**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, DC 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported):** October 24, 2023

# CAPITAL CITY BANK GROUP, INC.

(Exact name of registrant as specified in its charter)

| Florida | 0-13358 | 59-2273542 |
|---|---|---|
| (State of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 217 North Monroe Street, Tallahassee, Florida | 32301 |
|---|---|
| (Address of principal executive offices | (Zip Code) |

Registrant's telephone number, including area code: (850) 402-7821

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, Par value $0.01 | CCBG | Nasdaq Stock Market, LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of The Exchange Act. ☐

**CAPITAL CITY BANK GROUP, INC.**

**FORM 8- K**
**CURRENT REPORT**

**Item 2.02. Results of Operations and Financial Condition.**

On October 24, 2023, Capital City Bank Group, Inc. (“CCBG”) issued an earnings press release reporting CCBG’s financial results for the three and nine month periods ended September 30, 2023. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

The information furnished under Item 2.02 of this Current Report, including the Exhibits attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) ***Exhibits*.**

| Item No. | Description of Exhibit |
|---|---|
| 99.1 | Press release, dated October 24, 2023. |

## 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: October 24, 2023 | By: /s/ Jeptha E. Larkin |
| | Jeptha E. Larkin, |
| | Executive Vice President and Chief Financial Officer |

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| **99.1** | Press release, dated October 24, 2023 |

**Capital City Bank Group, Inc. Reports Third Quarter 2023 Results**

TALLAHASSEE, Fla. (October 24, 2023) – Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of $13.2 million, or $0.78 per diluted share, for the third quarter of 2023 compared to $14.6 million, or $0.85 per diluted share, for the second quarter of 2023, and $11.3 million, or $0.67 per diluted share, for the third quarter of 2022.

For the first nine months of 2023, net income attributable to common shareowners totaled $42.7 million, or $2.51 per diluted share, compared to net income of $28.5 million, or $1.68 per diluted share, for the same period of 2022.

***QUARTER HIGHLIGHTS (3rd Quarter 2023 versus 2nd Quarter 2023)***

***Income Statement***

- *Tax-equivalent net interest income totaled $39.2 million compared to $40.1 million for the prior quarter and reflected higher deposit cost and lower overnight funds interest (seasonal low in public funds deposits) – total deposit cost increased 15 basis points to 58 basis points – net interest margin decreased three basis points to 4.02%*
- *Continued strong credit quality metrics – slightly higher loan loss provision expense of $0.2 million increased the allowance coverage ratio from 1.05% to 1.07% - net loan charge-offs were 17 basis points (annualized) of average loans*
- *Noninterest income decreased $2.7 million, or 11.8%, due to lower mortgage banking revenues of $1.0 million and a $1.4 million gain on the sale of mortgage servicing rights in second quarter of 2023*
    - *Capital City Home Loans realized a net loss of $0.04 per share for the quarter compared to break even for the prior quarter reflective of challenging residential mortgage secondary market conditions*
- *Noninterest expense decreased $0.9 million, or 2.1%, primarily due to a non-recurring consulting payment of $0.8 million in the prior quarter related to the outsourcing of our core processing system*

***Balance Sheet***

- *Loan balances grew $15.0 million, or 0.6% (average), and $26.4 million, or 1.0% (end of period)*
- *Deposit balances (including repurchase agreements) declined by $115.3 million, or 3.1% (average), and $248.1 million, or 6.5% (end of period), primarily due to a seasonal low point for public fund balances*
- *Tangible book value per share increased $0.50, or 2.6%, in third quarter bringing the year-to-date increase to $2.09, or 11.8%*
- *Repurchased 36,411 shares of common stock in the third quarter of 2023 bringing the year-to-date total to 102,147 shares*

"The solid results achieved this quarter continue what has been a year of strong financial performance by Capital City Bank Group," said William G. Smith, Jr., Chairman, President and CEO of Capital City Bank Group. "The diversity of our revenues, strong core deposit franchise and stable credit have been key drivers. Our associates continue to embody our client-centric culture by consistently striving to exceed expectations for our clients and serve as their trusted financial partners. As we look toward 2024, we remain focused on client acquisition and exploring opportunities to foster stronger relationships and further enhance the overall client experience."

**Discussion of Operating Results**

*Net Interest Income/Net Interest Margin*

Tax-equivalent net interest income for the third quarter of 2023 totaled $39.2 million, compared to $40.1 million for the second quarter of 2023, and $33.4 million for the third quarter of 2022. Compared to the second quarter of 2023, the decrease reflected higher deposit interest expense and a lower level of interest income from overnight funds, partially offset by higher loan interest due to loan growth and higher interest rates. For the first nine months of 2023, tax-equivalent net interest income totaled $119.8 million compared to $86.6 million for the same period of 2022. The increases over both prior year periods were driven by strong loan growth and higher interest rates across a majority of our earning assets.

Our net interest margin for the third quarter of 2023 was 4.02%, a decrease of three basis points from the second quarter of 2023 and increase of 71 basis points over the third quarter of 2022. For the month of September 2023, our net interest margin was 4.10%. For the first nine months of 2023, our net interest margin was 4.03%, an increase of 112 basis points over the same period of 2022. The increase compared to all prior periods reflected a combination of higher interest rates and loan growth, partially offset by a higher cost of deposits. For the third quarter of 2023, our cost of funds was 66 basis points, an increase of 15 basis points over the second quarter of 2023 and an increase of 46 basis points over the third quarter of 2022. Our total cost of deposits (including noninterest bearing accounts) was 58 basis points, 43 basis points, and 11 basis points, respectively, for the same periods.

