

July 25, 2023



# Capital City Bank Group, Inc. Reports Second Quarter 2023 Results

TALLAHASSEE, Fla., July 25, 2023 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of \$14.6 million, or \$0.85 per diluted share, for the second quarter of 2023 compared to \$15.0 million, or \$0.88 per diluted share, for the first quarter of 2023, and \$8.7 million, or \$0.51 per diluted share, for the second quarter of 2022.

## **QUARTER HIGHLIGHTS (2<sup>nd</sup> Quarter 2023 versus 1<sup>st</sup> Quarter 2023)**

- *Tax-equivalent net interest income totaled \$40.1 million compared to \$40.5 million – net interest margin increased from 4.04% to 4.05% - total deposit cost increased 17 basis points to 43 basis points*
- *Loan balances grew \$75.3 million, or 2.9% (average), and \$30.1 million, or 1.1% (end of period)*
- *Deposit balances (including repurchase agreements) declined \$89.2 million, or 2.3% (average), and \$16.9 million, or 0.4% (end of period)*
- *Continued strong credit quality metrics – lower provision expense of \$0.9 million reflected lower loan growth and net loan charge-offs (7 basis points of average loans) – the allowance coverage ratio increased from 1.01% to 1.05%*
- *Noninterest income increased \$0.7 million, or 2.8%, due to higher wealth management fees, deposit fees, and bankcard fees. Total revenues and earnings (break-even) at Capital City Home Loans were comparable to the prior quarter and included a \$1.4 million gain from the sale of mortgage servicing rights*
- *Noninterest expense increased \$2.1 million, or 5.1%, primarily due to a \$1.8 million gain on the sale of a banking office in the first quarter of 2023. A consulting payment of \$0.8 million related to the negotiation of our core processing system outsourcing contract and a \$0.3 million gain related to our supplemental executive retirement plan also impacted noninterest expense for the second quarter*
- *Tangible book value per share increased \$0.59, or 3.2%, driven by strong earnings – net unrealized loss on available for sale securities remained stable*
- *Repurchased 40,495 shares of common stock for the second quarter of 2023 compared to 25,241 shares for the first quarter of 2023*

“Capital City realized another solid quarter of earnings and growth in tangible book value,” said William G. Smith, Jr., Chairman, President, and CEO of Capital City Bank Group. “I feel good about our fundamental performance factors – our margin and credit quality have remained stable, we’ve realized nice loan growth, and our deposit balances have behaved as expected. We anticipate that funding pressures will continue for the industry into the second half of the year, but I continue to feel good about our balance sheet positioning and the value that our core deposit franchise contributes to our performance.”

## **Discussion of Operating Results**

### *Net Interest Income/Net Interest Margin*

Tax-equivalent net interest income for the second quarter of 2023 totaled \$40.1 million, compared to \$40.5 million for the first quarter of 2023, and \$28.4 million for the second quarter of 2022. Compared to the first quarter of 2023, the decrease reflected higher deposit interest expense and a lower level of interest income from overnight funds, partially offset by higher loan interest due to loan growth and higher interest rates. For the first six months of 2023, tax-equivalent net interest income totaled \$80.6 million compared to \$53.2 million for the same period of 2022. The increases over both prior year periods were driven by strong loan growth and higher interest rates across a majority of our earning assets.

Our net interest margin for the second quarter of 2023 was 4.05%, an increase of one basis point over the first quarter of 2023 and an increase of 118 basis points over the second quarter of 2022. For the month of June 2023, our net interest margin was 4.06%. For the first six months of 2023, our net interest margin was 4.04%, an increase of 133 basis points over the same period of 2022. The increase compared to all prior periods reflected a combination of higher interest rates and loan growth, partially offset by a higher cost of deposits. For the second quarter of 2023, our cost of funds was 51 basis points, an increase of 16 basis points over the first quarter of 2023 and 41 basis points over the second quarter of 2022. Our total cost of deposits (including noninterest bearing accounts) was 43 basis points, 26 basis points, and 3 basis points, respectively, for the same periods.

### *Provision for Credit Losses*

We recorded a provision for credit losses of \$2.2 million for the second quarter of 2023 compared to \$3.1 million for the first quarter of 2023 and \$1.5 million for the second quarter of 2022. The decrease in the provision compared to the first quarter of 2023 was primarily attributable to a lower level of loan growth and a decrease in net loan charge-offs. For the first six months of 2023, we recorded a provision for credit losses of \$5.3 million compared to \$1.5 million for the same period of 2022. The release of reserves held for pandemic related losses favorably impacted our provision in 2022. We discuss the allowance for credit losses further below.

### *Noninterest Income and Noninterest Expense*

Noninterest income for the second quarter of 2023 totaled \$22.9 million compared to \$22.2 million for the first quarter of 2023 and \$24.9 million for the second quarter of 2022. The \$0.7 million increase over the first quarter of 2023 reflected an increase in other income of \$1.4 million, wealth management fees of \$0.2 million, deposit fees of \$0.1 million, and bankcard fees of \$0.1 million, partially offset by a decrease in mortgage banking revenues of \$1.1 million. The increase in other income was attributable to a \$1.4 million gain from the sale of mortgage servicing rights. The decrease in mortgage banking revenues was attributable to a lower gain on sale margin.

Compared to the second quarter of 2022, the \$2.0 million decrease in noninterest income reflected decreases in mortgage banking revenues of \$3.2 million, wealth management fees of \$0.3 million, deposit fees of \$0.1 million, and bank card fees of \$0.2 million, partially offset by an increase in other income of \$1.8 million. The decrease in mortgage banking revenues was attributable to a lower gain on sale margin. The increase in other income was primarily related to a \$1.4 million gain from the sale of mortgage servicing rights. For the first six

months of 2023, noninterest income totaled \$45.1 million compared to \$50.7 million for the same period of 2022 with the \$5.6 million decrease primarily attributable to lower mortgage banking revenues of \$5.2 million and wealth management fees of \$2.4 million, partially offset by a \$2.3 million increase in other income. The decrease in mortgage banking revenues was attributable to a lower gain on sale margin. The decrease in wealth management fees was driven by a decrease in insurance commissions due to the sale of large policies in 2022. The increase in other income was primarily due to a \$1.4 million gain from the sale of mortgage servicing rights, and increases in miscellaneous income of \$0.4 million, loan servicing fees of \$0.2 million, and miscellaneous loan fees of \$0.1 million.

