UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT	PURSUANT TO SECTION 13	3 OR 15(d) OF TH	IE SECURITIES I	EXCHANGE ACT OF 1934
For the Quarterly Period	Ended September 30, 2025			
□ TRANSITION REPORT	PURSUANT TO SECTION 13	OR 3 OR 15(d) OF TH	IE SECURITIES E	EXCHANGE ACT OF 1934
For the transition period	from to			
	Commission Fi	ile Number: <u>0-133</u>	<u>58</u>	
	Capital City B	Bank Gro	up. Inc.	
	(Exact name of Registra			
Florida	ı			59-2273542
(State or other jurisdiction of inco	orporation or organization)		(I.R	.S. Employer Identification No.)
217 North Monroe Street,	Tallahassee, Florida			32301
(Address of principal e	xecutive office)			(Zip Code)
	(Registrant's telephone	0) 402-7821 e number, including	g area code)	
Securities registered pursuant to Section	12(b) of the Act			
Title of each class Common Stock, Par value \$0.01	Trading Syr CCBG	mbol(s)	Name of each exch Nasdaq Stock Marl	ange on which registered ket, LLC
Indicate by check mark whether the regi 1934 during the preceding 12 months (o filing requirements for the past 90 days.	r for such shorter period that the			
Indicate by check mark whether the region Regulation S-T (§232.405 of this chasuch files). Yes [X] No []				
Indicate by check mark whether the regi an emerging growth company. See defi company" in Rule 12b-2 of the Exchang	nitions of "large accelerated file			
Large accelerated filer \Box	Accelerated filer ⊠	Non-accelera	ited filer □	Smaller reporting company \square Emerging growth company \square
If an emerging growth company, indicate new or revised financial accounting stars				nsition period for complying with any
Indicate by check mark whether the regi	strant is a shell company (as def	ined in Rule 12b-2	of the Exchange Ac	et). Yes [] No [X]
At October 31, 2025, 17,068,825 shares	of the Registrant's Common Sto	ock, \$.01 par value	, were outstanding.	

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INTRODUCTORY NOTE Special Cautionary Notice Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. The words "may," "could," "should," "would," "believe," "anticipate," "contemplate," "estimate," "expect," "intend," "plan," "point to," "project," "target," "vision," "goal," "continue," "further," and similar expressions are intended to identify forward-looking statements.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual future results may differ materially from those set forth in our forward-looking statements.

Our ability to achieve our financial objectives could be adversely affected by the factors discussed in detail in Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q and in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Form 10-K"), as updated in our subsequent quarterly reports filed on Form 10-Q, as well as, among other factors:

- The effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board:
- Inflation, interest rate, market and monetary fluctuations:
- Local, regional, national, and international economic conditions and the impact they may have on us and our clients and our assessment of that impact;
- The costs and effects of legal and regulatory developments, the outcomes of legal proceedings or regulatory or other governmental inquiries, the results of regulatory examinations or reviews and the ability to obtain required regulatory approvals;
- The effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities, and insurance) and their application with which we and our subsidiaries must comply;
- The effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as other accounting standard setters;
- The accuracy of our financial statement estimates and assumptions;
- Changes in the financial performance and/or condition of our borrowers;
- Changes in the mix of loan geographies, sectors and types or the level of non-performing assets and charge-offs;
- Changes in estimates of future credit loss reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- Changes in our liquidity position;
- The timely development and acceptance of new products and services and perceived overall value of these products and services by users:
- Changes in consumer spending, borrowing, and saving habits;
- Greater than expected costs or difficulties related to the integration of new products and lines of business;
- Technological changes;
- The cost and effects of cyber incidents or other failures, interruptions, or security breaches of our systems or those of our customers or third-party providers;
- Fraud or misconduct by internal or external parties which we may not be able to prevent, detect or mitigate;
- Acquisitions and integration of acquired businesses;
- Dispositions (including the impact from the sale of our insurance subsidiary), acquisitions and integration of acquired
- Impairment of our goodwill or other intangible assets;
- Changes in the reliability of our vendors, internal control systems, or information systems;
- Our ability to increase market share and control expenses;
- Our ability to attract and retain qualified employees;
- Changes in our organization, compensation, and benefit plans;
- The soundness of other financial institutions;
- Volatility and disruption in national and international financial and commodity markets:
- Changes in the competitive environment in our markets and among banking organizations and other financial service providers:
- Action or inaction by the federal government, including as a result of any prolonged government shutdown or government
- intervention in the U.S. financial system; A deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, and uncertainties surrounding the federal budget and economic policy;
- The effects of natural disasters (including hurricanes), widespread health emergencies (including pandemics), military conflict, terrorism, civil unrest, climate change or other geopolitical events;
- Our ability to declare and pay dividends;

- Structural changes in the markets for origination, sale and servicing of residential mortgages;
- Any inability to implement and maintain effective internal control over financial reporting and/or disclosure control; Potential claims, damages, penalties, fines, costs and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions;
- Negative publicity and the impact on our reputation;
- The limited trading activity and concentration of ownership of our common stock; and
- Other factors and risks described under "Risk Factors" herein and in any of the Company's subsequent reports filed with the SEC and available on its website at www.sec.gov.

However, other factors besides those listed in *Item 1A Risk Factors* or discussed in this Form 10-Q also could adversely affect our results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by us or on our behalf speak only as of the date they are made. We do not undertake to update any forward-looking statement, except as required by applicable law.

PART I. FINANCIAL INFORMATION Item 1.

CAPITAL CITY BANK GROUP, INC. CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS Solution 2013 2014 Cash and Due From Banks \$ 68,397 \$ 70,543 Federal Funds Sold and Interest Bearing Deposits 397,502 321,311 Total Cash and Cash Equivalents 465,899 391,854 Investment Securities, Available for Sale, at fair value (amortized cost of \$ 592,323 and \$429,033) 577,333 403,345 Investment Securities, Held to Maturity (fair value of \$ 394,125 and \$ 5544,460) 404,659 567,155 Equity Securities 984,137 972,899 Total Investment Securities 24,204 28,672 Loans Held For Sale, at fair value 25,82,007 2,651,550 Allowance for Credit Losses (30,020) (29,251) Allowance for Credit Losses (30,020) 2,622,299 Premises and Equipment, Net 2,582,007 2,651,550 Goodwill and Other Intangibles 89,995 92,773 Other Real Estate Owned 1,831 367 Other Assets 127,055 134,116 Total Assets \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits \$ 1,303,786 \$ 1	(Dollars in Thousands, Except Par Value)		Jnaudited) otember 30, 2025	De	ecember 31, 2024
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Equity Securities 2,145 2,399 Total Investment Securities 984,137 972,899 Loans Held For Sale, at fair value 24,204 28,672 Loans Held for Investment 2,582,007 2,651,505 Allowance for Credit Losses 30,020 29,251,105 Loans Held for Investment, Net 79,748 81,952 Premises and Equipment, Net 89,95 92,73 Other Real Estate Owned 1,831 367 Other Real Estate Owned 1,831 367 Other Assets 127,055 13,411,60 Total Assets 127,055 13,411,60 Total Cassets 1,303,786 \$1,306,254 Interest Bearing Deposits \$1,303,786 \$1,306,254 Interest Bearing Deposits \$1,303,786 \$1,306,254 Interest Bearing Deposits \$4,252 2,287 Other Long-Term Borrowings 40,244 28,304 Other Long-Term Borrowings 40,244 28,304 Other Liabilities 3,873,139 3,829,615 Total Liabilities 3,783,13			577,333		403,345
Total Investment Securities 984,137 972,899 Loans Held For Sale, at fair value 24,204 28,672 Loans Held for Investment 2,582,007 2,651,550 Allowance for Credit Losses (30,202) (29,251) Loans Held for Investment, Net 2,551,805 2,622,299 Premises and Equipment, Net 79,748 81,952 Goodwill and Other Intangibles 89,095 92,773 Other Real Estate Owned 1,831 367 Other Assets 127,055 134,116 Total Assets 127,055 134,116 Total Assets 127,055 134,116 Total Deposits \$1,303,786 \$1,306,254 Interest Bearing Deposits \$1,303,786 \$1,306,254 Interest Bearing Deposits \$1,304,254 2,365,723 Total Deposits \$2,311,126 2,365,723 Total Deposits \$40,244 28,304 Subordinated Notes Payable 40,244 28,304 Other Liabilities 34,721 75,653 Total Liabilities 3,783,139 <td></td> <td></td> <td>404,659</td> <td></td> <td>567,155</td>			404,659		567,155
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Loans Held for Investment 2,582,007 2,651,550 Allowance for Credit Losses (30,202) (29,251) Loans Held for Investment, Net 2,551,805 2,622,299 Premises and Equipment, Net 79,748 81,952 Goodwill and Other Intangibles 89,095 92,773 Other Real Estate Owned 1,831 367 Other Assets 127,055 134,116 Total Assets 127,055 134,116 Total Assets \$4,323,774 \$4,324,932 LIABILITIES Deposits: Noninterest Bearing Deposits \$1,303,786 \$1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 70,772 Short-Term Borrowings 40,244 28,304 80,719,777 Short-Long-Term Borrowings 40,244 28,304 80,001 70,704 70,704 Share Lowel Liabilities 3,783,139 3,829,615 70,704 70,704 70,704 70,704 70,704 70,704 70,704 70,704 70,704 70,704 70,704 70,704	Total Investment Securities		984,137		972,899
Allowance for Credit Losses (30,202) (29,251) Loans Held for Investment, Net 2,551,805 2,622,299 Premises and Equipment, Net 79,748 81,952 Goodwill and Other Intangibles 89,095 92,773 Other Real Estate Owned 1,831 367 Other Assets 127,055 134,116 Total Assets 2,323,774 4,324,932 LIABILITIES Deposits 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 2,311,126 2,365,723 Total Deposits 40,244 28,304 Subordinated Notes Payable 40,244 28,304 Other Long-Term Borrowings 40,244 28,304 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNER'S EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; no shares issued	Loans Held For Sale, at fair value		24,204		28,672
Allowance for Credit Losses (30,202) (29,251) Loans Held for Investment, Net 2,551,805 2,622,299 Premises and Equipment, Net 79,748 81,952 Goodwill and Other Intangibles 89,095 92,773 Other Real Estate Owned 1,831 367 Other Assets 127,055 134,116 Total Assets 2,323,774 4,324,932 LIABILITIES Deposits 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 2,311,126 2,365,723 Total Deposits 40,244 28,304 Subordinated Notes Payable 40,244 28,304 Other Long-Term Borrowings 40,244 28,304 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNER'S EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; no shares issued	Loans Held for Investment		2 582 007		2 651 550
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Other Real Estate Owned 1,831 367 Other Assets 127,055 134,116 Total Assets \$ 4,323,774 \$ 4,324,932 LIABILITIES Deposits: Noninterest Bearing Deposits \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits \$ 2,311,126 2,365,723 Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 84,721 75,653 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486)	Premises and Equipment, Net		79,748		81,952
Other Assets 127,055 134,116 Total Assets \$ 4,323,774 \$ 4,324,932 LIABILITIES Deposits: Noninterest Bearing Deposits \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Accumulated Directified 409,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 6,486 Total Shareowners' Equity 540,635	C C C C C C C C C C C C C C C C C C C		89,095		92,773
Total Assets \$ 4,323,774 \$ 4,324,932 LIABILITIES Deposits: Noninterest Bearing Deposits \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 6,486) Total Shareowners' Equity 540,635 495,317	Other Real Estate Owned		1,831		367
LIABILITIES Deposits: \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits \$ 2,311,126 \$ 2,365,723 Total Deposits \$ 3,614,912 \$ 3,671,977 Short-Term Borrowings 40,244 \$ 28,304 Subordinated Notes Payable 42,582 \$ 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Other Assets				134,116
Deposits: Noninterest Bearing Deposits \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 49,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Total Assets	\$	4,323,774	\$	4,324,932
Noninterest Bearing Deposits \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	LIABILITIES				
Noninterest Bearing Deposits \$ 1,303,786 \$ 1,306,254 Interest Bearing Deposits 2,311,126 2,365,723 Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Deposits:				
Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	·	\$	1,303,786	\$	1,306,254
Total Deposits 3,614,912 3,671,977 Short-Term Borrowings 40,244 28,304 Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Interest Bearing Deposits		2,311,126		2,365,723
Subordinated Notes Payable 42,582 52,887 Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Total Deposits		3,614,912		
Other Long-Term Borrowings 680 794 Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Short-Term Borrowings		40,244		28,304
Other Liabilities 84,721 75,653 Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Subordinated Notes Payable		42,582		52,887
Total Liabilities 3,783,139 3,829,615 SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding - - Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Other Long-Term Borrowings		680		794
SHAREOWNERS' EQUITY Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	Other Liabilities		84,721		75,653
Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively Additional Paid-In Capital Retained Earnings 40,067 463,949 Accumulated Other Comprehensive Income (Loss), net of tax Total Shareowners' Equity 540,635 495,317	Total Liabilities		3,783,139		3,829,615
Preferred Stock, \$0.01 par value; 3,000,000 shares authorized; no shares issued and outstanding Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively Additional Paid-In Capital Retained Earnings 40,067 463,949 Accumulated Other Comprehensive Income (Loss), net of tax Total Shareowners' Equity 540,635 495,317	SHARFOWNERS' FOULTY				
Common Stock, \$0.01 par value; 90,000,000 shares authorized; 17,068,650 and 16,974,513 171 170 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317	·		_		-
shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively 171 170 Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317					
Additional Paid-In Capital 40,067 37,684 Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317			171		170
Retained Earnings 499,176 463,949 Accumulated Other Comprehensive Income (Loss), net of tax 1,221 (6,486) Total Shareowners' Equity 540,635 495,317					
Accumulated Other Comprehensive Income (Loss), net of tax1,221(6,486)Total Shareowners' Equity540,635495,317			,		
Total Shareowners' Equity 540,635 495,317					
	• • • •				
	·	\$		\$	

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CAPITAL CITY BANK GROUP, INC. CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months Ended September 30,				Nine Months Ended September 30,				
(Dollars in Thousands, Except Per Share Data)		2025		2024		2025		2024	
INTEREST INCOME									
Loans, including Fees	\$	40,279	\$	41,659	\$	121,629	\$	123,480	
Investment Securities:									
Taxable		7,175		4,149		19,644		12,385	
Tax Exempt		13		6		30		18	
Funds Sold and Interest Bearing Deposits		3,964		3,514		11,369		9,031	
Total Interest Income		51,431		49,328		152,672		144,914	
INTEREST EXPENSE									
Deposits		7,265		8,223		22,053		24,396	
Short-Term Borrowings		216		273		832		798	
Subordinated Notes Payable		383		610		1,473		1,868	
Other Long-Term Borrowings		10		11		26		17	
Total Interest Expense		7,874		9,117		24,384		27,079	
NET INTEREST INCOME		43,557		40,211		128,288		117,835	
Provision for Credit Losses		1,881		1,206		3,269		3,330	
Net Interest Income After Provision For Credit Losses		41,676	_	39,005		125,019		114,505	
NONINTEREST INCOME									
Deposit Fees		5,877		5,512		16,258		16,139	
Bank Card Fees		3,733		3,624		11,021		11,010	
Wealth Management Fees		5,173		4,770		16,142		13,891	
Mortgage Banking Revenues		4,794		3,966		12,804		11,225	
Other		2,754		1,641		6,027		4,951	
Total Noninterest Income		22,331		19,513		62,252		57,216	
NONINTEREST EXPENSE									
Compensation		26,056		25,800		78,794		74,613	
Occupancy, Net		7,037		7,098		20,901		21,089	
Other		9,823		10,023		24,460		27,831	
Total Noninterest Expense		42,916		42,921		124,155		123,533	
INCOME BEFORE INCOME TAXES		21,091		15,597		63,116		48,188	
Income Tax Expense		5,141		2,980		15,264		9,705	
NET INCOME		15,950		12,617		47,852		38,483	
Loss Attributable to Noncontrolling Interests		-		501		-		1,342	
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	\$	15,950	\$	13,118	\$	47,852	\$	39,825	
BASIC NET INCOME PER SHARE	\$	0.93	\$	0.77	\$	2.81	\$	2.35	
DILUTED NET INCOME PER SHARE	\$	0.93	\$	0.77	\$	2.80	\$	2.35	
Average Common Basic Shares Outstanding		17,068		16,943		17,050		16,942	
Average Common Diluted Shares Outstanding		17,114		16,979		17,083		16,966	
	_								

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CAPITAL CITY BANK GROUP, INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

	Three Months Ended September 30,			Nine Months Ended September 30,				
(Dollars in Thousands)		2025		2024		2025		2024
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	\$	15,950	\$	13,118	\$	47,852	\$	39,825
Other comprehensive income, before tax:								
Investment Securities:								
Change in net unrealized loss on securities available for sale		2,932		9,505		10,676		9,099
Amortization of unrealized losses on securities transferred from								
available for sale to held to maturity		202		785		1,044		2,521
Derivative:								
Change in net unrealized gain on effective cash flow derivative		(253)		(1,261)		(1,442)		(873)
Other comprehensive income, before tax		2,881		9,029		10,278		10,747
Deferred tax expense related to other comprehensive income		720		2,435		2,571		2,683
Other comprehensive income, net of tax		2,161		6,594		7,707		8,064
TOTAL COMPREHENSIVE INCOME	\$	18,111	\$	19,712	\$	55,559	\$	47,889

 $\label{thm:company:equation:company:equation} The \ accompanying \ Notes \ to \ Consolidated \ Financial \ Statements \ are \ an \ integral \ part \ of \ these \ statements.$

CAPITAL CITY BANK GROUP, INC. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREOWNERS' EQUITY (Unaudited)

	Shares	Common		ditional aid-In		Retained	C	occumulated Other omprehensiv oss) Pacome,	
(Dollars In Thousands, Except Share Data)	Outstanding	Stock	-	aiu-iii Capital	_	Carnings		let of Taxes	Total
Balance, July 1, 2025	17,066,395	\$ 171	\$	39,527	\$	487,665	\$	(940)	\$ 526,423
Net Income Attributable to Common Shareowners	-	_	•	-		15,950		-	15,950
Other Comprehensive Income, net of tax	-	-		-		_		2,161	2,161
Cash Dividends (\$0.2600 per share)	-	-		-		(4,439)		-	(4,439)
Stock Based Compensation	-	-		448		-		-	448
Stock Compensation Plan Transactions, net	2,255	-		92		-		-	92
Balance, September 30, 2025	17,068,650	\$ 171	\$	40,067	\$	499,176	\$	1,221	\$ 540,635
-					_		_		
Balance, July 1, 2024	16,941,553	\$ 169	\$	35,547	\$	445,959	\$	(20,676)	\$ 460,999
Net Income Attributable to Common Shareowners	-	-		-		13,118		-	13,118
Reclassification to Temporary Equity (1)	-	-		-		(838)		-	(838)
Other Comprehensive Income, net of tax	-	-		-		-		6,594	6,594
Cash Dividends (\$0.2300 per share)	-	-		-		(3,897)		-	(3,897)
Stock Based Compensation	-	-		425		-		-	425
Stock Compensation Plan Transactions, net	2,817	-		98		-		-	98
Balance, September 30, 2024	16,944,370	\$ 169	\$	36,070	\$	454,342	\$	(14,082)	\$ 476,499
•									
Balance, January 1, 2025	16,974,513	\$ 170	\$	37,684	\$	463,949	\$	(6,486)	\$ 495,317
Net Income Attributable to Common Shareowners	-	-		-		47,852		-	47,852
Other Comprehensive Income, net of tax	-	-		-		-		7,707	7,707
Cash Dividends (\$0.7400 per share)	-	-		-		(12,625)		-	(12,625)
Stock Based Compensation	-	-		1,373		-		-	1,373
Stock Compensation Plan Transactions, net	94,137	1		1,010		-		-	1,011
Balance, September 30, 2025	17,068,650	\$ 171	\$	40,067	\$	499,176	\$	1,221	\$ 540,635
					_				
Balance, January 1, 2024	16,950,222	\$ 170	\$	36,326	\$	426,275	\$	(22,146)	\$ 440,625
Net Income Attributable to Common Shareowners	-	-		-		39,825		-	39,825
Reclassification to Temporary Equity (1)	-	-		-		(751)		-	(751)
Other Comprehensive Income, net of tax	-	-		-		-		8,064	8,064
Cash Dividends (\$0.6500 per share)	-	-		-		(11,007)		-	(11,007)
Repurchase of Common Stock	(82,540)	-		(2,330)		-		-	(2,330)
Stock Based Compensation	-	-		1,139		-		-	1,139
Stock Compensation Plan Transactions, net	76,688	(1)		935		-		-	934
Balance, September 30, 2024	16,944,370	\$ 169	\$	36,070	\$	454,342	\$	(14,082)	\$ 476,499

