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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission File Number: 0-13358

Capital City Bank Group, Inc.

(Exact name of Registrant as specified in its charter)

Florida	**59-2273542**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
217 North Monroe Street, Tallahassee, Florida	**32301**
(Address of principal executive office)	(Zip Code)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐	Smaller reporting company ☐
			Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

At April 27, 2026, 17,101,409 shares of the Registrant's Common Stock, $.01 par value, were outstanding.

CAPITAL CITY BANK GROUP, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE MONTHS ENDED MARCH 31, 2026
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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," "estimate," "expect," "intend," "plan," "target," "vision," "goal," and similar expressions are intended to identify forward-looking statements.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Forward-looking statements are based on current assumptions and expectations that are subject to change and may prove to be inaccurate. 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, 2025 (the "2025 Form 10-K"), as updated in our subsequent quarterly reports filed on Form 10-Q, as well as, among other factors:

- Changes in trade, monetary, and fiscal policies and laws, including actual changes in interest rates and the Fed Funds rate and changes in international trade policies, tariffs and treaties affecting imports and exports, and their related impacts on macroeconomic conditions, customer behavior, funding costs and loan and securities portfolios;
- Inflation, interest rate, market and monetary fluctuations;
- Local, regional, national, and international economic conditions (including the value of the U.S. Dollar in relation to the currencies of other advanced and emerging market countries and the performance of both domestic and international equity and debt markets and valuation of securities traded on recognized domestic and international exchanges), and the impact they may have on us and our clients and our assessment of that impact;
- Supply-demand imbalances and general economic conditions affecting local real estate prices and a general deterioration in commercial real estate market fundamentals;
- 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 creditworthiness, 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;
- Changes in our capital levels, capital requirements or our ability to maintain adequate regulatory capital ratios;
- The timely development and acceptance of new products and services as well as risks (including reputational and litigation) attendant thereto, and perceived overall value of these products and services by users;
- Changes in consumer spending, borrowing, and saving habits;
- Changes in deposit levels, deposit mix, pricing, or the availability and cost of other funding sources;
- Greater than expected costs or difficulties related to the integration of new products and lines of business;
- Technological changes;
- Risks associated with the development and use of artificial intelligence;
- 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;
- Dispositions, acquisitions and integration of acquired businesses;
- 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 (including impacts related to the conflict in the Middle East and resulting disruptions to energy and other commodities markets and supply chains), 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; including the speed and scale at which information can spread through social media or digital channels, which could amplify adverse market or customer reactions; and
- The limited trading activity and concentration of ownership of our common stock.

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

(Dollars in Thousands, Except Par Value)	**(Unaudited) March 31, 2026**	**December 31, 2025**
ASSETS		
Cash and Due From Banks	$ 64,214	$ 62,189
Federal Funds Sold and Interest Bearing Deposits	424,756	467,782
Total Cash and Cash Equivalents	488,970	529,971
Investment Securities, Available for Sale, at fair value (amortized cost of $ 816,203 and $656,546)	800,550	643,922
Investment Securities, Held to Maturity (fair value of $343,591 and $369,320)	353,296	377,446
Equity Securities	2,083	2,069
Total Investment Securities	1,155,929	1,023,437
Loans Held For Sale, at fair value	25,088	21,695
Loans Held for Investment	2,518,404	2,546,118
Allowance for Credit Losses	(30,999)	(31,001)
Loans Held for Investment, Net	2,487,405	2,515,117
Premises and Equipment, Net	77,670	79,457
Goodwill	89,095	89,095
Other Real Estate Owned	1,822	1,936
Other Assets	127,755	125,057
Total Assets	$ 4,453,734	$ 4,385,765
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 1,299,933	$ 1,251,886
Interest Bearing Deposits	2,451,684	2,410,426
Total Deposits	3,751,617	3,662,312
Short-Term Borrowings	33,276	50,092
Subordinated Notes Payable	33,303	42,582
Other Long-Term Borrowings	680	680
Other Liabilities	74,946	77,248
Total Liabilities	3,893,822	3,832,914
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; 17,097,636 and 17,084,386 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	171	171
Additional Paid-In Capital	39,854	41,650
Retained Earnings	519,632	508,443
Accumulated Other Comprehensive Income (Loss), net of tax	255	2,587
Total Shareowners' Equity	559,912	552,851
Total Liabilities and Shareowners' Equity	$ 4,453,734	$ 4,385,765

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

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

(Dollars in Thousands, Except Per Share Data)	Three Months Ended March 31, 2026	2025
INTEREST INCOME		
Loans, including Fees	$ 38,254	$ 40,478
Investment Securities:		
Taxable Securities	9,042	5,802
Tax Exempt Securities	13	6
Federal Funds Sold and Interest Bearing Deposits	3,711	3,496
Total Interest Income	51,020	49,782
INTEREST EXPENSE		
Deposits	7,395	7,383
Short-Term Borrowings	400	281
Subordinated Notes Payable	398	560
Other Long-Term Borrowings	10	11
Total Interest Expense	8,203	8,235
NET INTEREST INCOME	42,817	41,547
Provision for Credit Losses	712	768
Net Interest Income After Provision for Credit Losses	42,105	40,779
NONINTEREST INCOME		
Deposit Fees	5,598	5,061
Bank Card Fees	3,630	3,514
Wealth Management Fees	4,051	5,763
Mortgage Banking Revenues	4,252	3,820
Other	2,402	1,749
Total Noninterest Income	19,933	19,907
NONINTEREST EXPENSE		
Compensation	25,703	26,248
Occupancy, Net	7,083	6,793
Other	8,587	5,660
Total Noninterest Expense	41,373	38,701
INCOME BEFORE INCOME TAXES	20,665	21,985
Income Tax Expense	4,848	5,127
NET INCOME	$ 15,817	$ 16,858
BASIC NET INCOME PER SHARE	$ 0.92	$ 0.99
DILUTED NET INCOME PER SHARE	$ 0.92	$ 0.99
Average Basic Shares Outstanding	17,129	17,027
Average Diluted Shares Outstanding	17,146	17,044

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

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

(Dollars in Thousands)	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
NET INCOME	$ 15,817	$ 16,858
Other comprehensive (loss) income, before tax:		
Investment Securities:		
Change in net unrealized (loss) gain on securities available for sale	(3,033)	5,007
Amortization of unrealized losses on securities transferred from available for sale to held to maturity	108	498
Derivative:		
Change in net unrealized (loss) gain on effective cash flow derivative	-	(704)
Amortization of terminated cash flow derivative gain	(198)	-
Other comprehensive (loss) income, before tax	(3,123)	4,801
Deferred tax (benefit) expense related to other comprehensive income	(791)	1,202
Other comprehensive (loss) income, net of tax	(2,332)	3,599
TOTAL COMPREHENSIVE INCOME	$ 13,485	$ 20,457

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)

(Dollars In Thousands, Except Share Data)	Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Taxes	Total
Balance, January 1, 2026	17,084,386	$ 171	$ 41,650	$ 508,443	$ 2,587	$ 552,851
Net Income	-	-	-	15,817	-	15,817
Other Comprehensive Loss, net of tax	-	-	-	-	(2,332)	(2,332)
Cash Dividends ($0.2700 per share)	-	-	-	(4,628)	-	(4,628)
Repurchase of Common Stock	(63,088)	-	(2,639)	-	-	(2,639)
Stock Based Compensation	-	-	501	-	-	501
Stock Compensation Plan Transactions, net	76,338	-	342	-	-	342
Balance, March 31, 2026	17,097,636	$ 171	$ 39,854	$ 519,632	$ 255	$ 559,912
Balance, January 1, 2025	16,974,513	$ 170	$ 37,684	$ 463,949	$ (6,486)	$ 495,317
Net Income	-	-	-	16,858	-	16,858
Other Comprehensive Income, net of tax	-	-	-	-	3,599	3,599
Cash Dividends ($0.2400 per share)	-	-	-	(4,092)	-	(4,092)
Stock Based Compensation	-	-	399	-	-	399
Stock Compensation Plan Transactions, net	80,274	1	493	-	-	494
Balance, March 31, 2025	17,054,787	$ 171	$ 38,576	$ 476,715	$ (2,887)	$ 512,575

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

(Dollars in Thousands)	Three Months Ended March 31, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income Attributable to Common Shareowners	$ 15,817	$ 16,858
Adjustments to Reconcile Net Income to		
Cash Provided by Operating Activities:		
Provision for Credit Losses	712	768
Depreciation	1,816	1,810
Amortization of Premiums, Discounts and Fees, net	792	1,144
Amortization of Intangible Asset	-	40
Originations of Loans Held-for-Sale	(95,869)	(96,737)
Proceeds From Sales of Loans Held-for-Sale	100,722	105,196
Mortgage Banking Revenues	(4,252)	(3,820)
Net Additions for Capitalized Mortgage Servicing Rights	21	25
Stock Based Compensation	501	399
Net Tax Benefit from Stock Based Compensation	(132)	(154)
Deferred Income Taxes (Benefit)	593	(121)
Net Change in Operating Leases	(6)	49
Net Gain on Sales and Write-Downs of Other Real Estate Owned	(334)	(4,508)
Loss on Disposal of Premises and Equipment	-	46
Net (Increase) Decrease in Other Assets	(2,480)	2,388
Net Increase in Other Liabilities	(1,966)	(1,516)
Net Cash Provided By Operating Activities	15,935	21,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Securities Held to Maturity:		
Purchases	(61,632)	(20,438)
Proceeds from Payments, Maturities, and Calls	85,722	70,308
Securities Available for Sale:		
Purchases	(192,707)	(64,870)
Proceeds from Payments, Maturities, and Calls	33,102	11,683
Equity Securities:		
Purchases	(60)	-
Net Decrease in Equity Securities	46	84
Purchases of Loans Held for Investment	(269)	(304)
Proceeds from Sales of Loans	12,254	13,641
Net Decrease (Increase) in Loans Held for Investment	9,793	(21,101)
Proceeds From Sales of Other Real Estate Owned	2,139	7,309
Purchases of Premises and Equipment	(1,279)	(2,382)
Net Cash Used In Investing Activities	(112,891)	(6,070)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in Deposits	89,305	111,913
Net (Decrease) Increase in Short-Term Borrowings	(16,816)	8,896
Principal Payments of Subordinated Notes	(9,279)	-
Dividends Paid	(4,628)	(4,092)
Payments to Repurchase Common Stock	(2,639)	-
Proceeds from Issuance of Common Stock Under Purchase Plans	12	195
Net Cash Provided By Financing Activities	55,955	116,912
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(41,001)	132,709
Cash and Cash Equivalents at Beginning of Period	529,971	391,854
Cash and Cash Equivalents at End of Period	$ 488,970	524,563
Supplemental Cash Flow Disclosures:		
Interest Paid	$ 8,443	$ 8,356
Income Taxes Paid	$ -	$ -
Supplemental Noncash Items:		
Loans and Premises Transferred to Other Real Estate Owned	$ 1,691	$ 2,566
Loans Transferred from Held for Investment to Held for Sale, net	$ 16,248	$ 11,049

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, 2025 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 2025 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. 2023-03, "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, 2027. 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. ASU 2025-06 is effective for the Company as of January 1, 2027. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements and disclosures.