Noninterest expense for the second quarter of 2023 totaled \$42.5 million compared to \$40.5 million for the first quarter of 2023 and \$40.5 million for the second quarter of 2022.

Compared to the first quarter of 2023, the \$2.1 million increase was primarily due to an increase in other expense of \$2.8 million that was partially offset by a \$0.8 million decrease in compensation expense. The unfavorable variance in other expense reflected a \$1.8 million gain from the sale of a banking office in the first quarter of 2023. Further, the second quarter of 2023 included a \$0.8 million expense related to a consulting engagement to assist in negotiating a multi-year contract for the outsourcing of our core processing system as well as higher expense for advertising and travel/entertainment totaling \$0.3 million, and \$0.2 million related to our VISA (class B shares) swap. Partially offsetting these increases was a \$0.3 million gain related to our supplemental executive retirement plan. The decrease in compensation expense was primarily attributable to a \$0.5 million decrease in stock-based compensation expense and a \$0.2 million decrease in other associate benefit expense.

Compared to the second quarter of 2022, the \$2.0 million increase in noninterest expense reflected a \$1.8 million increase in other expense and occupancy expense of \$0.7 million, partially offset by a decrease in compensation expense of \$0.5 million. For the first six months of 2023, noninterest expense totaled \$83.0 million compared to \$79.7 million for the same period of 2022 with the \$3.3 million increase attributable to an increase in other expense of \$1.6 million increase, occupancy expense of \$1.4 million, and compensation expense of \$0.3 million. The increase in other expense over both prior year periods was primarily related to the previously mentioned consulting payment of \$0.8 million made in the second quarter of 2023 and increases in pension plan expense (non-service-related component), FDIC insurance fees, and loan servicing (for residential loans). The aforementioned gain from the sale of a banking office in the first quarter of 2023 partially offset these increases for the six-month period comparison. The addition of four new banking offices since mid/late 2022 and higher property/equipment insurance premiums drove the increase in occupancy expense for both prior period comparisons. The favorable variance in compensation expense versus the second quarter of 2022 was primarily due to a \$0.7 million decrease in pension plan expense (service cost) that was partially offset by a \$0.3 million increase in associate insurance expense which reflected an increase in premiums. The slight unfavorable variance in compensation expense versus the six-month period of 2022 reflected an increase in salary expense of \$1.0 million (primarily the addition of staffing in our new markets), associate insurance expense of \$0.3 million, and stock-based compensation of \$0.3 million, that was partially offset by a \$1.4 million decrease in pension plan expense (service cost).

### *Income Taxes*

We realized income tax expense of \$3.5 million (effective rate of 19.6%) for the second quarter of 2023 compared to \$4.1 million (effective rate of 21.7%) for the first quarter of 2023 and \$2.2 million (effective rate of 19.4%) for the second quarter of 2022. For the first six months of 2023, we realized income tax expense of \$7.7 million (effective rate of 20.6%) compared to \$4.4 million (effective rate of 19.6%) for the same period of 2022. The decrease in our effective tax rate for the second quarter of 2023 reflected tax benefit accrued from an investment in a solar tax credit equity fund. Absent discrete items, we expect our annual effective tax rate to approximate 20-21% for 2023.

## **Discussion of Financial Condition**

### *Earning Assets*

Average earning assets totaled \$3.975 billion for the second quarter of 2023, a decrease of \$87.9 million, or 2.2%, from the first quarter of 2023, and a decrease of \$57.9 million, or 1.4%, from the fourth quarter of 2022. The decrease from both prior periods was attributable to lower deposit balances (see below – *Deposits*). The mix of earning assets continues to improve as overnight funds are being utilized to fund loan growth.

Average loans held for investment (“HFI”) increased \$75.3 million, or 2.9%, over the first quarter of 2023 and \$218.3 million, or 9.0%, over the fourth quarter of 2022. Period end loans increased \$30.1 million, or 1.1%, over the first quarter of 2023 and \$141.8 million, or 5.6%, over the fourth quarter of 2022. Compared to both prior periods, the growth was primarily in the residential real estate and commercial real estate categories and was partially offset by lower indirect auto and home equity loan balances.

### *Allowance for Credit Losses*

At June 30, 2023, the allowance for credit losses for HFI loans totaled \$28.0 million compared to \$26.5 million at March 31, 2023 and \$24.7 million at December 31, 2022. Activity within the allowance is provided on Page 9. The increase in the allowance was driven primarily by loan growth. At June 30, 2023, the allowance represented 1.05% of HFI loans compared to 1.01% at March 31, 2023, and 0.98% at December 31, 2022.

### *Credit Quality*

Credit quality metrics remained strong for the quarter. Nonperforming assets (nonaccrual loans and other real estate) totaled \$6.6 million at June 30, 2023 compared to \$4.6 million at March 31, 2023 and \$2.7 million at December 31, 2022. At June 30, 2023, nonperforming assets as a percent of total assets equaled 0.15%, compared to 0.10% at March 31, 2023 and 0.06% at December 31, 2022. Nonaccrual loans totaled \$6.6 million at June 30, 2023, a \$2.0 million increase over March 31, 2023 and a \$4.3 million increase over December 31, 2022. The increase was primarily due to the addition of one large residential loan (\$1.1 million) to nonaccrual status which was adequately secured and reserved for. Further, classified loans totaled \$15.0 million at June 30, 2023, a \$2.8 million increase over March 31, 2023 and a \$4.4 million decrease from December 31, 2022.

### *Deposits*

Average total deposits were \$3.720 billion for the second quarter of 2023, a decrease of

\$97.8 million, or 2.6%, from the first quarter of 2023 and a decrease of \$83.5 million, or 2.2%, from the fourth quarter of 2022. Compared to both prior periods, the decreases were primarily attributable to lower noninterest bearing and savings balances, primarily offset by higher money market balances. Compared to the first quarter of 2023, the decrease in NOW account balances reflected the seasonal decline in our public funds balances. Compared to the fourth quarter of 2022, the increase in NOW accounts reflected higher average public funds balances which begin to build in December and affect the average comparison.

