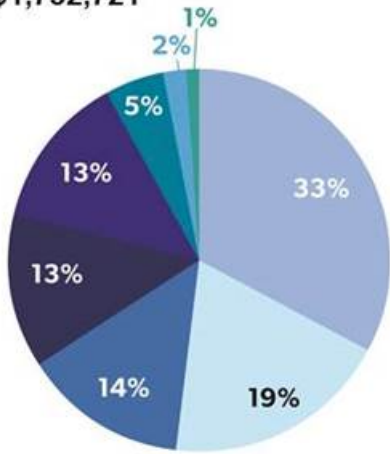
COST OF FUNDS<sup>(1)</sup>  
(24bps)



(1) YTD 06/30/18  
 (2) Publicly Traded \$1-\$5 Billion Southeast Commercial Banks (Source: SNL)

# Loan Portfolio Diversification

## LOAN PORTFOLIO<sup>(1)</sup> \$1,732,721

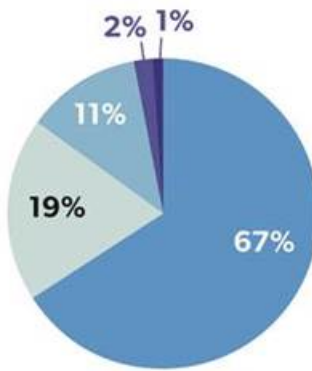


- Commercial R/E
- Residential R/E
- Indirect Auto
- Home Equity R/E
- Commercial Loans
- Construction R/E
- Direct Consumer
- Other Loans

## CRE COMPOSITION \$461,290

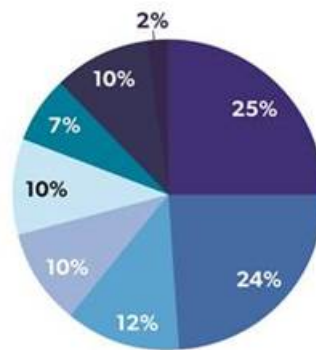
163% of Tier 1 Capital

- Improved Property
- Construction
- Vacant Land
- Condos
- Land Development



## IMPROVED PROPERTY COMPOSITION \$311,739

- 1-4 Residential
- Retail
- Hotel/Motel
- Multi-Family
- Office
- Industrial/Warehouse
- Other
- Gas Station/C-Store

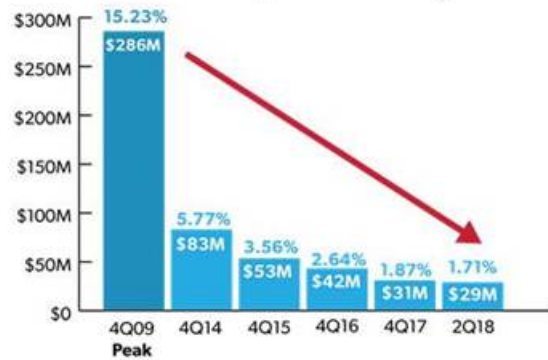


(1) 2Q2018-EOM

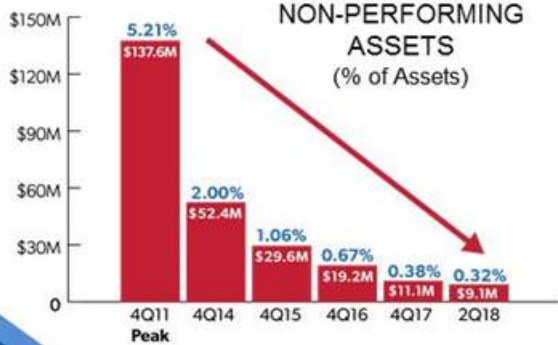
# Credit Quality

- NPA Reduction: 14% Decrease QoQ and 43% Decrease YoY
- Classified Loans: 7% Decrease QoQ and 28% Decrease YoY
- Continued Strong OREO Sales with Retail Disposition Strategy: 58% Decrease YoY

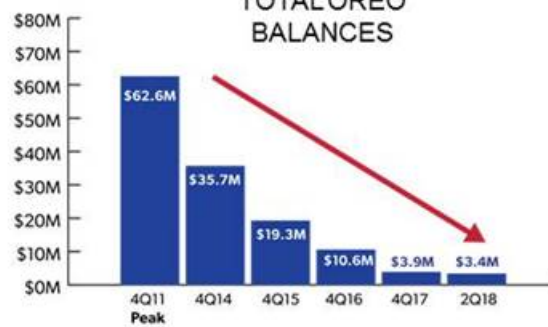
**CLASSIFIED LOANS**  
(% of Total Loans)