ASU 2025-08, "Financial Instruments—Credit Losses (Topic 326): Purchased Loans." The ASU updates the accounting for purchased loans under ASC 326. The amendments expand the population of loans subject to the "gross-up" accounting model by eliminating the former distinction between purchased credit -deteriorated ("PCD") and non-PCD loans. Under the new guidance, entities will apply a single model for purchased loans by recognizing an allowance for credit losses and adjusting the amortized cost basis for the associated noncredit discount at acquisition. ASU 2025 -08 is effective for the Company as of January 1, 2027. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements and disclosures.

ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements." The ASU aims to clarify and enhance interim financial reporting by defining its scope, consolidating GAAP disclosures in Topic 270, adding a principle for material post-year-end event disclosure, and refining statement format guidance to improve consistency for all preparers. These changes do not alter the fundamental requirements of interim reporting but seek to streamline and standardize the process. ASU 2025-11 is effective for interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements.

ASU 2025-12, "Codification Improvements." The ASU was issued to make technical corrections, clarify ambiguous guidance and generally streamline the Accounting Standards Codification across various topics, affecting most reporting entities, with key changes including clarifications for diluted EPS during losses, lease receivable disclosures, beneficial interest calculations, and treasury stock accounting, aiming for better usability without significantly altering core accounting outcomes. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements. ASU 2025-12 is effective for the Company as of January 1, 2027. The Company is currently evaluating the provisions of the amendments and the impact on its future consolidated statements.

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.

	Available for Sale				
(Dollars in Thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Losses	Fair Value
March 31, 2026					
U.S. Government Treasury	$ 488,048	$ 619	$ 1,681	$ -	$ 486,986
U.S. Government Agency	184,208	74	2,433	-	181,849
States and Political Subdivisions	36,717	28	2,014	-	34,731
Mortgage-Backed Securities[1]	58,307	-	7,920	-	50,387
Corporate Debt Securities	40,768	-	2,289	(37)	38,442
Other Securities[2]	8,155	-	-	-	8,155
Total	$ 816,203	$ 721	$ 16,337	$ (37)	$ 800,550
December 31, 2025					
U.S. Government Treasury	$ 331,495	$ 1,940	$ 171	$ -	$ 333,264
U.S. Government Agency	174,527	71	2,484	-	172,114
States and Political Subdivisions	36,918	38	2,045	-	34,911
Mortgage-Backed Securities[1]	59,699	2	7,697	-	52,004
Corporate Debt Securities	45,810	-	2,236	(42)	43,532
Other Securities[2]	8,097	-	-	-	8,097
Total	$ 656,546	$ 2,051	$ 14,633	$ (42)	$ 643,922

	Held to Maturity			
(Dollars in Thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2026				
U.S. Government Treasury	$ 58,580	$ -	$ 127	$ 58,453
Mortgage-Backed Securities[1]	294,716	295	9,873	285,138
Total	$ 353,296	$ 295	$ 10,000	$ 343,591
December 31, 2025				
U.S. Government Treasury	$ 129,782	$ -	$ 514	$ 129,268
Mortgage-Backed Securities[1]	247,664	930	8,542	240,052
Total	$ 377,446	$ 930	$ 9,056	$ 369,320

[1] *Comprised of residential mortgage-backed securities.*

[2] *Includes Federal Home Loan Bank stock recorded at cost of $3.1 million and $3.0 million at March 31, 2026 and December 31, 2025, respectively, and Federal Reserve Bank stock recorded at cost of $5.1 million at March 31, 2026 and at December 31, 2025.*

At March 31, 2026 and December 31, 2025, the investment portfolio had $ 2.1 million in equity securities. These securities do not have a readily determinable fair value and were not credit impaired.

Securities with an amortized cost of $395.9 million and $461.3 million at March 31, 2026 and December 31, 2025, 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.

Investment Sales. There were no sales of investment securities for the three months ended March 31, 2026 and 2025.

Maturity Distribution. At March 31, 2026, 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.

	Available for Sale		Held to Maturity	
(Dollars in Thousands)	**Amortized Cost**	**Fair Value**	**Amortized Cost**	**Fair Value**
Due in one year or less	$ 121,530	$ 121,174	$ 58,580	$ 58,453
Due after one year through five years	467,465	462,738	-	-
Due after five year through ten years	6,658	5,926	-	-
Mortgage-Backed Securities	58,307	50,387	294,716	285,138
U.S. Government Agency	154,088	152,170	-	-
Other Securities	8,155	8,155	-	-
Total	$ 816,203	$ 800,550	$ 353,296	$ 343,591

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 12 Months		Greater Than 12 Months		Total	
(Dollars in Thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2026						
Available for Sale						
U.S. Government Treasury	$ 269,603	$ 1,583	$ 8,932	$ 98	$ 278,535	$ 1,681
U.S. Government Agency	62,428	294	81,269	2,139	143,697	2,433
States and Political Subdivisions	1,909	75	31,659	1,939	33,568	2,014
Mortgage-Backed Securities	17	-	50,320	7,920	50,337	7,920
Corporate Debt Securities	-	-	37,432	2,289	37,432	2,289
Total	$ 333,957	$ 1,952	$ 209,612	$ 14,385	$ 543,569	$ 16,337
Held to Maturity						
U.S. Government Treasury	-	-	58,453	127	58,453	127
Mortgage-Backed Securities	134,957	1,204	96,232	8,669	231,189	9,873
Total	$ 134,957	$ 1,204	$ 154,685	$ 8,796	$ 289,642	$ 10,000
December 31, 2025						
Available for Sale						
U.S. Government Treasury	$ 31,319	$ 22	$ 8,902	$ 149	$ 40,221	$ 171
U.S. Government Agency	62,809	182	91,760	2,302	154,569	2,484
States and Political Subdivisions	3,030	124	30,705	1,921	33,735	2,045
Mortgage-Backed Securities	-	-	51,932	7,697	51,932	7,697
Corporate Debt Securities	-	-	42,333	2,236	42,333	2,236
Total	$ 97,158	$ 328	$ 225,632	$ 14,305	$ 322,790	$ 14,633
Held to Maturity						
U.S. Government Treasury	-	-	129,268	514	129,268	514
Mortgage-Backed Securities	33,589	98	106,262	8,444	139,851	8,542
Total	$ 33,589	$ 98	$ 235,530	$ 8,958	$ 269,119	$ 9,056

At March 31, 2026, there were 790 positions (combined AFS and HTM) with unrealized pre-tax losses totaling $26.3 million. 50 of these positions are U.S. Treasury bonds and carry the full faith and credit of the U.S. Government. 663 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 March 31, 2026, 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 77 positions (municipal securities and corporate bonds) have a credit component. At March 31, 2026, corporate debt securities had an allowance for credit losses of $37,000. None of the securities held by the Company were past due or in nonaccrual status at March 31, 2026.

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

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

(Dollars in Thousands)	**March 31, 2026**	**December 31, 2025**
Commercial, Financial and Agricultural	$ 170,268	$ 180,341
Real Estate – Construction	156,630	146,920
Real Estate – Commercial Mortgage	755,800	768,731
Real Estate – Residential[1]	1,011,067	1,025,690
Real Estate – Home Equity	243,932	240,897
Consumer[2]	180,707	183,539
Loans Held For Investment, Net of Unearned Income	$ 2,518,404	$ 2,546,118

[1] *Includes loans in process balances of $14.0 million and $5.6 million at March 31, 2026 and December 31, 2025, respectively.*
[2] *Includes overdraft balances of $1.2 million at March 31, 2026 and December 31, 2025.*

Net deferred loan costs, which include premiums on purchased loans, included in loans were $8.5 million at March 31, 2026 and $8.6 million at December 31, 2025.

Accrued interest receivable on loans which is excluded from amortized cost, totaled $9.5 million at March 31, 2026 and $9.8 million at December 31, 2025, 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 2025 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.

(Dollars in Thousands)	Commercial, Financial, Agricultural	Real Estate Construction	Real Estate Commercial Mortgage	Real Estate Residential	Real Estate Home Equity	Consumer	Total
Three Months Ended March 31, 2026							
Beginning Balance	$ 1,751	$ 1,681	$ 6,859	$ 15,317	$ 2,368	$ 3,025	$ 31,001
Provision for Credit Losses	137	(298)	(364)	670	8	482	635
Charge-Offs	(300)	-	-	-	(13)	(1,483)	(1,796)
Recoveries	74	-	84	77	10	914	1,159
Net (Charge-Offs) Recoveries	(226)	-	84	77	(3)	(569)	(637)
Ending Balance	$ 1,662	$ 1,383	$ 6,579	$ 16,064	$ 2,373	$ 2,938	$ 30,999
Three Months Ended March 31, 2025							
Beginning Balance	$ 1,514	$ 2,384	$ 5,867	$ 14,568	$ 1,952	$ 2,966	$ 29,251
Provision for Credit Losses	47	(151)	191	206	68	722	1,083
Charge-Offs	(168)	-	-	(8)	-	(1,435)	(1,611)
Recoveries	75	-	3	119	9	805	1,011
Net (Charge-Offs) Recoveries	(93)	-	3	111	9	(630)	(600)
Ending Balance	$ 1,468	$ 2,233	$ 6,061	$ 14,885	$ 2,029	$ 3,058	$ 29,734

At March 31, 2026, the allowance for credit losses for loans HFI totaled $31.0 million comparable to $31.0 million and $29.7 million at December 31, 2025 and March 31, 2025, respectively. For the three months ended March 31, 2026, the allowance for loans HFI reflected a provision expense of $0.6 million and net loan charge-offs of $0.6 million. For the three months ended March 31, 2025, the allowance for loans HFI increased by $0.5 million and reflected a provision expense of $1.1 million and net loan charge-offs of $0.6 million. The slight increase in the allowance over March 31, 2025 was primarily attributable to utilization of a higher forecasted unemployment rate in calculating loan loss rates. 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.