⁽¹⁾ Adjustments to redemption value for non-controlling interest in Capital City Home Loans, LLC ("CCHL") The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CAPITAL CITY BANK GROUP, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(Unaudited)				
(Dollars in Thousands)	Nii	ne Months End	led Se	2024
CASH FLOWS FROM OPERATING ACTIVITIES		2023		2024
Net Income Attributable to Common Shareowners	\$	47,852	\$	39,825
Adjustments to Reconcile Net Income to				
Cash Provided by Operating Activities:				
Provision for Credit Losses		3,269		3,330
Depreciation		5,548		5,798
Amortization of Premiums, Discounts and Fees, net		3,403		3,130
Amortization of Intangible Asset		107		120
Gain on Sale of Subsidiary		(773)		(266 500)
Originations of Loans Held-for-Sale		(332,760)		(366,700)
Proceeds From Sales of Loans Held-for-Sale		350,882		369,063
Mortgage Banking Revenues		(12,804)		(11,225)
Net Additions for Capitalized Mortgage Servicing Rights Stock Compensation		48 1.373		(138) 1,139
Net Tax Benefit from Stock-Based Compensation		(154)		1,139
Deferred Income Taxes		2,429		1,400
Net Change in Operating Leases		14		208
Net (Gain) Loss on Sales and Write-Downs of Other Real Estate Owned		(4,514)		1
Net Decrease in Other Assets		3,770		1,738
Net Increase in Other Liabilities		8,364		4,645
Net Cash Provided By Operating Activities		76.054		52,334
CASH FLOWS FROM INVESTING ACTIVITIES		,		,
Securities Held to Maturity:				
Purchases		(66,697)		(20,287)
Proceeds from Payments, Maturities, and Calls		228,784		83,657
Securities Available for Sale:				
Purchases		(225,039)		(49,436)
Proceeds from Payments, Maturities, and Calls		60,899		55,229
Equity Securities:		(60)		
Purchases		(60)		150
Net Decrease in Equity Securities		1,191		158
Purchases of Loans Held for Investment Proceeds from Sales of Loans		(958) 39,802		(302)
Net Decrease in Loans Held for Investment		23,666		19,779
Net Cash Received for Divestitures		23,000		19,779
Proceeds From Sales of Other Real Estate Owned		7,340		33
Purchases of Premises and Equipment		(5,967)		(6,442)
Net Cash Provided by Investing Activities		65,336	_	113,851
CASH FLOWS FROM FINANCING ACTIVITIES		05,550		113,631
Net Decrease in Deposits		(57,065)		(122,745)
Net Increase in Short-Term Borrowings		11,940		1,729
Redemption of Subordinated Notes		(10,305)		-
Net Increase in Other Long-Term Borrowings		-		677
Dividends Paid		(12,625)		(11,007)
Payments to Repurchase Common Stock		-		(2,330)
Proceeds from Issuance of Common Stock Under Purchase Plans		710		634
Net Cash Used In Financing Activities		(67,345)		(133,042)
NET INCREASE IN CASH AND CASH EQUIVALENTS		74,045		33,143
Cash and Cash Equivalents at Beginning of Period		391,854		312,067
Cash and Cash Equivalents at End of Period	<u>\$</u>	465,899		345,210
Supplemental Cash Flow Disclosures:		2		-
Interest Paid	\$	24,148	\$	26,143
Income Taxes Paid	<u>\$</u>	8,700	\$	5,741
Supplemental Noncash Items:			_	
Loans and Premises Transferred to Other Real Estate Owned	<u>\$</u>	4 290	\$	683
Loans Transferred from Held for Investment to Held for Sale, net	<u>s</u>	40,652	\$	25,640

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CAPITAL CITY BANK GROUP, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BUSINESS AND BASIS OF PRESENTATION

Nature of Operations . Capital City Bank Group, Inc. ("CCBG" or the "Company") provides a full range of banking and banking-related services to individual and corporate clients through its wholly owned subsidiary, Capital City Bank ("CCB" or the "Bank"), with banking offices located in Florida, Georgia, and Alabama. The Company is subject to competition from other financial institutions, is subject to regulation by certain government agencies and undergoes periodic examinations by those regulatory authorities.

Basis of Presentation. The consolidated financial statements in this Quarterly Report on Form 10-Q include the accounts of CCBG and CCB. All material inter-company transactions and accounts have been eliminated. Certain previously reported amounts have been reclassified to conform to the current year's presentation.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

The Consolidated Statement of Financial Condition at December 31, 2024 has been derived from the audited consolidated financial statements at that date, but does not include all of the information and notes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto included in the Company's 2024 Form 10-K.

Accounting Standards Updates

Proposed Accounting Standards, ASU No. 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." Accounting Standards Update ("ASU") 2023-06 is intended to clarify or improve disclosure and presentation requirements of a variety of topics, which will allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements and align the requirements in the FASB accounting standard codification with the SEC's regulations. ASU 2023-06 is to be applied prospectively, and early adoption is prohibited. For reporting entities subject to the SEC's existing disclosure requirements, the effective dates of ASU 2023-06 will be the date on which the SEC's removal of that related disclosure requirement from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will not become effective for any entities. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements.

ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 is intended to enhance transparency and decision usefulness of income tax disclosures. The ASU addresses investor requests for more transparency about income tax information through improvements to income tax disclosures, primarily related to the rate reconciliation and income taxes paid information. Retrospective application in all prior periods is permitted. ASU 2023-09 is effective for the Company as of January 1, 2025. The Company is currently evaluating the impact of the incremental income taxes information that will be required to be disclosed within its Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent annual reports.

ASU No. 2023-03, "Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU 2024-03 introduces new requirements to disclose additional information about certain types of expenses, including employee compensation, depreciation, intangible asset amortization, and selling expenses. ASU 2024-03 is effective for the Company as of January 1, 2026. The Company is currently evaluating the impact of the incremental disclosures that will be required under the standard.

ASU 2025-06, "Intangibles - Goodwill and Other -Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." The ASU updates accounting for internal-use software by shifting from a stage-based model to a principles-based approach aligned with modern development. Key provisions include new capitalization criteria based on authorization, funding commitment, and probable completion, removal of development stages, integrated website guidance, and enhanced disclosures. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements and disclosures.

NOTE 2 – INVESTMENT SECURITIES

Investment Portfolio Composition. The following table summarizes the amortized cost and related fair value of investment securities available-for-sale ("AFS") and securities held-to-maturity ("HTM") and the corresponding amounts of gross unrealized gains and losses.

				Ava	ailable for Sale	:			
(Dollars in Thousands)	Amortized lars in Thousands) Cost		Unrealized Gains		Unrealized Losses	Allowance for Credit Losses			Fair Value
September 30, 2025									
U.S. Government Treasury	\$	272,030	\$ 1,567	\$	283	\$	-	\$	273,314
U.S. Government Agency		165,774	59		3,148		-		162,685
States and Political Subdivisions		37,525	42		2,319		-		35,248
Mortgage-Backed Securities(1)		61,225	1		8,286		-		52,940
Corporate Debt Securities		47,672	-		2,580		(43)		45,049
Other Securities(2)		8,097	-		-		-		8,097
Total	\$	592,323	\$ 1,669	\$	16,616	\$	(43)	\$	577,333
December 31, 2024									
U.S. Government Treasury	\$	106,710	\$ 25	\$	934	\$	-	\$	105,801
U.S. Government Agency		148,666	39		5,578		-		143,127
States and Political Subdivisions		43,212	-		3,827		(3)		39,382
Mortgage-Backed Securities(1)		66,379	-		10,902		-		55,477
Corporate Debt Securities		55,970	-		4,444		(64)		51,462
Other Securities(2)		8,096	-		-		-		8,096
Total	\$	429,033	\$ 64	\$	25,685	\$	(67)	\$	403,345

	Held to Maturity												
		Amortized		Unrealized	Unrealized			Fair					
(Dollars in Thousands)		Cost		Gains		Losses		Value					
September 30, 2025								_					
U.S. Government Treasury	\$	170,612	\$	-	\$	1,348	\$	169,264					
Mortgage-Backed Securities(1)		234,047		625		9,811		224,861					
Total	\$	404,659	\$	625	\$	11,159	\$	394,125					
December 31, 2024													
U.S. Government Treasury	\$	368,005	\$	-	\$	6,476	\$	361,529					
Mortgage-Backed Securities(1)		199,150		16		16,235		182,931					
Total	\$	567,155	\$	16	\$	22,711	\$	544,460					

⁽¹⁾ Comprised of residential mortgage-backed securities.

At September 30, 2025 and December 31, 2024, the investment portfolio had \$2.1 million and \$2.4 million, respectively, in equity securities. These securities do not have a readily determinable fair value and were not credit impaired.

Securities with an amortized cost of \$442.6 million and \$489.5 million at September 30, 2025 and December 31, 2024, respectively, were pledged to secure public deposits and for other purposes.

The Bank, as a member of the Federal Home Loan Bank of Atlanta ("FHLB"), is required to own capital stock in the FHLB based generally upon the balances of residential and commercial real estate loans, and FHLB advances. The Bank's investment in FHLB stock, which is included in other securities is pledged to secure FHLB advances. No ready market exists for this stock, and it has no quoted fair value; however, redemption of this stock has historically been at par value. As a member of the Federal Reserve Bank of Atlanta, the Bank is required to maintain stock in the Federal Reserve Bank of Atlanta based on a specified ratio relative to the Bank's capital. Federal Reserve Bank stock is carried at cost.

⁽²⁾ Includes Federal Home Loan Bank and Federal Reserve Bank stock, recorded at cost of \$3.0 million and \$5.1 million, respectively, at September 30, 2025 and at December 31, 2024.

Investment Sales. There were no sales of investment securities for the three and nine months ended September 30, 2025 and 2024.

Maturity Distribution. At September 30, 2025, the Company's investment securities had the following maturity distribution based on contractual maturity. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations. Mortgage-backed securities, certain amortizing U.S. government agency securities and other securities are shown separately because they are not due at a certain maturity date.

		Availabl	e for S	ale		Held to	Maturity			
(Dollars in Thousands)	Amortized Cost Fair V		air Value	Amo	ortized Cost	F	air Value			
Due in one year or less	\$	89,433	\$	88,479	\$	170,612	\$	169,264		
Due after one year through five years		306,889		304,548		-		-		
Due after five year through ten years		12,896		11,675		-		-		
Mortgage-Backed Securities		61,225		52,940		234,047		224,861		
U.S. Government Agency		113,783		111,594		-		-		
Other Securities		8,097		8,097		-		-		
Total	\$	592,323	\$	577,333	\$	404,659	\$	394,125		

Unrealized Losses on Investment Securities. The following table summarizes the available for sale and held to maturity investment securities with unrealized losses aggregated by major security type and length of time in a continuous unrealized loss position:

	Less	Than		Greater Than					
	12 M	lonths		12 M	lonth:	s	To	otal	
	 Fair	Uni	realized	 Fair	Uı	nrealized	 Fair	Uı	realized
(Dollars in Thousands)	Value	I	osses	Value		Losses	Value	Losses	
September 30, 2025									
Available for Sale									
U.S. Government Treasury	\$ 14,604	\$	43	\$ 11,832	\$	240	\$ 26,436	\$	283
U.S. Government Agency	68,734		456	82,855		2,692	151,589		3,148
States and Political Subdivisions	1,876		124	31,747		2,195	33,623		2,319
Mortgage-Backed Securities	36		-	52,861		8,286	52,897		8,286
Corporate Debt Securities	-		-	 43,522		2,580	 43,522		2,580
Total	\$ 85,250	\$	623	\$ 222,817	\$	15,993	\$ 308,067	\$	16,616
	 	·							
Held to Maturity									
U.S. Government Treasury	-		-	169,264		1,348	169,264		1,348
Mortgage-Backed Securities	17,694		93	 113,104		9,718	130,798		9,811
Total	\$ 17,694	\$	93	\$ 282,368	\$	11,066	\$ 300,062	\$	11,159
December 31, 2024									
Available for Sale									
U.S. Government Treasury	\$ 81,363	\$	318	\$ 14,510	\$	616	\$ 95,873	\$	934
U.S. Government Agency	33,155		184	100,844		5,394	133,999		5,578
States and Political Subdivisions	2,728		164	36,654		3,663	39,382		3,827
Mortgage-Backed Securities	54		-	55,409		10,902	55,463		10,902
Corporate Debt Securities	3,093		249	 48,369		4,195	 51,462		4,444
Total	\$ 120,393	\$	915	\$ 255,786	\$	24,770	\$ 376,179	\$	25,685
Held to Maturity									
U.S. Government Treasury	-		-	361,529		6,476	361,529		6,476
Mortgage-Backed Securities	 58,230		1,000	119,353		15,235	177,583		16,235
Total	\$ 58,230	\$	1,000	\$ 480,882	\$	21,711	\$ 539,112	\$	22,711

At September 30, 2025, there were 750 positions (combined AFS and HTM) with unrealized pre-tax losses totaling \$27.8 million. 33 of these positions are U.S. Treasury bonds and carry the full faith and credit of the U.S. Government. 634 are U.S. government agency securities issued by U.S. government sponsored entities. We believe the long history of no credit losses on government securities indicates that the expectation of nonpayment of the amortized cost basis is effectively zero. At September 30, 2025, all collateralized mortgage obligation securities, mortgage-backed securities, Small Business Administration securities, U.S. Agency, and U.S. Treasury bonds held were AAA rated. The remaining 83 positions (municipal securities and corporate bonds) have a credit component. At September 30, 2025, corporate debt securities had an allowance for credit losses of \$43,000 and municipal securities had an allowance of less than \$1,000. None of the securities held by the Company were past due or in nonaccrual status at September 30, 2025.

Credit Quality Indicators

The Company monitors the credit quality of its investment securities through various risk management procedures, including the monitoring of credit ratings. A majority of the debt securities in the Company's investment portfolio were issued by a U.S. government entity or agency and are either explicitly or implicitly guaranteed by the U.S. government. The Company believes the long history of no credit losses on these securities indicates that the expectation of nonpayment of the amortized cost basis is effectively zero, even if the U.S. government were to technically default. Further, certain municipal securities held by the Company have been pre-refunded and secured by government guaranteed treasuries. Therefore, for the aforementioned securities, the Company does not assess or record expected credit losses due to the zero loss assumption. The Company monitors the credit quality of its municipal and corporate securities portfolio via credit ratings which are updated on a quarterly basis. On a quarterly basis, municipal and corporate securities in an unrealized loss position are evaluated to determine if the loss is attributable to credit related factors and if an allowance for credit loss is needed.

NOTE 3 - LOANS HELD FOR INVESTMENT AND ALLOWANCE FOR CREDIT LOSSES

 ${\it Loan\ Portfolio\ Composition}\ .\ The\ composition\ of\ the\ held\ for\ investment\ ("HFI")\ loan\ portfolio\ was\ as\ follows:$

(Dollars in Thousands)	September 30, 2025	December 31, 2024
Commercial, Financial and Agricultural	\$ 179,018	\$ 189,208
Real Estate – Construction	156,756	219,994
Real Estate – Commercial Mortgage	785,290	779,095
Real Estate – Residential ⁽¹⁾	1,039,607	1,042,504
Real Estate – Home Equity	234,111	220,064
Consumer ⁽²⁾	187,225	200,685
Loans Held For Investment, Net of Unearned Income	\$ 2,582,007	\$ 2,651,550

⁽¹⁾ Includes loans in process balances of \$ 2.6 million and \$13.6 million at September 30, 2025 and December 31, 2024, respectively.
(2) Includes overdraft balances of \$ 1.4 million and \$ 1.2 million at September 30, 2025 and December 31, 2024, respectively.

Net deferred loan costs, which include premiums on purchased loans, included in loans were \$8.5 million at September 30, 2025 and \$8.3 million at December 31, 2024.

Accrued interest receivable on loans which is excluded from amortized cost totaled 9.8 million at September 30, 2025 and 10.3 million at December 31, 2024, and is reported separately in Other Assets.

The Company has pledged a blanket floating lien on all 1-4 family residential mortgage loans, commercial real estate mortgage loans, and home equity loans to support available borrowing capacity at the FHLB of Atlanta and has pledged a blanket floating lien on all consumer loans, commercial loans, and construction loans to support available borrowing capacity at the Federal Reserve Bank of Atlanta.

Allowance for Credit Losses . The methodology for estimating the amount of credit losses reported in the allowance for credit losses ("ACL") has two basic components: first, an asset-specific component involving loans that do not share risk characteristics and the measurement of expected credit losses for such individual loans; and second, a pooled component for expected credit losses for pools of loans that share similar risk characteristics. This allowance methodology is discussed further in Note 1 – Significant Accounting Policies in the Company's 2024 Form 10-K.