*Provision for Credit Losses*

We recorded a provision for credit losses of $2.4 million for the third quarter of 2023 compared to $2.2 million for the second quarter of 2023 and $2.1 million for the third quarter of 2022. The increase in the provision compared to the second quarter of 2023 was primarily attributable to loan growth and an increase in net loan charge-offs. For the first nine months of 2023, we recorded a provision for credit losses of $7.8 million compared to $3.6 million for the same period of 2022. The higher level of provision in 2023 was primarily driven by loan growth and also reflected the favorable impact in 2022 of the release of reserves held for pandemic related losses. We discuss the allowance for credit losses further below.

*Noninterest Income and Noninterest Expense*

Noninterest income for the third quarter of 2023 totaled $20.2 million compared to $22.9 million for the second quarter of 2023 and $22.9 million for the third quarter of 2022. The $2.7 million decrease from the second quarter of 2023 reflected a decrease in other income of $1.5 million, mortgage banking revenues of $1.0 million, wealth management fees of $0.2 million and bank card fees of $0.1 million, partially offset by an increase in deposit fees of $0.1 million. The decrease in other income was attributable to a $1.4 million gain from the sale of mortgage servicing rights realized in the second quarter of 2023. The decrease in mortgage banking revenues was attributable to market driven lower gain on sale margins and a lower volume of mandatory delivery loan sales which provide a higher gain on sale percentage.

Compared to the third quarter of 2022, the $2.8 million decrease in noninterest income reflected decreases in mortgage banking revenues of $2.3 million, deposit fees of $0.5 million, and bank card fees of $0.2 million, partially offset by an increase in other income of $0.2 million. For the first nine months of 2023, noninterest income totaled $65.3 million compared to $73.7 million for the same period of 2022 with the $8.4 million decrease primarily attributable to lower mortgage banking revenues of $7.5 million, wealth management fees of $2.4 million, deposit fees of $0.6 million, and bank card fees of $0.4 million, partially offset by a $2.5 million increase in other income. Compared to both prior year periods, the decrease in mortgage banking revenues was driven by lower production volume in 2023 reflective of the rapid increase in interest rates, lower market driven gain on sale margins, and a lower level of mandatory delivery loan sales. The decrease in deposit fees from both prior year periods was primarily attributable to a higher earnings credit rate for commercial deposit accounts and lower service charge fees. For the nine-month period, the decrease in wealth management fees was attributable to lower insurance commissions which reflected the sale of large policies in 2022. Further, the increase in other income was primarily due to a $1.4 million gain from the sale of mortgage servicing rights and increases in miscellaneous income of $0.5 million, loan servicing fees of $0.2 million, and vendor volume rebates of $0.2 million.

Noninterest expense for the third quarter of 2023 totaled $41.6 million compared to $42.5 million for the second quarter of 2023 and $39.8 million for the third quarter of 2022. Compared to the second quarter of 2023, the $0.9 million decrease was primarily due to a $0.8 million non-recurring expense in the second quarter of 2023 related to a consulting engagement to assist in negotiating a multi-year contract for the outsourcing of our core processing system.

Compared to the third quarter of 2022, the $1.8 million increase in noninterest expense reflected increases in other expense of $1.1 million and occupancy expense of $0.8 million, partially offset by a decrease in compensation expense of $0.1 million. The increase in other expense was largely driven by a $0.7 million increase in pension plan expense (non-service-related component) and the increase in occupancy reflected the addition of four new banking offices in mid-to-late 2022 and higher property/equipment insurance premiums. For the first nine months of 2023, noninterest expense totaled $124.6 million compared to $119.5 million for the same period of 2022 with the $5.1 million increase attributable to increases in other expense of $2.7 million, occupancy expense of $2.2 million, and compensation expense of $0.2 million. The increase in other expense was primarily due to a $1.6 million increase in pension plan expense (non-service related component), the aforementioned consulting engagement expense of $0.8 million, and increases in loan servicing expense of $0.8 million, FDIC insurance expense of $0.6 million, and miscellaneous expense of $0.6 million, partially offset by lower OREO expense of $1.8 million related to a gain from the sale of a banking office. The increase in occupancy expense reflected the addition of banking offices in 2022 and higher insurance premiums. The slight unfavorable variance in compensation expense reflected a $1.7 million increase in salary expense (primarily, the addition of staffing in new markets and annual merit) that was partially offset by a $1.5 million decrease in associate benefit expense. The variance in associate benefit expense was primarily due to a $2.2 million decrease in pension plan expense (service cost) that was partially offset by increases in associate insurance expense of $0.5 million and stock-based compensation of $0.1 million.

*Income Taxes*

We realized income tax expense of $3.2 million (effective rate of 20.9%) for the third quarter of 2023 compared to $3.5 million (effective rate of 19.6%) for the second quarter of 2023 and $3.1 million (effective rate of 21.4%) for the third quarter of 2022. For the first nine months of 2023, we realized income tax expense of $10.9 million (effective rate of 20.7%) compared to $7.5 million (effective rate of 20.3%) for the same period of 2022. The increase in our effective tax rate for the third quarter of 2023 was primarily due to a lower level of pre-tax income from CCHL in relation to our consolidated income as the non-controlling interest adjustment for CCHL is accounted for as a permanent tax adjustment. Further, the second quarter of 2023 effective rate reflected a higher level of tax benefit accrued from an investment in a solar tax credit equity fund. Absent discrete items or unexpected variance in the timing of the tax benefit accrued from our solar tax credit equity fund investment, we expect our annual effective tax rate to approximate 20-21% for 2023.

**Discussion of Financial Condition**

*Earning Assets*

Average earning assets totaled $3.877 billion for the third quarter of 2023, a decrease of $97.8 million, or 2.5%, from the second quarter of 2023, and a decrease of $155.8 million, or 3.9%, from the fourth quarter of 2022. The decrease from both prior periods was attributable to lower deposit balances (see below – *Deposits*). The mix of earning assets continues to improve as overnight funds are being utilized to fund loan growth.