(Dollars in Thousands)	30-59 DPD	60-89 DPD	90 + DPD	Total Past Due	Total Current	Nonaccrual Loans	Total Loans
March 31, 2026							
Commercial, Financial and Agricultural	$ 846	$ 62	$ -	$ 908	$ 167,900	$ 1,460	$ 170,268
Real Estate – Construction	-	-	-	-	156,630	-	156,630
Real Estate – Commercial Mortgage	1,294	-	-	1,294	751,235	3,271	755,800
Real Estate – Residential	3,269	12	-	3,281	1,004,126	3,660	1,011,067
Real Estate – Home Equity	461	-	-	461	241,602	1,869	243,932
Consumer	686	13	-	699	179,125	883	180,707
Total	$ 6,556	$ 87	$ -	$ 6,643	$ 2,500,618	$ 11,143	$ 2,518,404
December 31, 2025							
Commercial, Financial and Agricultural	$ 537	$ 172	$ -	$ 709	$ 178,354	$ 1,278	$ 180,341
Real Estate – Construction	295	-	-	295	146,625	-	146,920
Real Estate – Commercial Mortgage	1,386	-	-	1,386	764,785	2,560	768,731
Real Estate – Residential	807	1,930	-	2,737	1,020,810	2,143	1,025,690
Real Estate – Home Equity	67	-	-	67	239,061	1,769	240,897
Consumer	1,561	262	-	1,823	180,871	845	183,539
Total	$ 4,653	$ 2,364	$ -	$ 7,017	$ 2,530,506	$ 8,595	$ 2,546,118

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.

	March 31, 2026			December 31, 2025		
(Dollars in Thousands)	Nonaccrual With No ACL	Nonaccrual With ACL	90 + Days Still Accruing	Nonaccrual With No ACL	Nonaccrual With ACL	90 + Days Still Accruing
Commercial, Financial and Agricultural	$ 1,026	$ 434	$ -	$ 1,038	$ 240	$ -
Real Estate – Construction	-	-	-	-	-	-
Real Estate – Commercial Mortgage	1,674	1,597	-	753	1,807	-
Real Estate – Residential	2,605	1,055	-	1,275	868	-
Real Estate – Home Equity	1,357	512	-	1,382	387	-
Consumer	-	883	-	-	845	-
Total Nonaccrual Loans	$ 6,662	$ 4,481	$ -	$ 4,448	$ 4,147	$ -

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

	March 31, 2026		December 31, 2025	
(Dollars in Thousands)	Real Estate Secured	Non Real Estate Secured	Real Estate Secured	Non Real Estate Secured
Commercial, Financial and Agricultural	$ -	$ 1,074	$ -	$ 1,087
Real Estate – Construction	-	-	-	-
Real Estate – Commercial Mortgage	3,073	-	2,450	-
Real Estate – Residential	2,628	-	1,275	-
Real Estate – Home Equity	1,361	-	1,561	-
Consumer	-	-	-	-
Total Collateral Dependent Loans	$ 7,062	$ 1,074	$ 5,286	$ 1,087

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 March 31, 2026, the Company had $0.5 million of 1-4 family residential real estate loans for which formal foreclosure proceedings were in process, compared to $0.2 million at December 31, 2025.

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.

During the three months ended March 31, 2026 and 2025, the Company did not modify any loans to borrowers experiencing financial difficulty.

The Company closely monitors the performance of loans modified for borrowers experiencing financial difficulty to evaluate the effectiveness of its modification strategies. At March 31, 2026, the amortized cost basis of loans modified during the preceding twelve months was $3.4 million, of which $2.0 million were current and $1.4 million were 30–59 days past due, compared to $0 at March 31, 2025.

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 on-site 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.

<u>Special Mention</u> – 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.

Doubtful – 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.

Performing/Nonperforming – 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 March 31, 2026 and December 31, 2025 and current period gross write-offs for the three months ended March 31, 2026 and 12 months ended December 31, 2025 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)	**Term Loans by Origination Year**						**Revolving**	
As of March 31, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Loans**	**Total**
Commercial, Financial, Agriculture:								
Pass	$ 9,380	$ 34,767	$ 20,654	$ 18,368	$ 20,251	$ 18,188	$ 43,764	$ 165,372
Special Mention	78	302	116	2,661	27	93	46	3,323
Substandard	-	152	32	66	155	21	1,147	1,573
Total	$ 9,458	$ 35,221	$ 20,802	$ 21,095	$ 20,433	$ 18,302	$ 44,957	$ 170,268
Current-Period Gross Writeoffs	$ -	$ -	$ 81	$ 75	$ 55	$ 6	$ 83	$ 300
Real Estate - Construction:								
Pass	$ 10,663	$ 96,033	$ 27,370	$ 3,503	$ 10,490	$ 239	$ 6,445	$ 154,743
Special Mention	-	-	-	372	1,515	-	-	1,887
Total	$ 10,663	$ 96,033	$ 27,370	$ 3,875	$ 12,005	$ 239	$ 6,445	$ 156,630
Real Estate - Commercial Mortgage:								
Pass	$ 21,212	$ 87,220	$ 65,642	$ 95,144	$ 166,153	$ 232,070	$ 31,811	$ 699,252
Special Mention	-	9,744	3,012	4,252	24,648	7,760	762	50,178
Substandard	-	733	-	97	411	3,578	149	4,968
Doubtful	-	-	1,402	-	-	-	-	1,402
Total	$ 21,212	$ 97,697	$ 70,056	$ 99,493	$ 191,212	$ 243,408	$ 32,722	$ 755,800
Real Estate - Residential:								
Pass	$ 38,849	$ 126,831	$ 121,881	$ 256,201	$ 307,977	$ 140,699	$ 9,407	$ 1,001,845
Special Mention	365	-	815	-	115	1,733	-	3,028
Substandard	38	-	557	426	1,200	3,858	115	6,194
Total	$ 39,252	$ 126,831	$ 123,253	$ 256,627	$ 309,292	$ 146,290	$ 9,522	$ 1,011,067
Real Estate - Home Equity:								
Performing	$ 279	$ 351	$ 8	$ 297	$ 18	$ 516	$ 238,971	$ 240,440
Nonperforming	-	-	-	-	-	-	3,492	3,492
Total	$ 279	$ 351	$ 8	$ 297	$ 18	$ 516	$ 242,463	$ 243,932
Current-Period Gross Writeoffs	$ -	$ -	$ -	$ -	$ -	$ -	$ 13	$ 13
Consumer:								
Performing	$ 19,800	$ 57,351	$ 19,718	$ 24,448	$ 26,716	$ 20,732	$ 11,060	$ 179,825
Nonperforming	-	314	85	111	205	167	-	882
Total	$ 19,800	$ 57,665	$ 19,803	$ 24,559	$ 26,921	$ 20,899	$ 11,060	$ 180,707
Current-Period Gross Writeoffs	$ 632	$ 114	$ 121	$ 216	$ 198	$ 142	$ 60	$ 1,483

(Dollars in Thousands)	Term Loans by Origination Year						Revolving	
As of December 31, 2025	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Loans**	**Total**
Commercial, Financial, Agriculture:								
Pass	$ 37,680	$ 23,425	$ 22,907	$ 23,068	$ 10,922	$ 8,740	$ 48,354	$ 175,096
Special Mention	322	121	2,740	63	4	180	163	3,593
Substandard	-	146	95	245	16	36	1,114	1,652
Total	$ 38,002	$ 23,692	$ 25,742	$ 23,376	$ 10,942	$ 8,956	$ 49,631	$ 180,341
Current-Period Gross Writeoffs	$ -	$ 209	$ 114	$ 344	$ 70	$ 1	$ 44	$ 782
Real Estate - Construction:								
Pass	$ 76,850	$ 39,024	$ 3,298	$ 14,996	$ 53	$ 187	$ 9,295	$ 143,703
Special Mention	-	-	372	2,127	-	-	-	2,499
Substandard	-	-	718	-	-	-	-	718
Total	$ 76,850	$ 39,024	$ 4,388	$ 17,123	$ 53	$ 187	$ 9,295	$ 146,920
Real Estate - Commercial Mortgage:								
Pass	$ 93,723	$ 76,348	$ 101,262	$ 174,959	$ 92,388	$ 152,307	$ 22,555	$ 713,542
Special Mention	9,830	4,477	5,725	20,547	3,922	4,074	720	49,295
Substandard	750	1,402	98	418	1,229	1,847	150	5,894
Total	$ 104,303	$ 82,227	$ 107,085	$ 195,924	$ 97,539	$ 158,228	$ 23,425	$ 768,731
Current-Period Gross Writeoffs	$ -	$ -	$ -	$ -	$ -	$ 4	$ -	$ 4
Real Estate - Residential:								
Pass	$ 142,278	$ 130,895	$ 269,844	$ 316,402	$ 59,950	$ 87,545	$ 10,521	$ 1,017,435
Special Mention	-	-	-	116	954	807	378	2,255
Substandard	-	558	429	1,201	1,310	2,341	161	6,000
Total	$ 142,278	$ 131,453	$ 270,273	$ 317,719	$ 62,214	$ 90,693	$ 11,060	$ 1,025,690
Current-Period Gross Writeoffs	$ -	$ 27	$ 59	$ 32	$ -	$ 18	$ -	$ 136
Real Estate - Home Equity:								
Performing	$ 391	$ 9	$ 411	$ 19	$ 106	$ 587	$ 237,678	$ 239,201
Nonperforming	-	-	-	-	-	-	1,696	1,696
Total	$ 391	$ 9	$ 411	$ 19	$ 106	$ 587	$ 239,374	$ 240,897
Current-Period Gross Writeoffs	$ -	$ -	$ -	$ -	$ -	$ 9	$ 35	$ 44
Consumer:								
Performing	$ 63,443	$ 21,866	$ 27,919	$ 31,464	$ 21,524	$ 5,164	$ 11,315	$ 182,695
Nonperforming	186	191	149	215	72	31	-	844
Total	$ 63,629	$ 22,057	$ 28,068	$ 31,679	$ 21,596	$ 5,195	$ 11,315	$ 183,539
Current-Period Gross Writeoffs	$ 2,789	$ 376	$ 1,003	$ 1,036	$ 454	$ 144	$ 152	$ 5,954

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.