The following table details the activity in the allowance for credit losses by portfolio segment. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

	Con	mercial,			F	Real Estate							
	Fir	iancial,	R	eal Estate	C	Commercial	F	Real Estate	ŀ	Real Estate			
(Dollars in Thousands)	Agr	icultural	Co	nstruction		Mortgage	I	Residential	Н	Iome Equity	C	Consumer	Total
Three Months Ended													
September 30, 2025													
Beginning Balance	\$	1,425	\$	1,811	\$	6,256	\$	15,264	\$	2,014	\$	3,092	\$ 29,862
Provision for Credit Losses		370		(352)		268		164		200		900	1,550
Charge-Offs		(373)		-		-		(12)		(10)		(1,573)	(1,968)
Recoveries		95		-		8		13		10		632	758
Net (Charge-Offs) Recoveries		(278)		-		8		1		-		(941)	(1,210)
Ending Balance	\$	1,517	\$	1,459	\$	6,532	\$	15,429	\$	2,214	\$	3,051	\$ 30,202
Nine Months Ended													
September 30, 2025													
Beginning Balance	\$	1,514	\$	2,384	\$	5,867	\$	14,568	\$	1,952	\$	2,966	\$ 29,251
Provision for Credit Losses		331		(925)		648		733		235		2,329	3,351
Charge-Offs		(615)		-		-		(69)		(34)		(4,359)	(5,077)
Recoveries		287		-		17		197		61		2,115	2,677
Net (Charge-Offs) Recoveries		(328)		-		17		128		27		(2,244)	(2,400)
Ending Balance	\$	1,517	\$	1,459	\$	6,532	\$	15,429	\$	2,214	\$	3,051	\$ 30,202
Three Months Ended													
September 30, 2024													
Beginning Balance	\$	1,575	\$	1,751	\$	6,076	\$	14,788	\$	1,865	\$	3,164	\$ 29,219
Provision for Credit Losses		134		442		547		(240)		(49)		1,045	1,879
Charge-Offs		(331)		-		(3)		-		(23)		(1,926)	(2,283)
Recoveries		176		-		5		88		59		693	1,021
Net (Charge-Offs) Recoveries		(155)		-		2		88		36		(1,233)	(1,262)
Ending Balance	\$	1,554	\$	2,193	\$	6,625	\$	14,636	\$	1,852	\$	2,976	\$ 29,836
Nine Months Ended													
September 30, 2024													
Beginning Balance	\$	1,482	\$	2,502	\$	5,782	\$	15,056	\$	1,818	\$	3,301	\$ 29,941
Provision for Credit Losses		809		(309)		618		(551)		13		3,310	3,890
Charge-Offs		(1,013)		-		(3)		(17)		(99)		(5,746)	(6,878)
Recoveries		276		-		228		148		120		2,111	2,883
Net (Charge-Offs) Recoveries		(737)		_		225		131		21		(3,635)	(3,995)
Ending Balance	\$	1,554	\$	2,193	\$	6,625	\$	14,636	\$	1,852	\$	2,976	\$ 29,836

For the nine months ended September 30, 2025, the allowance for loans HFI increased by \$0.9 million and reflected a provision expense of \$3.4 million and net loan charge-offs of \$2.4 million. The increase in the allowance over December 31, 2024 was primarily attributable to qualitative factor adjustments that were partially offset by lower loan balances. For the nine months ended September 30, 2024, the allowance for loans HFI decreased by \$0.1 million and reflected a provision expense of \$3.9 million and net loan charge-offs of \$4.0 million. The decrease in the allowance was primarily due to lower loan balances offset by higher loss rates and loan grade migration. Four unemployment forecast scenarios were utilized to estimate probability of default and are weighted based on management's estimate of probability. See Note 8 – Commitments and Contingencies for information on the allowance for off-balance sheet credit commitments.

Loan Portfolio Aging. A loan is defined as a past due loan when one full payment is past due or a contractual maturity is over 30 days past due ("DPD").

The following table presents the aging of the amortized cost basis in accruing past due loans by class of loans.

	30-59	(60-89	90 +		Total	Total	N	onaccrual	Total
(Dollars in Thousands)	DPD		DPD	DPD	P	ast Due	Current		Loans	Loans
September 30, 2025										
Commercial, Financial and Agricultural	\$ 274	\$	24	\$ -	\$	298	\$ 177,354	\$	1,366	\$ 179,018
Real Estate – Construction	-		-	-		-	156,756		-	156,756
Real Estate – Commercial Mortgage	832		400	-		1,232	782,051		2,007	785,290
Real Estate - Residential	406		1,154	-		1,560	1,035,791		2,256	1,039,607
Real Estate – Home Equity	406		18	-		424	231,849		1,838	234,111
Consumer	1,669		285	-		1,954	184,543		728	187,225
Total	\$ 3,587	\$	1,881	\$ -	\$	5,468	\$ 2,568,344	\$	8,195	\$ 2,582,007
December 31, 2024										
Commercial, Financial and Agricultural	\$ 340	\$	50	\$ -	\$	390	\$ 188,781	\$	37	\$ 189,208
Real Estate – Construction	-		-	-		-	219,994		-	219,994
Real Estate - Commercial Mortgage	719		100	-		819	777,710		566	779,095
Real Estate – Residential	185		498	-		683	1,038,694		3,127	1,042,504
Real Estate - Home Equity	122		-	-		122	218,160		1,782	220,064
Consumer	2,154		143	-		2,297	197,598		790	200,685
Total	\$ 3,520	\$	791	\$ -	\$	4,311	\$ 2,640,937	\$	6,302	\$ 2,651,550

Nonaccrual Loans. Loans are generally placed on nonaccrual status if principal or interest payments become 90 days past due and/or management deems the collectability of the principal and/or interest to be doubtful. Loans are returned to accrual status when the principal and interest amounts contractually due are brought current or when future payments are reasonably assured.

The following table presents the amortized cost basis of loans in nonaccrual status and loans past due over 90 days and still on accrual by class of loans.

		Sep	tember 30, 2	025			Dec	ember 31, 20)24
	Nonaccrual With No	ı	Nonaccrual With	90 + Days	N	onaccrual With No	N	onaccrual With	90 + Days
(Dollars in Thousands)	ACL		ACL	Still Accruing		ACL		ACL	Still Accruing
Commercial, Financial and Agricultural	\$ 1,210	\$	156	\$ -	\$	-	\$	37	\$ -
Real Estate – Construction	-		-	-		-		-	-
Real Estate – Commercial Mortgage	1,780		227	-		427		139	-
Real Estate – Residential	1,452		804	-		2,046		1,081	-
Real Estate - Home Equity	1,614		224	-		509		1,273	-
Consumer	-		728	-		-		790	-
Total Nonaccrual Loans	\$ 6,056	\$	2,139	\$ -	\$	2,982	\$	3,320	\$ -

Collateral Dependent Loans. The following table presents the amortized cost basis of collateral-dependent loans.

	Septembe	er 30, 2025	Decembe	r 31, 2024
(Dollars in Thousands)	Real Estate Secured	Non Real Estate Secured	Real Estate Secured	Non Real Estate Secured
Commercial, Financial and Agricultural	\$ -	\$ 1,210	\$ -	\$ 39
Real Estate – Construction	-	-	-	-
Real Estate - Commercial Mortgage	1,780	-	427	-
Real Estate - Residential	2,180	-	2,476	-
Real Estate – Home Equity	1,614	-	651	-
Consumer	-	-	-	55
Total Collateral Dependent Loans	\$ 5,574	\$ 1,210	\$ 3,554	\$ 94

A loan is collateral dependent when the borrower is experiencing financial difficulty and repayment of the loan is dependent on the sale or operation of the underlying collateral.

The Bank's collateral dependent loan portfolio is comprised primarily of real estate secured loans, collateralized by either residential or commercial collateral types. The loans are carried at fair value based on current values determined by either independent appraisals or internal evaluations, adjusted for selling costs or other amounts to be deducted when estimating expected net sales proceeds.

Residential Real Estate Loans In Process of Foreclosure . At September 30, 2025, the Company had \$0.9 million of 1-4 family residential real estate loans for which formal foreclosure proceedings were in process, compared to \$0.5 million at December 31, 2024

Modifications to Borrowers Experiencing Financial Difficulty. Occasionally, the Company may modify loans to borrowers who are experiencing financial difficulty. Loan modifications to borrowers in financial difficulty are loans in which the Company has granted an economic concession to the borrower that it would not otherwise consider. In these instances, as part of a work-out alternative, the Company will make concessions including the extension of the loan term, a principal moratorium, a reduction in the interest rate, or a combination thereof. The impact of the modifications and defaults are factored into the allowance for credit losses on a loan-by-loan basis. Thus, specific reserves are established based upon the results of either a discounted cash flow analysis or the underlying collateral value, if the loan is deemed to be collateral dependent. A modified loan classification can be removed if the borrower's financial condition improves such that the borrower is no longer in financial difficulty, the loan has not had any forgiveness of principal or interest, and the loan is subsequently refinanced or restructured at market terms and qualifies as a new loan.

At September 30, 2025, the Company maintained two modified commercial mortgage loans to borrowers experiencing financial difficulty. One loan for \$2.5 million was provided a 6-month interest only extension in exchange for additional collateral and was current with no payment delay. A second loan for \$0.3 million was provided a below market interest rate and extended repayment terms and was 30 days past due at September 30, 2025. No other new modifications to borrowers experiencing financial difficulty were made during the nine months ended September 30, 2025 and 2024.

Credit Risk Management. The Company has adopted comprehensive lending policies, underwriting standards and loan review procedures designed to maximize loan income within an acceptable level of risk. Management and the Board of Directors review and approve these policies and procedures on a regular basis (at least annually).

Reporting systems are used to monitor loan originations, loan quality, concentrations of credit, loan delinquencies and nonperforming loans and potential problem loans. Management and the Credit Risk Oversight Committee periodically review the Company's lines of business to monitor asset quality trends and the appropriateness of credit policies. In addition, total borrower exposure limits are established and concentration risk is monitored. As part of this process, the overall composition of the portfolio is reviewed to gauge diversification of risk, client concentrations, industry group, loan type, geographic area, or other relevant classifications of loans. Specific segments of the loan portfolio are monitored and reported to the Board on a quarterly basis and have strategic plans in place to supplement Board approved credit policies governing exposure limits and underwriting standards. Detailed below are the types of loans within the Company's loan portfolio and risk characteristics unique to each.

Commercial, Financial, and Agricultural – Loans in this category are primarily made based on identified cash flows of the borrower with consideration given to underlying collateral and personal or other guarantees. Lending policy establishes debt service coverage ratio limits that require a borrower's cash flow to be sufficient to cover principal and interest payments on all new and existing debt. The majority of these loans are secured by the assets being financed or other business assets such as accounts receivable, inventory, or equipment. Collateral values are determined based upon third party appraisals and evaluations. Loan to value ratios at origination are governed by established policy guidelines.

Real Estate Construction – Loans in this category consist of short-term construction loans, revolving and non-revolving credit lines and construction/permanent loans made to individuals and investors to finance the acquisition, development, construction or rehabilitation of real property. These loans are primarily made based on identified cash flows of the borrower or project and generally secured by the property being financed, including 1-4 family residential properties and commercial properties that are either owner-occupied or investment in nature. These properties may include either vacant or improved property. Construction loans are generally based upon estimates of costs and value associated with the completed project. Collateral values are determined based upon third party appraisals and evaluations. Loan to value ratios at origination are governed by established policy guidelines. The disbursement of funds for construction loans is made in relation to the progress of the project and as such these loans are closely monitored by onsitie inspections.

Real Estate Commercial Mortgage – Loans in this category consists of commercial mortgage loans secured by property that is either owner-occupied or investment in nature. These loans are primarily made based on identified cash flows of the borrower or project with consideration given to underlying real estate collateral and personal guarantees. Lending policy establishes debt service coverage ratios and loan to value ratios specific to the property type. Collateral values are determined based upon third party appraisals and evaluations.

Real Estate Residential – Residential mortgage loans held in the Company's loan portfolio are made to borrowers that demonstrate the ability to make scheduled payments with full consideration to underwriting factors such as current income, employment status, current assets, and other financial resources, credit history, and the value of the collateral. Collateral consists of mortgage liens on 1-4 family residential properties. Collateral values are determined based upon third party appraisals and evaluations. The Company does not originate sub-prime loans.

Real Estate Home Equity – Home equity loans and lines are made to qualified individuals for legitimate purposes generally secured by senior or junior mortgage liens on owner-occupied 1-4 family homes or vacation homes. Borrower qualifications include favorable credit history combined with supportive income and debt ratio requirements and combined loan to value ratios within established policy guidelines. Collateral values are determined based upon third party appraisals and evaluations.

Consumer Loans – This loan portfolio includes personal installment loans, direct and indirect automobile financing, and overdraft lines of credit. The majority of the consumer loan category consists of direct and indirect automobile loans. Lending policy establishes maximum debt to income ratios, minimum credit scores, and includes guidelines for verification of applicants' income and receipt of credit reports.

Credit Quality Indicators. As part of the ongoing monitoring of the Company's loan portfolio quality, management categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment performance, credit documentation, and current economic and market trends, among other factors. Risk ratings are assigned to each loan and revised as needed through established monitoring procedures for individual loan relationships over a predetermined amount and review of smaller balance homogenous loan pools. The Company uses the definitions noted below for categorizing and managing its criticized loans. Loans categorized as "Pass" do not meet the criteria set forth below and are not considered criticized.

Special Mention – Loans in this category are presently protected from loss, but weaknesses are apparent which, if not corrected, could cause future problems. Loans in this category may not meet required underwriting criteria and have no mitigating factors. More than the ordinary amount of attention is warranted for these loans.

<u>Substandard</u> – Loans in this category exhibit well-defined weaknesses that would typically bring normal repayment into jeopardy. These loans are no longer adequately protected due to well-defined weaknesses that affect the repayment capacity of the borrower. The possibility of loss is much more evident and above average supervision is required for these loans.

<u>Doubtful</u> – Loans in this category have all the weaknesses inherent in a loan categorized as Substandard, with the characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

<u>Performing/Nonperforming</u> – Loans within certain homogenous loan pools (home equity and consumer) are not individually reviewed, but are monitored for credit quality via the aging status of the loan and by payment activity. The performing or nonperforming status is updated on an on-going basis dependent upon improvement and deterioration in credit quality.

The following tables summarize gross loans held for investment at September 30, 2025 and December 31, 2024 and current period gross write-offs for the nine months ended September 30, 2025 and 12 months ended December 31, 2024 by years of origination and internally assigned credit risk ratings (refer to Credit Risk Management section for detail on risk rating system).

(Dollars in Thousands)				Ter	m i	Loans by	Or	igination `	Yea	r			F	Revolving		
As of September 30, 2025		2025		2024		2023		2022		2021		Prior		Loans		Total
Commercial, Financial, Agriculture:								'	•							
Pass	\$	28,710	\$	27,329	\$	25,719	\$	26,672	\$		\$	9,439	\$	41,051	\$	172,591
Special Mention		-		-		2,851		81		9		250		1,722		4,913
Substandard				-		130		82		19		42		1,241		1,514
Total	\$	28,710	\$	27,329	\$	28,700	\$	26,835	\$	13,699	\$	9,731	\$	44,014	\$	179,018
Current-Period Gross																
Writeoffs	\$	-	\$	148	\$	60	\$	327	\$	58	\$	1	\$	21	\$	615
Real Estate - Construction:																
Pass	\$	50,730	\$	63,161	\$	10,010	\$	14,284	\$	53	\$	190	\$	15,022	\$	153,450
Special Mention		-		-		-		2,588		-		-		-		2,588
Substandard		-		-		718		-		-		-		-		718
Total	\$	50,730	\$	63,161	\$	10,728	\$	16,872	\$	53	\$	190	\$	15,022	\$	156,756
Real Estate - Commercial Mortgage:																
Pass	\$	74,048	\$	82,444	\$	108,719	\$	180,457	\$	95,397	\$	162,220	\$	25,699	\$	728,984
Special Mention		3,885		-		5,550		23,406		3,948		6,663		1,143		44,595
Substandard		384		1,402		99		3,808		860		5,158		-		11,711
Total	\$	78,317	\$	83,846	\$	114,368	\$	207,671	\$	100,205	\$	174,041	\$	26,842	\$	785,290
Real Estate - Residential:																
Pass	\$	115,780	\$	133,764	\$	286,851	\$	326,723	\$	62,441	\$	92,274	\$	9,682	\$	1,027,515
Special Mention		_		_		_		_		975		277		401		1,653
Substandard		-		3,866		-		1,309		1,314		3,782		168		10,439
Total	\$	115,780	\$	137,630	\$	286,851	\$	328,032	\$	64,730	\$	96,333	\$	10,251	\$	1,039,607
Current-Period Gross	ī					-			_				-	_	_	
Writeoffs	\$	-	\$		\$	59	\$		\$		\$	10	\$	-	\$	69
Real Estate - Home Equity	:															
Performing	\$	1,600	\$	9	\$	439	\$	19	\$	109	\$	638	\$	229,459	\$	232,273
Nonperforming		74		-		-		-		-		-		1,764		1,838
Total	\$	1,674	\$	9	\$	439	\$	19	\$	109	\$	638	\$	231,223	\$	234,111
Current-Period Gross Writeoffs	\$		\$		\$		\$		\$		\$	10	\$	24	\$	34
Consumer:	Ψ	_	Ψ		Ψ		Ψ		Ψ_		Ψ	10	Ψ	27	Ψ	57
Performing	\$	51,487	\$	24,496	\$	31,429	\$	36,559	\$	26,315	\$	6,955	\$	9,256	\$	186,497
Nonperforming	-	195	-	115	-	69	_	280		61	-	8	-	- ,	,	728
Total	\$	51,682	\$	24,611	\$	31,498	\$	36,839	\$	26,376	\$		\$	9,256	\$	187,225
Current-Period Gross	_		_		_		_		_		_		_		_	
Writeoffs	\$	1,872	\$	202	\$	792	\$	933	\$	352	\$	109	\$	99	\$	4,359

(Dollars in Thousands)				Ter	m	Loans by	Or	igination `	Yea	r			R	Revolving		
As of December 31, 2024		2024		2023		2022		2021		2020		Prior		Loans		Total
Commercial, Financial,															_	
Agriculture:																
Pass	\$	35,596	\$	36,435	\$	37,506	\$	18,433	\$	4,610	\$	9,743	\$	41,720	\$	184,043
Special Mention		435		3,979		261		9		-		-		76		4,760
Substandard		-		-		193		12		58		71		71		405
Total	\$	36,031	\$	40,414	\$	37,960	\$	18,454	\$	4,668	\$	9,814	\$	41,867	\$	189,208
Current-Period Gross								,								
Writeoffs	\$	9	\$	548	\$	500	\$	111	\$	160	\$	1	\$	183	\$	1,512
								,								
Real Estate - Construction:																
Pass	\$	105,148	\$	73,615	\$	29,821	\$	53	\$	-	\$	185	\$	8,288	\$	217,110
Special Mention		1,555		-		1,329		-		-		-		-		2,884
Total	\$	106,703	\$	73,615	\$	31,150	\$	53	\$	-	\$	185	\$	8,288	\$	219,994
Current-Period Gross	_		_		_		-								_	
Writeoffs	\$	-	\$	-	\$	47	\$	-	\$	-	\$	-	\$	-	\$	47
Real Estate - Commercial								,								
Mortgage:																
Pass	S	77 561	2	110,183	\$	207 574	\$	109,863	2	87,369	2	122,272	2	26,324	\$	741,146
Special Mention	Φ	171	Φ	2,913	φ	17,031	Ψ	109,803	Φ	2,253	Φ	4,402	Ψ	530	Ψ	27,300
Substandard		-		2,463		3.403		869		2,508		1.305		101		10,649
Total	\$	77,732	•	115,559	\$	-,	\$		•	92,130	\$,	\$	26.955	\$	779.095
Current-Period Gross	Φ	11,132	Φ	113,339	φ	220,000	φ	110,732	Ф	92,130	Ф	121,919	Ψ	20,933	Ф	119,093
Writeoffs	æ		\$		\$		\$		\$	_	\$		\$	3	¢	3
	\$		Φ		,		ф		Φ		Þ		Ф		Ф	3
Real Estate - Residential:																
Pass	\$	165,050	\$		\$	358,851	\$	71,423	\$		\$	76,921	\$	11,872	\$	1,031,807
Special Mention		-		265		-		1,104		468		534		521		2,892
Substandard		-		528	_	1,450		1,446		1,295		2,918		168		7,805
Total	\$	165,050	\$	317,314	\$	360,301	\$	73,973	\$	32,932	\$	80,373	\$	12,561	\$	1,042,504
Current-Period Gross																
Writeoffs	\$		\$	13	\$		\$		\$	-	\$	48	\$		\$	61
Real Estate - Home Equity	:															
Performing	\$	801	\$	521	\$	30	\$	119	\$	9	\$	821	\$	215,981	\$	218,282
Nonperforming		-		-		-		_		-		_		1,782		1,782
Total	\$	801	¢	521	¢	20	¢	119	\$	9	\$	821	¢	217.762	\$	220,064
Current-Period Gross	Ф	801	Þ	341	\$	30	Ф	119	Þ	9	Þ	021	Ф	217,763	Ф	220,004
Current-Period Gross Writeoffs	e		\$		¢		¢		e		¢		¢	122	¢	132
	\$	-	Þ		\$		\$		\$		\$		\$	132	\$	132
Consumer: Performing	\$	32,293	\$	44,995	\$	55,942	\$	42,002	\$	10.899	\$	4,116	\$	9,648	\$	199,895
Nonperforming	Ф	10	Φ	174	Φ	321	φ	156	φ	58	Φ	71	φ	2,0 1 0	φ	790
Total	\$	32.303	\$	45.169	\$	56,263	\$	42,158	\$	10.957	\$		\$	9,648	\$	200.685
Current-Period Gross	Ψ.	52,505	Ψ	15,107	Ψ.	50,205	Ψ	12,130	Ψ	10,737	Ψ	1,107	Ψ	2,070	Ψ_	200,000
Writeoffs	\$	2,562	\$	1,605	\$	2,088	\$	897	\$	237	\$	76	\$	162	\$	7,627
	<u> </u>	-,002		-,000		-,000	Ψ	071	Ψ.	-31		, 0		102	Ψ	7,027

NOTE 4 - MORTGAGE BANKING ACTIVITIES

The Company's mortgage banking activities include mandatory delivery loan sales, forward sales contracts used to manage residential loan pipeline price risk, utilization of warehouse lines to fund secondary market residential loan closings, and residential mortgage servicing.

