Capital City Bank Group (CCBG)

Updated January 27th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$43	**5 Year Annual Expected Total Return:**	8.4%	**Market Cap:**	$762 M
Fair Value Price:	$43	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	03/10/2026[1]
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	03/24/2026
Dividend Yield:	2.4%	**5 Year Price Target**	$58	**Years Of Dividend Growth:**	12
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Capital City Bank Group is a financial holding company that operates mainly through its wholly-owned subsidiary, Capital City Bank. The company offers a wide range of financial services, including traditional banking products such as deposit accounts, credit services, mortgage banking, and asset management. Also, the company offers trust services, merchant services, bank cards, and securities brokerage. It has also ventured into financial advisory services, such as life insurance sales, risk management, and asset protection services. Finally, the bank's operations are geographically diversified across Florida, Georgia, and Alabama, with a substantial footprint of 62 banking offices and 108 ATMs/ITMs. Capital City Bank generated interest income of $204.7 million last year and is based in Tallahassee, Florida.

On January 27th, 2026, Capital City posted its Q4 and full-year results for the period ending December 31st, 2025. Capital City earned a tax-equivalent net interest income of $43.4 million, down 0.5% from Q3 2025 but up 5.3% from Q4 2024. Its net interest margin moderated to 4.26%, down eight basis points from 4.34% in Q3 2025 yet remaining 9 basis points higher than 4.17% last year. Further, its noninterest income fell 10.0% quarter-over-quarter to $20.1 million, impacted by the absence of last quarter's insurance subsidiary sale gain and lower mortgage and wealth fees. Noninterest expenses remained stable at $42.9 million, as higher performance-based pay was offset by a $1.5 million pension plan settlement gain. EPS was $0.80, down from $0.93 in Q3 2025. For FY2025, EPS reached a record $3.60. For FY2026, we expect EPS of $3.62.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.69	$0.64	$1.54	$1.84	$1.88	$1.98	$1.97	$3.08	$3.12	$3.60	***$3.62***	***$4.84***
DPS	$0.17	$0.24	$0.32	$0.48	$0.57	$0.62	$0.66	$0.76	$0.88	$1.00	***$1.04***	***$1.39***
Shares[2]	17.0	17.0	17.0	16.8	16.8	16.9	17.0	17.0	17.0	17.1	***17.1***	***17.2***

Over the past decade, Capital City Bank has achieved significant growth, with its EPS rising from $0.69 in 2016 to $3.60 in 2025 (a CAGR of about 20%), and DPS growing from $0.17 to $1.04 today (a CAGR of about 22%). This growth has been driven by a combination of robust organic expansion and strategic acquisitions.

Organically, Capital City has historically achieved strong reinvestment yields through organic growth, driven by excellent interest income, an expanding loan portfolio, and an industry-leading Net Interest Margin (NIM). The NIM was at 2.83% in 2021, 3.14% in 2022, 4.05% in 2023, 4.08% in 2024, and 4.28% in 2025. While the rise in NIM has been aided by higher interest rates, it also reflects strong execution.

Further, the company has pursued several key acquisitions to expand its footprint, which is a common strategy regional banks follow. In 2015, the company acquired Southern Bank of Georgia, which strengthened its presence in the Albany, Georgia market and expanded its deposit base. This was followed by the purchase of Gateway Capital Mortgage in 2016, which further expanded the bank's mortgage banking operations.

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[1] Estimated dated based on past dividend dates.

[2] Share count is in millions.

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The most significant recent acquisition was that of Capital City Home Loans in 2018, which significantly bolstered the company's mortgage banking business across the Southeastern United States, adding 29 mortgage offices to its network.

Looking ahead, we remain optimistic about the company's growth prospects. However, considering that we are starting from a high EPS base in 2026, driven by a particularly favorable interest rate environment, we have prudently applied a below-average growth rate of 6% in our estimates. This rate has also been applied to the dividend forecast.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.2	27.8	14.9	13.6	12.6	12.3	14.5	10.2	9.9	10.6	***11.9***	***12.0***
Avg. Yld.	1.1%	1.3%	1.4%	1.9%	2.4%	2.5%	2.3%	2.4%	2.9%	2.6%	***2.4%***	***2.4%***

Capital City Bank has historically traded at a P/E ratio in the low teens, aligning with the typical range for regional banks, albeit with a slight premium. Today, the stock is trading at 11.9x our projected EPS for the year, a multiple we believe more or less fairly values the stock. Given Capital City Bank's sustained record of topping the industry NIM and its strong execution, we believe a P/E ratio of 12.0 times earnings is fair.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	38%	21%	26%	30%	31%	34%	25%	28%	28%	***29%***	***29%***