At June 30, 2023, total deposits were \$3.789 billion, a decrease of \$35.1 million, or 0.9%, from March 31, 2023 and \$150.5 million, or 3.8%, from December 31, 2022. The June 30, 2023 deposit balance included a \$103 million short-term deposit (in the NOW category) made late in June by a municipal client. Compared to both prior periods, the decreases were primarily attributable to lower noninterest bearing balances, savings balances, and NOW balances (primarily public funds, excluding the previously mentioned large municipal client deposit), primarily offset by higher money market balances.

For comparison to the prior periods, both the average and period-end balance variances in noninterest bearing and savings balances generally reflected higher tax payments made by clients in April, continued client spend of stimulus savings, the migration (re-mix) of balances to an interest-bearing product type (primarily money market accounts), and clients seeking higher yielding investment products outside of the Bank, including the migration of \$13 million in the second quarter of 2023 and \$43 million in the first six months of 2023 to our wealth management division.

Repurchase agreement balances averaged \$17.9 million for the second quarter of 2023, an increase of \$8.5 million over the first quarter of 2023 and \$9.4 million over the fourth quarter of 2022. At June 30, 2023, repurchase agreement balances were \$22.6 million compared to \$4.4 million at March 31, 2023 and \$6.6 million at December 31, 2022.

### *Liquidity*

The Bank maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of \$218.9 million in the second quarter of 2023 compared to \$361.0 million in the first quarter of 2023 and \$469.4 million in the fourth quarter of 2022. The declining overnight funds position reflected growth in average loans and lower average deposit balances.

At June 30, 2023, we had the ability to generate approximately \$1.506 billion (excludes overnight funds position of \$285 million) in additional liquidity through various sources including various federal funds purchased lines, Federal Home Loan Bank borrowings, the Federal Reserve Discount Window, and through brokered deposits.

We also view our investment portfolio as a liquidity source and have the option to pledge securities in our portfolio as collateral for borrowings or deposits, and/or to sell selected securities. Our portfolio consists of debt issued by the U.S. Treasury, U.S. governmental agencies, municipal governments, and corporate entities. At June 30, 2023, the weighted-average maturity and duration of our portfolio were 3.07 years and 2.76 years, respectively, and the available-for-sale portfolio had a net unrealized pre-tax loss of \$28.5 million.

### *Capital*

Shareowners' equity was \$420.8 million at June 30, 2023 compared to \$411.2 million at March 31, 2023 and \$394.0 million at December 31, 2022. For the first six months of 2023, shareowners' equity was positively impacted by net income attributable to common shareowners of \$29.5 million, a \$4.2 million decrease in the unrealized loss on investment securities, the issuance of stock of \$2.1 million, and stock compensation accretion of \$0.5 million. Shareowners' equity was reduced by common stock dividends of \$6.1 million (\$0.36 per share), the repurchase of stock of \$2.0 million (65,736 shares), net adjustments totaling \$1.2 million related to transactions under our stock compensation plans, and a \$0.2 million decrease in the fair value of the interest rate swap related to subordinated debt.

At June 30, 2023, our total risk-based capital ratio was 15.95% compared to 15.53% at March 31, 2023 and 15.52% at December 31, 2022. Our common equity tier 1 capital ratio was 13.02%, 12.68%, and 12.64%, respectively, on these dates. Our leverage ratio was 9.74%, 9.28%, and 9.06%, respectively, on these dates. At June 30, 2023, all our regulatory capital ratios exceeded the threshold to be designated as "well-capitalized" under the Basel III capital standards. Further, our tangible common equity ratio was 7.61% at June 30, 2023 compared to 7.37% and 6.79% at March 31, 2023 and December 31, 2022, respectively. If our unrealized HTM securities losses of \$30.0 million (after-tax) were recognized in accumulated other comprehensive loss, our adjusted tangible capital ratio would be 6.91%.

### **About Capital City Bank Group, Inc.**

Capital City Bank Group, Inc. (NASDAQ: CCBG) is one of the largest publicly traded financial holding companies headquartered in Florida and has approximately \$4.4 billion in assets. We provide a full range of banking services, including traditional deposit and credit services, mortgage banking, asset management, trust, merchant services, bankcards, securities brokerage services and financial advisory services, including the sale of life insurance, risk management and asset protection services. Our bank subsidiary, Capital City Bank, was founded in 1895 and now has 62 banking offices and 99 ATMs/ITMs in Florida, Georgia and Alabama. For more information about Capital City Bank Group, Inc., visit [www.ccbg.com](http://www.ccbg.com).

### **FORWARD-LOOKING STATEMENTS**

Forward-looking statements in this Press Release are based on current plans and expectations that are subject to uncertainties and risks, which could cause our future results to differ materially. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "vision," "goal," and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our actual results to differ: our ability to successfully manage credit risk, interest rate risk, liquidity risk, and other risks inherent to our industry; legislative or regulatory changes; adverse developments in the financial services industry generally, such as the recent bank failures and any related impacts on depositor behavior; the effects of changes in the level of checking or savings account deposits and the competition for deposits on our funding costs, net interest margin and ability to replace maturing deposits and advances, as necessary; the effects of actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions; changes in monetary and fiscal policies of the U.S. Government; inflation, interest rate, market and monetary fluctuations; the effects of security breaches and computer viruses that may affect our computer systems or fraud related to debit card products; the accuracy of our financial statement estimates and assumptions,