Residential Mortgage Loan Production

The Company originates, markets, and services conventional and government-sponsored residential mortgage loans. Generally, conforming fixed rate residential mortgage loans are held for sale in the secondary market and non-conforming and adjustable-rate residential mortgage loans may be held for investment. The volume of residential mortgage loans originated for sale and secondary market prices are the primary drivers of origination revenue.

Residential mortgage loan commitments are generally outstanding for 30 to 90 days, which represents the typical period from commitment to originate a residential mortgage loan to when the closed loan is sold to an investor. Residential mortgage loan commitments are subject to both credit and price risk. Credit risk is managed through underwriting policies and procedures, including collateral requirements, which are generally accepted by the secondary loan markets. Price risk is primarily related to interest rate fluctuations and is partially managed through forward sales of residential mortgage-backed securities (primarily to-be announced securities, or TBAs) or mandatory delivery commitments with investors.

The unpaid principal balance of residential mortgage loans held for sale, notional amounts of derivative contracts related to residential mortgage loan commitments, such as interest rate lock commitments ("IRLC's") and forward contract sales and their related fair values are set forth below.

	Sept	ember 30	, 2025		ecember 3	31, 2024	
	Unpaid Pri	ıcipal		Unpaid F	rincipal		<u> </u>
(Dollars in Thousands)	Balance/No	tional	Fair Value	Balance/	Notional	Fair	Value
Residential Mortgage Loans Held for Sale	\$ 2	3,481	24,204	\$	28,117	\$	28,672
Residential Mortgage Loan Commitments ("IRLCs") (1)	2	9,911	607		15,000		248
Forward Sales Contracts(1)	2	7,000	11		16,000		96

⁽¹⁾ Recorded in other assets at fair value.

At September 30, 2025, the Company had no residential mortgage loans held for sale 30-89 days past due or on nonaccrual status. At December 31, 2024, the Company had no residential mortgage loans held for sale 30-89 days past due or on nonaccrual status.

Mortgage banking revenue was as follows:

	 Three Mor Septem			Ended 30,		
(Dollars in Thousands)	2025	2024		2025		2024
Net realized gains on sales of mortgage loans	\$ 3,871	\$ 3,664	\$	10,356	\$	8,499
Net change in unrealized gain on mortgage loans held for sale	130	143		302		312
Net change in the fair value of IRLC's	(45)	(135)		359		32
Net change in the fair value of forward sales contracts	199	(52)		(85)		212
Pair-Offs on net settlement of forward sales contracts	(234)	(383)		(404)		(173)
Mortgage servicing rights additions	40	50		84		292
Net origination fees	833	679		2,192		2,051
Total mortgage banking revenues	\$ 4,794	\$ 3,966	\$	12,804	\$	11,225

Residential Mortgage Servicing

The Company may retain the right to service residential mortgage loans sold. The unpaid principal balance of loans serviced for others is the primary driver of servicing revenue.

The following represents a summary of mortgage servicing rights.

(Dollars in Thousands)	Septer	nber 30, 2025	De	cember 31, 2024
Number of residential mortgage loans serviced for others		464		504
Outstanding principal balance of residential mortgage loans serviced for others	\$	121,767	\$	135,416
Weighted average interest rate		5.74%		5.86%
Remaining contractual term (in months)		353		348

Conforming conventional loans serviced by the Company are sold to Federal National Mortgage Association ("FNMA") on a non-recourse basis, whereby foreclosure losses are generally the responsibility of FNMA and not the Company. The government loans serviced by the Company are secured through the Government National Mortgage Association ("GNMA"), whereby the Company is insured against loss by the Federal Housing Administration or partially guaranteed against loss by the Veterans Administration. At September 30, 2025, the servicing portfolio balance consisted of the following loan types: FNMA (61.4%), GNMA (4.3%), and private investor (34.3%). FNMA and private investor loans are structured as actual/actual payment remittance.

At September 30, 2025 and December 31, 2024, the Company did not have delinquent residential mortgage loans in GNMA pools serviced by the Company. The right to repurchase these loans and the corresponding liability has been recorded in other assets and other liabilities, respectively, in the Consolidated Statements of Financial Condition. The Company had no repurchases for the three months ended September 30, 2025 and 2024, and \$0.3 million and no repurchases in the nine months ended September 30, 2025 and 2024, respectively, of GNMA delinquent or defaulted mortgage loans with the intention to modify their terms and include the loans in new GNMA pools.

Activity in the capitalized mortgage servicing rights was as follows:

	 Three Moi Septem		 Nine Mon Septem	
(Dollars in Thousands)	2025	2024	2025	2024
Beginning balance	\$ 889	\$ 965	\$ 933	\$ 831
Additions due to loans sold with servicing retained	40	50	84	292
Deletions and amortization	(44)	(46)	(132)	(154)
Ending balance	\$ 885	\$ 969	\$ 885	\$ 969

The Company did not record any permanent impairment losses on mortgage servicing rights for the three or nine months ended September 30, 2025 or 2024.

The key unobservable inputs used in determining the fair value of the Company's mortgage servicing rights were as follows:

		Septembe	r 30, 2025		Decembe	1, 2024	
	Mi	nimum	Maximum		Minimum	N	Iaximum
Discount rates		9.50%	12.00	%	9.50%		12.00%
Annual prepayment speeds		9.83%	18.89	%	9.14%		18.88%
Cost of servicing (per loan)	\$	85	\$ 9	5 \$	85	\$	95

Changes in residential mortgage interest rates directly affect the prepayment speeds used in valuing the Company's mortgage servicing rights. A separate third party model is used to estimate prepayment speeds based on interest rates, housing turnover rates, estimated loan curtailment, anticipated defaults, and other relevant factors. The weighted average annual prepayment speed was 13.09% at September 30, 2025 and 13.44% at December 31, 2024.

Warehouse Line Borrowings

The Company has the following warehouse lines of credit and master repurchase agreements with various financial institutions at September 30, 2025.

(Dollars in Thousands)	ounts anding
\$20 million master repurchase agreement without defined expiration. Interest is at the SOFR rate plus 2.25% to 3.25%, with a floor rate of 3.25% to 4.25%. A cash pledge deposit of \$0.1 million is required by the lender.	\$ 326
\$25 million warehouse line of credit agreement expiring in June 2026. Interest is at the SOFR plus 2.50% to 3.00%.	14,289
Total Warehouse Borrowings	\$ 14,615

Warehouse line borrowings are classified as short-term borrowings. At December 31, 2024, warehouse line borrowings totaled \$1.9 million. At September 30, 2025, the Company had residential mortgage loans held for sale pledged as collateral under the above warehouse lines of credit and master repurchase agreements. The above agreements also contain covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquid assets, and maximum debt to net worth ratio, as defined in the agreements. The Company was in compliance with all significant debt covenants at September 30, 2025.

NOTE 5 – DERIVATIVES

The Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's subordinated debt.

Cash Flow Hedges of Interest Rate Risk

Interest rate swaps with notional amounts totaling \$30 million at September 30, 2025 were designed as a cash flow hedge for subordinated debt. Under the swap arrangement, the Company will pay a fixed interest rate of 2.50% and receive a variable interest rate based on three-month CME Term SOFR (secured overnight financing rate).

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income ("AOCI") and subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate subordinated debt.

The following table reflects the cash flow hedges included in the consolidated statements of financial condition.

	Statement of Financial	Notional	Fair	Weighted Average
(Dollars in Thousands)	Condition Location	Amount	Value	Maturity (Years)
September 30, 2025				
Interest rate swaps related to subordinated debt	Other Assets	\$ 30,000	\$ 3,877	4.8
December 31, 2024				
Interest rate swaps related to subordinated debt	Other Assets	\$ 30,000	\$ 5,319	5.5

The following table presents the change in net gains (losses) recorded in AOCI and the consolidated statements of income related to the cash flow derivative instruments (interest rate swaps related to subordinated debt).

		,			Amount of Gain Loss) Reclassified
(Dollars in Thousands)	Category		(Loss) Recognized in AOCI	,	m AOCI to Income
Three months ended September 30, 2025	Interest expense	\$	(189)	\$	303
Three months ended September 30, 2024	Interest expense		(941)		377
Nine months ended September 30, 2025	Interest expense	\$	(1,076)	\$	899
Nine months ended September 30, 2024	Interest expense		(652)		1,128

The Company had a collateral liability of \$4.0 million and \$5.5 million at September 30, 2025 and December 31, 2024, respectively.

On October 4, 2025, the Company terminated the interest rate swap related to subordinated debt and will amortize an unrecognized gain of \$3.8 million over the remaining life of the swap agreement.

NOTE 6 - LEASES

Operating leases in which the Company is the lessee are recorded as operating lease right of use ("ROU") assets and operating liabilities, included in other assets and liabilities, respectively, on its Consolidated Statements of Financial Condition.

The Company's operating leases primarily relate to banking offices with remaining lease terms from less than one to 40 years. The Company's leases are not complex and do not contain residual value guarantees, variable lease payments, or significant assumptions or judgments made in applying the requirements of Topic 842. Operating leases with an initial term of 12 months or less are not recorded on the Consolidated Statements of Financial Condition and the related lease expense is recognized on a straight-line basis over the lease term. At September 30, 2025, the operating lease ROU assets and liabilities were \$ 26.9 million and \$27.5 million, respectively. At December 31, 2024, ROU assets and liabilities were \$ 24.9 million and \$25.5 million, respectively. The Company recognized \$0.1 million of rental income during the nine months ended September 30, 2025 for a lease that terminated in February 2025. The Company does not have any finance leases.

The table below summarizes our lease expense and other information related to the Company's operating leases.

	T	hree Moi	iths	Ended	Nine Mon	ths I	Ended
		Septem	30,	Septem	ber	30,	
(Dollars in Thousands)		2025		2024	2025		2024
Operating lease expense	\$	928	\$	841	\$ 2,689	\$	2,509
Short-term lease expense		171		229	722		618
Total lease expense	\$	1,099	\$	1,070	\$ 3,411	\$	3,127
Other information:							
Cash paid for amounts included in the measurement of lease liabilities:							
Operating cash flows from operating leases	\$	882	\$	1,095	\$ 2,676	\$	2,315
Right-of-use assets obtained in exchange for new operating lease liabilities		44		29	4,041		69
Weighted average remaining lease term — operating leases (in years)		15.7		16.7	15.7		16.7
Weighted average discount rate — operating leases		3.7%		3.5%	3.7%		3.5%

The table below summarizes the maturity of remaining lease liabilities:

(Dollars in Thousands)	September 30, 2025
2025	\$ 896
2026	3,591
2027	3,387
2028	3,102
2029	2,880
2030 and thereafter	21,293
Total	\$ 35,149
Less: Interest	(7,601)
Present Value of Lease liability	\$ 27,548

A related party is the lessor in a land lease with the Company. The payments under the lease agreement provide for annual lease payments of approximately \$0.1 million annually through December 2033, and thereafter, increase by 5% every 10 years until 2053 at which time the rent amount will adjust based on reappraisal of the parcel rental value. The Company then has four successive options to extend the lease for five years each with rental increases of 5% at each extension. The aggregate remaining obligation of the lease totaled \$2.1 million at September 30, 2025. Further, in accordance with this lease agreement, the Company made a \$0.2 million payment in July 2025 to the lessor as reimbursement for a portion of the costs related to the development of subject property to support the construction of a new banking office by the Company.

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Company has a defined benefit pension plan covering substantially all full-time and eligible part-time associates and a Supplemental Executive Retirement Plan ("SERP") and a Supplemental Executive Retirement Plan II ("SERP II") covering its executive officers. The defined benefit plan was amended in December 2019 to remove plan eligibility for new associates hired after December 31, 2019. The SERP II was adopted by the Company's Board on May 21, 2020 and covers certain executive officers that were not covered by the SERP.

The components of the net periodic benefit cost for the Company's qualified benefit pension plan were as follows:

	Th	ree Months End	ded S	September 30,	Nine Months Ended September 30,						
(Dollars in Thousands)		2025		2024		2025		2024			
Service Cost	\$	861	\$	929	\$	2,581	\$	2,786			
Interest Cost		1,676		1,524		5,029		4,572			
Expected Return on Plan Assets		(2,265)		(2,029)		(6,794)		(6,087)			
Net Loss Amortization		(413)		41		(1,240)		123			
Net Periodic Benefit Cost	\$	(141)	\$	465	\$	(424)	\$	1,394			
Discount Rate		5.82%		5.29%		5.82%		5.29%			
Long-term Rate of Return on Assets		6.75%		6.75%		6.75%		6.75%			

The components of the net periodic benefit cost for the Company's SERP and SERP II were as follows:

	Three	Months End	ded S	eptember 30,	Nir	e Months End	ed Se	eptember 30,
(Dollars in Thousands)	2	2025	,	2024		2025		2024
Service Cost	\$	11	\$	9	\$	34	\$	27
Interest Cost		131		114		395		341
Prior Service Cost Amortization		25		-		76		-
Net Loss Amortization		(30)		(71)		(88)		(210)
Net Periodic Benefit Cost	\$	137	\$	52	\$	417	\$	158
Discount Rate		5.57%		5.11%		5.57%		5.11%

The service cost component of net periodic benefit cost is reflected in compensation expense in the accompanying statements of income. The other components of net periodic cost are included in "other" within the noninterest expense category in the Consolidated Statements of Income.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Lending Commitments. The Company is a party to financial instruments with off-balance sheet risks in the normal course of business to meet the financing needs of its clients. These financial instruments consist of commitments to extend credit and standby letters of credit.

The Company's maximum exposure to credit loss under standby letters of credit and commitments to extend credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in establishing commitments and issuing letters of credit as it does for on-balance sheet instruments. The amounts associated with the Company's off-balance sheet obligations were as follows:

	September 30, 2025							December 31, 2024							
(Dollars in Thousands)	Fixed	7	Variable		Total		Fixed	,	Variable		Total				
Commitments to Extend Credit (1)	\$ 187,658	\$	517,663	\$	705,321	\$	184,223	\$	479,191	\$	663,414				
Standby Letters of Credit	7,114		-		7,114		7,287		-		7,287				
Total	\$ 194,772	\$	517,663	\$	712,435	\$	191,510	\$	479,191	\$	670,701				

⁽¹⁾ Commitments include unfunded loans, revolving lines of credit, and off-balance sheet residential loan commitments.

Commitments to extend credit are agreements to lend to a client so long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a client to a third party. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities. In general, management does not anticipate any material losses as a result of participating in these types of transactions. However, any potential losses arising from such transactions are reserved for in the same manner as management reserves for its other credit facilities.

For both on- and off-balance sheet financial instruments, the Company requires collateral to support such instruments when it is deemed necessary. The Company evaluates each client's creditworthiness on a case-by-case basis. The amount of collateral obtained upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held varies, but may include deposits held in financial institutions; U.S. Treasury securities; other marketable securities; real estate; accounts receivable; property, plant and equipment; and inventory.

The allowance for credit losses for off-balance sheet credit commitments that are not unconditionally cancellable by the bank is adjusted as a provision for credit loss expense and is recorded in other liabilities. The following table shows the activity in the allowance.

	1 11	ree Months En	aea S	eptember 50,	INIII	ie Months End	ieu S	eptember 50,
(Dollars in Thousands)		2025		2024		2025		2024
Beginning Balance	\$	1,738	\$	3,139	\$	2,155	\$	3,191
Provision for Credit Losses		357		(617)		(60)		(669)
Ending Balance	\$	2,095	\$	2,522	\$	2,095	\$	2,522

Other Commitments. In the normal course of business, the Company enters into lease commitments which are classified as operating leases. See Note 6 – Leases for additional information on the maturity of the Company's operating lease commitments.

The Company has an outstanding commitment of up to \$1.0 million in a bank tech venture capital fund focused on finding and funding technology solutions for community banks. At September 30, 2025, the amount remaining to be funded for the bank tech venture capital commitment was \$0.3 million.

Contingencies. The Company is a party to lawsuits and claims arising out of the normal course of business. In management's opinion, there are no known pending claims or litigation, the outcome of which would, individually or in the aggregate, have a material effect on the consolidated results of operations, financial position, or cash flows of the Company.

Indemnification Obligation. The Company is a member of the Visa U.S.A. network. Visa U.S.A member banks are required to indemnify the Visa U.S.A. network for potential future settlement of certain litigation (the "Covered Litigation") that relates to several antitrust lawsuits challenging the practices of Visa and MasterCard International. In 2008, the Company, as a member of the Visa U.S.A. network, obtained Class B shares of Visa, Inc. upon its initial public offering. Since its initial public offering, Visa, Inc. has funded a litigation reserve for the Covered Litigation resulting in a reduction in the Class B shares held by the Company. In 2011, the Company sold its remaining Class B shares. Associated with this sale, the Company entered into a swap contract with the purchaser of the shares that requires a payment to the counterparty in the event that Visa, Inc. makes subsequent revisions to the conversion ratio. Conversion ratio payments and ongoing fixed quarterly charges are reflected in earnings in the period incurred. Fixed charges included in the swap liability are payable quarterly until the litigation reserve is fully liquidated and at which time the aforementioned swap contract will be terminated. Quarterly fixed payments are approximately \$ 0.2 million. There was a \$0.2 million counterparty payment accrued and payable at September 30, 2025 due to a revision to the share conversion rate related to additional funding by VISA of the merchant litigation reserve.

NOTE 9 – FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. Accounting Standards Codification Topic 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- Level 1 Inputs Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the
 ability to access at the measurement date.
- Level 2 Inputs Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly
 or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical
 or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or
 liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from, or
 corroborated, by market data by correlation or other means.
- Level 3 Inputs Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own
 assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Securities Available for Sale. U.S. Treasury securities are reported at fair value utilizing Level 1 inputs. Other securities classified as available for sale are reported at fair value utilizing Level 2 inputs. For these securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, credit information and the bond's terms and conditions, among other things.

In general, the Company does not purchase securities that have a complicated structure. The Company's entire portfolio consists of traditional investments, nearly all of which are U.S. Treasury obligations, federal agency bullet or mortgage pass-through securities, or general obligation or revenue-based municipal bonds. Pricing for such instruments is easily obtained. At least annually, the Company will validate prices supplied by the independent pricing service by comparing them to prices obtained from an independent third-party source.

Equity Securities. Investment securities classified as equity securities are carried at cost and the share of earnings or losses is reported through net income as an adjustment to the investment balance. These securities are not readily marketable and therefore are classified as a Level 3 input within the fair value hierarchy.