	March 31, 2026		December 31, 2025	
(Dollars in Thousands)	Unpaid Principal Balance/Notional	Fair Value	Unpaid Principal Balance/Notional	Fair Value
Residential Mortgage Loans Held for Sale	$ 24,429	25,088	$ 20,944	$ 21,695
Residential Mortgage Loan Commitments ("IRLCs") [1]	36,415	737	20,699	464
Forward Sales Contracts[2]	26,000	124	25,500	(84)

[1] *Recorded in other assets at fair value.*
[2] *Recorded in other assets and other liabilities at fair value, respectively.*

At March 31, 2026 and December 31, 2025, 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 Months Ended March 31,	
(Dollars in Thousands)	2026	2025
Net realized gains on sales of mortgage loans	$ 2,950	$ 2,880
Net change in unrealized gain on mortgage loans held for sale	(41)	234
Net change in the fair value of IRLC's	273	495
Net change in the fair value of forward sales contracts	209	(175)
Pair-Offs on net settlement of forward sales contracts	76	(186)
Mortgage servicing rights additions	26	20
Net origination fees	759	552
Total mortgage banking revenues	$ 4,252	$ 3,820

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)	March 31, 2026	December 31, 2025
Number of residential mortgage loans serviced for others	461	456
Outstanding principal balance of residential mortgage loans serviced for others	$ 121,396	$ 118,429
Weighted average interest rate	5.69%	5.69%
Remaining contractual term (in months)	354	354

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 March 31, 2026, the servicing portfolio balance consisted of the following loan types: FNMA (60.3%), GNMA (4.3%), and private investor (35.4%). FNMA and private investor loans are structured as actual/actual payment remittance.

At March 31, 2026 and December 31, 2025, 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 and $0.3 million repurchased for the three months ended March 31, 2026 and 2025, 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 Months Ended March 31,	
(Dollars in Thousands)	2026	2025
Beginning balance	$ 924	$ 933
Additions due to loans sold with servicing retained	26	20
Deletions and amortization	(47)	(45)
Ending balance	$ 903	$ 908

The Company did not record any permanent impairment losses on mortgage servicing rights for the three months ended March 31, 2026 or 2025.

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

	March 31, 2026		December 31, 2025	
	Minimum	Maximum	Minimum	Maximum
Discount rates	9.50%	12.00%	9.50%	12.00%
Annual prepayment speeds	9.11%	18.33%	8.50%	18.73%
Cost of servicing (per loan)	$ 85	$ 95	$ 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 12.40% at March 31, 2026 and 13.05% at December 31, 2025.

Warehouse Line Borrowings

The Company has the following warehouse lines of credit and master repurchase agreements with various financial institutions at March 31, 2026:

(Dollars in Thousands)		Amounts Outstanding
$30 million master repurchase agreement without defined expiration. Interest is at the secured overnight financing rate (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.	$	17,662
$25 million warehouse line of credit agreement expiring in June 2026. Interest is at the SOFR rate plus 2.50% to 3.00%, with a floor rate of 3.00% to 3.50%.		11,053
Total Warehouse Borrowings	$	28,715

Warehouse line borrowings are classified as short-term borrowings. At December 31, 2025, warehouse line borrowings totaled $28.1 million. At March 31, 2026, 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 March 31, 2026.

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.

<u>Cash Flow Hedges of Interest Rate Risk</u>

The Company previously maintained interest rate swaps with notional amounts totaling $30 million designated as a cash flow hedge for subordinated debt. Under the swap arrangement, the Company paid a fixed interest rate of 2.50% and received a variable interest rate based on three-month CME Term SOFR. In October 2025, the Company terminated the swaps and derecognized the derivative assets. The unrealized gain of $2.7 million is deferred in accumulated other comprehensive income and will be amortized on a straight-line basis into interest expense through the remaining term of the original cash flow hedge. The Company estimates there will be approximately $0.8 million reclassified as a decrease to interest expense within the next 12 months.

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 AOCI 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 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).

(Dollars in Thousands)	Category		Change in Gain (Loss) Recognized in AOCI		Amount of Gain (Loss) Reclassified from AOCI to Income
Three months ended March 31, 2026	Interest expense	$	-	$	198
Three months ended March 31, 2025	Interest expense		326		375

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 March 31, 2026, the operating lease ROU assets and liabilities were $ 25.7 million and $26.4 million, respectively. At December 31, 2025, ROU assets and liabilities were $ 26.3 million and $26.9 million, respectively. 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.

	Three Months Ended March 31,	
(Dollars in Thousands)	**2026**	**2025**
Operating lease expense	$ 915	$ 864
Short-term lease expense	147	311
Total lease expense	$ 1,062	$ 1,175
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 920	$ 912
Right-of-use assets obtained in exchange for new operating lease liabilities	101	2,880
Weighted average remaining lease term — operating leases (in years)	15.6	16.2
Weighted average discount rate — operating leases	3.7%	3.7%

The table below summarizes the maturity of remaining lease liabilities:

(Dollars in Thousands)	**March 31, 2026**
2026	$ 2,714
2027	3,433
2028	3,147
2029	2,881
2030	2,848
2031 and thereafter	18,445
Total	$ 33,468
Less: Interest	(7,112)
Present Value of Lease liability	$ 26,356

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 $2.0 million at March 31, 2026. Further, in accordance with the 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:

	Three Months Ended March 31,	
(Dollars in Thousands)	**2026**	**2025**
Service Cost	$ 833	$ 860
Interest Cost	1,531	1,677
Expected Return on Plan Assets	(2,217)	(2,265)
Net Gain Amortization	(474)	(413)
Net Periodic Benefit Cost	$ (327)	$ (141)
Discount Rate Used for Benefit Cost	5.67%	5.82%
Long-term Rate of Return on Assets	6.50%	6.75%

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

	Three Months Ended March 31,	
(Dollars in Thousands)	**2026**	**2025**
Service Cost	$ 19	$ 12
Interest Cost	150	131
Prior Service Cost Amortization	26	25
Net Loss Amortization	237	(29)
Net Periodic Benefit Cost	$ 432	$ 139
Discount Rate Used for Benefit Cost	5.24%	5.57%

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:

	March 31, 2026			December 31, 2025		
(Dollars in Thousands)	**Fixed**	**Variable**	**Total**	**Fixed**	**Variable**	**Total**
Commitments to Extend Credit [(1)]	$ 206,366	$ 463,365	$ 669,731	$ 188,834	$ 456,328	$ 645,162
Standby Letters of Credit	7,523	-	7,523	7,828	-	7,828
Total	$ 213,889	$ 463,365	$ 677,254	$ 196,662	$ 456,328	$ 652,990

[(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.

	Three Months Ended March 31,	
(Dollars in Thousands)	**2026**	**2025**
Beginning Balance	$ 2,107	$ 2,155
Provision for Credit Losses	82	(323)
Ending Balance	$ 2,189	$ 1,832

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 March 31, 2026, the amount remaining to be funded for the bank tech venture capital commitment was $0.2 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 $ 0.1 million. There was no amount payable at March 31, 2026.

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 no counterparty payment accrued and payable at March 31, 2026 and $0.2 million payable at December 31, 2025.

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

(Dollars in Thousands)	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
March 31, 2026				
ASSETS:				
Securities Available for Sale:				
U.S. Government Treasury	$ 486,986	$ -	$ -	$ 486,986
U.S. Government Agency	-	181,849	-	181,849
States and Political Subdivisions	-	34,731	-	34,731
Mortgage-Backed Securities	-	50,387	-	50,387
Corporate Debt Securities	-	38,442	-	38,442
Equity Securities	-	-	2,083	2,083
Loans Held for Sale	-	25,088	-	25,088
Forward Sales Contracts	-	124	-	124
Residential Mortgage Loan Commitments ("IRLCs")	-	-	737	737
December 31, 2025				
ASSETS:				
Securities Available for Sale:				
U.S. Government Treasury	$ 333,264	$ -	$ -	$ 333,264
U.S. Government Agency	-	172,114	-	172,114
States and Political Subdivisions	-	34,911	-	34,911
Mortgage-Backed Securities	-	52,004	-	52,004
Corporate Debt Securities	-	43,532	-	43,532
Equity Securities	-	-	2,069	2,069
Loans Held for Sale	-	21,695	-	21,695
Residential Mortgage Loan Commitments ("IRLCs")	-	-	464	464
LIABILITIES:				
Forward Sales Contracts	-	84	-	84

Mortgage Banking Activities. The Company had Level 3 issuances and transfers related to mortgage banking activities of $2.1 million and $4.1 million, respectively, for the three months ended March 31, 2026, and $2.2 million and $4.4 million, respectively, for the three months ended March 31, 2025. 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 value.

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 $8.1 million with valuation allowance of $0.9 million at March 31, 2026 and a carrying value of $6.4 million and a $0.1 million valuation allowance at December 31, 2025.

Other Real Estate Owned. During the first three months of 2026, 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 March 31, 2026 and December 31, 2025, 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:

	March 31, 2026			
(Dollars in Thousands)	Carrying Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
ASSETS:				
Cash	$ 64,214	$ 64,214	$ -	$ -
Fed Funds Sold and Interest Bearing Deposits	424,756	424,756	-	-
Investment Securities, Held to Maturity	353,296	58,453	285,138	-
Other Equity Securities(1)	2,848	-	2,848	-
Mortgage Servicing Rights	903	-	-	1,446
Loans, Net of Allowance for Credit Losses	2,487,405	-	-	2,386,137
LIABILITIES:				
Deposits	$ 3,751,617	$ -	$ 3,751,373	$ -
Short-Term Borrowings	33,276	-	33,276	-
Subordinated Notes Payable	33,303	-	32,067	-
Long-Term Borrowings	680	-	680	-

	December 31, 2025			
(Dollars in Thousands)	Carrying Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
ASSETS:				
Cash	$ 62,189	$ 62,189	$ -	$ -
Fed Funds Sold and Interest Bearing Deposits	467,782	467,782	-	-
Investment Securities, Held to Maturity	377,446	129,268	240,052	-
Other Equity Securities(1)	2,848	-	2,848	-
Mortgage Servicing Rights	924	-	-	1,359
Loans, Net of Allowance for Credit Losses	2,515,117	-	-	2,416,937
LIABILITIES:				
Deposits	$ 3,662,312	$ -	$ 3,662,466	$ -
Short-Term Borrowings	50,092	-	50,092	-
Subordinated Notes Payable	42,582	-	40,116	-
Long-Term Borrowings	680	-	680	-

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 Swap	Retirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of January 1, 2026	$ (9,530)	$ 2,676	$ 9,441	$ 2,587
Other comprehensive loss during the period	(2,184)	(148)	-	(2,332)
Balance as of March 31, 2026	$ (11,714)	$ 2,528	$ 9,441	$ 255
Balance as of January 1, 2025	$ (20,179)	$ 3,971	$ 9,722	$ (6,486)
Other comprehensive income (loss) during the period	4,124	(525)	-	3,599
Balance as of March 31, 2025	$ (16,055)	$ 3,446	$ 9,722	$ (2,887)

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 first quarter of 2026 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 2025 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 107 ATMs/ITMs located in Florida, Georgia, and Alabama. Through Capital City Home Loans, LLC ("CCHL"), we have 27 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 2025 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.