including the estimates used for our allowance for credit losses, deferred tax asset valuation and pension plan; changes in our liquidity position; changes in accounting principles, policies, practices or guidelines; the frequency and magnitude of foreclosure of our loans; the effects of our lack of a diversified loan portfolio, including the risks of loan segments, geographic and industry concentrations; the strength of the United States economy in general and the strength of the local economies in which we conduct operations; our ability to declare and pay dividends, the payment of which is subject to our capital requirements; changes in the securities and real estate markets; structural changes in the markets for origination, sale and servicing of residential mortgages; uncertainty in the pricing of residential mortgage loans that we sell, as well as competition for the mortgage servicing rights related to these loans and related interest rate risk or price risk resulting from retaining mortgage servicing rights and the potential effects of higher interest rates on our loan origination volumes; the effect of corporate restructuring, acquisitions or dispositions, including the actual restructuring and other related charges and the failure to achieve the expected gains, revenue growth or expense savings from such corporate restructuring, acquisitions or dispositions; the effects of natural disasters, harsh weather conditions (including hurricanes), widespread health emergencies (including pandemics, such as the COVID-19 pandemic), military conflict, terrorism, civil unrest or other geopolitical events; our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate; the willingness of clients to accept third-party products and services rather than our products and services and vice versa; increased competition and its effect on pricing; technological changes; the outcomes of litigation or regulatory proceedings; negative publicity and the impact on our reputation; changes in consumer spending and saving habits; growth and profitability of our noninterest income; the limited trading activity of our common stock; the concentration of ownership of our common stock; anti-takeover provisions under federal and state law as well as our Articles of Incorporation and our Bylaws; other risks described from time to time in our filings with the Securities and Exchange Commission; and our ability to manage the risks involved in the foregoing. Additional factors can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and our other filings with the SEC, which are available at the SEC's internet site (<http://www.sec.gov>). Forward-looking statements in this Press Release speak only as of the date of the Press Release, and we assume no obligation to update forward-looking statements or the reasons why actual results could differ.

## **USE OF NON-GAAP FINANCIAL MEASURES**

### ***Unaudited***

We present a tangible common equity ratio and a tangible book value per diluted share that removes the effect of goodwill and other intangibles resulting from merger and acquisition activity. We believe these measures are useful to investors because it allows investors to more easily compare our capital adequacy to other companies in the industry.

The GAAP to non-GAAP reconciliations are provided below.

| <i>(Dollars in Thousands, except per share data)</i>    | <b>Jun 30, 2023</b> | <b>Mar 31, 2023</b> | <b>Dec 31, 2022</b> | <b>Sep 30, 2022</b> | <b>Jun 30, 2022</b> |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Shareowners' Equity (GAAP)                              | \$ 420,779          | \$ 411,240          | \$ 394,016          | \$ 373,165          | \$ 371,675          |
| Less: Goodwill and Other Intangibles (GAAP)             | 93,013              | 93,053              | 93,093              | 93,133              | 93,173              |
| Tangible Shareowners' Equity (non-GAAP)                 | A 327,766           | 318,187             | 300,923             | 280,032             | 278,502             |
| Total Assets (GAAP)                                     | 4,399,563           | 4,409,742           | 4,525,958           | 4,332,671           | 4,354,297           |
| Less: Goodwill and Other Intangibles (GAAP)             | 93,013              | 93,053              | 93,093              | 93,133              | 93,173              |
| Tangible Assets (non-GAAP)                              | B \$ 4,306,550      | \$ 4,316,689        | \$ 4,432,865        | \$ 4,239,538        | \$ 4,261,124        |
| <b>Tangible Common Equity Ratio (non-GAAP)</b>          | <b>A/B 7.61%</b>    | <b>7.37%</b>        | <b>6.79%</b>        | <b>6.61%</b>        | <b>6.54%</b>        |
| Actual Diluted Shares Outstanding (GAAP)                | C 17,026,360        | 17,049,913          | 17,039,401          | 16,998,177          | 16,981,614          |
| <b>Tangible Book Value per Diluted Share (non-GAAP)</b> | <b>A/C \$ 19.25</b> | <b>\$ 18.66</b>     | <b>\$ 17.66</b>     | <b>\$ 16.47</b>     | <b>\$ 16.40</b>     |

## CAPITAL CITY BANK GROUP, INC.

### EARNINGS HIGHLIGHTS

#### Unaudited

|                                                      | <b>Three Months Ended</b> |                     |                     | <b>Six Months Ended</b> |                     |
|------------------------------------------------------|---------------------------|---------------------|---------------------|-------------------------|---------------------|
| <i>(Dollars in thousands, except per share data)</i> | <b>Jun 30, 2023</b>       | <b>Mar 31, 2023</b> | <b>Jun 30, 2022</b> | <b>Jun 30, 2023</b>     | <b>Jun 30, 2022</b> |
| <b>EARNINGS</b>                                      |                           |                     |                     |                         |                     |
| Net Income Attributable to Common Shareowners        | \$ 14,551                 | \$ 14,954           | \$ 8,713            | 29,505                  | \$ 17,168           |
| Diluted Net Income Per Share                         | \$ 0.85                   | \$ 0.88             | \$ 0.51             | 1.73                    | \$ 1.01             |
| <b>PERFORMANCE</b>                                   |                           |                     |                     |                         |                     |
| Return on Average Assets (annualized)                | 1.35 %                    | 1.37 %              | 0.81 %              | 1.36 %                  | 0.81 %              |
| Return on Average Equity (annualized)                | 13.94                     | 15.01               | 9.36                | 14.46                   | 9.14                |
| Net Interest Margin                                  | 4.05                      | 4.04                | 2.87                | 4.04                    | 2.71                |
| Noninterest Income as % of Operating Revenue         | 36.38                     | 35.52               | 46.78               | 35.95                   | 48.89               |
| Efficiency Ratio                                     | 67.55 %                   | 64.48 %             | 75.96 %             | 66.02 %                 | 76.73 %             |
| <b>CAPITAL ADEQUACY</b>                              |                           |                     |                     |                         |                     |
| Tier 1 Capital                                       | 14.84 %                   | 14.51 %             | 15.13 %             | 14.84 %                 | 15.13 %             |
| Total Capital                                        | 15.95                     | 15.53               | 16.07               | 15.95                   | 16.07               |
| Leverage                                             | 9.74                      | 9.28                | 8.77                | 9.74                    | 8.77                |
| Common Equity Tier 1                                 | 13.02                     | 12.68               | 13.07               | 13.02                   | 13.07               |
| Tangible Common Equity <sup>(1)</sup>                | 7.61                      | 7.37                | 6.54                | 7.61                    | 6.54                |
| Equity to Assets                                     | 9.56 %                    | 9.33 %              | 8.54 %              | 9.56 %                  | 8.54 %              |
| <b>ASSET QUALITY</b>                                 |                           |                     |                     |                         |                     |
| Allowance as % of Non-Performing Loans               | 422.23 %                  | 577.63 %            | 677.57 %            | 422.23 %                | 677.57 %            |
| Allowance as a % of Loans HFI                        | 1.05                      | 1.01                | 0.96                | 1.05                    | 0.96                |
| Net Charge-Offs as % of Average Loans HFI            | 0.07                      | 0.24                | 0.22                | 0.15                    | 0.19                |
| Nonperforming Assets as % of Loans HFI and OREO      | 0.25                      | 0.17                | 0.15                | 0.25                    | 0.15                |
| Nonperforming Assets as % of Total Assets            | 0.15 %                    | 0.10 %              | 0.07 %              | 0.15 %                  | 0.07 %              |
| <b>STOCK PERFORMANCE</b>                             |                           |                     |                     |                         |                     |
| High                                                 | \$ 34.16                  | \$ 36.86            | \$ 28.55            | 36.86                   | \$ 28.88            |
| Low                                                  | 28.03                     | 28.18               | 24.43               | 28.03                   | 24.43               |
| Close                                                | \$ 30.64                  | \$ 29.31            | \$ 27.89            | 30.64                   | \$ 27.89            |
| Average Daily Trading Volume                         | 33,412                    | 41,737              | 25,342              | 37,574                  | 24,681              |