Loans Held for Sale. The fair value of residential mortgage loans held for sale based on Level 2 inputs is determined, when possible, using either quoted secondary-market prices or investor commitments. If no such quoted price exists, the fair value is determined using quoted prices for a similar asset or assets, adjusted for the specific attributes of that loan, which would be used by other market participants. The Company has elected the fair value option accounting for its held for sale loans.

Mortgage Banking Derivative Instruments. The fair values of interest rate lock commitments ("IRLCs") are derived by valuation models incorporating market pricing for instruments with similar characteristics, commonly referred to as best execution pricing, or investor commitment prices for best effort IRLCs which have unobservable inputs, such as an estimate of the fair value of the servicing rights expected to be recorded upon sale of the loans, net estimated costs to originate the loans, and the pull-through rate, and are therefore classified as Level 3 within the fair value hierarchy. The fair value of forward sale commitments is based on observable market pricing for similar instruments and are therefore classified as Level 2 within the fair value hierarchy.

Interest Rate Swap. The Company's derivative positions are classified as Level 2 within the fair value hierarchy and are valued using models generally accepted in the financial services industry and that use actively quoted or observable market input values from external market data providers. The fair value derivatives are determined using discounted cash flow models.

Fair Value Swap. The Company entered into a stand-alone derivative contract with the purchaser of its Visa Class B shares. The valuation represents the amount due and payable to the counterparty based upon the revised share conversion rate, if any, during the period. The Company's derivative positions are classified as Level 2 within the fair value hierarchy and use actively quoted or observable market input values from external market data providers. There was a \$0.2 million counterparty payment accrued and payable at September 30, 2025 and no amount payable at December 31, 2024.

A summary of fair values for assets and liabilities recorded at fair value on a recurring basis consisted of the following:

	Level 1	Level 2	Level 3	Total Fair
(Dollars in Thousands)	Inputs	Inputs	Inputs	Value
September 30, 2025				
ASSETS:				
Securities Available for Sale:				
	\$ 273,314	\$ -	\$ -	\$ 273,314
U.S. Government Agency	-	162,685	-	162,685
States and Political Subdivisions	-	35,248	-	35,248
Mortgage-Backed Securities	-	52,940	-	52,940
Corporate Debt Securities	-	45,049	-	45,049
Equity Securities	-	-	2,145	2,145
Loans Held for Sale	-	24,204	-	24,204
Interest Rate Swap Derivative	-	3,877	-	3,877
Forward Sales Contracts	-	11	-	11
Residential Mortgage Loan Commitments ("IRLCs")	-	-	607	607
December 31, 2024				
ASSETS:				
Securities Available for Sale:				
	\$ 105,801	\$ -	\$ -	\$ 105,801
U.S. Government Agency	-	143,127	-	143,127
States and Political Subdivisions	-	39,382	-	39,382
Mortgage-Backed Securities	-	55,477	-	55,477
Corporate Debt Securities	-	51,462	-	51,462
Equity Securities	-	-	2,399	2,399
Loans Held for Sale	-	28,672	-	28,672
Interest Rate Swap Derivative	-	5,319	-	5,319
Forward Sales Contracts	-	96	-	96
Residential Mortgage Loan Commitments ("IRLCs")	-	-	248	248
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Mortgage Banking Activities. The Company had Level 3 issuances and transfers related to mortgage banking activities of \$6.1 million and \$13.0 million, respectively, for the nine months ended September 30, 2025, and \$5.9 million and \$11.0 million, respectively, for the nine months ended September 30, 2024. Issuances are valued based on the change in fair value of the underlying mortgage loan from inception of the IRLC to the Consolidated Statement of Financial Condition date, adjusted for pull-through rates and costs to originate. IRLCs transferred out of Level 3 represent IRLCs that were funded and moved to mortgage loans held for sale, at fair

Assets Measured at Fair Value on a Non-Recurring Basis

Certain assets are measured at fair value on a non-recurring basis (i.e., the assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances). An example would be assets exhibiting evidence of impairment. The following is a description of valuation methodologies used for assets measured on a non-recurring basis.

Collateral Dependent Loans. Impairment for collateral dependent loans is measured using the fair value of the collateral less selling costs. The fair value of collateral is determined by an independent valuation or professional appraisal in conformance with banking regulations. Collateral values are estimated using Level 3 inputs due to the volatility in the real estate market, and the judgment and estimation involved in the real estate appraisal process. Collateral dependent loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly. Valuation techniques are consistent with those techniques applied in prior periods. Collateral-dependent loans had a carrying value of \$ 6.8 million with valuation allowance of less than \$ 0.1 million at September 30, 2025 and a carrying value of \$ 3.6 million and a \$ 0.1 million valuation allowance at December 31, 2024.

Other Real Estate Owned. During the first nine months of 2025, certain foreclosed assets, upon initial recognition, were measured and reported at fair value through a charge-off to the allowance for credit losses based on the fair value of the foreclosed asset less estimated cost to sell. The fair value of the foreclosed asset is determined by an independent valuation or professional appraisal in conformance with banking regulations. On an ongoing basis, we obtain updated appraisals on foreclosed assets and realize valuation adjustments as necessary. The fair value of foreclosed assets is estimated using Level 3 inputs due to the judgment and estimation involved in the real estate valuation process.

Mortgage Servicing Rights. Residential mortgage loan servicing rights are evaluated for impairment at each reporting period based upon the fair value of the rights as compared to the carrying amount. Fair value is determined by a third party valuation model using estimated prepayment speeds of the underlying mortgage loans serviced and stratifications based on the risk characteristics of the underlying loans (predominantly loan type and note interest rate). The fair value is estimated using Level 3 inputs, including a discount rate, weighted average prepayment speed, and the cost of loan servicing. Further detail on the key inputs utilized are provided in Note 4 – Mortgage Banking Activities. At each of September 30, 2025 and December 31, 2024, there was no valuation allowance for loan servicing rights.

Assets and Liabilities Disclosed at Fair Value

The Company is required to disclose the estimated fair value of financial instruments, both assets and liabilities, for which it is practical to estimate fair value and the following is a description of valuation methodologies used for those assets and liabilities.

Cash and Short-Term Investments. The carrying amount of cash and short-term investments is used to approximate fair value, given the short time frame to maturity and as such assets do not present unanticipated credit concerns.

Securities Held to Maturity. Securities held to maturity are valued in accordance with the methodology previously noted in the caption "Assets and Liabilities Measured at Fair Value on a Recurring Basis – Securities Available for Sale."

Other Equity Securities. Other equity securities are accounted for under the equity method (Topic 323) and recorded at cost. These securities are not readily marketable securities and are reflected in Other Assets on the Statement of Financial Condition.

Loans. The loan portfolio is segregated into categories and the fair value of each loan category is calculated using present value techniques based upon projected cash flows and estimated discount rates. The values reported reflect the incorporation of a liquidity discount to meet the objective of "exit price" valuation.

Deposits. The fair value of Noninterest Bearing Deposits, NOW Accounts, Money Market Accounts and Savings Accounts are the amounts payable on demand at the reporting date. The fair value of fixed maturity certificates of deposit is estimated using present value techniques and rates currently offered for deposits of similar remaining maturities.

Subordinated Notes Payable. The fair value of each note is calculated using present value techniques, based upon projected cash flows and estimated discount rates as well as rates being offered for similar obligations.

Short-Term and Long-Term Borrowings. The fair value of each note is calculated using present value techniques, based upon projected cash flows and estimated discount rates as well as rates being offered for similar debt.

A summary of estimated fair values of significant financial instruments not recorded at fair value consisted of the following:

	September 30, 2025												
(Dollars in Thousands)		Carrying Value		Level 1 Inputs		Level 2 Inputs		Level 3 Inputs					
ASSETS:													
Cash	\$	68,397	\$	68,397	\$	-	\$	-					
Fed Funds Sold and Interest Bearing Deposits		397,502		397,502		-		-					
Investment Securities, Held to Maturity		404,659		169,264		224,861		-					
Other Equity Securities(1)		2,848		-		2,848		-					
Mortgage Servicing Rights		885		-		-		1,412					
Loans, Net of Allowance for Credit Losses		2,551,805		-		-		2,357,689					
LIABILITIES:													
Deposits	\$	3,614,912	\$	-	\$	2,993,838	\$	-					
Short-Term Borrowings		40,244		-		40,244		-					
Subordinated Notes Payable		42,582		-		38,971		-					
Long-Term Borrowings		680		-		680		-					

	December 31, 2024									
(Dollars in Thousands)		Carrying Value		Level 1 Inputs		Level 2 Inputs		Level 3 Inputs		
ASSETS:										
Cash	\$	70,543	\$	70,543	\$	-	\$	-		
Fed Funds Sold and Interest Bearing Deposits		321,311		321,311		-		-		
Investment Securities, Held to Maturity		567,155		361,529		182,931		-		
Other Equity Securities ⁽¹⁾		2,848		-		2,848		-		
Mortgage Servicing Rights		933		-		-		1,616		
Loans, Net of Allowance for Credit Losses		2,622,299		-		-		2,457,883		
LIABILITIES:										
Deposits	\$	3,671,977	\$	-	\$	3,046,926	\$	-		
Short-Term Borrowings		28,304		-		28,304		-		
Subordinated Notes Payable		52,887		-		42,530		-		
Long-Term Borrowings		794		-		794		-		

 $^{{}^{(1)}} Accounted for under the \ equity \ method-not \ readily \ marketable \ securities-reflected \ in \ other \ assets.$

All non-financial instruments are excluded from the above table. The disclosures also do not include goodwill. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

NOTE 10 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The amounts allocated to accumulated other comprehensive income (loss) are presented in the table below.

(Dollars in Thousands)	Securities Available for Sale	Interest Rate	Retirement Plans	Co	Other Omprehensive
	 	Swap	rians	(1	loss) income
Balance as of January 1, 2025	\$ (20,179)	\$ 3,971	\$ 9,722	\$	(6,486)
Other comprehensive income (loss) during the period	8,783	(1,076)	-		7,707
Balance as of September 30, 2025	\$ (11,396)	\$ 2,895	\$ 9,722	\$	1,221
Balance as of January 1, 2024	\$ (25,691)	\$ 3,970	\$ (425)	\$	(22,146)
Other comprehensive income during the period	8,716	(652)	-		8,064
Balance as of September 30, 2024	\$ (16,975)	\$ 3,318	\$ (425)	\$	(14,082)

Note 11 - SEGMENT REPORTING

The Company operates a single reportable business segment that is comprised of commercial banking within the states of Florida, Georgia, and Alabama. The Company's chief executive officer is deemed the Chief Operating Decision Maker ("CODM"). The CODM evaluates the financial performance of the Company by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's single reporting segment and in the determination of allocating resources. The CODM uses consolidated net income to benchmark the Company against peers and to evaluate performance and allocate resources. Significant revenue and expense categories evaluated by the CODM are consistent with the presentation of the Consolidated Statement of Income and components of other noninterest expense.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis ("MD&A") provides supplemental information, which sets forth the major factors that have affected our financial condition and results of operations and should be read in conjunction with the Consolidated Financial Statements and related notes. The following information should provide a better understanding of the major factors and trends that affect our earnings performance and financial condition, and how our performance during the third quarter of 2025 compares with prior periods. Throughout this section, Capital City Bank Group, Inc., and subsidiaries, collectively, is referred to as "CCBG," "Company," "we," "us," or "our."

CAUTION CONCERNING FORWARD -LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including this MD&A section, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. The words "may," "could," "should," "would," "believe," "anticipate," "contemplate," "estimate," "expect," "intend," "plan," "point to," "project," "target," "vision," "goal," "continue," "further," and similar expressions are intended to identify forward-looking statements.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual future results may differ materially from those set forth in our forward-looking statements. Please see the Introductory Note of this quarterly report on Form 10-Q as well as the Introductory Note and *Item 1A. Risk Factors* of our 2024 Form 10-K, as updated in our subsequent quarterly reports filed on Form 10-Q, and in our other filings made from time to time with the SEC after the date of this report.

However, other factors besides those listed in our Quarterly Report or in our Annual Report also could adversely affect our results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by us or on our behalf speak only as of the date they are made. We do not undertake to update any forward-looking statement, except as required by applicable law.

BUSINESS OVERVIEW

We are a financial holding company headquartered in Tallahassee, Florida, and we are the parent of our wholly owned subsidiary, Capital City Bank (the "Bank" or "CCB"). We offer a broad array of products and services through a total of 62 full-service offices and 108 ATMs/ITMs located in Florida, Georgia, and Alabama. Through Capital City Home Loans, LLC ("CCHL"), we have 28 additional offices in the Southeast for our mortgage banking business. 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 life insurance products, risk management and asset protection services.

Our profitability, like most financial institutions, is dependent to a large extent upon net interest income, which is the difference between the interest and fees received on interest earning assets, such as loans and securities, and the interest paid on interest-bearing liabilities, principally deposits and borrowings. Results of operations are also affected by the provision for credit losses, operating expenses such as salaries and employee benefits, occupancy and other operating expenses including income taxes, and noninterest income such as mortgage banking revenues, wealth management fees, deposit fees, and bank card fees.

We have included a detailed discussion of our long-term strategic objectives as part of the MD&A section of our 2024 Form 10-K.

NON-GAAP FINANCIAL MEASURES (UNAUDITED)

We present a tangible common equity ratio and a tangible book value per diluted share that, in each case, removes the effect of goodwill and other intangibles that resulted from merger and acquisition activity. We believe these measures are useful to investors because they allow investors to more easily compare our capital adequacy to other companies in the industry. Non-GAAP financial measures should not be considered alternatives to generally accepted accounting principles ("GAAP")-basis financial statements and other bank holding companies may define or calculate these non-GAAP measures or similar measures differently.

The GAAP to non-GAAP reconciliation for each quarter presented is provided below.

				2025		2024		
(Dollars in Thousands, except per share data)			Third	Second	First	Fourth	Third	
Shareowners' Equity (GAAP)		\$	540,635 \$	526,423 \$	512,575 \$	495,317 \$	476,499	
Less: Goodwill and Other Intangibles (GAAP)			89,095	92,693	92,733	92,773	92,813	
Tangible Shareowners' Equity (non-GAAP)	A		451,540	433,730	419,842	402,544	383,686	
Total Assets (GAAP)			4,323,774	4,391,753	4,461,233	4,324,932	4,225,316	
Less: Goodwill and Other Intangibles (GAAP)			89,095	92,693	92,733	92,773	92,813	
Tangible Assets (non-GAAP)	В	\$	4,234,679 \$	4,299,060 \$	4,368,500 \$	4,232,159 \$	4,132,503	
Tangible Common Equity Ratio (non-GAAP)	A/B		10.66%	10.09%	9.61%	9.51%	9.28%	
Actual Diluted Shares Outstanding (GAAP)	C	_	17,115,336	17,097,986	17,072,330	17,018,122	16,980,686	
Tangible Book Value per Diluted Share (non-GAAP)	A/C		26.38	25.37	24.59	23.65	22.60	

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

		2025				2024				
(Dollars in Thousands, Except Per Share Data)	_	Third		Second		First		Fourth		Third
Summary of Operations:										
Interest Income	\$	51,431	\$	51,459	\$	49,782	\$	49,743	\$	49,328
Interest Expense		7,874		8,275		8,235		8,640		9,117
Net Interest Income		43,557		43,184		41,547		41,103		40,211
Provision for Credit Losses		1,881		620		768		701		1,206
Net Interest Income After										
Provision for Credit Losses		41,676		42,564		40,779		40,402		39,005
Noninterest Income		22,331		20,014		19,907		18,760		19,513
Noninterest Expense		42,916		42,538		38,701		41,782		42,921
Income Before Income Taxes		21,091		20,040		21,985		17,380		15,597
Income Tax Expense		5,141		4,996		5,127		4,219		2,980
(Income) Loss Attributable to NCI		-		-		-		(71)		501
Net Income Attributable to CCBG		15,950		15,044		16,858		13,090		13,118
Net Interest Income (FTE) ⁽¹⁾		43,602		43,228		41,591		41,150		40,260
Per Common Share:										
Net Income Basic	\$	0.93	\$	0.88	\$	0.99	\$	0.77	\$	0.77
Net Income Diluted		0.93		0.88		0.99		0.77		0.77
Cash Dividends Declared		0.26		0.24		0.24		0.23		0.23
Diluted Book Value		31.59		30.79		30.02		29.11		28.06
Diluted Tangible Book Value (2)		26.38		25.37		24.59		23.65		22.60
Market Price:		20.50		20.07		21.07		23.00		22.00
High		44.69		39.82		38.27		40.86		36.67
Low		38.00		32.38		33.00		33.00		26.72
Close		41.79		39.35		35.96		36.65		35.29
Close		41./7		39.33		33.90		30.03		33.29
selected Average Balances:										
Investment Securities	\$	993,880	\$	1,007,981	\$	982,330	\$	915,202	\$	908,456
Loans Held for Investment		2,606,213		2,652,572		2,665,910		2,677,396		2,693,533
Earning Assets		3,981,530		4,032,008		3,993,914		3,921,900		3,883,414
Total Assets		4,317,951		4,370,261		4,335,033		4,259,669		4,215,862
Deposits		3,612,331		3,680,707		3,665,482		3,600,424		3,572,034
Shareowners' Equity		542,216		527,583		513,401		491,143		480,137
Common Equivalent Average Shares:										
Basic		17,068		17,056		17,027		16,946		16,943
Diluted		17,114		17,088		17,044		16,990		16,979
Performance Ratios:										
Return on Average Assets (annualized)		1.47 9	%	1.38 9	6	1.58 %	6	1.22 %	6	1.24
Return on Average Equity (annualized)		11.67		11.44		13.32		10.60		10.87
Net Interest Margin (FTE)		4.34		4.30		4.22		4.17		4.12
Noninterest Income as % of Operating Revenue		33.89		31.67		32.39		31.34		32.67
Efficiency Ratio		65.09		67.26		62.93		69.74		71.81
Asset Quality:										
Allowance for Credit Losses ("ACL")	\$	30,202	\$	29,862	S	29,734	\$	29,251	\$	29,836
Nonperforming Assets ("NPAs")	-	10,026	~	6,581	-	4,428	~	6.669	-	7.242
ACL to Loans HFI		1.17 9	%	1.13	V ₀	1.12 %	6	1.10 %	6	1.11
NPAs to Total Assets		0.23		0.15		0.10	-	0.15	-	0.17
NPAs to Total Assets NPAs to Loans HFI plus OREO		0.29		0.15		0.17		0.15		0.17
ACL to Non-Performing Loans		368.54		463.01		692.10		464.14		452.64
Net Charge-Offs to Average Loans HFI		0.18		0.09		0.09		0.25		0.19
Capital Ratios:										
Tier 1 Capital		19.33	1/2	18.38	Va	18 01 %	6	17.46 %	4	16.77
Total Capital		20.59	/0	19.60	0	19.20	0	18.64	U	17.97
		17.73				19.20		15.54		
Common Equity Tier 1		17.73		16.81 11.14		11.17		15.54		14.88 10.89
Leverage										
Tangible Common Equity ⁽²⁾		10.66		10.09		9.61		9.51		9.28

⁽¹⁾Fully Tax Equivalent.
(2)Non-GAAP financial measure. See non-GAAP reconciliation on page 34.

FINANCIAL OVERVIEW

Results of Operations

Performance Summary. Net income attributable to common shareowners of \$16.0 million, or \$0.93 per diluted share, for the third quarter of 2025 compared to \$15.0 million, or \$0.88 per diluted share, for the second quarter of 2025, and \$13.1 million, or \$0.77 per diluted share, for the third quarter of 2024. For the first nine months of 2025, net income attributable to common shareowners totaled \$47.9 million, or \$2.80 per diluted share, compared to net income of \$39.8 million, or \$2.35 per diluted share, for the same period of 2024.