**NON-PERFORMING ASSETS**  
(% of Assets)

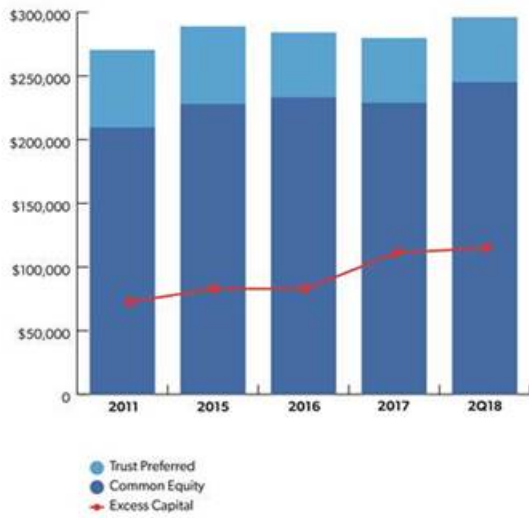


**TOTAL OREO BALANCES**

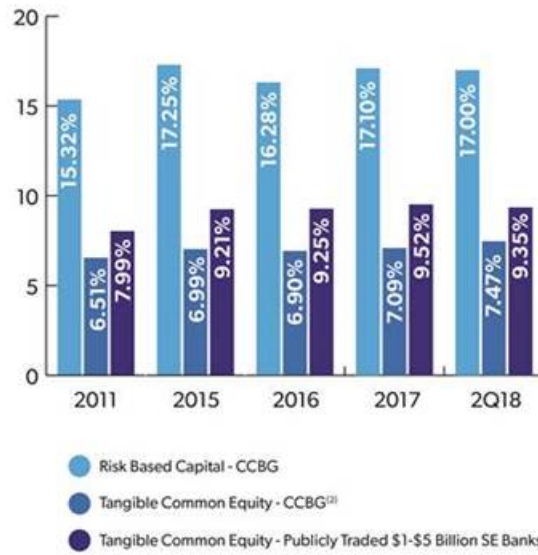


# Strong Capital Position

CAPITAL<sup>(1)</sup> TO EXECUTE



STAYING POWER



(1) Risk Based Capital  
 (2) Adjusted Non-GAAP, See Appendix for Reconciliation.



# Strategic Initiatives: Three Pillars of Execution

## Drive Revenues

Generate Loan Growth > Positioned to Win on Rates > Grow & Diversify Fee Income

## Disciplined Expense Management

Committed to Expense Reduction > Efficiency Initiatives in Motion

## Effectively Deploy Capital

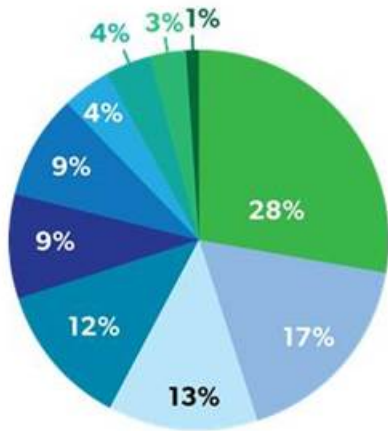
Organic Growth > Return Capital > Leverage Capital

**> Executed Under a Strong Risk Management & Credit Culture <**

# DRIVE REVENUES

*Diversified Revenues*

INTEREST INCOME<sup>(1)</sup>



**\$48 Million**

- Commercial R/E
- Commercial Loans
- Residential R/E
- Construction R/E
- Home Equity R/E
- Funds Sold
- Investment Securities
- Direct Consumer
- Indirect Auto
- Fees on Loans

FEE INCOME<sup>(1)</sup>



**\$25 Million**

- Deposit Fees
- Bank Card Fees
- Wealth Management Fee
- Other
- Mortgage Banking Fees