<sup>(1)</sup> Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 6.

## CAPITAL CITY BANK GROUP, INC.

### CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

#### Unaudited

|                                                             | 2023           |               | 2022           |               |                |
|-------------------------------------------------------------|----------------|---------------|----------------|---------------|----------------|
|                                                             | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter |
| (Dollars in thousands)                                      |                |               |                |               |                |
| <b>ASSETS</b>                                               |                |               |                |               |                |
| Cash and Due From Banks                                     | \$ 83,679      | \$ 84,549     | \$ 72,114      | \$ 72,686     | \$ 91,209      |
| Funds Sold and Interest Bearing Deposits                    | 285,129        | 303,403       | 528,536        | 497,679       | 603,315        |
| Total Cash and Cash Equivalents                             | 368,808        | 387,952       | 600,650        | 570,365       | 694,524        |
| Investment Securities Available for Sale                    | 386,220        | 402,943       | 413,294        | 416,745       | 601,405        |
| Investment Securities Held to Maturity                      | 641,398        | 651,755       | 660,744        | 676,178       | 528,258        |
| Other Equity Securities                                     | 1,703          | 1,883         | 10             | 1,349         | 900            |
| Total Investment Securities                                 | 1,029,321      | 1,056,581     | 1,074,048      | 1,094,272     | 1,130,563      |
| Loans Held for Sale                                         | 67,908         | 55,118        | 54,635         | 50,304        | 48,708         |
| Loans Held for Investment ("HFI"):                          |                |               |                |               |                |
| Commercial, Financial, & Agricultural                       | 227,219        | 236,263       | 247,362        | 246,304       | 247,902        |
| Real Estate - Construction                                  | 226,404        | 253,903       | 234,519        | 237,718       | 225,664        |
| Real Estate - Commercial                                    | 831,285        | 798,438       | 782,557        | 715,870       | 699,093        |
| Real Estate - Residential                                   | 876,867        | 827,124       | 721,759        | 573,963       | 478,121        |
| Real Estate - Home Equity                                   | 203,150        | 207,241       | 208,120        | 202,512       | 194,658        |
| Consumer                                                    | 295,646        | 305,324       | 324,450        | 347,949       | 359,906        |
| Other Loans                                                 | 5,425          | 7,660         | 5,346          | 20,822        | 6,854          |
| Overdrafts                                                  | 1,007          | 931           | 1,067          | 1,047         | 1,455          |
| Total Loans Held for Investment                             | 2,667,003      | 2,636,884     | 2,525,180      | 2,346,185     | 2,213,653      |
| Allowance for Credit Losses                                 | (27,964)       | (26,507)      | (24,736)       | (22,510)      | (21,281)       |
| Loans Held for Investment, Net                              | 2,639,039      | 2,610,377     | 2,500,444      | 2,323,675     | 2,192,372      |
| Premises and Equipment, Net                                 | 82,062         | 82,055        | 82,138         | 81,736        | 82,932         |
| Goodwill and Other Intangibles                              | 93,013         | 93,053        | 93,093         | 93,133        | 93,173         |
| Other Real Estate Owned                                     | 1              | 13            | 431            | 13            | 90             |
| Other Assets                                                | 119,411        | 124,593       | 120,519        | 119,173       | 111,935        |
| Total Other Assets                                          | 294,487        | 299,714       | 296,181        | 294,055       | 288,130        |
| Total Assets                                                | \$ 4,399,563   | \$ 4,409,742  | \$ 4,525,958   | \$ 4,332,671  | \$ 4,354,297   |
| <b>LIABILITIES</b>                                          |                |               |                |               |                |
| Deposits:                                                   |                |               |                |               |                |
| Noninterest Bearing Deposits                                | \$ 1,520,134   | \$ 1,601,388  | \$ 1,653,620   | \$ 1,737,046  | \$ 1,724,671   |
| NOW Accounts                                                | 1,269,839      | 1,242,721     | 1,290,494      | 990,021       | 1,036,757      |
| Money Market Accounts                                       | 321,743        | 271,880       | 267,383        | 292,932       | 289,337        |
| Savings Accounts                                            | 590,245        | 617,310       | 637,374        | 646,526       | 639,594        |
| Certificates of Deposit                                     | 86,905         | 90,621        | 90,446         | 92,853        | 95,899         |
| Total Deposits                                              | 3,788,866      | 3,823,920     | 3,939,317      | 3,759,378     | 3,786,258      |
| Repurchase Agreements                                       | 22,619         | 4,429         | 6,583          | 6,943         | 3,807          |
| Other Short-Term Borrowings                                 | 28,054         | 22,203        | 50,210         | 45,328        | 35,656         |
| Subordinated Notes Payable                                  | 52,887         | 52,887        | 52,887         | 52,887        | 52,887         |
| Other Long-Term Borrowings                                  | 414            | 463           | 513            | 562           | 612            |
| Other Liabilities                                           | 77,192         | 85,878        | 73,675         | 84,657        | 93,319         |
| Total Liabilities                                           | 3,970,032      | 3,989,780     | 4,123,185      | 3,949,755     | 3,972,539      |
| Temporary Equity                                            | 8,752          | 8,722         | 8,757          | 9,751         | 10,083         |
| <b>SHAREOWNERS' EQUITY</b>                                  |                |               |                |               |                |
| Common Stock                                                | 170            | 170           | 170            | 170           | 170            |
| Additional Paid-In Capital                                  | 36,853         | 37,512        | 37,331         | 36,234        | 35,738         |
| Retained Earnings                                           | 417,128        | 405,634       | 393,744        | 384,964       | 376,532        |
| Accumulated Other Comprehensive Loss, Net of Tax            | (33,372)       | (32,076)      | (37,229)       | (48,203)      | (40,765)       |
| Total Shareowners' Equity                                   | 420,779        | 411,240       | 394,016        | 373,165       | 371,675        |
| Total Liabilities, Temporary Equity and Shareowners' Equity | \$ 4,399,563   | \$ 4,409,742  | \$ 4,525,958   | \$ 4,332,671  | \$ 4,354,297   |
| <b>OTHER BALANCE SHEET DATA</b>                             |                |               |                |               |                |