Average loans held for investment ("HFI") increased $15.0 million, or 0.6%, over the second quarter of 2023 and $233.3 million, or 9.6%, over the fourth quarter of 2022. Period end loans increased $26.4 million, or 1.0%, over the second quarter of 2023 and $168.2 million, or 6.7%, over the fourth quarter of 2022. Compared to both prior periods, the loan growth was primarily in the residential real estate category and was partially offset by lower indirect auto and construction loan balances.

*Allowance for Credit Losses*

At September 30, 2023, the allowance for credit losses for HFI loans totaled $28.9 million compared to $28.0 million at June 30, 2023 and $24.7 million at December 31, 2022. Activity within the allowance is provided on Page 9. The increase in the allowance over both prior periods was driven primarily by loan growth. Further, the increase from December 31, 2022 reflected a higher loss rate for the residential real estate portfolio due to slower prepayment speeds. At September 30, 2023, the allowance represented 1.07% of HFI loans compared to 1.05% at June 30, 2023, and 0.98% at December 31, 2022.

*Credit Quality*

Credit quality metrics remained strong for the quarter. Nonperforming assets (nonaccrual loans and other real estate) totaled $4.7 million at September 30, 2023 compared to $6.6 million at June 30, 2023 and $2.7 million at December 31, 2022. At September 30, 2023, nonperforming assets as a percent of total assets equaled 0.11%, compared to 0.15% at June 30, 2023 and 0.06% at December 31, 2022. Nonaccrual loans totaled $4.7 million at September 30, 2023, a $1.9 million decrease from June 30, 2023 and a $2.4 million increase over December 31, 2022. Further, classified loans totaled $21.8 million at September 30, 2023, a $6.8 million increase over June 30, 2023 and a $2.5 million increase over December 31, 2022. The increase in the current period was primarily attributable to the downgrade of one hotel loan that is performing as agreed on scheduled payments.

*Deposits*

Average total deposits were $3.597 billion for the third quarter of 2023, a decrease of $122.7 million, or 3.3%, from the second quarter of 2023 and a decrease of $206.2 million, or 5.4%, from the fourth quarter of 2022. Compared to both prior periods, the decreases were primarily attributable to lower noninterest bearing, savings, and NOW balances, partially offset by higher money market balances. Compared to the second quarter of 2023, the decrease in NOW account balances was primarily due to the seasonal reduction in public fund balances held by our institutional and municipal clients.

At September 30, 2023, total deposits were $3.540 billion, a decrease of $248.4 million, or 6.6%, from June 30, 2023 and a decline of $398.9 million, or 10.1%, from December 31, 2022. Our public fund deposit balances declined $205 million and $245 million from June 30, 2023 and December 31, 2022, respectively, and reflected the seasonal decline in those balances which will begin to increase in the fourth quarter as municipal tax receipts are received. In addition, the decrease from June 30, 2023 reflected a short-term deposit of $103 million (in the NOW category) made late in June by a municipal client that was subsequently moved in July. The remaining portion of the decrease reflected continued client spend of stimulus savings and clients seeking higher yielding investment products outside the Bank, a portion of which have moved to our wealth division. Additionally, compared to both prior periods, we realized a remix of deposit balances of $32 million and $99 million, respectively, as noninterest bearing accounts migrated into interest bearing accounts (primarily NOW and money market accounts).

Business deposit transaction accounts classified as repurchase agreements averaged $25.4 million for the third quarter of 2023, an increase of $7.5 million over the second quarter of 2023 and $16.9 million over the fourth quarter of 2022. At September 30, 2023, repurchase agreement balances were $22.9 million compared to $22.6 million at June 30, 2023 and $6.6 million at December 31, 2022.

*Liquidity*

The Bank maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) position of $136.6 million in the third quarter of 2023 compared to $218.9 million in the second quarter of 2023 and $469.4 million in the fourth quarter of 2022. The declining overnight funds position reflected growth in average loans and lower average deposit balances.

At September 30, 2023, we had the ability to generate approximately $1.587 billion (excludes overnight funds position of $95 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 September 30, 2023, the weighted-average maturity and duration of our portfolio were 2.90 years and 2.61 years, respectively, and the available-for-sale portfolio had a net unrealized tax-effected loss of $31.0 million.

*Capital*

Shareowners' equity was $428.6 million at September 30, 2023 compared to $420.8 million at June 30, 2023 and $394.0 million at December 31, 2022. For the first nine months of 2023, shareowners' equity was positively impacted by net income attributable to common shareowners of $42.7 million, a $2.4 million decrease in the unrealized loss on investment securities, the issuance of stock of $2.2 million, stock compensation accretion of $1.0 million, and a $0.4 million increase in the fair value of the interest rate swap related to subordinated debt. Shareowners' equity was reduced by common stock dividends of $9.5 million ($0.56 per share), the repurchase of stock of $3.1 million (102,147 shares), and net adjustments totaling $1.5 million related to transactions under our stock compensation plans.

At September 30, 2023, our total risk-based capital ratio was 16.58% compared to 15.95% at June 30, 2023 and 15.52% at December 31, 2022. Our common equity tier 1 capital ratio was 13.56%, 13.02%, and 12.64%, respectively, on these dates. Our leverage ratio was 10.19%, 9.74%, and 9.06%, respectively, on these dates. At September 30, 2023, all our regulatory capital ratios exceeded the threshold to be designated as "well-capitalized" under the Basel III capital standards. Further, our tangible common equity ratio was 8.28% at September 30, 2023 compared to 7.61% and 6.79% at June 30, 2023 and December 31, 2022, respectively. If our unrealized held-to-maturity securities losses of $33.1 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 7.46%.