**36%**  
of Operating  
Revenues

(1) YTD 6/30/2018

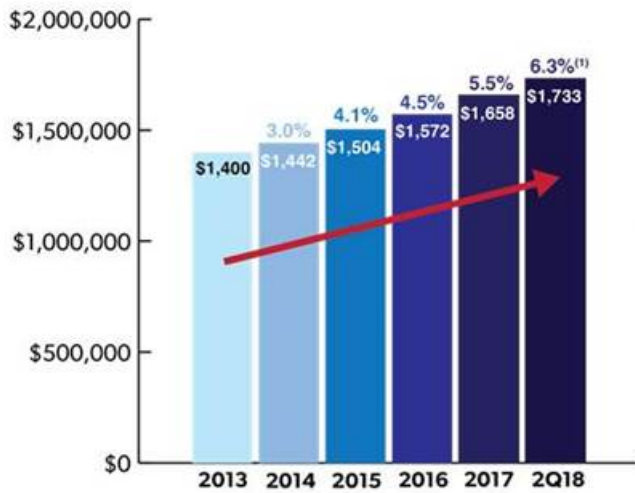




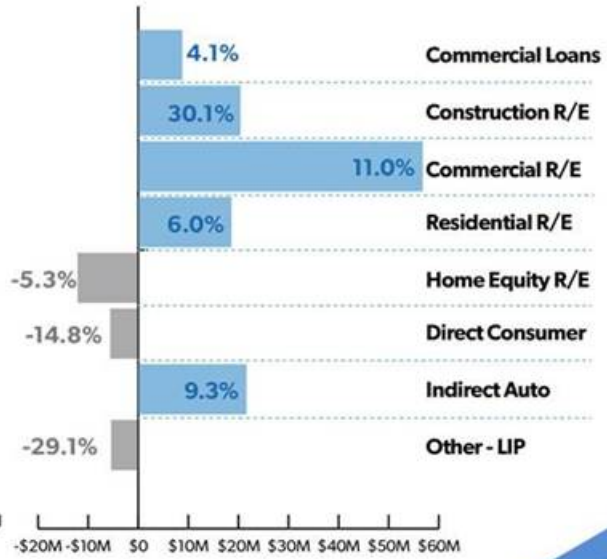
# DRIVE REVENUES

Generate Loan Growth

**PERIOD END LOANS**  
(\$ in Millions / % Growth)



**GROWTH BY SEGMENT<sup>(1)</sup>**

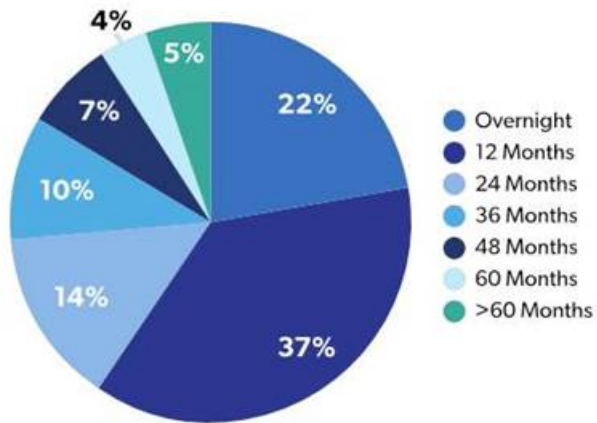


(1) 2Q18 vs. 2Q17

# DRIVE REVENUES

*Positioned to Win on Rates*

LOAN REPRICING



RATE MIX

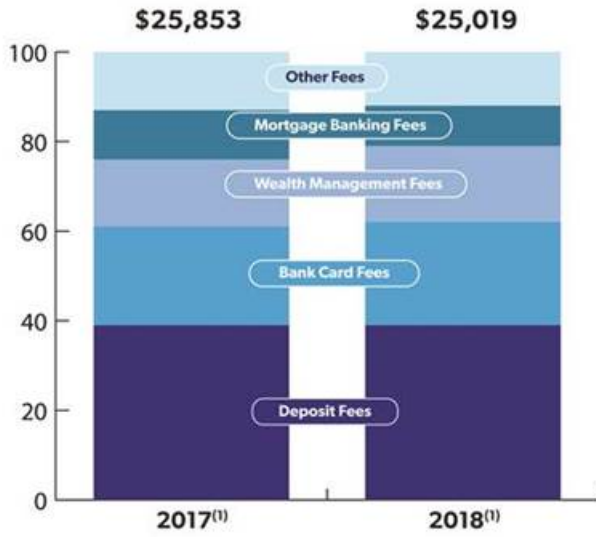


- 62% of Loan Portfolio is Variable or Adjustable
- 60% of Loan Portfolio Re-Prices within One Year

# DRIVE REVENUES

*Grow and Diversify  
Fee Income*

FEE INCOME MIX  
(in Millions)