Net Interest Income. Tax-equivalent net interest income for the third quarter of 2025 totaled \$43.6 million compared to \$43.2 million for the second quarter of 2025 and \$40.3 million for the third quarter of 2024. Compared to the second quarter of 2025, the increase was driven by a \$0.5 million increase in investment securities income, a \$0.4 million decrease in interest expense, and a \$0.1 million increase in overnight funds income, partially offset by a \$0.6 million decrease in loan income. One additional calendar day in the third quarter of 2025 contributed to the improvement. Compared to the third quarter of 2024, the increase was primarily due to a \$3.0 million increase in investment securities income, a \$1.2 million decrease in interest expense, and a \$0.5 million increase in overnight funds income, partially offset by a \$1.4 million decrease in loan income. For the first nine months of 2025, tax-equivalent net interest income totaled \$128.4 million compared to \$118.0 million for the same period of 2024, with the increase primarily attributable to a \$7.3 million increase in investment securities income, a \$2.3 million increase in overnight funds income, and a \$2.3 million decrease in deposit interest expense, partially offset by a \$1.9 million decrease in loan income.

Provision and Allowance for Credit Losses. We recorded a provision expense for credit losses of \$1.9 million for the third quarter of 2025 compared to \$0.6 million for the second quarter of 2025 and \$1.2 million for the third quarter of 2024. For the first nine months of 2025, we recorded a provision expense for credit losses of \$3.3 million which was comparable to the same period of 2024. At September 30, 2025, the allowance for credit losses for loans HFI totaled \$30.2 million (1.17% of loans HFI) compared to \$29.9 million (1.13% of loans HFI) at June 30, 2025 and \$29.3 million at December 31, 2024 (1.10% of loans HFI).

Noninterest Income. Noninterest income for the third quarter of 2025 totaled \$22.3 million compared to \$20.0 million for the second quarter of 2025 and \$19.5 million for the third quarter of 2024. The \$2.3 million, or 11.6%, increase over the second quarter of 2025 was primarily due to a \$1.2 million increase in other income, a \$0.6 million increase in mortgage banking revenues, and a \$0.6 million increase in deposit fees. The increase in other income was primarily due to a \$0.7 million gain from the sale of our insurance subsidiary (Capital City Strategic Wealth) in the third quarter of 2025, and to a lesser extent higher miscellaneous income. Compared to the third quarter of 2024, the \$2.8 million, or 14.4%, increase was primarily due to a \$1.1 million increase in other income, a \$0.8 million increase in mortgage banking revenues, a \$0.4 million increase in wealth management fees, and a \$0.4 million increase in deposit fees. The increase in other income reflected the aforementioned gain from the sale of our insurance subsidiary. For the first nine months of 2025, noninterest income totaled \$62.3 million compared to \$57.2 million for the same period of 2024, primarily attributable to a \$2.2 million increase in wealth management fees, a \$1.6 million increase in mortgage banking revenues, and a \$1.1 million increase in other income. The increase in other income reflected the aforementioned gain from the sale of our insurance subsidiary and higher miscellaneous income.

Noninterest Expense. Noninterest expense for the third quarter of 2025 totaled \$42.9 million compared to \$42.5 million for the second quarter of 2025 and \$42.9 million for the third quarter of 2024. The \$0.4 million, or 0.9%, increase over the second quarter of 2025 reflected a \$0.8 million increase in other expense that was partially offset by a \$0.4 million decrease in compensation expense. Compared to the third quarter of 2024, a \$0.3 million increase in compensation expense was offset by a \$0.2 million decrease in other expense and a \$0.1 million decline in occupancy expense. For the first nine months of 2025, noninterest expense totaled \$124.2 million compared to \$123.5 million for the same period of 2024 with the \$0.6 million, or 0.5%, increase primarily due to a \$4.2 million increase in compensation expense that was partially offset by a \$3.4 million decrease in other expense and a \$0.2 million decrease in occupancy expense.

Financial Condition

Earning Assets. Average earning assets totaled \$3.982 billion for the third quarter of 2025, a decrease of \$50.5 million, or 1.3%, from the second quarter of 2025, and an increase of \$59.6 million, or 1.5%, over the fourth quarter of 2024. Compared to the second quarter of 2025, the change in the earning asset mix reflected a \$46.4 million decrease in loans HFI and a \$14.1 million decrease in investment securities, partially offset by a \$7.4 million increase in overnight funds sold and a \$2.6 million increase in loans held for sale ("HFS"). Compared to the fourth quarter of 2024, the change in earning asset mix reflected a \$78.7 million increase in investment securities and a \$57.9 million increase in overnight funds sold, partially offset by a \$71.2 million decrease in loans HFI and a \$5.8 million decrease in loans HFS.

Loans. Average loans HFI decreased \$46.4 million, or 1.8%, from the second quarter of 2025 and decreased \$71.2 million, or 2.7%, from the fourth quarter of 2024. Loans HFI at September 30, 2025, decreased \$49.5 million, or 1.9%, from June 30, 2025, and decreased \$69.5 million, or 2.6%, from December 31, 2024.

Credit Quality. Nonperforming assets (nonaccrual loans and other real estate) totaled \$10.0 million at September 30, 2025 compared to \$6.6 million at June 30, 2025 and \$6.7 million at December 31, 2024. At September 30, 2025, nonperforming assets as a percentage of total assets was 0.23%, compared to 0.15% at June 30, 2025 and 0.15% at December 31, 2024. Nonaccrual loans totaled \$8.2 million at September 30, 2025, a \$1.7 million increase over June 30, 2025 and a \$1.9 million increase over December 31, 2024. Further, classified loans totaled \$26.5 million at September 30, 2025, a \$2.1 million decrease from June 30, 2025 and a \$6.6 million increase over December 31, 2024.

Deposits. Average total deposits were \$3.612 billion for the third quarter of 2025, a decrease of \$68.4 million, or 1.86%, from the second quarter of 2025 and an increase of \$11.9 million, or 0.33%, over the fourth quarter of 2024. At September 30, 2025, total deposits were \$3.615 billion, a decrease of \$89.9 million, or 2.4%, from June 30, 2025, and a decrease of \$57.1 million, or 1.6%, from December 31, 2024. Public funds totaled \$497.9 million at September 30, 2025, \$596.6 million at June 30, 2025, and \$660.9 million at December 31, 2024.

Capital. At September 30, 2025, we were "well-capitalized" with a total risk-based capital ratio of 20.59% and a tangible common equity ratio (a non-GAAP financial measure) of 10.66% compared to 19.60% and 10.09%, respectively, at June 30, 2025, and 18.64% and 9.51%, respectively, at December 31, 2024. At September 30, 2025, all of our regulatory capital ratios exceeded the threshold to be "well-capitalized" under the Basel III capital standards.

RESULTS OF OPERATIONS

The following table provides a condensed summary of our results of operations - a discussion of the various components are discussed in further detail below.

in fature dean eero ii.		Th	Nine Months Ended							
(Dollars in Thousands, except per share data)	Sep	tember 30, 2025		June 30, 2025		September 30, 2024		September 30, 2025		ptember 30, 2024
Interest Income	\$	51,431	\$	51,459	\$	49,328	\$	152,672	\$	144,914
Taxable Equivalent Adjustments		45		44		49		133		194
Total Interest Income (FTE)		51,476		51,503		49,377		152,805		145,108
Interest Expense		7,874		8,275		9,117		24,384		27,079
Net Interest Income (FTE)		43,602	. —	43,228		40,260		128,421	,	118,029
Provision for Credit Losses		1,881		620		1,206		3,269		3,330
Taxable Equivalent Adjustments		45		44		49		133		194
Net Interest Income After Provision for Credit Losses		41,676		42,564		39,005		125,019		114,505
Noninterest Income		22,331		20,014		19,513		62,252		57,216
Noninterest Expense		42,916		42,538		42,921		124,155		123,533
Income Before Income Taxes		21,091		20,040		15,597		63,116		48,188
Income Tax Expense		5,141		4,996		2,980		15,264		9,705
Pre-Tax Loss Attributable to Noncontrolling Interest		-		-	•	501	,	-	,	1,342
Net Income Attributable to Common Shareowners	\$	15,950	\$	15,044	\$	13,118	\$	47,852	\$	39,825
Basic Net Income Per Share	\$	0.93	\$	0.88	\$	0.77	\$	2.81	\$	2.35
Diluted Net Income Per Share	\$	0.93	\$	0.88	\$	0.77	\$	2.80	\$	2.35

Net Interest Income

Net interest income represents our single largest source of earnings and is equal to interest income and fees generated by earning assets less interest expense paid on interest bearing liabilities. This information is provided on a "taxable equivalent" basis to reflect the tax-exempt status of income earned on certain loans and state and local government debt obligations. We provide an analysis of our net interest income including average yields and rates in Table I, "Average Balances & Interest Rates," on page 49.

Tax-equivalent net interest income for the third quarter of 2025 totaled \$43.6 million compared to \$43.2 million for the second quarter of 2025 and \$40.3 million for the third quarter of 2024. Compared to the second quarter of 2025, the increase was driven by a \$0.5 million increase in investment securities income, a \$0.4 million decrease in interest expense, and a \$0.1 million increase in overnight funds income, partially offset by a \$0.6 million decrease in loan income. One additional calendar day in the third quarter of 2025 contributed to the improvement. Compared to the third quarter of 2024, the increase was primarily due to a \$3.0 million increase in investment securities income, a \$1.2 million decrease in interest expense, and a \$0.5 million increase in overnight funds income, partially offset by a \$1.4 million decrease in loan income. New investment purchases at higher yields drove the increase in investment securities income for both prior period comparisons. Further, the decrease in deposit interest expense from both prior periods reflected the gradual decrease in our deposit rates. The decrease in loan income compared to both prior periods was due to lower loan balances that was partially offset by favorable rate repricing.

For the first nine months of 2025, tax-equivalent net interest income totaled \$128.4 million compared to \$118.0 million for the same period of 2024, with the increase primarily attributable to a \$7.3 million increase in investment securities income, a \$2.3 million increase in overnight funds income, and a \$2.3 million decrease in deposit interest expense. New investment purchases at higher yields drove the increase in investment securities income. Higher average deposit balances contributed to the increase in overnight funds income. The decrease in deposit interest expense reflected the aforementioned decrease in our deposit rates. The decrease in loan income was due to lower loan balances that was partially offset by favorable rate repricing.

Our net interest margin for the third quarter of 2025 was 4.34%, an increase of four basis points over the second quarter of 2025 and an increase of 22 basis points over the third quarter of 2024. For the month of September 2025, our net interest margin was 4.41%. For the first nine months of 2025, our net interest margin of 4.28% reflected a 23-basis point increase over the same period of 2024. The improvement in net interest margin over all prior periods reflected a higher yield in the investment portfolio, driven by new purchases at higher yields, and lower deposit costs. For the third quarter of 2025, our cost of funds was 78 basis points, a decrease of four basis points from the second quarter of 2025 and a 15-basis point decrease from the third quarter of 2024. Our cost of deposits (including noninterest bearing accounts) was 80 basis points, 81 basis points, and 92 basis points, respectively, for the same periods.

Provision for Credit Losses

We recorded a provision expense for credit losses of \$1.9 million for the third quarter of 2025 compared to \$0.6 million for the second quarter of 2025 and \$1.2 million for the third quarter of 2024. For the first nine months of 2025, we recorded a provision expense for credit losses of \$3.3 million which was comparable to the same period of 2024. For the third quarter of 2025, the provision reflected an expense of \$1.5 million for loans HFI and a \$0.4 million expense for unfunded loan commitments. This compares to a \$0.7 million expense for loans HFI, and a benefit of \$0.1 million for unfunded loan commitments in the second quarter of 2025, and a \$1.9 million expense for loans HFI, \$0.6 million benefit for unfunded loan commitments, and a \$0.1 million expense for debt securities in the third quarter of 2024. For the first nine months of 2025, the provision reflected a \$3.4 million expense for loans HFI and a \$0.1 million benefit for unfunded loan commitments compared to a \$3.9 million expense for loans HFI, a \$0.7 million benefit for unfunded loan commitments, and a \$0.1 million benefit for debt securities for the first nine months of 2024. We discuss the various factors that impacted our provision expense in further detail below under the heading Allowance for Credit Losses.

Noninterest Income

Noninterest income for the third quarter of 2025 totaled \$22.3 million compared to \$20.0 million for the second quarter of 2025 and \$19.5 million for the third quarter of 2024. The \$2.3 million, or 11.6%, increase over the second quarter of 2025 was primarily due to a \$1.2 million increase in other income, a \$0.6 million increase in mortgage banking revenues, and a \$0.6 million increase in deposit fees. The increase in other income was primarily due to a \$0.7 million gain from the sale of our insurance subsidiary (Capital City Strategic Wealth) in the third quarter of 2025, and to a lesser extent higher miscellaneous income. The increase in mortgage revenues was driven by an increase in the gain on sale margin for loan sales. Fee adjustments made late in the second quarter of 2025 contributed to the increase in deposit fees and miscellaneous income. Compared to the third quarter of 2024, the \$2.8 million, or 14.4%, increase was primarily due to a \$1.1 million increase in other income, a \$0.8 million increase in mortgage banking revenues, a \$0.4 million increase in wealth management fees, and a \$0.4 million increase in deposit fees. The increase in other income reflected the aforementioned gain from the sale of our insurance subsidiary and higher miscellaneous income. Higher production volume and gain on sale margin drove the improvement in mortgage banking revenues. The increase in wealth management fees was primarily due to higher retail brokerage fees. The aforementioned fee adjustments drove the improvement in deposit fees.

For the first nine months of 2025, noninterest income totaled \$62.3 million compared to \$57.2 million for the same period of 2024, primarily attributable to a \$2.2 million increase in wealth management fees, a \$1.6 million increase in mortgage banking revenues, and a \$1.1 million increase in other income. The increase in wealth management fees reflected increases in trust fees of \$1.1 million and retail brokerage fees of \$1.0 million attributable to a combination of new business and higher account valuations. A fee increase implemented in early 2025 also contributed to the increase in trust fees. Higher production volume and gain on sale margin drove the improvement in mortgage banking revenues. The increase in other income reflected the aforementioned gain from the sale of our insurance subsidiary and higher miscellaneous income.

Noninterest income represented 33.9% of operating revenues (net interest income plus noninterest income) in the third quarter of 2025 compared to 31.7% in the second quarter of 2025 and 32.7% in the third quarter of 2024. For the first nine months of 2025, noninterest income represented 32.7% of operating revenues comparable to the same period of 2024.

The table below reflects the major components of noninterest income.

		Т	hree l	Months End	Nine Months Ended						
(Dollars in Thousands)	September 30, 2025			June 30, 2025	Sept	tember 30, 2024	Sept	tember 30, 2025	September 30, 2024		
Deposit Fees	\$	5,877	\$	5,320	\$	5,512	\$	16,258	\$	16,139	
Bank Card Fees		3,733		3,774		3,624		11,021		11,010	
Wealth Management Fees		5,173		5,206		4,770		16,142		13,891	
Mortgage Banking Revenues		4,794		4,190		3,966		12,804		11,225	
Other		2,754		1,524		1,641		6,027		4,951	
Total Noninterest Income		22,331	\$	20,014	\$	19,513	\$	62,252	\$	57,216	

Significant components of noninterest income are discussed in more detail below.

Deposit Fees. Deposit fees for the third quarter of 2025 totaled \$5.9 million, an increase of \$0.6 million, or 10.5%, over the second quarter of 2025, and an increase of \$0.4 million, or 6.6%, over the third quarter of 2024. For the first nine months of 2025, deposit fees totaled \$16.3 million, a \$0.1 million, or 0.7%, increase over the same period of 2024. Compared to all prior periods the increases were primarily due to service charge fee adjustments made late in the second quarter of 2025.

Bank Card Fees. Bank card fees for the third quarter of 2025 totaled \$3.7 million, comparable to the second quarter of 2025, and \$0.1 million, or 3.0%, increase over the third quarter of 2024. For the first nine months of 2025, bank card fees totaled \$11.0 million, comparable to the same period of 2024.

Wealth Management Fees. Wealth management fees include trust fees through Capital City Trust (i.e., managed accounts and trusts/estates), and retail brokerage fees through Capital City Investments (i.e., investment, insurance products, and retirement accounts). In September 2025, we sold our subsidiary, Capital City Strategic Wealth, which provided the sale of life insurance, risk management and asset protection services. Wealth management fees for the third quarter of 2025 totaled \$5.2 million, comparable to the second quarter of 2025 and a \$0.4 million, or 8.4%, increase over the third quarter of 2024. For the first nine months of 2025, wealth management fees totaled \$16.1 million, an increase of \$2.2 million, or 16.2%, over the same period of 2024, and reflected a \$1.1 million increase in trust fees, a \$1.0 million increase in retail brokerage fees, and a \$0.1 million increase in insurance commission revenue. At September 30, 2025, total assets under management were approximately \$3.244 billion compared to \$3.192 billion at June 30, 2025, and \$3.049 billion at December 31, 2024. Compared to the prior periods, the growth in assets under management was primarily due to new retail brokerage accounts and to a lesser extent new managed trust accounts. A fee increase in first quarter of 2025 also contributed to the increase in trust fees compared to the prior year periods.

Mortgage Banking Revenues. Mortgage banking revenues totaled \$4.8 million for the third quarter of 2025, an increase of \$0.6 million, or 14.4%, over the second quarter of 2025 and an increase of \$0.8 million, or 20.9%, over the third quarter of 2024. For the first nine months of 2025, mortgage banking revenues totaled \$12.8 million compared to \$11.2 million for the same period of 2024. The increase compared to the second quarter of 2025 was attributable to a higher gain on sale margin for loan sales. Higher production volume and gain on sale margin drove the improvement over both prior year periods. We provide a detailed overview of our mortgage banking operation, including a detailed break-down of mortgage banking revenues, mortgage servicing activity, and warehouse funding within Note 4 – Mortgage Banking Activities in the Notes to Consolidated Financial Statements.

Other. Other income totaled \$2.8 million for the third quarter of 2025, an increase of \$1.2 million, or 80.7%, over the second quarter of 2025, and an increase of \$1.1 million, or 67.8%, over the third quarter of 2024. For the first nine months of 2025, other income totaled \$6.0 million, a \$1.1 million, or 21.7%, increase over the same period of 2024. Compared to all prior periods, the increase was primarily due to a \$0.7 million gain from the sale of our insurance subsidiary (Capital City Strategic Wealth) in the third quarter of 2025 and to a lesser extent higher miscellaneous income.

Noninterest Expense

Noninterest expense for the third quarter of 2025 totaled \$42.9 million compared to \$42.5 million for the second quarter of 2025 and \$42.9 million for the third quarter of 2024. The \$0.4 million, or 0.9%, increase over the second quarter of 2025 reflected a \$0.8 million increase in other expense that was partially offset by a \$0.4 million decrease in compensation expense. The increase in other expense was driven by higher miscellaneous expenses of \$0.7 million and professional fees of \$0.1 million. The decrease in compensation was primarily due to lower performance-based compensation (cash and stock incentives). Compared to the third quarter of 2024, a \$0.3 million increase in compensation expense was offset by a \$0.2 million decrease in other expense and a \$0.1 million decline in occupancy expense.