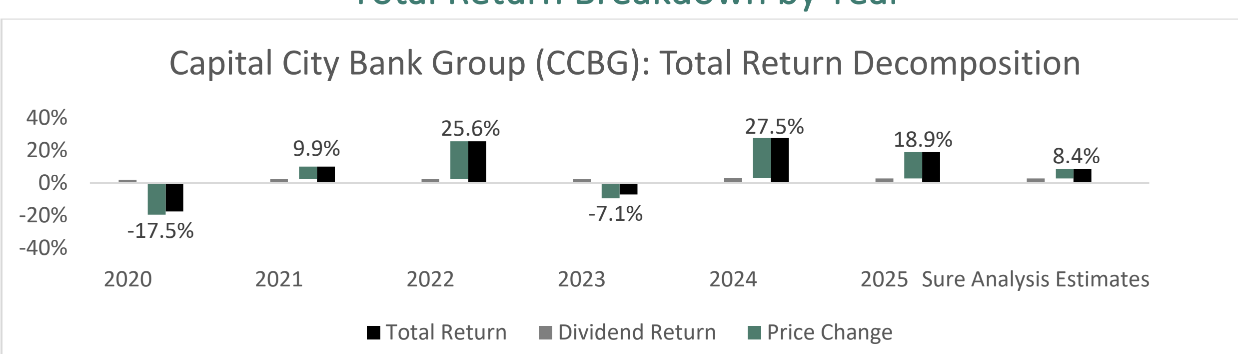
Capital City has a competitive edge via its strong community ties and deep local market expertize in Florida, Georgia, and Alabama, where it has built long-standing customer loyalty. Also, its diversified offerings—including traditional banking, mortgage lending, and financial advisory—provide multiple revenue streams, which have bolstered the bank's resilience. This was evident during challenging periods such as the COVID-19 pandemic, when its interest income remained robust despite the industry facing credit quality concerns while also offering loan deferrals and forbearances.

Still, Capital City's smaller scale compared to national and larger regional banks limits its ability to leverage economies of scale, making it more vulnerable in periods of economic stress. During the Great Financial Crisis of 2008, Capital City, like many smaller banks, faced significant challenges, including higher loan losses and constrained capital-raising capabilities, which exposed its vulnerability to severe economic downturns. The company's interest income plunged at the time and dividend cuts followed. Notably, even though the company has been growing swiftly over the past decade, it wasn't until 2023 that its interest income exceeded its 2007 levels. This shows how severe 2008-2010 was for the bank.

Final Thoughts & Recommendation

CCBG's strong community presence, diversified services, and robust footprint in the areas it serves, positions it as a solid choice for investors seeking exposure to a well-managed regional bank. We expect annualized returns of 8.4% through 2031, to be mainly driven by growth of 6%, the starting yield, and a potential valuation tailwind. We rate the stock a buy.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	130	125	128	138	151	207	204	194	224	227
SG&A Exp.	65	69	68	69	71	101	111	96	100	106
D&A Exp.	7	7	7	6	6	7	8	8	8	8
Net Profit	9	12	11	26	31	32	33	33	52	53
Net Margin	7.0%	9.4%	8.5%	19.0%	20.5%	15.3%	16.4%	17.3%	23.4%	23.3%
Free Cash Flow	29	18	35	33	50	(58)	117	86	48	55
Income Tax	4	6	12	3	10	10	10	8	13	14

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	2,798	2,845	2,899	2,959	3,089	3,798	4,264	4,519	4,304	4,325
Cash & Equivalents	51	48	58	62	60	68	65	72	83	71
Goodwill & Int. Ass.	85	85	85	85	85	89	93	93	93	93
Total Liabilities	2,524	2,570	2,615	2,657	2,762	3,455	3,869	4,123	3,856	3,830
Long-Term Debt	152	81	74	75	66	136	88	104	62	56
Shareholder's Equity	274	275	284	303	327	343	395	396	448	495
LTD/E Ratio	0.55	0.29	0.26	0.25	0.20	0.40	0.22	0.26	0.14	0.11

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.3%	0.4%	0.4%	0.9%	1.0%	0.9%	0.8%	0.8%	1.2%	1.2%
Return on Equity	3.3%	4.3%	3.9%	8.9%	9.8%	9.4%	9.1%	8.4%	12.4%	11.2%
ROIC	2.2%	3.0%	3.0%	7.1%	8.0%	7.2%	6.9%	6.8%	10.4%	10.0%
Shares Out.	17.3	17.0	17.0	17.0	16.8	16.8	16.9	17.0	17.0	17.0
Revenue/Share	7.53	7.34	7.55	8.09	8.95	12.29	12.07	11.40	13.14	13.35
FCF/Share	1.68	1.07	2.04	1.94	2.97	(3.47)	6.92	5.09	2.80	3.23

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.