(1) YTD

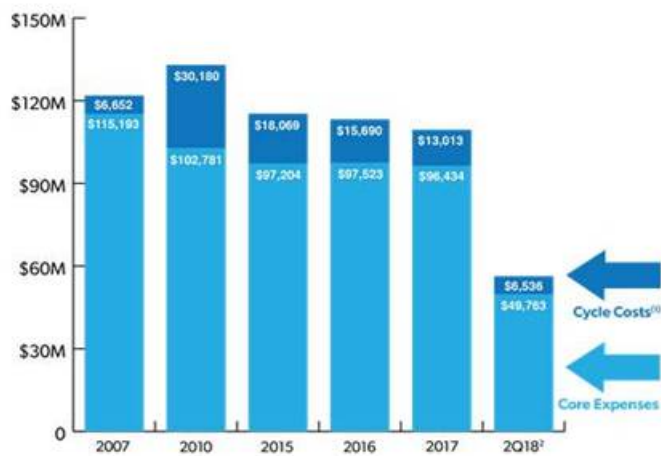
GROWTH INITIATIVES



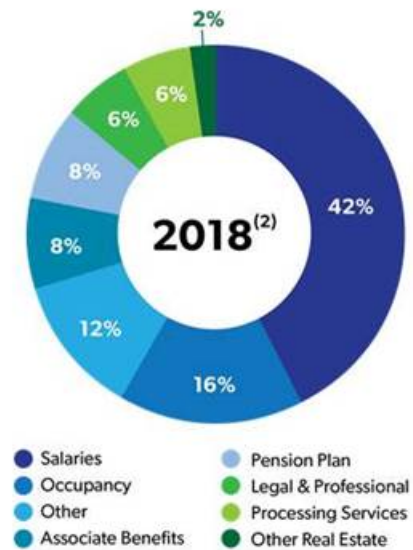
# EXPENSE MANAGEMENT

Committed to  
Expense Reduction

NONINTEREST EXPENSE TREND



NONINTEREST EXPENSE MIX



(1) OREO, Legal (Loan Collections), FDIC Insurance & Pension Costs  
(2) YTD 6/30/2018

# EXPENSE MANAGEMENT

*Initiatives in Motion*

## Channel Optimization

- Self-Service Teller
- Mobile & Online
- Digital Lending
- Website Enhancements
- Office/Market ROA Reviews

## Process Improvement

- Consolidate Platforms
- Electronic Documents
- Eliminate Non-Value-Added Tasks

## Reduce Cycle Costs

- OREO
- Legal
- Pension

## Support Growth

- Onboarding
- Client Segmentation

## EFFECTIVELY DEPLOY CAPITAL

### Organic Growth

- Technology Investments
- Leverage Infrastructure

### Return Capital

- Dividend
- Share Repurchase Program

### Leverage Capital

- M&A Opportunities
- Non-Bank Businesses

# Acquisition Opportunity

## Profile

- Banks with \$100-500M Assets ~250 Total Banks
- TBV Pricing Attractive

## Targets

- Strong Core Deposit Base
- Lack of Scale to Absorb Regulatory Cost
- Succession Plan Unclear





## 2018 Focus

### Broader Based Loan Growth

- Small Business Lending, WCF/ABL and Participations

### Implement Fee Income Initiatives

- Including Our New Checking Account Platform and Strategies to Drive Interchange Revenues

### Evaluate Acquisition Opportunities

- Evaluate Both Bank and Non-bank Opportunities



## Why CCBG?

- Florida is Growing
- Growth Measures Nearing Prior Peaks
- Stable Markets
- Strong Deposit Franchise
- Strong Capital – Ability to Deploy
- Insider Ownership
- Seasoned and Experienced Bankers
- Low Execution Risk
- CCBG is One of the Few Remaining “Pure Plays” in Florida