|                                                      |    |           |    |           |    |           |    |           |    |           |
|------------------------------------------------------|----|-----------|----|-----------|----|-----------|----|-----------|----|-----------|
| Earning Assets                                       | \$ | 4,049,361 | \$ | 4,051,987 | \$ | 4,182,399 | \$ | 3,988,440 | \$ | 3,996,238 |
| Interest Bearing Liabilities                         |    | 2,350,087 |    | 2,298,085 |    | 2,389,307 |    | 2,121,109 |    | 2,150,742 |
| Book Value Per Diluted Share                         | \$ | 24.71     | \$ | 24.12     | \$ | 23.12     | \$ | 21.95     | \$ | 21.89     |
| Tangible Book Value Per Diluted Share <sup>(1)</sup> |    | 19.25     |    | 18.66     |    | 17.66     |    | 16.47     |    | 16.40     |
| Actual Basic Shares Outstanding                      |    | 16,992    |    | 17,022    |    | 16,987    |    | 16,962    |    | 16,959    |
| Actual Diluted Shares Outstanding                    |    | 17,026    |    | 17,050    |    | 17,039    |    | 16,998    |    | 16,982    |

<sup>(1)</sup> Tangible book value per diluted share is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 6.

**CAPITAL CITY BANK GROUP, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
*Unaudited*

|                                                               | 2023              |                  | 2022              |                  |                   | Six Months Ended<br>June 30, |           |
|---------------------------------------------------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------------------|-----------|
|                                                               | Second<br>Quarter | First<br>Quarter | Fourth<br>Quarter | Third<br>Quarter | Second<br>Quarter | 2023                         | 2022      |
| <i>(Dollars in thousands, except per share data)</i>          |                   |                  |                   |                  |                   |                              |           |
| <b>INTEREST INCOME</b>                                        |                   |                  |                   |                  |                   |                              |           |
| Loans, including Fees                                         | \$ 37,477         | \$ 34,880        | \$ 31,916         | \$ 27,761        | \$ 24,072         | \$ 72,357                    | \$ 46,205 |
| Investment Securities                                         | 4,815             | 4,924            | 4,847             | 4,372            | 3,840             | 9,739                        | 6,736     |
| Federal Funds Sold and Interest Bearing Deposits              | 2,782             | 4,111            | 4,463             | 3,231            | 1,408             | 6,893                        | 1,817     |
| Total Interest Income                                         | 45,074            | 43,915           | 41,226            | 35,364           | 29,320            | 88,989                       | 54,758    |
| <b>INTEREST EXPENSE</b>                                       |                   |                  |                   |                  |                   |                              |           |
| Deposits                                                      | 4,008             | 2,488            | 1,902             | 1,052            | 266               | 6,496                        | 490       |
| Repurchase Agreements                                         | 115               | 9                | 7                 | 5                | -                 | 124                          | 1         |
| Other Short-Term Borrowings                                   | 336               | 452              | 683               | 531              | 343               | 788                          | 534       |
| Subordinated Notes Payable                                    | 604               | 571              | 522               | 443              | 370               | 1,175                        | 687       |
| Other Long-Term Borrowings                                    | 5                 | 6                | 8                 | 6                | 8                 | 11                           | 17        |
| Total Interest Expense                                        | 5,068             | 3,526            | 3,122             | 2,037            | 987               | 8,594                        | 1,729     |
| Net Interest Income                                           | 40,006            | 40,389           | 38,104            | 33,327           | 28,333            | 80,395                       | 53,029    |
| Provision for Credit Losses                                   | 2,219             | 3,130            | 3,521             | 2,099            | 1,542             | 5,349                        | 1,542     |
| Net Interest Income after Provision for Credit Losses         | 37,787            | 37,259           | 34,583            | 31,228           | 26,791            | 75,046                       | 51,487    |
| <b>NONINTEREST INCOME</b>                                     |                   |                  |                   |                  |                   |                              |           |
| Deposit Fees                                                  | 5,326             | 5,239            | 5,536             | 5,947            | 5,447             | 10,565                       | 10,638    |
| Bank Card Fees                                                | 3,795             | 3,726            | 3,744             | 3,860            | 4,034             | 7,521                        | 7,797     |
| Wealth Management Fees                                        | 4,149             | 3,928            | 3,649             | 3,937            | 4,403             | 8,077                        | 10,473    |
| Mortgage Banking Revenues                                     | 5,837             | 6,995            | 5,497             | 7,116            | 9,065             | 12,832                       | 18,011    |
| Other                                                         | 3,766             | 2,360            | 2,546             | 2,074            | 1,954             | 6,126                        | 3,802     |
| Total Noninterest Income                                      | 22,873            | 22,248           | 20,972            | 22,934           | 24,903            | 45,121                       | 50,721    |
| <b>NONINTEREST EXPENSE</b>                                    |                   |                  |                   |                  |                   |                              |           |
| Compensation                                                  | 24,884            | 25,636           | 25,565            | 24,738           | 25,383            | 50,520                       | 50,239    |
| Occupancy, Net                                                | 6,820             | 6,762            | 6,253             | 6,153            | 6,075             | 13,582                       | 12,168    |
| Other                                                         | 10,830            | 8,057            | 10,469            | 8,919            | 9,040             | 18,887                       | 17,324    |
| Total Noninterest Expense                                     | 42,534            | 40,455           | 42,287            | 39,810           | 40,498            | 82,989                       | 79,731    |
| <b>OPERATING PROFIT</b>                                       | 18,126            | 19,052           | 13,268            | 14,352           | 11,196            | 37,178                       | 22,477    |
| Income Tax Expense                                            | 3,544             | 4,133            | 2,599             | 3,074            | 2,177             | 7,677                        | 4,412     |
| Net Income                                                    | 14,582            | 14,919           | 10,669            | 11,278           | 9,019             | 29,501                       | 18,065    |
| Pre-Tax Loss (Income) Attributable to Noncontrolling Interest | (31)              | 35               | 995               | 37               | (306)             | 4                            | (897)     |
| <b>NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS</b>          | \$ 14,551         | \$ 14,954        | \$ 11,664         | \$ 11,315        | \$ 8,713          | \$ 29,505                    | \$ 17,168 |
| <b>PER COMMON SHARE</b>                                       |                   |                  |                   |                  |                   |                              |           |
| Basic Net Income                                              | \$ 0.86           | \$ 0.88          | \$ 0.69           | \$ 0.67          | \$ 0.51           | \$ 1.73                      | \$ 1.01   |
| Diluted Net Income                                            | 0.85              | 0.88             | 0.68              | 0.67             | 0.51              | 1.73                         | 1.01      |
| Cash Dividend                                                 | \$ 0.18           | \$ 0.18          | \$ 0.17           | \$ 0.17          | \$ 0.16           | \$ 0.36                      | \$ 0.32   |
| <b>AVERAGE SHARES</b>                                         |                   |                  |                   |                  |                   |                              |           |
| Basic                                                         | 17,002            | 17,016           | 16,963            | 16,960           | 16,949            | 17,009                       | 16,940    |
| Diluted                                                       | 17,036            | 17,045           | 17,016            | 16,996           | 16,971            | 17,041                       | 16,958    |