**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 $4.1 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 100 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 generally, such as the recent bank failures and any related impacts on depositor behavior; 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, as necessary; the effects of actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions; changes in monetary and fiscal policies of the U.S. Government; inflation, interest rate, market and monetary fluctuations; 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 allowance for credit losses, deferred tax asset valuation and pension plan; changes in our liquidity position; 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, including the risks of loan segments, 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 subject to our capital requirements; changes in the securities and real estate markets; structural changes in the markets for origination, sale and servicing of residential mortgages; uncertainty in the pricing of residential mortgage loans that we sell, as well as competition for the mortgage servicing rights related to these loans and related interest rate risk or price risk resulting from retaining mortgage servicing rights and the potential effects of higher interest rates on our loan origination volumes; the effect of corporate restructuring, acquisitions or dispositions, including the actual restructuring and other related charges and the failure to achieve the expected gains, revenue growth or expense savings from such corporate restructuring, acquisitions or dispositions; the effects of natural disasters, harsh weather conditions (including hurricanes), widespread health emergencies (including pandemics, such as the COVID-19 pandemic), military conflict, terrorism, civil unrest or other geopolitical events; 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; 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, 2022, 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.

**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 effectof 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)* | | **Sep 30, 2023** | **Jun 30, 2023** | **Mar 31, 2023** | **Dec 31, 2022** | **Sep 30, 2022** |
|---|---|---|---|---|---|---|
| Shareowners' Equity (GAAP) | | $ 428,610 | $ 420,779 | $ 411,240 | $ 394,016 | $ 373,165 |
| Less: Goodwill and Other Intangibles (GAAP) | | 92,973 | 93,013 | 93,053 | 93,093 | 93,133 |
| Tangible Shareowners' Equity (non-GAAP) | A | 335,637 | 327,766 | 318,187 | 300,923 | 280,032 |
| Total Assets (GAAP) | | 4,147,191 | 4,399,563 | 4,409,742 | 4,525,958 | 4,332,671 |
| Less: Goodwill and Other Intangibles (GAAP) | | 92,973 | 93,013 | 93,053 | 93,093 | 93,133 |
| Tangible Assets (non-GAAP) | B | $ 4,054,218 | $ 4,306,550 | $ 4,316,689 | $ 4,432,865 | $ 4,239,538 |
| **Tangible Common Equity Ratio (non-GAAP)** | **A/B** | **8.28%** | **7.61%** | **7.37%** | **6.79%** | **6.61%** |
| Actual Diluted Shares Outstanding (GAAP) | C | 16,997,886 | 17,025,023 | 17,049,913 | 17,039,401 | 16,998,177 |
| **Tangible Book Value per Diluted Share (non-GAAP)** | **A/C** | **$ 19.75** | **$ 19.25** | **$ 18.66** | **$ 17.66** | **$ 16.47** |

**CAPITAL CITY BANK GROUP, INC.**
**EARNINGS HIGHLIGHTS**
***Unaudited***

| *(Dollars in thousands, except per share data)* | Three Months Ended Sep 30, 2023 | Three Months Ended Jun 30, 2023 | Three Months Ended Sep 30, 2022 | Nine Months Ended Sep 30, 2023 | Nine Months Ended Sep 30, 2022 |
|---|---|---|---|---|---|
| **EARNINGS** | | | | | |
| Net Income Attributable to Common Shareowners | $ 13,202 | $ 14,551 | $ 11,315 | 42,707 | $ 28,483 |
| Diluted Net Income Per Share | $ 0.78 | $ 0.85 | $ 0.67 | 2.51 | $ 1.68 |
| **PERFORMANCE** | | | | | |
| Return on Average Assets (annualized) | 1.24 % | 1.35 % | 1.03 % | 1.32 % | 0.88 % |
| Return on Average Equity (annualized) | 12.25 | 13.94 | 11.83 | 13.70 | 10.05 |
| Net Interest Margin | 4.02 | 4.05 | 3.31 | 4.03 | 2.91 |
| Noninterest Income as % of Operating Revenue | 34.01 | 36.38 | 40.76 | 35.33 | 46.03 |
| Efficiency Ratio | 70.09 % | 67.55 % | 70.66 % | 67.32 % | 74.60 % |
| **CAPITAL ADEQUACY** | | | | | |
| Tier 1 Capital | 15.41 % | 14.84 % | 14.80 % | 15.41 % | 14.80 % |
| Total Capital | 16.58 | 15.95 | 15.75 | 16.58 | 15.75 |
| Leverage | 10.19 | 9.74 | 8.91 | 10.19 | 8.91 |
| Common Equity Tier 1 | 13.56 | 13.02 | 12.83 | 13.56 | 12.83 |
| Tangible Common Equity [1] | 8.28 | 7.61 | 6.61 | 8.28 | 6.61 |
| Equity to Assets | 10.33 % | 9.56 % | 8.61 % | 10.33 % | 8.61 % |
| **ASSET QUALITY** | | | | | |
| Allowance as % of Non-Performing Loans | 614.71 % | 422.23 % | 934.53 % | 614.71 % | 934.53 % |
| Allowance as a % of Loans HFI | 1.07 | 1.05 | 0.96 | 1.07 | 0.96 |
| Net Charge-Offs as % of Average Loans HFI | 0.17 | 0.07 | 0.12 | 0.16 | 0.17 |
| Nonperforming Assets as % of Loans HFI and OREO | 0.17 | 0.25 | 0.10 | 0.17 | 0.10 |
| Nonperforming Assets as % of Total Assets | 0.11 % | 0.15 % | 0.06 % | 0.11 % | 0.06 % |
| **STOCK PERFORMANCE** | | | | | |
| High | $ 33.44 | $ 34.16 | $ 33.93 | 36.86 | $ 33.93 |
| Low | 28.64 | 28.03 | 27.41 | 28.03 | 24.43 |
| Close | $ 29.83 | $ 30.64 | $ 31.11 | 29.83 | $ 31.11 |
| Average Daily Trading Volume | 26,774 | 33,412 | 30,546 | 33,936 | 26,677 |