		2026	2025			
(Dollars in Thousands, except per share data)		First	Fourth	Third	Second	First
Shareowners' Equity (GAAP)		$ 559,912	$ 552,851	$ 540,635	$ 526,423	$ 512,575
Less: Goodwill and Other Intangibles (GAAP)		89,095	89,095	89,095	92,693	92,733
Tangible Shareowners' Equity (non-GAAP)	A	470,817	463,756	451,540	433,730	419,842
Total Assets (GAAP)		4,453,734	4,385,765	4,323,774	4,391,753	4,461,233
Less: Goodwill and Other Intangibles (GAAP)		89,095	89,095	89,095	92,693	92,733
Tangible Assets (non-GAAP)	B	$ 4,364,639	$ 4,296,670	$ 4,234,679	$ 4,299,060	$ 4,368,500
Tangible Common Equity Ratio (non-GAAP)	**A/B**	**10.79%**	**10.79%**	**10.66%**	**10.09%**	**9.61%**
Actual Diluted Shares Outstanding (GAAP)	C	17,114,954	17,154,586	17,115,336	17,097,986	17,072,330
Tangible Book Value per Diluted Share (non-GAAP)	**A/C**	**27.51**	**27.03**	**26.38**	**25.37**	**24.59**

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	2026	2025			
(Dollars in Thousands, Except Per Share Data)	First	Fourth	Third	Second	First
Summary of Operations:					
Interest Income	$ 51,020	$ 51,715	$ 51,431	$ 51,459	$ 49,782
Interest Expense	8,203	8,355	7,874	8,275	8,235
Net Interest Income	42,817	43,360	43,557	43,184	41,547
Provision for Credit Losses	712	1,995	1,881	620	768
Net Interest Income After Provision for Credit Losses	42,105	41,365	41,676	42,564	40,779
Noninterest Income	19,933	20,103	22,331	20,014	19,907
Noninterest Expense	41,373	42,867	42,916	42,538	38,701
Income Before Income Taxes	20,665	18,601	21,091	20,040	21,985
Income Tax Expense	4,848	4,896	5,141	4,996	5,127
Net Income Attributable to CCBG	15,817	13,705	15,950	15,044	16,858
Net Interest Income (FTE)[1]	42,857	43,404	43,602	43,228	41,591
Per Common Share:					
Net Income Basic	$ 0.92	$ 0.80	$ 0.93	$ 0.88	$ 0.99
Net Income Diluted	0.92	0.80	0.93	0.88	0.99
Cash Dividends Declared	0.27	0.26	0.26	0.24	0.24
Diluted Book Value	32.71	32.23	31.59	30.79	30.02
Diluted Tangible Book Value [2]	27.51	27.03	26.38	25.37	24.59
Market Price:					
High	46.83	45.63	44.69	39.82	38.27
Low	39.26	38.27	38.00	32.38	33.00
Close	43.46	42.57	41.79	39.35	35.96
Selected Average Balances:					
Investment Securities	$ 1,119,125	$ 1,006,040	$ 993,880	$ 1,007,981	$ 982,330
Loans Held for Investment	2,538,318	2,568,073	2,606,213	2,652,572	2,665,910
Earning Assets	4,089,838	4,035,910	3,981,530	4,032,008	3,993,914
Total Assets	4,418,904	4,367,036	4,317,951	4,370,261	4,335,033
Deposits	3,691,016	3,647,510	3,612,331	3,680,707	3,665,482
Shareowners' Equity	567,663	556,100	542,216	527,583	513,401
Common Equivalent Average Shares:					
Basic	17,129	17,070	17,068	17,056	17,027
Diluted	17,146	17,140	17,114	17,088	17,044
Performance Ratios:					
Return on Average Assets (annualized)	1.45 %	1.25 %	1.47 %	1.38 %	1.58 %
Return on Average Equity (annualized)	11.30	9.78	11.67	11.44	13.32
Net Interest Margin (FTE)	4.24	4.26	4.34	4.30	4.22
Noninterest Income as % of Operating Revenue	31.77	31.68	33.89	31.67	32.39
Efficiency Ratio	65.89	67.50	65.09	67.26	62.93
Asset Quality:					
Allowance for Credit Losses ("ACL")	$ 30,999	$ 31,001	$ 30,202	$ 29,862	$ 29,734
Nonperforming Assets ("NPAs")	12,965	10,531	10,026	6,581	4,428
ACL to Loans HFI	1.23 %	1.22 %	1.17 %	1.13 %	1.12 %
NPAs to Total Assets	0.29	0.24	0.23	0.15	0.10
NPAs to Loans HFI plus OREO	0.51	0.41	0.39	0.25	0.17
ACL to Non-Performing Loans	278.19	360.69	368.54	463.01	692.10
Net Charge-Offs to Average Loans HFI	0.10	0.18	0.18	0.09	0.09
Capital Ratios:					
Tier 1 Capital	20.37 %	20.20 %	19.33 %	18.38 %	18.01 %
Total Capital	21.62	21.45	20.59	19.60	19.20
Common Equity Tier 1	19.08	18.56	17.73	16.81	16.08
Leverage	11.65	11.77	11.64	11.14	11.17
Tangible Common Equity[2]	10.79	10.79	10.66	10.09	9.61

[1]*Fully Tax Equivalent.*

[2]*Non-GAAP financial measure.* *See non-GAAP reconciliation on page 35.*

FINANCIAL OVERVIEW

Results of Operations

Performance Summary. Net income attributable to common shareowners of $15.8 million, or $0.92 per diluted share, for the first quarter of 2026 compared to $13.7 million, or $0.80 per diluted share, for the fourth quarter of 2025, and $16.9 million, or $0.99 per diluted share, for the first quarter of 2025.

Net Interest Income. Tax-equivalent net interest income for the first quarter of 2026 totaled $42.9 million, compared to $43.4 million for the fourth quarter of 2025, and $41.6 million for the first quarter of 2025. Compared to the fourth quarter of 2025, the decrease was primarily driven by lower loan interest income due to lower average loan balances and lower overnight funds income, partially offset by higher investment securities income due to new investment purchases at higher yields and lower deposit interest expense. Two less calendar days contributed to the decline compared to the fourth quarter of 2025. Compared to the first quarter of 2025, the increase was primarily attributable to higher investment securities income due to new investment purchases at higher yields and higher overnight funds income due to higher average balances that outpaced a decrease in loan interest income due to lower average balances. Our net interest margin for the first quarter of 2026 was 4.24%, a decrease of two basis points from the fourth quarter of 2025 and an increase of two basis points over the first quarter of 2025.

Provision and Allowance for Credit Losses. For the first quarter of 2026, we recorded a provision expense for credit losses of $0.7 million compared to $2.0 million for the fourth quarter of 2025 and $0.8 million for the first quarter of 2025. Net loan charge-offs were 10 basis points of average loans for the first quarter of 2026 versus 18 basis points for the fourth quarter of 2025 and 9 basis points for the first quarter of 2025. At March 31, 2026, the allowance for credit losses for loans held for investment (“HFI”) totaled $31.0 million compared to $31.0 million at December 31, 2025 and $29.7 million at March 31, 2025.

Noninterest Income. Noninterest income for the first quarter of 2026 totaled $19.9 million, a $0.2 million, or 0.8%, decrease from the fourth quarter of 2025 and similar to the first quarter of 2025. The decrease from the fourth quarter of 2025 reflected a $0.5 million decrease in wealth management fees and a $0.2 million decrease in deposit fees, partially offset by a $0.5 million increase in other income. Compared to the first quarter of 2025, a $1.7 million decrease in wealth management fees was offset by a $0.7 million increase in other income, a $0.5 million increase in deposit related fees, and a $0.4 million increase in mortgage banking revenues.

Noninterest Expense. Noninterest expense for the first quarter of 2026 totaled $41.4 million, a $1.5 million, or 3.5%, decrease from the fourth quarter of 2025 and a $2.7 million, or 6.9%, increase over the first quarter of 2025. The decrease from the fourth quarter of 2025 reflected a $2.7 million decrease in compensation expense (primarily performance-based incentives), partially offset by a $1.2 million increase in other expense (pension settlement gain in the fourth quarter of 2025). Compared to the first quarter of 2025, the increase reflected a $2.9 million increase in other expense ($4.0 million gain from the sale of bank owned property in the first quarter of 2025) and a $0.3 million increase in occupancy expense, which was partially offset by a $0.5 million decrease in compensation expense.

Financial Condition

Earning Assets. Average earning assets totaled $4.090 billion for the first quarter of 2026, an increase of $53.9 million, or 1.3%, over the fourth quarter of 2025, and an increase of $95.9 million, or 2.4%, over the first quarter of 2025. Compared to the fourth quarter of 2025, the change in earning asset mix reflected a $113.1 million increase in investment securities and a $0.5 million increase in loans held for sale (“HFS”), partially offset by a $29.9 million decrease in overnight funds sold and a $29.8 million decrease in loans held for investment. Compared to the first quarter of 2025, the increase was primarily attributable to a $136.8 million increase in investment securities and an $86.7 million increase in overnight funds sold, partially offset by a $127.6 million decrease in loans held for investment.

Loans. Average loans HFI decreased by $29.8 million, or 1.16%, from the fourth quarter of 2025, and decreased by $127.6 million, or 4.8%, from the first quarter of 2025. Loans HFI at March 31, 2026, decreased by $27.7 million, or 1.1%, from December 31, 2025, and decreased by $142.4 million, or 5.4%, from March 31, 2025.