For the first nine months of 2025, noninterest expense totaled \$124.2 million compared to \$123.5 million for the same period of 2024 with the \$0.6 million, or 0.5%, increase primarily due to a \$4.2 million increase in compensation expense that was partially offset by a \$3.4 million decrease in other expense and a \$0.2 million decrease in occupancy expense. The increase in compensation was due to a \$2.6 million increase in salary expense and a \$1.6 million increase in associate benefit expense. The increase in salary expense was primarily due to increases in incentive plan expense of \$1.3 million, base salaries of \$0.6 million (merit based), and commissions of \$0.7 million (retail brokerage and mortgage). The increase in associate benefit expense was attributable to a higher cost for associate insurance. The decrease in other expense was primarily due to a \$4.5 million decrease in other real estate expense due to higher gains from the sale of banking facilities, and a \$1.4 million decrease in miscellaneous expense (non-service component of pension expense), partially offset by increases in processing expense of \$1.4 million (outsource of core processing system), charitable contribution expense of \$0.8 million, and professional fees of \$0.3 million.

The table below reflects the major components of noninterest expense.

		T	hree N	Nine Months Ended							
(Dollars in Thousands)	Sept	tember 30, 2025	J	une 30, 2025	Sept	ember 30, 2024	Sep	tember 30, 2025	September 30 2024		
Salaries	\$	21,740	\$	22,013	\$	21,637	\$	65,636	\$	62,995	
Associate Benefits		4,316		4,477		4,163		13,158		11,618	
Total Compensation		26,056		26,490		25,800		78,794		74,613	
Premises		3,176		3,272		3,245		9,620		9,461	
Equipment		3,861		3,799		3,853		11,281		11,628	
Total Occupancy		7,037		7,071		7,098		20,901		21,089	
Legal Fees		491		480		407		1,474		1,272	
Professional Fees		1,621		1,518		1,869		4,761		4,467	
Processing Services		2,475		2,491		2,260		7,434		6,030	
Advertising		711		801		654		2,350		2,320	
Telephone		762		714		692		2,195		2,119	
Insurance - Other		750		757		737		2,239		2,401	
Other Real Estate Owned, net		18		21		46		(4,431)		83	
Pension - Other		(871)		(872)		(419)		(2,616)		(1,256)	
Miscellaneous		3,866		3,067		3,777		11,054		10,395	
Total Other		9,823		8,977		10,023		24,460		27,831	
Total Noninterest Expense	\$	42,916	\$	42,538	\$	42,921	\$	124,155	\$	123,533	

Significant components of noninterest expense are discussed in more detail below.

Compensation. Compensation expense totaled \$26.1 million for the third quarter of 2025, a \$0.4 million, or 1.6%, decrease from the second quarter of 2025 and a \$0.3 million, or 1.0%, increase over the third quarter of 2024. The decrease from the second quarter of 2025 reflected a \$0.3 million decrease in salary expense and a \$0.1 million decrease in associate benefit expense, both due to lower performance-based compensation (cash incentives and stock compensation). Compared to the third quarter of 2024, the increase reflected a \$0.1 million increase in salary expense and a \$0.2 million increase in associate benefit expense. The increase in salary expense was primarily attributable to a \$0.2 million increase in cash incentives, a \$0.2 million increase in commissions, and a \$0.1 million increase in 401K matching expense, that was partially offset by a \$0.3 million decrease in base salaries. The increase in associate benefit expense was primarily due to an increase in stock compensation expense.

For the first nine months of 2025, compensation expense totaled \$78.8 million compared to \$74.6 million for the same period of 2024 with the \$4.2 million increase attributable to a \$2.6 million increase in salary expense and a \$1.6 million increase in associate benefit expense. The increase in salary expense was primarily due to increases in incentive plan expense of \$1.3 million, commissions of \$0.7 million (retail brokerage and mortgage), and base salaries of \$0.6 million (merit-based). The increase in associate benefit expense was primarily due to higher cost for associate insurance.

Occupancy. Occupancy expense totaled \$7.0 million for the third quarter of 2025, a \$0.1 million, or 0.5%, decrease from the second quarter of 2025 and a \$0.1 million, or 0.9%, decrease from the third quarter of 2024. For the first nine months of 2025, occupancy expense totaled \$20.9 million compared to \$21.1 million for the same period of 2024. Lower property expenses related to our operations center that was sold in 2024 was partially offset by higher banking office lease expense drove the variance for the prior period comparisons.

Other. Other expense totaled \$9.8 million for the third quarter of 2025 compared to \$9.0 million for the second quarter of 2025 and \$10.0 million for the third quarter of 2024. For the first nine months of 2025, other expense totaled \$24.5 million compared to \$27.8 million for the same period of 2024. Compared to the second quarter of 2025, the \$0.8 million increase was an increase in miscellaneous expense which reflected a non-routine expense related to our VISA share swap due to additional funding of VISA's litigation reserve, a higher level of other losses, and an increase in expense for our residential mortgage sale indemnification reserve. The \$3.3 million increase for the nine-month comparison was primarily due to a \$4.5 million decrease in other real estate expense and a \$1.4 million decrease in pension-other expense, that was partially offset by \$1.4 million increase in processing expense, a \$0.8 million increase in charitable contribution expense, and a \$0.3 million increase in professional fees. The decrease in other real estate expense was attributable to a gain from the sale of our operations center building in the first quarter of 2025. The decrease in other pension expense reflected lower expense for the non-service component of pension expense which reflected strong asset returns in the plan. The outsourcing of our core processing system in mid-2024 drove the increase in processing expense.

Our operating efficiency ratio (expressed as noninterest expense as a percentage of the sum of taxable-equivalent net interest income plus noninterest income) improved to 65.09% for the third quarter of 2025 compared to 67.26% for the second quarter of 2025 and 71.81% for the third quarter of 2024. For the first nine months of 2025, this ratio was 65.11% compared to 70.49% for the same period of 2024.

Income Taxes

We realized income tax expense of \$5.1 million (effective rate of 24.4%) for the third quarter of 2025 compared to \$5.0 million (effective rate of 24.9%) for the second quarter of 2025 and \$3.0 million (effective rate of 19.1%) for the third quarter of 2024. For the first nine months of 2025, we realized income tax expense of \$15.3 million (effective rate of 24.2%) compared to \$9.7 million (effective rate of 20.1%) for the same period of 2024. A lower level of tax benefit accrued from a solar tax credit equity fund drove the increase in our effective tax rate compared to the prior year periods. Absent discrete items or new tax credit investments, we expect our annual effective tax rate to approximate 24% for 2025.

FINANCIAL CONDITION

Average earning assets totaled \$3.982 billion for the third quarter of 2025, a decrease of \$50.5 million, or 1.3%, from the second quarter of 2025, and an increase of \$59.6 million, or 1.5%, over the fourth quarter of 2024. The change for both prior periods was driven by variances in deposit balances (see below – *Deposits*). Compared to the second quarter of 2025, the change in the earning asset mix reflected a \$46.4 million decrease in loans HFI and a \$14.1 million decrease in investment securities, partially offset by a \$7.4 million increase in overnight funds sold and a \$2.6 million increase in loans held for sale. Compared to the fourth quarter of 2024, the change in the earning asset mix reflected a \$78.7 million increase in investment securities and a \$57.9 million increase in overnight funds sold, partially offset by a \$71.2 million decrease in loans HFI and a \$5.8 million decrease in loans HFS.

Investment Securities

Average investments totaled \$993.9 million in the third quarter of 2025, a \$14.1 million, or 1.4%, decrease from the second quarter of 2025 and a \$78.7 million, or 8.6% increase over the fourth quarter of 2024. Our investment portfolio represented 25.0% of our average earning assets for the third quarter of 2025 compared to 25.0% for the second quarter of 2025 and 23.3% for the fourth quarter of 2024. For the remainder of 2025, we will continue to monitor our overall liquidity position and market conditions to determine if cash flow from the investment portfolio should be reinvested or allowed to flow into overnight funds.

The investment portfolio is a significant component of our operations and, as such, it functions as a key element of liquidity and asset/liability management. Two types of classifications are approved for investment securities which are Available -for-Sale ("AFS") and Held-to-Maturity ("HTM"). At September 30, 2025, \$577.3 million, or 58.7%, of the investment portfolio was classified as AFS and \$404.7 million, or 41.1%, was classified as HTM. The average maturity of our total portfolio at September 30, 2025 was 2.70 years compared to 2.66 years at June 30, 2025 and 2.54 years at December 31, 2024. The duration of our investment portfolio at September 30, 2025 was 2.15 years compared to 2.14 years at June 30, 2025 and 2.19 years at December 31, 2024. Additional information on unrealized gains/losses in the AFS and HTM portfolios is provided in Note 2 – Investment Securities.

We determine the classification of a security at the time of acquisition based on how the purchase will affect our asset/liability strategy and future business plans and opportunities. We consider multiple factors in determining classification, including regulatory capital requirements, volatility in earnings or other comprehensive income, and liquidity needs. Securities in the AFS portfolio are recorded at fair value with unrealized gains and losses associated with these securities recorded net of tax, in the accumulated other comprehensive income component of shareowners' equity. HTM securities are acquired or owned with the intent of holding them to maturity. HTM investments are measured at amortized cost. We do not trade, nor do we presently intend to begin trading investment securities for the purpose of recognizing gains and therefore we do not maintain a trading portfolio.

At September 30, 2025, there were 750 positions (combined AFS and HTM) with unrealized pre-tax losses totaling \$27.8 million. 33 of these positions are U.S. Treasury bonds and carry the full faith and credit of the U.S. Government. 634 are U.S. government agency securities issued by U.S. government sponsored entities. We believe the long history of no credit losses on government securities indicates that the expectation of nonpayment of the amortized cost basis is effectively zero. At September 30, 2025, all collateralized mortgage obligation securities, mortgage-backed securities, Small Business Administration securities, U.S. Agency, and U.S. Treasury bonds held were rated AA+ or higher. The remaining 83 positions (municipal securities and corporate bonds) have a credit component. At September 30, 2025, corporate debt securities had an allowance for credit losses of \$43,000 and municipal securities had an allowance of less than \$1,000. None of the securities held by the Company were past due or in nonaccrual status at September 30, 2025.

Loans HFI

Average loans HFI decreased by \$46.4 million, or 1.8%, from the second quarter of 2025 and decreased by \$71.2 million, or 2.7%, from the fourth quarter of 2024. Compared to the second quarter of 2025, the decline reflected decreases in construction loans of \$22.4 million, consumer loans (primarily indirect auto) of \$10.4 million, commercial real estate loans of \$8.7 million, residential real estate loans of \$2.9 million, and commercial loans of \$2.7 million, partially offset by a \$2.0 million increase in home equity loans. Compared to the fourth quarter of 2024, the decline was primarily attributable to decreases in construction loans of \$55.6 million, consumer loans (primarily auto indirect loans) of \$14.4 million, commercial loans of \$11.9 million and commercial real estate loans of \$6.8 million, partially offset by increases in home equity loans of \$12.8 million and residential real estate loans of \$7.0 million.

Loans HFI at September 30, 2025, decreased by \$49.5 million, or 1.9%, from June 30, 2025, and decreased by \$69.5 million, or 2.6%, from December 31, 2024. Compared to June 30, 2025, the decline was primarily due to decreases in construction loans of \$17.4 million, commercial real estate loans of \$17.2 million, consumer loans (primarily indirect auto) of \$11.6 million, and residential real estate loans of \$9.0 million, partially offset by a \$5.9 million increase in home equity loans. Compared to December 31, 2024, the decrease was primarily attributable to decreases in construction loans of \$63.2 million, consumer loans (primarily indirect auto) of \$13.6 million, and commercial loans of \$10.2 million, partially offset by increases in home equity loans of \$14.0 million, residential real estate loans of \$8.8 million, and commercial real estate loans of \$6.2 million.

Without compromising our credit standards, changing our underwriting standards, or taking on inordinate interest rate risk, we continue to closely monitor our markets and make minor adjustments as necessary.

Credit Quality

Nonperforming assets (nonaccrual loans and other real estate) totaled \$10.0 million at September 30, 2025, compared to \$6.6 million at June 30, 2025, and \$6.7 million at December 31, 2024. At September 30, 2025, nonperforming assets as a percentage of total assets was 0.23%, compared to 0.15% at June 30, 2025 and 0.15% at December 31, 2024. Nonaccrual loans totaled \$8.2 million at September 30, 2025, a \$1.7 million increase over June 30, 2025 and a \$1.9 million increase over December 31, 2024 with the increase over both periods primarily attributable to two home equity loans totaling \$1.8 million. Classified loans totaled \$26.5 million at September 30, 2025, a \$2.1 million decrease from June 30, 2025, and a \$6.6 million increase over December 31, 2024. The increase over December 31, 2024 was primarily due to the downgrade of four residential real estate loans totaling \$4.2 million and two commercial real estate loans totaling \$4.3 million.

Allowance for Credit Losses

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. The allowance for credit losses is adjusted by a credit loss provision which is reported in earnings and reduced by the charge-off of loan amounts (net of recoveries). Loans are charged off against the allowance when management believes the uncollectability of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. Expected credit loss inherent in non-cancellable off-balance sheet credit exposures is provided through the credit loss provision but recorded as a separate liability included in other liabilities.

Management estimates the allowance balance using relevant available information, from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Historical loan default and loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information incorporate management's view of current conditions and forecasts.

At September 30, 2025, the allowance for credit losses for loans HFI totaled \$30.2 million compared to \$29.9 million at June 30, 2025 and \$29.3 million at December 31, 2024. Activity within the allowance is provided in Note 3 – Loans Held for Investment and Allowance for Credit Losses in the Notes to Consolidated Financial Statements. The increase in the allowance over June 30, 2025 and December 31, 2024 was primarily attributable to qualitative factor adjustments that were partially offset by lower loan balances. At September 30, 2025, the allowance represented 1.17% of loans HFI compared to 1.13% at June 30, 2025, and 1.10% at December 31, 2024

At September 30, 2025, the allowance for credit losses for unfunded commitments totaled \$2.1 million compared to \$1.7 million and \$2.2 million at June 30, 2025 and December 31, 2024, respectively. The change in the allowance for unfunded commitments from both prior periods reflected variances in the level of unfunded loan commitments. The allowance for unfunded commitments is recorded in other liabilities

Deposits

Average total deposits were \$3.612 billion for the third quarter of 2025, a decrease of \$68.4 million, or 1.86%, from the second quarter of 2025 and an increase of \$11.9 million, or 0.33%, over the fourth quarter of 2024. Compared to the second quarter of 2025, the decrease was attributable to lower public funds balances (primarily NOW accounts) due to the seasonal reduction in those balances, partially offset by higher core deposit balances (primarily noninterest bearing checking, money market accounts, and certificates of deposit). The increase over the fourth quarter of 2024 reflected strong growth in core deposit balances, partially offset by the seasonal decline in public fund balances.

At September 30, 2025, total deposits were \$3.615 billion, a decrease of \$89.9 million, or 2.4%, from June 30, 2025, and a decrease of \$57.1 million, or 1.6%, from December 31, 2024. The decrease compared to both prior periods was due to a decline in public fund deposits, partially offset by growth in our core deposits. Public funds totaled \$497.9 million at September 30, 2025, \$596.6 million at June 30, 2025, and \$660.9 million at December 31, 2024.

Business deposit transaction accounts classified as repurchase agreements averaged \$22.0 million for the third quarter of 2025, a decrease of \$0.6 million from the second quarter of 2025 and a decrease of \$6.1 million from the fourth quarter of 2024. At September 30, 2025, repurchase agreement balances were \$25.6 million compared to \$21.8 million at June 30, 2025 and \$26.2 million at December 31, 2024.

We continue to closely monitor our cost of deposits and deposit mix as we manage through the current rate environment.

MARKET RISK AND INTEREST RATE SENSITIVITY

Market Risk and Interest Rate Sensitivity

Overview. Market risk arises from changes in interest rates, exchange rates, commodity prices, and equity prices. We have risk management policies designed to monitor and limit exposure to market risk and we do not participate in activities that give rise to significant market risk involving exchange rates, commodity prices, or equity prices. In asset and liability management activities, our policies are designed to minimize structural interest rate risk.

Interest Rate Risk Management. Our net income is largely dependent on net interest income. Net interest income is susceptible to interest rate risk to the degree that interest-bearing liabilities mature or reprice on a different basis than interest-earning assets. When interest-bearing liabilities mature or reprice more quickly than interest-earning assets in a given period, a significant increase in market rates of interest could adversely affect net interest income. Similarly, when interest-earning assets mature or reprice more quickly than interest-bearing liabilities, falling market interest rates could result in a decrease in net interest income. Net interest income is also affected by changes in the portion of interest-earning assets that are funded by interest-bearing liabilities rather than by other sources of funds, such as noninterest-bearing deposits and shareowners' equity.

We have established what we believe to be a comprehensive interest rate risk management policy, which is administered by management's Asset Liability Management Committee ("ALCO"). The policy establishes limits of risk, which are quantitative measures of the percentage change in net interest income (a measure of net interest income at risk) and the fair value of equity capital (a measure of economic value of equity ("EVE") at risk) resulting from a hypothetical change in interest rates for maturities from one day to 30 years. We measure the potential adverse impacts that changing interest rates may have on our short-term earnings, long-term value, and liquidity by employing simulation analysis through the use of computer modeling. The simulation model captures optionality factors such as call features and interest rate caps and floors embedded in investment and loan portfolio contracts. As with any method of gauging interest rate risk, there are certain shortcomings inherent in the interest rate modeling methodology used by us. When interest rates change, actual movements in different categories of interest-earning assets and interest-bearing liabilities, loan prepayments, and withdrawals of time and other deposits, may deviate significantly from assumptions used in the model. Finally, the methodology does not measure or reflect the impact that higher rates may have on adjustable-rate loan clients' ability to service their debts, or the impact of rate changes on demand for loan and deposit products.

The statement of financial condition is subject to testing for interest rate shock possibilities to indicate the inherent interest rate risk. We apply instantaneous, parallel rate shocks to the base case in 100 basis point (bp) increments ranging from down 400bp to up 400bps at least once per quarter, with the analysis reported to ALCO, our Market Risk Oversight Committee ("MROC"), our Enterprise Risk Oversight Committee ("EROC") and the Board of Directors. We augment our interest rate shock analysis with alternative interest rate scenarios on a quarterly basis that may include ramps, and a flattening or steepening of the yield curve (non-parallel shift). In addition, more frequent forecasts may be produced when interest rates are particularly uncertain or when other business conditions so dictate.

Our goal is to structure the statement of financial condition so that net interest earnings at risk over 12-month and 24-month periods and the economic value of equity at risk do not exceed policy guidelines at the various interest rate shock levels. We attempt to achieve this goal by balancing, within policy limits, the volume of floating-rate liabilities with a similar volume of floating-rate assets, by keeping the average maturity of fixed-rate asset and liability contracts reasonably matched, by managing the mix of our core deposits, and by adjusting our rates to market conditions on a continuing basis.

Analysis. Measures of net interest income at risk produced by simulation analysis are indicators of an institution's short-term performance in alternative rate environments. These measures are typically based upon a relatively brief period, and do not necessarily indicate the long-term prospects or economic value of the institution.

ESTIMATED CHANGES IN NET INTEREST INCOME

Percentage Change (12-month shock)	+400 bp	+300 bp	+200 bp	+100 bp	-100 bp	-200 bp	-300 bp	-400 bp
Policy Limit	-15.0%	-12.5%	-10.0%	-7.5%	-7.5%	-10.0%	-12.5%	-15.0%
September 30, 2025	18.9%	14.2%	9.5%	4.9%	-5.3%	-11.3%	-17.9%	-23.8%
June 30, 2025	19.2%	14.4%	9.6%	5.0%	-5.3%	-11.1%	-17.5%	-23.3%
Percentage Change (24-month shock)	+400 bp	+300 bp	+200 bp	+100 bp	-100 bp	-200 bp	-300 bp	-400 bp
Percentage Change (24-month shock) Policy Limit	+400 bp	+300 bp	+200 bp	+100 bp	-100 bp	-200 bp	-300 bp	-400 bp -17.5%

The Net Interest Income ("NII") at Risk position of an instantaneous, parallel rate shock indicates that in the short-term (over the next 12 months), all rising rate environments will positively impact the net interest margin of the Company, while declining rate environments will have a negative impact on the net interest margin. Compared to the second quarter of 2025, these metrics became slightly less favorable primarily due to a change in asset mix favoring variable rate overnight funds, making us more asset sensitive with slightly more exposure to falling rates. The instantaneous parallel rate shock results over the next 12-month and 24-month periods are outside of policy in the rates down 200 bps, 300 bps, and 400 bps scenarios largely due to the limited ability to decrease deposit rates the full extent of this rate change.