[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***

| | 2023 | | | 2022 | |
|---|---|---|---|---|---|
| *(Dollars in thousands)* | **Third Quarter** | **Second Quarter** | **First Quarter** | **Fourth Quarter** | **Third Quarter** |
| **ASSETS** | | | | | |
| Cash and Due From Banks | $ 72,379 | $ 83,679 | $ 84,549 | $ 72,114 | $ 72,686 |
| Funds Sold and Interest Bearing Deposits | 95,119 | 285,129 | 303,403 | 528,536 | 497,679 |
| Total Cash and Cash Equivalents | 167,498 | 368,808 | 387,952 | 600,650 | 570,365 |
| Investment Securities Available for Sale | 334,052 | 386,220 | 402,943 | 413,294 | 416,745 |
| Investment Securities Held to Maturity | 632,076 | 641,398 | 651,755 | 660,744 | 676,178 |
| Other Equity Securities | 3,585 | 1,703 | 1,883 | 10 | 1,349 |
| Total Investment Securities | 969,713 | 1,029,321 | 1,056,581 | 1,074,048 | 1,094,272 |
| Loans Held for Sale | 53,093 | 67,908 | 55,118 | 54,635 | 50,304 |
| Loans Held for Investment ("HFI"): | | | | | |
| Commercial, Financial, & Agricultural | 221,704 | 227,219 | 236,263 | 247,362 | 246,304 |
| Real Estate - Construction | 197,526 | 226,404 | 253,903 | 234,519 | 237,718 |
| Real Estate - Commercial | 828,234 | 831,285 | 798,438 | 782,557 | 715,870 |
| Real Estate - Residential | 954,447 | 876,867 | 827,124 | 721,759 | 573,963 |
| Real Estate - Home Equity | 203,902 | 203,150 | 207,241 | 208,120 | 202,512 |
| Consumer | 285,122 | 295,646 | 305,324 | 324,450 | 347,949 |
| Other Loans | 1,401 | 5,425 | 7,660 | 5,346 | 20,822 |
| Overdrafts | 1,076 | 1,007 | 931 | 1,067 | 1,047 |
| Total Loans Held for Investment | 2,693,412 | 2,667,003 | 2,636,884 | 2,525,180 | 2,346,185 |
| Allowance for Credit Losses | (28,854) | (27,964) | (26,507) | (24,736) | (22,510) |
| Loans Held for Investment, Net | 2,664,558 | 2,639,039 | 2,610,377 | 2,500,444 | 2,323,675 |
| Premises and Equipment, Net | 81,677 | 82,062 | 82,055 | 82,138 | 81,736 |
| Goodwill and Other Intangibles | 92,973 | 93,013 | 93,053 | 93,093 | 93,133 |
| Other Real Estate Owned | 1 | 1 | 13 | 431 | 13 |
| Other Assets | 117,678 | 119,411 | 124,593 | 120,519 | 119,173 |
| Total Other Assets | 292,329 | 294,487 | 299,714 | 296,181 | 294,055 |
| Total Assets | $ 4,147,191 | $ 4,399,563 | $ 4,409,742 | $ 4,525,958 | $ 4,332,671 |
| **LIABILITIES** | | | | | |
| Deposits: | | | | | |
| Noninterest Bearing Deposits | $ 1,472,165 | $ 1,520,134 | $ 1,601,388 | $ 1,653,620 | $ 1,737,046 |
| NOW Accounts | 1,092,996 | 1,269,839 | 1,242,721 | 1,290,494 | 990,021 |
| Money Market Accounts | 304,323 | 321,743 | 271,880 | 267,383 | 292,932 |
| Savings Accounts | 571,003 | 590,245 | 617,310 | 637,374 | 646,526 |
| Certificates of Deposit | 99,958 | 86,905 | 90,621 | 90,446 | 92,853 |
| Total Deposits | 3,540,445 | 3,788,866 | 3,823,920 | 3,939,317 | 3,759,378 |
| Repurchase Agreements | 22,910 | 22,619 | 4,429 | 6,583 | 6,943 |
| Other Short-Term Borrowings | 18,786 | 28,054 | 22,203 | 50,210 | 45,328 |
| Subordinated Notes Payable | 52,887 | 52,887 | 52,887 | 52,887 | 52,887 |
| Other Long-Term Borrowings | 364 | 414 | 463 | 513 | 562 |
| Other Liabilities | 75,585 | 77,192 | 85,878 | 73,675 | 84,657 |
| Total Liabilities | 3,710,977 | 3,970,032 | 3,989,780 | 4,123,185 | 3,949,755 |
| Temporary Equity | 7,604 | 8,752 | 8,722 | 8,757 | 9,751 |
| **SHAREOWNERS' EQUITY** | | | | | |
| Common Stock | 170 | 170 | 170 | 170 | 170 |
| Additional Paid-In Capital | 36,182 | 36,853 | 37,512 | 37,331 | 36,234 |
| Retained Earnings | 426,934 | 417,128 | 405,634 | 393,744 | 384,964 |
| Accumulated Other Comprehensive Loss, Net of Tax | (34,676) | (33,372) | (32,076) | (37,229) | (48,203) |
| Total Shareowners' Equity | 428,610 | 420,779 | 411,240 | 394,016 | 373,165 |
| Total Liabilities, Temporary Equity and Shareowners' Equity | $ 4,147,191 | $ 4,399,563 | $ 4,409,742 | $ 4,525,958 | $ 4,332,671 |
| **OTHER BALANCE SHEET DATA** | | | | | |
| Earning Assets | $ 3,811,337 | $ 4,049,361 | $ 4,051,987 | $ 4,182,399 | $ 3,988,440 |
| Interest Bearing Liabilities | 2,163,227 | 2,372,706 | 2,302,514 | 2,395,890 | 2,128,052 |
| Book Value Per Diluted Share | $ 25.22 | $ 24.72 | $ 24.12 | $ 23.12 | $ 21.95 |
| Tangible Book Value Per Diluted Share[1] | 19.75 | 19.25 | 18.66 | 17.66 | 16.47 |
| Actual Basic Shares Outstanding | 16,958 | 16,992 | 17,022 | 16,987 | 16,962 |
| Actual Diluted Shares Outstanding | 16,998 | 17,025 | 17,050 | 17,039 | 16,998 |