Credit Quality. Nonperforming assets (nonaccrual loans and other real estate) totaled $13.0 million at March 31, 2026 compared to $10.5 million at December 31, 2025 and $4.4 million at March 31, 2025. At March 31, 2026, nonperforming assets as a percentage of total assets was 0.29%, compared to 0.24% at December 31, 2025 and 0.10% at March 31, 2025. Nonaccrual loans totaled $11.1 million at March 31, 2026, a $2.5 million increase over December 31, 2025 and a $6.8 million increase over March 31, 2025. Other real estate totaled $1.8 million at March 31, 2026 and reflected the addition of a banking office property for $1.2 million during the quarter. Further, classified loans totaled $14.5 million at March 31, 2026, a $0.2 million increase over December 31, 2025, and a $4.6 million decrease from March 31, 2025.

Deposits. Average total deposits were $3.691 billion for the first quarter of 2026, an increase of $43.5 million, or 1.2%, over the fourth quarter of 2025 and an increase of $25.5 million, or 0.7%, over the first quarter of 2025. At March 31, 2026, total deposits were $3.752 billion, an increase of $89.3 million, or 2.4%, over December 31, 2025, and a decrease of $32.3 million, or 0.9%, from March 31, 2025. Total public funds balances were $629.9 million at March 31, 2026, $654.7 million at December 31, 2025, and $648.0 million at March 31, 2025.

Capital. At March 31, 2026, we were "well-capitalized" with a total risk-based capital ratio of 21.62% and a tangible common equity ratio (a non-GAAP financial measure) of 10.79% compared to 21.45% and 10.79%, respectively, at December 31, 2025, and 19.20% and 9.61%, respectively, at March 31, 2025. At March 31, 2026, 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.

	Three Months Ended		
(Dollars in Thousands, except per share data)	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Interest Income	$ 51,020	$ 51,715	$ 49,782
Taxable Equivalent Adjustments	40	44	44
Total Interest Income (FTE)	51,060	51,759	49,826
Interest Expense	8,203	8,355	8,235
Net Interest Income (FTE)	42,857	43,404	41,591
Provision for Credit Losses	712	1,995	768
Taxable Equivalent Adjustments	40	44	44
Net Interest Income After Provision for Credit Losses	42,105	41,365	40,779
Noninterest Income	19,933	20,103	19,907
Noninterest Expense	41,373	42,867	38,701
Income Before Income Taxes	20,665	18,601	21,985
Income Tax Expense	4,848	4,896	5,127
Net Income Attributable to Common Shareowners	$ 15,817	$ 13,705	$ 16,858
Basic Net Income Per Share	$ 0.92	$ 0.80	$ 0.99
Diluted Net Income Per Share	$ 0.92	$ 0.80	$ 0.99

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 47.

Tax-equivalent net interest income for the first quarter of 2026 totaled $42.9 million, compared to $43.4 million for the fourth quarter of 2025, and $41.6 million for the first quarter of 2025. Compared to the fourth quarter of 2025, the decrease was primarily driven by lower loan interest income due to lower average loan balances and lower overnight funds income, partially offset by higher investment securities income due to new investment purchases at higher yields and lower deposit interest expense. Two less calendar days contributed to the decline compared to the fourth quarter of 2025. Compared to the first quarter of 2025, the increase was primarily attributable to higher investment securities income due to new investment purchases at higher yields and higher overnight funds income due to higher average balances that outpaced a decrease in loan interest income due to lower average balances.

Our net interest margin for the first quarter of 2026 was 4.24%, a decrease of two basis points from the fourth quarter of 2025 and an increase of two basis points over the first quarter of 2025. Compared to the fourth quarter of 2025 the decrease was primarily attributable to a lower overnight funds rate and lower average loan balances. Compared to the first quarter of 2025, the increase reflected favorable investment securities repricing partially offset by a lower overnight funds rate and lower average loan balances. For the first quarter of 2026, our cost of funds was 81 basis points, a decrease of one basis point from the fourth quarter of 2025 and a decrease of three basis points from the first quarter of 2025. Our cost of deposits (including noninterest bearing accounts) was 81 basis points, 82 basis points, and 82 basis points, respectively, for the same periods.

Provision for Credit Losses

We recorded a provision expense for credit losses of $0.7 million for the first quarter of 2026, compared to $2.0 million for the fourth quarter of 2025 and $0.8 million for the first quarter of 2025. For the first quarter of 2026, we recorded a provision expense of $0.6 million for loans HFI and a provision expense of $0.1 million for unfunded loan commitments. See “Allowance for Credit Losses” below for a discussion of the various factors that impacted our provision expense.

Noninterest Income

Noninterest income for the first quarter of 2026 totaled $19.9 million, a $0.2 million, or 0.8%, decrease from the fourth quarter of 2025 and similar to the first quarter of 2025. The decrease from the fourth quarter of 2025 reflected a $0.5 million decrease in wealth management fees and a $0.2 million decrease in deposit fees, partially offset by a $0.5 million increase in other income. The decline in wealth management fees was primarily due to a decrease in retail brokerage fees. The increase in other income was due to a $0.5 million miscellaneous recovery. Compared to the first quarter of 2025, a $1.7 million decrease in wealth management fees was offset by a $0.7 million increase in other income, a $0.5 million increase in deposit related fees, and a $0.4 million increase in mortgage banking revenues. The decline in wealth management fees was attributable to a decrease in retail brokerage assets under management and lower insurance commission revenue due to the sale of our insurance subsidiary in 2025. The increase in other income reflected the aforementioned miscellaneous recovery of $0.5 million.

Noninterest income represented 28.1% of operating revenues (net interest income plus noninterest income) in the first quarter of 2026 compared to 28.0% in the fourth quarter of 2025 and 32.9% in the first quarter of 2025.

The table below reflects the major components of noninterest income.

	Three Months Ended		
(Dollars in Thousands)	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Deposit Fees	$ 5,598	$ 5,811	$ 5,061
Bank Card Fees	3,630	3,684	3,514
Wealth Management Fees	4,051	4,525	5,763
Mortgage Banking Revenues	4,252	4,155	3,820
Other	2,402	1,928	1,749
Total Noninterest Income	$ 19,933	$ 20,103	$ 19,907

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

Deposit Fees. Deposit fees for the first quarter of 2026 totaled $5.6 million, a decrease of $0.2 million, or 3.7%, from the fourth quarter of 2025 and an increase of $0.5 million, or 10.6%, over the first quarter of 2025. Compared to the fourth quarter of 2025, the $0.2 million decrease was attributable to lower overdraft fees. Compared to the first quarter of 2025, the increase reflected a $0.4 million increase in account service charges and $0.1 million increase in overdraft fees.

Bank Card Fees. Bank card fees for the first quarter of 2026 totaled $3.6 million, a $0.1 million, or 1.5%, decrease from the fourth quarter of 2025 and a $0.1 million, or 3.3%, increase over the first quarter of 2025. The change across both periods primarily reflected normal fluctuations in debit card usage, consistent with underlying consumer spending trends.

Wealth Management Fees. Wealth management fees totaled $4.1 million for the first quarter of 2026, a decrease of $0.5 million, or 10.5%, from the fourth quarter of 2025 and a decrease of $1.7 million, or 29.7%, from the first quarter of 2025. The decrease from the fourth quarter of 2025 reflected lower retail brokerage fees of $0.3 million, trust fees of $0.1 million and insurance commissions of $0.1 million. The decrease from the first quarter of 2025 reflected lower retail brokerage fees of $1.2 million and insurance commission revenue of $0.7 million, partially offset by higher trust fees of $0.2 million. The decline in insurance commission revenue from both prior periods was due to the sale of our insurance subsidiary in 2025. At March 31, 2026, total assets under management were approximately $2.691 billion compared to $2.867 billion at December 31, 2025 and $3.068 billion at March 31, 2025. Compared to both prior periods, the decline was due to lower retail brokerage assets partially attributable to the sale of our insurance subsidiary in 2025.

Mortgage Banking Revenues. Mortgage banking revenues totaled $4.3 million for the first quarter of 2026, an increase of $0.1 million, or 2.3%, over the fourth quarter of 2025 and an increase of $0.4 million, or 11.3%, over the first quarter of 2025. Compared to first quarter of 2025, the increase was driven by a higher level of interest rate locks and gain on sale margin. 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 $2.4 million for the first quarter of 2026, an increase of $0.5 million, or 24.6%, over the fourth quarter of 2025 and an increase of $0.7 million, or 37.3%, over the first quarter of 2025. The increase across both periods is primarily due to a $0.5 million miscellaneous recovery in the first quarter of 2026.

Noninterest Expense

Noninterest expense for the first quarter of 2026 totaled $41.4 million, a $1.5 million, or 3.5%, decrease from the fourth quarter of 2025 and a $2.7 million, or 6.9%, increase over the first quarter of 2025. The decrease from the fourth quarter of 2025 reflected a $2.7 million decrease in compensation expense, partially offset by a $1.2 million increase in other expense. The decrease in compensation expense was primarily due to higher performance-based incentive pay of $2.6 million in the fourth quarter of 2025. The increase in other expense reflected a $1.5 million pension plan settlement gain recorded in the fourth quarter of 2025. Compared to the first quarter of 2025, the increase reflected a $2.9 million increase in other expense and a $0.3 million increase in occupancy expense, which was partially offset by a $0.5 million decrease in compensation expense. The increase in other expense was primarily attributable to a $4.1 million increase in other real estate expense that reflected a gain from the sale of our operations center building in the first quarter of 2025, partially offset by decreases in charitable contributions, professional fees, and other miscellaneous expenses. The increase in occupancy expense was primarily attributable to higher expense for maintenance agreements and software. The decrease in compensation expense reflected a decrease in commission expense related to the sale of our insurance subsidiary.

The table below reflects the major components of noninterest expense.

	Three Months Ended		
(Dollars in Thousands)	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Salaries	$ 21,372	$ 23,054	$ 21,883
Associate Benefits	4,331	5,330	4,365
Total Compensation	25,703	28,384	26,248
Premises	3,179	3,074	3,172
Equipment	3,904	3,978	3,621
Total Occupancy	7,083	7,052	6,793
Legal Fees	500	393	504
Professional Fees	1,305	1,055	1,622
Processing Services	2,433	2,145	2,469
Advertising	870	841	838
Telephone	820	835	719
Insurance - Other	732	751	732
Other Real Estate Owned, net	(321)	123	(4,470)
Pension - Other	(745)	(873)	(873)
Pension Settlement	-	(1,552)	-
Miscellaneous	2,993	3,713	4,119
Total Other	8,587	7,431	5,660
Total Noninterest Expense	$ 41,373	$ 42,867	$ 38,701

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

Compensation. Compensation expense totaled $25.7 million for the first quarter of 2026, a decrease of $2.7 million, or 9.4%, from the fourth quarter of 2025 and a decrease of $0.5 million, or 2.1%, from the first quarter of 2025. Compared to the fourth quarter of 2025, the decrease reflected a $1.7 million decrease in salary expense and $1.0 million decrease in associate benefit expense, both primarily due to higher performance-based incentive pay in the fourth quarter of 2025. Compared to the first quarter of 2025, the decrease was driven by a $0.5 million decrease in salary expense due to lower commission expense related to the sale of our insurance subsidiary in 2025.