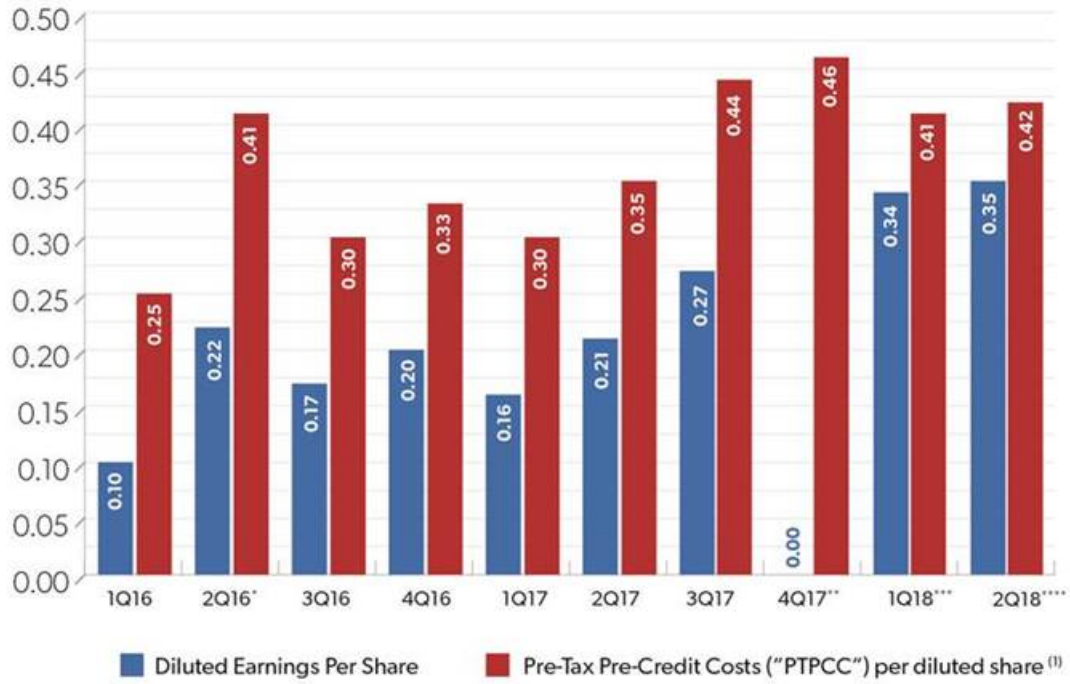
**Capital City**  
**Bank Group**



# Appendix



# Quarterly Results



\* Includes TRUPs Repurchase Gain of \$0.09 per Share  
 \*\*Includes Deferred Tax Re-Measurement Expense of \$0.24 per Share  
 \*\*\*Includes Tax Benefit of \$0.09 per Share related to a 2017 Plan Year Pension contribution  
 \*\*\*\*Includes Tax Benefit of \$0.06 per Share related to 2017 Plan Year Pension contribution  
 (1) Adjusted Non-GAAP; See Appendix for Reconciliation

# Financial Highlights

Dollars in Thousands, except Earnings per Share	2012	2013	2014	2015	2016	2017	YTD 2018
Interest Income	\$89,680	\$82,152	\$78,221	\$79,658	\$81,154	\$86,930	\$47,633
Interest Expense	5,368	4,416	3,580	3,307	3,189	3,948	3,100
Net Interest Income	84,312	77,736	74,641	76,351	77,965	82,982	44,533
Provision	16,166	3,472	1,905	1,594	819	2,215	1,560
Noninterest Income	55,185	56,416	52,536	54,091	53,681	51,746	25,019
Noninterest Expense	124,559	122,710	114,358	115,273	113,214	109,447	56,299
Income Taxes	(1,336)	1,925	1,654	4,459	5,867	12,203	(83)
Net Income	108	6,045	9,260	9,116	11,746	10,863	11,776
Diluted Earnings Per Share	.01	.35	.53	.53	.69	.64	.69
<b>RATIOS</b>							
Return on Average Assets	.00%	.24%	.36%	.34%	.43%	.39%	.83%
Return on Average Equity	.04	2.40	3.27	3.31	4.22	3.83	8.20
Net Interest Margin	3.81	3.54	3.36	3.31	3.25	3.37	3.51
Net Charge-offs to Average Loans	1.16	.66	.53	.35	.09	.14	.16
Efficiency Ratio (FTE)	88.72	91.09	89.68	87.94	85.34	80.50	80.57
Dividend Payout Ratio	N/M	N/M	16.98	24.53	24.64	37.50	20.12