[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***

| | 2023 | | | 2022 | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|
| *(Dollars in thousands, except per share data)* | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | 2023 | 2022 |
| **INTEREST INCOME** | | | | | | | |
| Loans, including Fees | $ 39,212 | $ 37,477 | $ 34,880 | $ 31,916 | $ 27,761 | $ 111,569 | $ 73,966 |
| Investment Securities | 4,561 | 4,815 | 4,924 | 4,847 | 4,372 | 14,300 | 11,108 |
| Federal Funds Sold and Interest Bearing Deposits | 1,848 | 2,782 | 4,111 | 4,463 | 3,231 | 8,741 | 5,048 |
| Total Interest Income | 45,621 | 45,074 | 43,915 | 41,226 | 35,364 | 134,610 | 90,122 |
| **INTEREST EXPENSE** | | | | | | | |
| Deposits | 5,214 | 4,008 | 2,488 | 1,902 | 1,052 | 11,710 | 1,542 |
| Repurchase Agreements | 190 | 115 | 9 | 7 | 5 | 314 | 6 |
| Other Short-Term Borrowings | 440 | 336 | 452 | 683 | 531 | 1,228 | 1,065 |
| Subordinated Notes Payable | 625 | 604 | 571 | 522 | 443 | 1,800 | 1,130 |
| Other Long-Term Borrowings | 4 | 5 | 6 | 8 | 6 | 15 | 23 |
| Total Interest Expense | 6,473 | 5,068 | 3,526 | 3,122 | 2,037 | 15,067 | 3,766 |
| Net Interest Income | 39,148 | 40,006 | 40,389 | 38,104 | 33,327 | 119,543 | 86,356 |
| Provision for Credit Losses | 2,443 | 2,219 | 3,130 | 3,521 | 2,099 | 7,792 | 3,641 |
| Net Interest Income after Provision for Credit Losses | 36,705 | 37,787 | 37,259 | 34,583 | 31,228 | 111,751 | 82,715 |
| **NONINTEREST INCOME** | | | | | | | |
| Deposit Fees | 5,456 | 5,326 | 5,239 | 5,536 | 5,947 | 16,021 | 16,585 |
| Bank Card Fees | 3,684 | 3,795 | 3,726 | 3,744 | 3,860 | 11,205 | 11,657 |
| Wealth Management Fees | 3,984 | 4,149 | 3,928 | 3,649 | 3,937 | 12,061 | 14,410 |
| Mortgage Banking Revenues | 4,819 | 5,837 | 6,995 | 5,497 | 7,116 | 17,651 | 25,127 |
| Other | 2,237 | 3,766 | 2,360 | 2,546 | 2,074 | 8,363 | 5,876 |
| Total Noninterest Income | 20,180 | 22,873 | 22,248 | 20,972 | 22,934 | 65,301 | 73,655 |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation | 24,648 | 24,884 | 25,636 | 25,565 | 24,738 | 75,168 | 74,977 |
| Occupancy, Net | 6,980 | 6,820 | 6,762 | 6,253 | 6,153 | 20,562 | 18,321 |
| Other | 10,014 | 10,830 | 8,057 | 10,469 | 8,919 | 28,901 | 26,243 |
| Total Noninterest Expense | 41,642 | 42,534 | 40,455 | 42,287 | 39,810 | 124,631 | 119,541 |
| **OPERATING PROFIT** | 15,243 | 18,126 | 19,052 | 13,268 | 14,352 | 52,421 | 36,829 |
| Income Tax Expense | 3,190 | 3,544 | 4,133 | 2,599 | 3,074 | 10,867 | 7,486 |
| Net Income | 12,053 | 14,582 | 14,919 | 10,669 | 11,278 | 41,554 | 29,343 |
| Pre-Tax Loss (Income) Attributable to Noncontrolling Interest | 1,149 | (31) | 35 | 995 | 37 | 1,153 | (860) |
| **NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS** | $ 13,202 | $ 14,551 | $ 14,954 | $ 11,664 | $ 11,315 | $ 42,707 | $ 28,483 |
| **PER COMMON SHARE** | | | | | | | |
| Basic Net Income | $ 0.78 | $ 0.86 | $ 0.88 | $ 0.69 | $ 0.67 | $ 2.52 | $ 1.68 |
| Diluted Net Income | 0.78 | 0.85 | 0.88 | 0.68 | 0.67 | 2.51 | 1.68 |
| Cash Dividend | $ 0.20 | $ 0.18 | $ 0.18 | $ 0.17 | $ 0.17 | $ 0.56 | $ 0.49 |
| **AVERAGE SHARES** | | | | | | | |
| Basic | 16,985 | 17,002 | 17,016 | 16,963 | 16,960 | 17,001 | 16,947 |
| Diluted | 17,025 | 17,035 | 17,045 | 17,016 | 16,996 | 17,031 | 16,973 |