Occupancy. Occupancy expense (including premises and equipment) totaled $7.1 million for the first quarter of 2026, similar to the fourth quarter of 2025 and an increase of $0.3 million, or 4.3%, over the first quarter of 2025. The increase over the first quarter 2025 was primarily attributable to higher expense for maintenance agreements of $0.2 million and software licenses of $0.1 million.

Other. Other noninterest expense totaled $8.6 million for the first quarter of 2026, an increase of $1.2 million, or 15.6%, over the fourth quarter of 2025 and an increase of $2.9 million, or 51.7% over the first quarter of 2025. Compared to the fourth quarter of 2025, the variance reflected a $1.5 million pension plan settlement gain recorded in the fourth quarter of 2025. Compared to the first quarter of 2025, the increase was primarily attributable to a $4.1 million increase in other real estate expense that reflected a gain from the sale of our operations center building in the first quarter of 2025, partially offset by decreases in charitable contributions of $0.6 million, professional fees of $0.3 million, and other miscellaneous expenses of $0.5 million.

Our operating efficiency ratio (expressed as noninterest expense as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 65.89% for the first quarter of 2026 compared to 67.50% for the fourth quarter of 2025 and 62.93% for the first quarter of 2025. Compared to the fourth quarter of 2025, the ratio was favorably impacted by lower noninterest expense, primarily performance-based compensation. Compared to the first quarter of 2025, the variance was unfavorably impacted due to lower noninterest expense in the first quarter of 2025, which included a $4.4 million gain from the sale of our operations center building.

Income Taxes

We realized income tax expense of $4.8 million (effective rate of 23.5%) for the first quarter of 2026 compared to $4.9 million (effective rate of 26.3%) for the fourth quarter of 2025 and $5.1 million (effective rate of 23.3%) for the first quarter of 2025. Compared to the fourth quarter of 2025, the variance in the effective tax rate reflected discrete items for both quarters, including a benefit in the first quarter of 2026 related to stock-based compensation and an expense in the fourth quarter of 2025 related to an Internal Revenue Code (“IRC”) Section 162(m) limitation for executive compensation. Absent discrete items or new tax credit investments, we expect our annual effective tax rate to approximate 24% for 2026.

FINANCIAL CONDITION

Average earning assets totaled $4.090 billion for the first quarter of 2026, an increase of $53.9 million, or 1.3%, over the fourth quarter of 2025, and an increase of $95.9 million, or 2.4%, over the first quarter of 2025. Compared to the fourth quarter of 2025, the change in earning asset mix reflected a $113.1 million increase in investment securities and a $0.5 million increase in loans held for sale (“HFS”), partially offset by a $29.9 million decrease in overnight funds sold and a $29.8 million decrease in loans HFI. Compared to the first quarter of 2025, the increase was primarily attributable to a $136.8 million increase in investment securities and an $86.7 million increase in overnight funds sold, partially offset by a $127.6 million decrease in loans HFI.

Investment Securities

Average investments totaled $1,119.1 million in the first quarter of 2026, a $113.1 million, or 11.2%, increase over the fourth quarter of 2025 and a $136.8 million, or 13.9% increase over the first quarter of 2025. Our investment portfolio represented 27.4% of our average earning assets for the first quarter of 2026 compared to 24.9% for the fourth quarter of 2025 and 24.6% for the first quarter of 2025. For the remainder of 2026, 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 utilized to support loan growth.

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 March 31, 2026, $800.6 million, or 69.3%, of the investment portfolio was classified as AFS and $353.3 million, or 30.6%, was classified as HTM. The average maturity of our total portfolio at March 31, 2026 was 2.98 years compared to 2.57 years at December 31, 2025 and 2.64 years at March 31, 2025. The duration of our investment portfolio at March 31, 2026 was 2.64 years compared to 2.12 years at December 31, 2025 and 2.10 years at March 31, 2025. 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 March 31, 2026, there were 790 positions (combined AFS and HTM) with unrealized pre-tax losses totaling $26.3 million. 50 of these positions are U.S. Treasury bonds and carry the full faith and credit of the U.S. Government. 663 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 March 31, 2026, 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 77 positions (municipal securities and corporate bonds) have a credit component. At March 31, 2026, corporate debt securities had an immaterial allowance for credit losses. None of the securities held by the Company were past due or in nonaccrual status at March 31, 2026.

Loans HFI

Average loans HFI decreased by $29.8 million, or 1.16%, from the fourth quarter of 2025, and decreased by $127.6 million, or 4.7%, from the first quarter of 2025. Compared to the fourth quarter of 2025, the decline was primarily attributable to decreases in residential real estate loans of $16.3 million, commercial real estate loans of $10.2 million, construction loans of $4.2 million consumer loans (primarily indirect auto) or $2.3 million, and commercial loans of $1.5 million, partially offset by an increase in home equity loans of $4.0 million. Compared to the first quarter of 2025, the decline was primarily attributable to declines in construction loans of $56.8 million, commercial real estate loans of $32.6 million, consumer loans (primarily indirect auto) of $23.4 million, residential real estate loans of $21.8 million, and commercial loans of $11.3 million, partially offset by an increase in home equity loans of $19.1 million.

Loans HFI at March 31, 2026, decreased by $27.7 million, or 1.1%, from December 31, 2025, and decreased by $142.4 million, or 5.4%, from March 31, 2025. Compared to December 31, 2025, the decline was primarily due to decreases in residential real estate loans of $22.2 million, commercial real estate loans of $12.9 million, commercial loans of $10.1 million, other loans of $7.6 million and consumer loans (primarily indirect auto) of $2.8 million, partially offset by increases in construction loans of $9.7 million and home equity loans of $3.0 million. Compared to the first quarter of 2025, the decrease was primarily attributable to declines in commercial real estate loans of $51.1 million, residential real estate loans of $41.9 million, construction loans of $35.7 million, consumer loans (primarily indirect auto) of $26.7 million, and commercial loans of $14.1 million, partially offset by an increase in home equity loans of $17.9 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 $13.0 million at March 31, 2026 compared to $10.5 million at December 31, 2025 and $4.4 million at March 31, 2025. At March 31, 2026, nonperforming assets as a percentage of total assets was 0.29%, compared to 0.24% at December 31, 2025 and 0.10% at March 31, 2025. Nonaccrual loans totaled $11.1 million at March 31, 2026, a $2.5 million increase over December 31, 2025 and a $6.8 million increase over March 31, 2025. The increase over December 31, 2025 was primarily attributable to the addition of four residential 1-4 family real estate loans totaling $1.9 million. Other real estate totaled $1.8 million at March 31, 2026 and reflected the addition of a banking office property for $1.2 million during the first quarter of 2026. Further, classified loans totaled $14.5 million at March 31, 2026, a $0.2 million increase over December 31, 2025 and a $4.6 million decrease from March 31, 2025.

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 March 31, 2026, the allowance for credit losses for loans HFI totaled $31.0 million comparable to $31.0 million and $29.7 million at December 31, 2025 and at March 31, 2025, respectively. 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 slight increase in the allowance over March 31, 2025 was primarily attributable to utilization of a higher forecasted unemployment rate in calculating loan loss rates. Net loan charge-offs were 10 basis points of average loans for the first quarter of 2026 versus 18 basis points for the fourth quarter of 2025 and 9 basis points for the first quarter of 2025. At March 31, 2026, the allowance represented 1.23% of loans HFI compared to 1.22% at December 31, 2025, and 1.12% at March 31, 2025.

At March 31, 2026, the allowance for credit losses for unfunded commitments totaled $2.2 million compared to $2.1 million and $1.8 million at December 31, 2025 and March 31, 2025, 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 $3.691 billion for the first quarter of 2026, an increase of $43.5 million, or 1.2%, over the fourth quarter of 2025 and an increase of $25.5 million, or 0.7%, over the first quarter of 2025. Compared to the fourth quarter of 2025, the increase was primarily attributable to higher public funds balances of $99 million, driven by seasonal inflows from municipal clients as they receive their tax receipts beginning in late November, partially offset by declines in core deposits of $64 million (noninterest bearing and interest bearing DDAs). The increase over the first quarter of 2025 was due to growth in both core deposit balances, and public funds.

At March 31, 2026, total deposits were $3.752 billion, an increase of $89.3 million, or 2.4%, over December 31, 2025, and a decrease of $32.3 million, or 0.9%, from March 31, 2025. The increase over December 31, 2025, was driven by higher core deposit balances of $103 million (primarily noninterest bearing and NOW accounts), partially offset by a decrease in public funds balances of $25 million (primarily NOW accounts). The decrease from March 31, 2025, was primarily due to lower public funds balances (noninterest bearing accounts). Total public funds balances were $629.9 million at March 31, 2026, $654.7 million at December 31, 2025, and $648.0 million at March 31, 2025.

Business deposit transaction accounts classified as repurchase agreements averaged $15.8 million for the first quarter of 2026, a decrease of $4.9 million from the fourth quarter of 2025 and a decrease of $14.0 million from the first quarter of 2025. At March 31, 2026, repurchase agreement balances were $4.6 million compared to $22.0 million at December 31, 2025 and $22.8 million at March 31, 2025.

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 both parallel and upward and downward shifts in interest rates (assuming no balance sheet growth) to indicate the inherent interest rate risk. We prepare a base case (assumes a static rate environment) and several alternative interest rate simulations for various ranges of upward and downward interest rate changes. This analysis is prepared quarterly and reported to ALCO, our Market Risk Oversight Committee ("MROC"), our Risk Oversight Committee ("ROC") and the Board of Directors. We will periodically augment our interest rate simulations with alternative interest rate scenarios that may include various non-parallel shifts in interest rates, including a flattening or steepening of the yield curve.

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. The following table presents our net interest income simulation results for gradual 12-month and 24-month "ramp" scenarios applied to the base scenario. The "ramp" scenario is a parallel shift applied gradually over a 12-month period for the projected 12-month and 24-month period on a pro rata basis.