# Financial Highlights

As of Period-End <i>Dollars in Thousands</i>	2012	2013	2014	2015	2016	2017	YTD 2018
Investments	\$296,985	\$399,631	\$505,129	\$638,920	\$700,099	\$695,108	\$730,426
Loans	1,521,302	1,399,668	1,442,062	1,503,907	1,572,175	1,638,138	1,732,721
Total Assets	2,633,984	2,611,903	2,627,169	2,797,860	2,845,197	2,790,842	2,880,278
Noninterest Bearing Deposits	609,235	641,463	659,115	758,283	791,182	870,644	937,241
Interest Bearing Deposits	1,535,761	1,494,784	1,487,679	1,544,566	1,621,104	1,476,973	1,521,949
Total Deposits	2,144,996	2,136,248	2,146,794	2,302,849	2,412,286	2,347,617	2,459,190
Capital	246,889	276,400	272,540	274,352	275,168	285,201	293,571
<b>RATIOS</b>							
Risk Based Capital	15.72%	17.94%	17.76%	17.25%	16.28%	16.96%	17.00%
Tangible Equity	6.35	7.58	7.38	6.99	6.90	7.41	7.47
Nonperforming Assets to Total Assets	4.47	3.26	2.00	1.06	0.67	0.45	0.32
Reserve to Loans	1.93	1.65	1.22	0.93	0.86	0.82	0.78
Reserve to Nonperforming Loans	45.42	62.48	104.60	135.40	157.40	203.39	236.25

# Market Demographic

Anchor and Small-Town America Markets More Stable and Predictable.

	Population Growth Rate		Household	
	2010-2018	2018-2023	Median Income 2018	Projected Change 2018-2023
Tallahassee MSA	5.55%	4.40%	\$48,208	5.56%
CCBG Florida Markets	7.06%	4.12%	\$46,306	7.27%
Florida	12.26%	6.73%	\$53,657	10.45%
US	5.76%	3.50%	\$61,045	8.86%

Sources: S&P Global Market Intelligence; ESRI; US Census Bureau



# Deposit Market Share

State	Number of Offices	CCBG Deposits in Market (\$000)*	Percent of Total CCBG Franchise	Ranking: Counties with 2017 Market Share in Top4	Deposit Market Share**
Florida	48	\$2,065,171	86.23%	13 of 18	9.82%
Georgia	9	\$301,489	12.59%	2 of 4	5.57%
Alabama	2	\$28,281	1.18%	-	9.12%
Totals	59	\$2,394,941	100.00%	-	

- Market Share Gives Pricing Leverage
- Keeps Cost of Funds Low
- Organic Growth Going Forward

\* Sources: SNL Balances as of 6/30/2017

\*\* CCBG Aggregate Market Share for Counties Where CCBG Has a Market Share of > .50%



# Non-GAAP Financial Measures

We present a tangible common equity ratio that removes the effect of goodwill resulting from merger and acquisition activity. We believe this measure is 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 reconciliation is provided below.

(Dollars in Thousands)		2011	2015	2016	2017	2Q18
<b>TANGIBLE COMMON EQUITY RATIO</b>						
Shareowners' Equity (GAAP)		\$259,019	\$274,352	\$275,168	\$285,201	\$293,571
Less: Goodwill (GAAP)		\$86,158	\$84,811	\$84,811	\$84,811	\$84,811
Tangible Shareowners' Equity (non-GAAP)	A	\$172,861	\$189,541	\$190,357	\$200,390	\$208,760
Total Assets (GAAP)		\$2,622,053	\$2,797,860	\$2,845,197	\$2,790,842	\$2,880,278
Less: Goodwill (GAAP)		\$86,158	\$84,811	\$84,811	\$84,811	\$84,811
Tangible Assets (non-GAAP)	B	\$2,535,895	\$2,713,049	\$2,760,386	\$2,706,031	\$2,795,467
Tangible Common Equity Ratio	A/B	6.82%	6.99%	6.90%	7.41%	7.47%

Pre-tax pre-credit costs per diluted share is a measure used by management to evaluate core operating results exclusive of credit costs, including loan loss provision and other real estate expenses. We believe this measure is useful to investors because it allows investors to more easily compare our core operating results to other companies in the industry. The GAAP to non-GAAP reconciliation is provided below.

(Dollars in Thousands)		2016	2017	YTD 2018
<b>PRE-TAX PRE-CREDIT COSTS PER DILUTED SHARE</b>				
Income Before Income Taxes (GAAP)		\$17,613	\$23,066	\$11,693
Plus: Provision for Loan Losses (GAAP)		\$819	\$2,215	\$1,560
Plus: Other Real Estate Owned Expense (GAAP)		\$3,649	\$1,135	\$874
Pre-Tax Pre-Credit Costs (non-GAAP)	A	\$22,081	\$26,416	\$14,127
Average Diluted Common Shares (GAAP)	B	17,061	17,013	17,089
Pre-Tax Pre-Credit Costs Per Diluted Share	A/B	\$1.29	\$1.55	\$0.83