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

| | 2023 | | | 2022 | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|---|
| *(Dollars in thousands, except per share data)* | **Third Quarter** | **Second Quarter** | **First Quarter** | **Fourth Quarter** | **Third Quarter** | **2023** | **2022** |
| **ACL - HELD FOR INVESTMENT LOANS** | | | | | | | |
| Balance at Beginning of Period | $ 27,964 | $ 26,507 | $ 24,736 | $ 22,510 | $ 21,281 | $ 24,736 | $ 21,606 |
| Provision for Credit Losses | 2,043 | 1,944 | 3,291 | 3,543 | 1,931 | 7,278 | 3,522 |
| Net Charge-Offs (Recoveries) | 1,153 | 487 | 1,520 | 1,317 | 702 | 3,160 | 2,618 |
| Balance at End of Period | $ 28,854 | $ 27,964 | $ 26,507 | $ 24,736 | $ 22,510 | $ 28,854 | $ 22,510 |
| As a % of Loans HFI | 1.07% | 1.05% | 1.01% | 0.98% | 0.96% | 1.07% | 0.96% |
| As a % of Nonperforming Loans | 614.71% | 422.23% | 577.63% | 1,076.89% | 934.53% | 614.71% | 934.53% |
| **ACL - UNFUNDED COMMITMENTS** | | | | | | | |
| Balance at Beginning of Period | 3,120 | $ 2,833 | $ 2,989 | $ 3,012 | $ 2,853 | $ 2,989 | $ 2,897 |
| Provision for Credit Losses | 382 | 287 | (156) | (23) | 159 | 513 | 115 |
| Balance at End of Period[1] | 3,502 | 3,120 | 2,833 | 2,989 | 3,012 | 3,502 | 3,012 |
| **ACL - DEBT SECURITIES** | | | | | | | |
| Provision for Credit Losses | $ 18 | $ (12) | $ (5) | $ 1 | $ 9 | $ 1 | $ 4 |
| CHARGE-OFFS | | | | | | | |
| Commercial, Financial and Agricultural | $ 76 | $ 54 | $ 164 | $ 129 | $ 2 | $ 294 | $ 1,179 |
| Real Estate - Construction | - | - | - | - | - | - | - |
| Real Estate - Commercial | - | - | 120 | 88 | 1 | 120 | 267 |
| Real Estate - Home Equity | - | 39 | - | 160 | - | 39 | 33 |
| Consumer | 1,340 | 993 | 1,732 | 976 | 770 | 4,065 | 1,925 |
| Overdrafts | 659 | 894 | 634 | 720 | 989 | 2,187 | 2,429 |
| Total Charge-Offs | $ 2,075 | $ 1,980 | $ 2,650 | $ 2,073 | $ 1,762 | $ 6,705 | $ 5,833 |
| RECOVERIES | | | | | | | |
| Commercial, Financial and Agricultural | $ 28 | $ 71 | $ 95 | $ 25 | $ 58 | $ 194 | $ 282 |
| Real Estate - Construction | - | 1 | 1 | - | 2 | 2 | 10 |
| Real Estate - Commercial | 17 | 11 | 8 | 13 | 8 | 36 | 93 |
| Real Estate - Residential | 30 | 132 | 57 | 98 | 44 | 219 | 186 |
| Real Estate - Home Equity | 53 | 131 | 25 | 36 | 22 | 209 | 147 |
| Consumer | 418 | 514 | 571 | 175 | 260 | 1,503 | 896 |
| Overdrafts | 376 | 633 | 373 | 409 | 666 | 1,382 | 1,601 |
| Total Recoveries | $ 922 | $ 1,493 | $ 1,130 | $ 756 | $ 1,060 | $ 3,545 | $ 3,215 |
| NET CHARGE-OFFS (RECOVERIES) | $ 1,153 | $ 487 | $ 1,520 | $ 1,317 | $ 702 | $ 3,160 | $ 2,618 |
| Net Charge-Offs as a % of Average Loans HFI[2] | 0.17% | 0.07% | 0.24% | 0.21% | 0.12% | 0.16% | 0.17% |
| **CREDIT QUALITY** | | | | | | | |
| Nonaccruing Loans | $ 4,694 | $ 6,623 | $ 4,589 | $ 2,297 | $ 2,409 | | |
| Other Real Estate Owned | 1 | 1 | 13 | 431 | 13 | | |
| Total Nonperforming Assets ("NPAs") | $ 4,695 | $ 6,624 | $ 4,602 | $ 2,728 | $ 2,422 | | |
| Past Due Loans 30-89 Days | $ 5,577 | $ 4,207 | $ 5,061 | $ 7,829 | $ 6,263 | | |
| Past Due Loans 90 Days or More | - | - | - | - | - | | |
| Classified Loans | 21,812 | 14,973 | 12,179 | 19,342 | 20,988 | | |
| Nonperforming Loans as a % of Loans HFI | 0.17% | 0.25% | 0.17% | 0.09% | 0.10% | | |
| NPAs as a % of Loans HFI and Other Real Estate | 0.17% | 0.25% | 0.17% | 0.11% | 0.10% | | |
| NPAs as a % of Total Assets | 0.11% | 0.15% | 0.10% | 0.06% | 0.06% | | |