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

|                                                            | 2023           |               | 2022           |               |                | Six Months Ended June 30, |           |
|------------------------------------------------------------|----------------|---------------|----------------|---------------|----------------|---------------------------|-----------|
|                                                            | Second Quarter | First Quarter | Fourth Quarter | Third Quarter | Second Quarter | 2023                      | 2022      |
| <i>(Dollars in thousands, except per share data)</i>       |                |               |                |               |                |                           |           |
| <b>ACL - HELD FOR INVESTMENT LOANS</b>                     |                |               |                |               |                |                           |           |
| Balance at Beginning of Period                             | \$ 26,507      | \$ 24,736     | \$ 22,510      | \$ 21,281     | \$ 20,756      | \$ 24,736                 | \$ 21,606 |
| Provision for Credit Losses                                | 1,944          | 3,291         | 3,543          | 1,931         | 1,670          | 5,235                     | 1,591     |
| Net Charge-Offs (Recoveries)                               | 487            | 1,520         | 1,317          | 702           | 1,145          | 2,007                     | 1,916     |
| Balance at End of Period                                   | \$ 27,964      | \$ 26,507     | \$ 24,736      | \$ 22,510     | \$ 21,281      | \$ 27,964                 | \$ 21,281 |
| As a % of Loans HFI                                        | 1.05%          | 1.01%         | 0.98%          | 0.96%         | 0.96%          | 1.05%                     | 0.96%     |
| As a % of Nonperforming Loans                              | 422.23%        | 577.63%       | 1,076.89%      | 934.53%       | 677.57%        | 422.23%                   | 677.57%   |
| <b>ACL - UNFUNDED COMMITMENTS</b>                          |                |               |                |               |                |                           |           |
| Balance at Beginning of Period                             | 2,833          | \$ 2,989      | \$ 3,012       | \$ 2,853      | \$ 2,976       | \$ 2,989                  | \$ 2,897  |
| Provision for Credit Losses                                | 287            | (156)         | (23)           | 159           | (123)          | 131                       | (44)      |
| Balance at End of Period <sup>(1)</sup>                    | 3,120          | 2,833         | 2,989          | 3,012         | 2,853          | 3,120                     | 2,853     |
| <b>ACL - DEBT SECURITIES</b>                               |                |               |                |               |                |                           |           |
| Provision for Credit Losses                                | \$ (12)        | \$ (5)        | \$ 1           | \$ 9          | \$ (5)         | \$ (17)                   | \$ (5)    |
| <b>CHARGE-OFFS</b>                                         |                |               |                |               |                |                           |           |
| Commercial, Financial and Agricultural                     | \$ 54          | \$ 164        | \$ 129         | \$ 2          | \$ 1,104       | \$ 218                    | \$ 1,177  |
| Real Estate - Construction                                 | -              | -             | -              | -             | -              | -                         | -         |
| Real Estate - Commercial                                   | -              | 120           | 88             | 1             | -              | 120                       | 266       |
| Real Estate - Home Equity                                  | 39             | -             | 160            | -             | -              | 39                        | 33        |
| Consumer                                                   | 993            | 1,732         | 976            | 770           | 533            | 2,725                     | 1,155     |
| Overdrafts                                                 | 894            | 634           | 720            | 989           | 660            | 1,528                     | 1,440     |
| Total Charge-Offs                                          | \$ 1,980       | \$ 2,650      | \$ 2,073       | \$ 1,762      | \$ 2,297       | \$ 4,630                  | \$ 4,071  |
| <b>RECOVERIES</b>                                          |                |               |                |               |                |                           |           |
| Commercial, Financial and Agricultural                     | \$ 71          | \$ 95         | \$ 25          | \$ 58         | \$ 59          | \$ 166                    | \$ 224    |
| Real Estate - Construction                                 | 1              | 1             | -              | 2             | -              | 2                         | 8         |
| Real Estate - Commercial                                   | 11             | 8             | 13             | 8             | 56             | 19                        | 85        |
| Real Estate - Residential                                  | 132            | 57            | 98             | 44            | 115            | 189                       | 142       |
| Real Estate - Home Equity                                  | 131            | 25            | 36             | 22            | 67             | 156                       | 125       |
| Consumer                                                   | 514            | 571           | 175            | 260           | 453            | 1,085                     | 636       |
| Overdrafts                                                 | 633            | 373           | 409            | 666           | 402            | 1,006                     | 935       |
| Total Recoveries                                           | \$ 1,493       | \$ 1,130      | \$ 756         | \$ 1,060      | \$ 1,152       | \$ 2,623                  | \$ 2,155  |
| NET CHARGE-OFFS (RECOVERIES)                               | \$ 487         | \$ 1,520      | \$ 1,317       | \$ 702        | \$ 1,145       | \$ 2,007                  | \$ 1,916  |
| Net Charge-Offs as a % of Average Loans HFI <sup>(2)</sup> | 0.07%          | 0.24%         | 0.21%          | 0.12%         | 0.22%          | 0.15%                     | 0.19%     |
| <b>CREDIT QUALITY</b>                                      |                |               |                |               |                |                           |           |
| Nonaccruing Loans                                          | \$ 6,623       | \$ 4,589      | \$ 2,297       | \$ 2,409      | \$ 3,141       |                           |           |
| Other Real Estate Owned                                    | 1              | 13            | 431            | 13            | 90             |                           |           |
| Total Nonperforming Assets ("NPAs")                        | \$ 6,624       | \$ 4,602      | \$ 2,728       | \$ 2,422      | \$ 3,231       |                           |           |
| Past Due Loans 30-89 Days                                  | \$ 4,207       | \$ 5,061      | \$ 7,829       | \$ 6,263      | \$ 3,554       |                           |           |
| Past Due Loans 90 Days or More                             | -              | -             | -              | -             | -              |                           |           |
| Classified Loans                                           | 14,973         | 12,179        | 19,342         | 20,988        | 19,620         |                           |           |
| Nonperforming Loans as a % of Loans HFI                    | 0.25%          | 0.17%         | 0.09%          | 0.10%         | 0.14%          |                           |           |
| NPAs as a % of Loans HFI and Other Real Estate             | 0.25%          | 0.17%         | 0.11%          | 0.10%         | 0.15%          |                           |           |
| NPAs as a % of Total Assets                                | 0.15%          | 0.10%         | 0.06%          | 0.06%         | 0.07%          |                           |           |