ESTIMATED CHANGES IN NET INTEREST INCOME

As of March 31, 2026	% Change in NII		Policy Limit	
Change in Interest Rates	**12 Months**	**24 Months**	**12 Months**	**24 Months**
+200 bp Ramp	5.0%	17.7%	-10.0%	-12.5%
+100 bp Ramp	2.5%	10.7%	-7.5%	-10.0%
-100 bp Ramp	-2.5%	-4.2%	-7.5%	-10.0%
-200 bp Ramp	-5.1%	-12.3%	-10.0%	-12.5%

As of December 31, 2025	% Change in NII		Policy Limit	
Change in Interest Rates	**12 Months**	**24 Months**	**12 Months**	**24 Months**
+200 bp Ramp	5.3%	18.5%	-10.0%	-12.5%
+100 bp Ramp	2.0%	10.8%	-7.5%	-10.0%
-100 bp Ramp	-2.7%	-4.9%	-7.5%	-10.0%
-200 bp Ramp	-5.5%	-13.3%	-10.0%	-12.5%

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 fourth quarter of 2025, these metrics became more favorable in the declining rate scenarios due to the deployment of variable rate overnight funds into the investment securities portfolio. The instantaneous parallel rate shock results over the next 12-month and 24-month periods are within our prescribed policy limits for all rate scenarios.

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

	% Change in EVE			EVE Ratio		
Changes in Interest Rates	**March 31, 2026**	**December 31, 2025**	**Policy Limit**	**March 31, 2026**	**December 31, 2025**	**Policy Minimum**
+200 bp Shock	9.5%	10.4%	-20.0%	26.5%	25.4%	5.0%
+100 bp Shock	6.2%	7.0%	-15.0%	25.3%	24.2%	5.0%
-100 bp Shock	-9.5%	-9.7%	-15.0%	20.9%	19.8%	5.0%
-200 bp Shock	-20.8%	-21.0%	-20.0%	18.0%	17.1%	5.0%

At March 31, 2026, the economic value of equity was favorable in all rising rate environments and unfavorable in the falling rate environments. EVE was within prescribed tolerance levels as the EVE ratio (EVE/EVA) in all rate scenarios is greater than 5.0%. Factors that can impact EVE values include the absolute level of rates, the overall structure of the balance sheet (including liquidity levels), pre-payment speeds, loan floors, and the change of model assumptions.

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, stability, 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 March 31, 2026, we had the ability to generate approximately $1.651 billion (excludes overnight funds position of $425 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 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 March 31, 2026 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 $407.7 million in the first quarter of 2026 compared to $437.5 million in the fourth quarter of 2026 and $320.9 million in the first quarter of 2025. Compared to both prior periods, the variance reflected higher average deposits and lower average loans and the deployment of excess liquidity into the investment security portfolio.

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 $43.6 million for the first quarter of 2026 compared to $41.6 million for the fourth quarter of 2025 and $37.3 million for the first quarter of 2025. 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. We made principal payments on this note of $4.1 million and $5.1 million in the first quarter of 2026 and the second quarter of 2025, respectively. The second note for $32.0 million was issued to CCBG Capital Trust II in May 2005. We made principal payments on this note of $5.1 million each in the first quarter of 2026 and the second quarter of 2025. 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.

The Company previously maintained 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). In October 2025, the interest rate swaps were terminated. 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 36. At March 31, 2026, our regulatory capital ratios exceeded the threshold to be designated as “well-capitalized” under the Basel III capital standards.

Shareowners’ equity was $559.9 million at March 31, 2026 compared to $552.9 million at December 31, 2025 and $512.6 million at March 31, 2025. For the first three months of 2026, shareowners’ equity was positively impacted by net income attributable to shareowners of $15.8 million, the issuance of stock of $2.8 million, and stock compensation accretion of $0.5 million. Shareowners’ equity was reduced by a common stock dividend of $4.6 million ($0.27 per share), repurchases of our common stock of $2.6 million (63,088 shares), net adjustments totaling $2.6 million related to transactions under our stock-based compensation plans, and a net $2.3 million decrease in the accumulated other comprehensive gain. The net unfavorable change in accumulated other comprehensive gain was primarily due to a $2.2 million increase in the investment securities loss.

At March 31, 2026, our total risk-based capital ratio was 21.62% compared to 21.45% at December 31, 2025 and 19.20% at March 31, 2025. Our common equity tier 1 capital ratio was 19.08%, 18.56%, and 16.08%, respectively, on these dates. Our leverage ratio was 11.65%, 11.77%, and 11.17%, respectively, on these dates. At March 31, 2026, 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 10.79% at March 31, 2026 and December 31, 2025, compared to 9.61% at March 31, 2025. If our unrealized held-to-maturity securities loss of $7.2 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 10.62%.

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 March 31, 2026 and December 31, 2025, the net pension asset reflected in other comprehensive income was $9.4 million compared to $9.7 million at March 31, 2025. 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 2025 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 March 31, 2026, we had $669.7 million in commitments to extend credit and $7.5 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 on-balance 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 $2.2 million at March 31, 2026.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements included in our 2025 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 2025 Form 10-K.

TABLE I
AVERAGE BALANCES & INTEREST RATES

	Three Months Ended								
	March 31, 2026			December 31, 2025			March 31, 2025		
(Dollars in Thousands)	Average Balances	Interest	Average Rate	Average Balances	Interest	Average Rate	Average Balances	Interest	Average Rate
Assets:									
Loans Held for Sale	$ 24,716	$ 404	6.63%	$ 24,261	$ 374	6.11%	$ 24,726	$ 490	8.04%
Loans Held for Investment[(1)(2)]	2,538,318	37,886	6.05	2,568,073	39,230	6.06	2,665,910	40,029	6.09
Taxable Securities	1,117,505	9,042	3.26	1,004,420	7,756	3.07	981,485	5,802	2.38
Tax-Exempt Securities[(2)]	1,620	17	4.25	1,620	17	4.30	845	9	4.32
Interest Bearing Deposits	407,679	3,711	3.69	437,536	4,382	3.97	320,948	3,496	4.42
Total Earning Assets	4,089,838	51,060	5.06%	4,035,910	51,759	5.08%	3,993,914	49,826	5.06%
Cash & Due From Banks	63,079			67,291			73,467		
Allowance For Credit Losses	(31,545)			(30,922)			(30,008)		
Other Assets	297,532			294,757			297,660		
TOTAL ASSETS	$ 4,418,904			$ 4,367,036			$ 4,335,033		
Liabilities:									
Noninterest Bearing Deposits	$ 1,282,988			$ 1,303,266			$ 1,317,425		
NOW Accounts	1,302,894	$ 4,221	1.31%	1,235,961	$ 4,055	1.30%	1,249,955	$ 3,854	1.25%
Money Market Accounts	403,340	1,752	1.76	415,577	1,977	1.89	420,059	2,187	2.11
Savings Accounts	509,351	132	0.10	501,080	157	0.12	507,676	176	0.14
Other Time Deposits	192,443	1,290	2.72	191,626	1,355	2.80	170,367	1,166	2.78
Total Interest Bearing Deposits	2,408,028	7,395	1.25	2,344,244	7,544	1.28	2,348,057	7,383	1.28
Total Deposits	3,691,016	7,395	0.81	3,647,510	7,544	0.82	3,665,482	7,383	0.82
Repurchase Agreements	15,789	73	1.88	20,690	134	2.57	29,821	164	2.23
Short-Term Borrowings	27,836	327	4.76	20,954	217	4.09	7,437	117	6.39
Subordinated Notes Payable	41,620	398	3.83	42,582	451	4.15	52,887	560	4.23
Other Long-Term Borrowings	680	10	5.68	680	9	5.55	794	11	5.68
Total Interest Bearing Liabilities	2,493,953	8,203	1.33%	2,429,150	8,355	1.36%	2,438,996	8,235	1.37%
Other Liabilities	74,300			78,520			65,211		
TOTAL LIABILITIES	3,851,241			3,810,936			3,821,632		
TOTAL SHAREOWNERS' EQUITY	567,663			556,100			513,401		
TOTAL LIABILITIES, TEMPORARY AND SHAREOWNERS' EQUITY	$ 4,418,904			$ 4,367,036			$ 4,335,033		
Interest Rate Spread			3.72%			3.72%			3.69%
Net Interest Income		$ 42,857			$ 43,404			$ 41,591	
Net Interest Margin[(3)]			4.24%			4.26%			4.22%

[(1)] Average Balances include net loan fees, discounts and premiums and nonaccrual loans. Interest income includes net loan costs of $0.4 million forthe three months ended March 31, 2026, December 31, 2025, and March 31, 2025.
[(2)] Interest income includes the effects of taxable equivalent adjustmentsusing a 21% tax rate.
[(3)] Taxable equivalent net interest income divided by average earning assets.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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, 2025.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

At March 31, 2026, 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 March 31, 2026, 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

Item 1. Legal Proceedings

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 2025 Form 10-K, as updated in our subsequent quarterly reports. The risks described in our 2025 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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table contains information about all purchases made by, or on behalf of, us and any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Exchange Act) of shares or other units of any class of our equity securities that is registered pursuant to Section 12 of the Exchange Act.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased under our share repurchase program [(1)]	Maximum Number of shares remaining for purchase under our share repurchase program
January 1, 2026 to January 31, 2026	-	-	-	676,561
February 1, 2026 to February 28, 2026	7,713	41.83	7,713	668,848
March 1, 2026 to March 31, 2026	55,375	41.84	55,375	613,473
Total	63,088	$41.84	63,088	613,473

(1) The information reported in this row relates to shares that were repurchased during the first quarter of 2026 through the Capital City Bank Group, Inc. Share Repurchase Program (“the Program”), effective February 1, 2024, that was publicly announced on February 2, 2024 and that expires on February 1, 2029, under which we were authorized to repurchase up to 750,000 shares of our common stock. Under the Program, shares may be repurchased by the Company from time to time in the open market or through private transactions, as market conditions warrant. The program does not obligate the Company to repurchase any specified number of shares of its common stock. No shares are repurchased outside of the Program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not Applicable.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plans

During the three months ended March 31, 2026, 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	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.
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: April 28, 2026

Exhibit 31.1

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.;

2. 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;

3. 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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

Date: April 28, 2026

Exhibit 31.2

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.;

2. 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;

3. 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: April 28, 2026

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 March 31, 2026, 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: April 28, 2026

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 March 31, 2026, 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: April 28, 2026

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.