[1] *Recorded in other liabilities*
[2] *Annualized*

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

| *(Dollars in thousands)* | Third Quarter 2023 Average Balance | Interest | Average Rate | Second Quarter 2023 Average Balance | Interest | Average Rate | First Quarter 2023 Average Balance | Interest | Average Rate | Fourth Quarter 2022 Average Balance | Interest | Average Rate | Third Quarter 2022 Average Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASSETS:** | | | | | | | | | | | | | |
| Loans Held for Sale | $ 62,768 | $ 971 | 6.14 % | $ 54,350 | $ 801 | 5.90 % | $ 55,110 | $ 644 | 4.74 % | $ 42,910 | 581 | 5.38 % | $ 55,164 |
| Loans Held for Investment (1) | 2,672,653 | 38,323 | 5.69 | 2,657,693 | 36,758 | 5.55 | 2,582,395 | 34,331 | 5.39 | 2,439,379 | 31,418 | 5.11 | 2,264,075 |
| Investment Securities | | | | | | | | | | | | | |
| Taxable Investment Securities | 1,002,547 | 4,549 | 1.80 | 1,041,202 | 4,804 | 1.84 | 1,061,372 | 4,912 | 1.86 | 1,078,265 | 4,835 | 1.78 | 1,117,789 |
| Tax-Exempt Investment Securities (1) | 2,456 | 17 | 2.66 | 2,656 | 16 | 2.47 | 2,840 | 17 | 2.36 | 2,827 | 17 | 2.36 | 2,939 |
| Total Investment Securities | 1,005,003 | 4,566 | 1.81 | 1,043,858 | 4,820 | 1.84 | 1,064,212 | 4,929 | 1.86 | 1,081,092 | 4,852 | 1.78 | 1,120,728 |
| Federal Funds Sold and Interest Bearing Deposits | 136,556 | 1,848 | 5.37 | 218,902 | 2,782 | 5.10 | 360,971 | 4,111 | 4.62 | 469,352 | 4,463 | 3.77 | 569,984 |
| Total Earning Assets | 3,876,980 | $ 45,708 | 4.68 % | 3,974,803 | $ 45,161 | 4.56 % | 4,062,688 | $ 44,015 | 4.39 % | 4,032,733 | $ 41,314 | 4.07 % | 4,009,951 |
| Cash and Due From Banks | 75,941 | | | 75,854 | | | 74,639 | | | 74,178 | | | 79,527 |
| Allowance for Credit Losses | (29,172) | | | (27,893) | | | (25,637) | | | (22,596) | | | (21,509) |
| Other Assets | 295,106 | | | 297,837 | | | 300,175 | | | 297,510 | | | 289,709 |
| Total Assets | $ 4,218,855 | | | $ 4,320,601 | | | $ 4,411,865 | | | $ 4,381,825 | | | $ 4,357,678 |
| **LIABILITIES:** | | | | | | | | | | | | | |
| Noninterest Bearing Deposits | $ 1,474,574 | | | $ 1,539,877 | | | $ 1,601,750 | | | $ 1,662,443 | | | $ 1,726,918 |
| NOW Accounts | 1,125,171 | $ 3,489 | 1.23 % | 1,200,400 | $ 3,038 | 1.01 % | 1,228,928 | $ 2,152 | 0.71 % | 1,133,733 | $ 1,725 | 0.60 % | 1,016,475 |
| Money Market Accounts | 322,623 | 1,294 | 1.59 | 288,466 | 747 | 1.04 | 267,573 | 208 | 0.31 | 273,328 | 63 | 0.09 | 288,758 |
| Savings Accounts | 579,245 | 200 | 0.14 | 602,848 | 120 | 0.08 | 629,388 | 76 | 0.05 | 641,153 | 80 | 0.05 | 643,640 |
| Time Deposits | 95,203 | 231 | 0.96 | 87,973 | 103 | 0.47 | 89,675 | 52 | 0.24 | 92,385 | 34 | 0.15 | 94,073 |
| Total Interest Bearing Deposits | 2,122,242 | 5,214 | 0.97 | 2,179,687 | 4,008 | 0.74 | 2,215,564 | 2,488 | 0.46 | 2,140,599 | 1,902 | 0.35 | 2,042,946 |
| Total Deposits | 3,596,816 | 5,214 | 0.58 | 3,719,564 | 4,008 | 0.43 | 3,817,314 | 2,488 | 0.26 | 3,803,041 | 1,902 | 0.20 | 3,769,864 |
| Repurchase Agreements | 25,356 | 190 | 2.98 | 17,888 | 115 | 2.58 | 9,343 | 9 | 0.37 | 8,464 | 7 | 0.34 | 11,665 |
| Other Short-Term Borrowings | 24,306 | 440 | 7.17 | 17,834 | 336 | 7.54 | 37,766 | 452 | 4.86 | 42,380 | 683 | 6.39 | 35,014 |
| Subordinated Notes Payable | 52,887 | 625 | 4.62 | 52,887 | 604 | 4.52 | 52,887 | 571 | 4.32 | 52,887 | 522 | 3.86 | 52,887 |
| Other Long-Term Borrowings | 387 | 4 | 4.73 | 431 | 5 | 4.80 | 480 | 6 | 4.80 | 530 | 8 | 4.80 | 580 |
| Total Interest Bearing Liabilities | 2,225,178 | $ 6,473 | 1.15 % | 2,268,727 | $ 5,068 | 0.90 % | 2,316,040 | $ 3,526 | 0.62 % | 2,244,860 | $ 3,122 | 0.55 % | 2,143,092 |
| Other Liabilities | 83,099 | | | 84,305 | | | 81,206 | | | 84,585 | | | 98,501 |
| Total Liabilities | 3,782,851 | | | 3,892,909 | | | 3,998,996 | | | 3,991,888 | | | 3,968,511 |
| Temporary Equity | 8,424 | | | 8,935 | | | 8,802 | | | 9,367 | | | 9,862 |
| **SHAREOWNERS' EQUITY:** | 427,580 | | | 418,757 | | | 404,067 | | | 380,570 | | | 379,305 |
| Total Liabilities, Temporary Equity and Shareowners' Equity | $ 4,218,855 | | | $ 4,320,601 | | | $ 4,411,865 | | | $ 4,381,825 | | | $ 4,357,678 |
| Interest Rate Spread | | $ 39,235 | 3.52 % | | $ 40,093 | 3.66 % | | $ 40,489 | 3.77 % | | $ 38,192 | 3.52 % | |
| Interest Income and Rate Earned (1) | | 45,708 | 4.68 | | 45,161 | 4.56 | | 44,015 | 4.39 | | 41,314 | 4.07 | |
| Interest Expense and Rate Paid (2) | | 6,473 | 0.66 | | 5,068 | 0.51 | | 3,526 | 0.35 | | 3,122 | 0.31 | |
| Net Interest Margin | | $ 39,235 | 4.02 % | | $ 40,093 | 4.05 % | | $ 40,489 | 4.04 % | | $ 38,192 | 3.76 % | |

(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.*