The measures of equity value at risk indicate our ongoing economic value by considering the effects of changes in interest rates on all of our cash flows by discounting the cash flows to estimate the present value of assets and liabilities. The difference between these discounted values of the assets and liabilities is the economic value of equity, which in theory approximates the fair value of our net assets.

ESTIMATED CHANGES IN ECONOMIC VALUE OF EQUITY

Changes in Interest Rates	+400 bp	+300 bp	+200 bp	+100 bp	-100 bp	-200 bp	-300 bp	-400 bp
Policy Limit	-30.0%	-25.0%	-20.0%	-15.0%	-15.0%	-20.0%	-25.0%	-30.0%
September 30, 2025	34.2%	27.6%	19.6%	10.5%	-12.0%	-24.7%	-36.2%	-40.7%
June 30, 2025	29.4%	23.9%	17.1%	9.2%	-11.5%	-23.9%	-34.8%	-40.8%
EVE Ratio (policy minimum 5.0%)	32.1%	30.0%	27.7%	25.2%	19.4%	16.3%	13.6%	12.5%

At September 30, 2025, the economic value of equity was favorable in all rising rate environments and unfavorable in the falling rate environments. EVE is currently in compliance with policy in all rate scenarios as the EVE ratio exceeds the policy minimum of 5.0% in each shock scenario.

As the interest rate environment and the dynamics of the economy continue to change, additional simulations will be analyzed to address not only the changing rate environment, but also the change in mix of our financial assets and liabilities measured over multiple years, to help assess the risk to the Company.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

In general terms, liquidity is a measurement of our ability to meet our cash needs. Our objective in managing our liquidity is to maintain our ability to meet loan commitments, purchase securities or repay deposits and other liabilities in accordance with their terms, without an adverse impact on our current or future earnings. Our liquidity strategy is guided by policies that are formulated and monitored by our ALCO and senior management, which take into account the marketability of assets, the sources and stability of funding and the level of unfunded commitments. We regularly evaluate all of our various funding sources with an emphasis on accessibility, reliability, reliability and cost-effectiveness. Our principal source of funding has been our client deposits, supplemented by our short-term and long-term borrowings, primarily from securities sold under repurchase agreements, federal funds purchased and FHLB borrowings. We believe that the cash generated from operations, our borrowing capacity and our access to capital resources are sufficient to meet our future operating capital and funding requirements.

At September 30, 2025, we had the ability to generate approximately \$1.625 billion (excludes overnight funds position of \$398 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 recognize the importance of maintaining liquidity and have developed a Contingent Liquidity Plan, which addresses various liquidity stress levels and our response and action based on the level of severity. We periodically test our credit facilities for access to the funds, but also understand that as the severity of the liquidity level increases that certain credit facilities may no longer be available. We conduct a liquidity stress test on a quarterly basis based on events that could potentially occur at the Bank and report results to our ALCO, MROC, EROC, and Board of Directors. We believe the liquidity available to us at September 30, 2025 was sufficient to meet our on-going needs and execute our business strategy.

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. Additional information on our investment portfolio is provided within Note 2 – Investment Securities.

The Bank maintained an average net overnight funds (i.e., deposits with banks plus FED funds sold less FED funds purchased) sold position of \$356.2 million in the third quarter of 2025 compared to \$348.8 million in the second quarter of 2025 and \$298.3 million in the fourth quarter of 2024. Compared to the second quarter of 2025, the slight increase reflected lower average loan and investment security balances, partially offset by lower average deposit balances. The increase over the fourth quarter of 2024 was primarily due to lower average loan balances.

We expect our capital expenditures will be approximately \$10.0 million over the next 12 months, which will primarily consist of construction of a new office, office remodeling, office equipment/furniture, and technology purchases. Management expects that these capital expenditures will be funded with existing resources without impairing our ability to meet our on-going obligations.

Borrowings

Average short-term borrowings totaled \$34.7 million for the third quarter of 2025 compared to \$33.1 million for the second quarter of 2025 and \$34.5 million for the fourth quarter of 2024. The variances compared to both prior periods were primarily due to mortgage warehouse borrowing activity. Additional detail on warehouse borrowings is provided in Note 4 – Mortgage Banking Activities in the Consolidated Financial Statements.

We have issued two junior subordinated deferrable interest notes to our wholly owned Delaware statutory trusts. The first note for \$30.9 million was issued to CCBG Capital Trust I in November 2004, of which \$10 million was retired in April 2016. In the second quarter of 2025, we made a principal payment of \$5.1 million on this note. The second note for \$32.0 million was issued to CCBG Capital Trust II in May 2005. In the second quarter of 2025, we made a principal payment of \$5.1 million on this note. The interest payment for the CCBG Capital Trust I borrowing is due quarterly and adjusts quarterly to a variable rate of three-month CME Term SOFR (secured overnight financing rate) plus a margin of 1.90%. This note matures on December 31, 2034. The interest payment for the CCBG Capital Trust II borrowing is due quarterly and adjusts quarterly to a variable interest rate based on three-month CME Term SOFR plus a margin of 1.80%. This note matures on June 15, 2035. The proceeds from these borrowings were used to partially fund acquisitions. Under the terms of each junior subordinated deferrable interest note, in the event of default or if we elect to defer interest on the note, we may not, with certain exceptions, declare or pay dividends or make distributions on our capital stock or purchase or acquire any of our capital stock.

In the second quarter of 2020, we entered into a derivative cash flow hedge of our interest rate risk related to our subordinated debt. The notional amount of the derivative is \$30 million (\$10 million of the CCBG Capital Trust I borrowing) and \$20 million of the CCBG Capital Trust II borrowing). The interest rate swap agreement requires CCBG to pay fixed and receive variable (three-month CME Term SOFR plus spread) and has an average all-in fixed rate of 2.50% for 10 years. Additional detail on the interest rate swap agreement is provided in Note 5 – Derivatives in the Consolidated Financial Statements.

Capital

Our capital ratios are presented in the Selected Quarterly Financial Data table on page 35. At September 30, 2025, our regulatory capital ratios exceeded the threshold to be designated as "well-capitalized" under the Basel III capital standards.

Shareowners' equity was \$540.6 million at September 30, 2025, compared to \$526.4 million at June 30, 2025, and \$495.3 million at December 31, 2024. For the first nine months of 2025, shareowners' equity was positively impacted by net income attributable to shareowners of \$47.9 million, a net \$7.7 million decrease in the accumulated other comprehensive loss, the issuance of common stock of \$2.9 million, and stock compensation accretion of \$1.4 million. The net favorable change in accumulated other comprehensive loss reflected a \$8.8 million decrease in the investment securities loss that was partially offset by a \$1.1 million decrease in the fair value of the interest rate swap related to subordinated debt. Shareowners' equity was reduced by common stock dividends of \$12.6 million (\$0.74 per share) and net adjustments totaling \$2.0 million related to transactions under our stock compensation plans.

At September 30, 2025, our total risk-based capital ratio was 20.59% compared to 19.60% at June 30, 2025, and 18.64% at December 31, 2024. Our common equity tier 1 capital ratio was 17.73%, 16.81%, and 15.54%, respectively, on these dates. Our leverage ratio was 11.64%, 11.14%, and 11.05%, respectively, on these dates. At September 30, 2025, all our regulatory capital ratios exceeded the thresholds to be designated as "well-capitalized" under the Basel III capital standards. Further, our tangible common equity ratio (non-GAAP financial measure) was 10.66% at September 30, 2025, compared to 10.09% and 9.51% at June 30, 2025, and December 31, 2024, respectively.

Our tangible capital ratio is also impacted by the recording of our unfunded pension liability through other comprehensive income in accordance with Accounting Standards Codification Topic 715. At September 30, 2025, the net pension asset reflected in other comprehensive income was \$9.7 million comparable to June 30, 2025 and December 31, 2024. This liability is re-measured annually on December 31st based on an actuarial calculation of our pension liability. Significant assumptions used in calculating the liability include the weighted average discount rate used to measure the present value of the pension liability, the weighted average expected long-term rate of return on pension plan assets, and the assumed rate of annual compensation increases, all of which will vary when re-measured. The discount rate assumption used to calculate the pension liability is subject to long-term corporate bond rates at December 31st. These assumptions and sensitivities are discussed in the section entitled "Critical Accounting Policies and Estimates" in Part II, Item7. Management's Discussion and Analysis of Financial Condition and Results of Operations, of our 2024 Form 10-K.

OFF-BALANCE SHEET ARRANGEMENTS

We are a party to financial instruments with off-balance sheet risks in the normal course of business to meet the financing needs of our clients.

At September 30, 2025, we had \$705.3 million in commitments to extend credit and \$7.1 million in standby letters of credit. Commitments to extend credit are agreements to lend to a client so long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit are conditional commitments issued by us to guarantee the performance of a client to a third party. We use the same credit policies in establishing commitments and issuing letters of credit as we do for onbalance sheet instruments.

If commitments arising from these financial instruments continue to require funding at historical levels, management does not anticipate that such funding will adversely impact our ability to meet our on-going obligations. In the event these commitments require funding in excess of historical levels, management believes current liquidity, advances available from the FHLB and the Federal Reserve, and investment security maturities provide a sufficient source of funds to meet these commitments.

Certain agreements provide that the commitments are unconditionally cancellable by the bank and for those agreements no allowance for credit losses has been recorded. We have recorded an allowance for credit losses on loan commitments that are not unconditionally cancellable by the Bank, which is included in other liabilities on the Consolidated Statements of Financial Condition and totaled \$2.1 million at September 30, 2025.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements included in our 2024 Form 10-K. The preparation of our Consolidated Financial Statements in accordance with GAAP and reporting practices applicable to the banking industry requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and to disclose contingent assets and liabilities. Actual results could differ from those estimates.

We have identified accounting for (i) the allowance for credit losses, (ii) goodwill, (iii) pension assumptions, and (iv) income taxes as our most critical accounting policies and estimates in that they are important to the portrayal of our financial condition and results, and they require our subjective and complex judgment as a result of the need to make estimates about the effects of matters that are inherently uncertain. These accounting policies, including the nature of the estimates and types of assumptions used, are described throughout this Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2024 Form 10-K.

TABLE I AVERAGE BALANCES & INTEREST RATES (UNAUDITED)

		Three Months Ended September 30,										Nine Months Ended September 30,									
	2025				2024					2	025										
		Average			Avera	ge	A	verage			Average		Average		Average	Average			Average		
(Dollars in Thousands)		Balances]	Interest	Rate		Ва	alances	!	Interest	Rate	_	Balances	Interest	Rate	Balances	_	Interest	Rate		
Assets:																					
Loans Held for Sale	\$	25,276	\$	425		8% \$		24,570	\$	720	7.49%	\$	24,226 \$	1,390	7.67% \$	26,050	\$	1,800	6.22%		
Loans Held for Investment(1)(2)		2,606,213		39,894	6.0			2,693,533		40,985	6.09		2,641,346	120,359	6.09	2,716,220		121,864	6.02		
Taxable Securities		992,260		7,175	2.8	8		907,610		4,148	1.82		993,460	19,644	2.64	926,241		12,385	1.78		
Tax-Exempt Securities ⁽²⁾		1,620		18	4.4	4		846		10	4.33		1,313	43	4.43	848		28	4.34		
Federal Funds Sold and Interest Bearing Deposits		356,161		3,964	4.4	2		256,855		3,514	5.44		342,094	11,369	4.44	220,056		9,031	5.48		
Total Earning Assets		3,981,530		51,476	5.1	2%		3,883,414		49,377	5.06%		4,002,439	152,805	5.10%	3,889,415		145,108	4.98%		
Cash & Due From Banks		65,085						70,994					68,074			73,843					
Allowance For Credit Losses		(30,342)						(29,905)					(30,282)			(29,833)					
Other Assets		301,678				_		291,359					300,788		_	292,762					
TOTAL ASSETS	\$	4,317,951				\$		4,215,862				\$	4,341,019		\$	4,226,187					
Liabilities:		,													_						
Noninterest Bearing Deposits		1,314,560						1,332,305					1,324,753			1,340,981					
NOW Accounts	\$	1,198,124	\$	3,782	1.2	5% \$		1,145,544	\$	4,087	1.42%	\$	1,224,402 \$	11,386	1.24% \$	1,184,596	\$	13,009	1.47%		
Money Market Accounts		416,656		2,090	1.9	9		418,625		2,694	2.56		422,817	6,617	2.09	393,294		7,431	2.52		
Savings Accounts		503,189		159	0.1	3		512,098		180	0.14		506,255	509	0.13	523,573		544	0.14		
Other Time Deposits		179,802		1,234	2.7	2		163,462		1,262	3.07		174,418	3,541	2.71	153,991		3,412	2.96		
Total Interest Bearing Deposits		2,297,771		7,265	1.2	5		2,239,729		8,223	1.46		2,327,892	22,053	1.27	2,255,454		24,396	1.44		
Total Deposits		3,612,331		7,265	0.8	0		3,572,034		8,223	0.92		3,652,645	22,053	0.81	3,596,435		24,396	0.91		
Repurchase Agreements		21,966		158	2.8	6		27,126		221	3.24		24,752	478	2.58	26,619		639	3.21		
Other Short-Term Borrowings		12,753		58	1.8	2		2,673		52	7.63		10,251	354	4.62	4,334		159	4.88		
Subordinated Notes Payable		42,582		383	3.5	2		52,887		610	4.52		49,113	1,473	3.95	52,887		1,868	4.64		
Other Long-Term Borrowings		681		10	5.5	5		795		11	5.55		755	26	4.50	447		17	5.16		
Total Interest Bearing Liabilities		2,375,753		7,874	1.3	2%		2,323,210		9,117	1.56%		2,412,763	24,384	1.35%	2,339,741		27,079	1.55%		
Other Liabilities		85,422						73,767					75,664			71,574					
TOTAL LIABILITIES		3,775,735						3,729,282					3,813,180			3,752,296					
Temporary Equity		-						6,443					-			6,694					
TOTAL SHAREOWNERS' EQUITY		542,216				_		480,137					527,839		_	467,197					
TOTAL LIABILITIES, TEMPORARY																					
AND SHAREOWNERS' EQUITY	\$	4,317,951				\$		4,215,862				\$	4,341,019		\$	4,226,187					
Interest Rate Spread					3.8	1%					3.49%				3.75%				3.43%		
Net Interest Income			\$	43,602					\$	40,260			<u></u>	128,421			\$	118,029			
Net Interest Margin ⁽³⁾					4.3	4%					4.12%		_		4.28%				4.05%		

⁽¹⁾ Average Balances include net loan fees, discounts and premiums and nonaccrual loans. Interest income includes loan costs of \$0.4 million and \$1.1 million for the three and nine months ended September 30, 2025, and loan cost of \$0.2 and \$0.5 million for the three and ninemonth periods ended September 30, 2024.

⁽²⁾Interest income includes the effects of taxable equivalent adjustmentsusing a 21% Federal tax rate.
⁽³⁾Taxable equivalent net interest income divided by average earning assets.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK Item 3.

See "Market Risk and Interest Rate Sensitivity" in Management's Discussion and Analysis of Financial Condition and Results of Operations, above, which is incorporated herein by reference. Management has determined that no additional disclosures are necessary to assess changes in information about market risk that have occurred since December 31, 2024.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

At September 30, 2025, the end of the period covered by this Form 10-Q, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

Our management, including our Chief Executive Officer and Chief Financial Officer, has reviewed our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). During the quarter ended September 30, 2025, there have been no significant changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Legal Proceedings Item 1.

We are party to lawsuits arising out of the normal course of business. In management's opinion, there is no known pending litigation, the outcome of which would, individually or in the aggregate, have a material effect on our consolidated results of operations, financial position, or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our 2024 Form 10-K, as updated in our subsequent quarterly reports. The risks described in our 2024 Form 10-K, and our subsequent quarterly reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Defaults Upon Senior Securities Item 3.

Item 4. Mine Safety Disclosure

Not Applicable.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plans

During the three months ended September 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

- (A) Exhibits
- 3.1 Amended and Restated Articles of Incorporation incorporated herein by reference to Exhibit 3.1 of the Registrant's Form 8-K (filed 5/3/21) (No. 000-13358).
- 3.2 Amended and Restated Bylaws incorporated herein by reference to Exhibit 3.1 of the Registrant's Form 8-K (filed 12/20/2024) (No. 000-13358).
- 31.1 Certification of William G Smith, Jr., Chairman and Chief Executive Officer of Capital City Bank Group, Inc., Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- 31.2 <u>Certification of Jeptha E. Larkin, Executive Vice President and Chief Financial Officer of Capital City Bank Group, Inc., Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
- 32.1 Certification of William G. Smith, Jr., Chairman and Chief Executive Officer of Capital City Bank Group, Inc., Pursuant to 18 U.S.C. Section 1350.
- 32.2 Certification of Jeptha E. Larkin, Executive Vice President and Chief Financial Officer of Capital City Bank Group, Inc., Pursuant to 18 U.S.C. Section 1350.
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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 Chief Financial Officer hereunto duly authorized.

CAPITAL CITY BANK GROUP, INC. (Registrant)

/s/ Jeptha E. Larkin
Jeptha E. Larkin
Executive Vice President and Chief Financial Officer
(Mr. Larkin is the Principal Financial Officer and has been duly authorized to sign on behalf of the Registrant)

Date: October 31, 2025

Certification of CEO Pursuant to Securities Exchange Act Rule 13a-14(a) / 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William G. Smith, Jr., certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Capital City Bank Group, Inc.;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact
 necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading
 with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
 material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods
 presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ William G. Smith. Jr.

William G. Smith, Jr.
Chairman and Chief Executive Officer

Chairman and Chief Executive Of

Date: October 31, 2025

Certification of CFO Pursuant to Securities Exchange Act Rule 13a-14(a) / 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeptha E. Larkin, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Capital City Bank Group, Inc.;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact
 necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading
 with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
 material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods
 presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jeptha E. Larkin

Jeptha E. Larkin Executive Vice President and Chief Financial Officer

Date: October 31, 2025

Exhibit 32.1

Certification of CEO Pursuant to 18 U.S.C. Section 1350

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, William G. Smith, Jr., Chairman and Chief Executive Officer of Capital City Bank Group, Inc., hereby certify that to my knowledge (1) this Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (this "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in this Report fairly presents, in all material respects, the financial condition of the Company and its results of operations as of and for the periods covered therein.

/s/ William G. Smith, Jr.

William G. Smith, Jr.

Chairman and Chief Executive Officer

Date: October 31, 2025

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of CFO Pursuant to 18 U.S.C. Section 1350

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Jeptha E. Larkin, Executive Vice President and Chief Financial Officer of Capital City Bank Group, Inc., hereby certify that to my knowledge (1) this Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (this "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in this Report fairly presents, in all material respects, the financial condition of the Company and its results of operations as of and for the periods covered therein.

/s/ Jeptha E. Larkin

Jeptha E. Larkin Executive Vice President and Chief Financial Officer

Date: October 31, 2025

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.