<sup>(1)</sup> Recorded in other liabilities

<sup>(2)</sup> Annualized

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

|                                                  | Second Quarter 2023 |           |              | First Quarter 2023 |           |              | Fourth Quarter 2022 |           |              | Third Quarter 2022 |
|--------------------------------------------------|---------------------|-----------|--------------|--------------------|-----------|--------------|---------------------|-----------|--------------|--------------------|
| (Dollars in thousands)                           | Average Balance     | Interest  | Average Rate | Average Balance    | Interest  | Average Rate | Average Balance     | Interest  | Average Rate | Average Balance    |
| <b>ASSETS:</b>                                   |                     |           |              |                    |           |              |                     |           |              |                    |
| Loans Held for Sale                              | \$ 54,350           | \$ 801    | 5.90 %       | \$ 55,110          | \$ 644    | 4.74 %       | \$ 42,910           | \$ 581    | 5.38 %       | \$ 55,164          |
| Loans Held for Investment <sup>(1)</sup>         | 2,657,693           | 36,758    | 5.55         | 2,582,395          | 34,331    | 5.39         | 2,439,379           | 31,418    | 5.11         | 2,264,071          |
| Investment Securities                            |                     |           |              |                    |           |              |                     |           |              |                    |
| Taxable Investment Securities                    | 1,041,202           | 4,804     | 1.84         | 1,061,372          | 4,912     | 1.86         | 1,078,265           | 4,835     | 1.78         | 1,117,785          |
| Tax-Exempt Investment Securities <sup>(1)</sup>  | 2,656               | 16        | 2.47         | 2,840              | 17        | 2.36         | 2,827               | 17        | 2.36         | 2,931              |
| Total Investment Securities                      | 1,043,858           | 4,820     | 1.84         | 1,064,212          | 4,929     | 1.86         | 1,081,092           | 4,852     | 1.78         | 1,120,721          |
| Federal Funds Sold and Interest Bearing Deposits | 218,902             | 2,782     | 5.10         | 360,971            | 4,111     | 4.62         | 469,352             | 4,463     | 3.77         | 569,984            |
| Total Earning Assets                             | 3,974,803           | \$ 45,161 | 4.56 %       | 4,062,688          | \$ 44,015 | 4.39 %       | 4,032,733           | \$ 41,314 | 4.07 %       | 4,009,957          |
| Cash and Due From Banks                          | 75,854              |           |              | 74,639             |           |              | 74,178              |           |              | 79,527             |
| Allowance for Credit Losses                      | (27,893)            |           |              | (25,637)           |           |              | (22,596)            |           |              | (21,505)           |
| Other Assets                                     | 297,837             |           |              | 300,175            |           |              | 297,510             |           |              | 289,705            |
| Total Assets                                     | \$ 4,320,601        |           |              | \$ 4,411,865       |           |              | \$ 4,381,825        |           |              | \$ 4,357,671       |
| <b>LIABILITIES:</b>                              |                     |           |              |                    |           |              |                     |           |              |                    |
| Noninterest Bearing Deposits                     | \$ 1,539,877        |           |              | \$ 1,601,750       |           |              | \$ 1,662,443        |           |              | \$ 1,726,911       |
| NOW Accounts                                     | 1,200,400           | \$ 3,038  | 1.01 %       | 1,228,928          | \$ 2,152  | 0.71 %       | 1,133,733           | \$ 1,725  | 0.60 %       | 1,016,471          |
| Money Market Accounts                            | 288,466             | 747       | 1.04         | 267,573            | 208       | 0.31         | 273,328             | 63        | 0.09         | 288,751            |
| Savings Accounts                                 | 602,848             | 120       | 0.08         | 629,388            | 76        | 0.05         | 641,153             | 80        | 0.05         | 643,641            |
| Time Deposits                                    | 87,973              | 103       | 0.47         | 89,675             | 52        | 0.24         | 92,385              | 34        | 0.15         | 94,073             |
| Total Interest Bearing Deposits                  | 2,179,687           | 4,008     | 0.74         | 2,215,564          | 2,488     | 0.46         | 2,140,599           | 1,902     | 0.35         | 2,042,941          |
| Total Deposits                                   | 3,719,564           | 4,008     | 0.43         | 3,817,314          | 2,488     | 0.26         | 3,803,041           | 1,902     | 0.20         | 3,769,864          |
| Repurchase Agreements                            | 17,888              | 115       | 2.58         | 9,343              | 9         | 0.37         | 8,464               | 7         | 0.34         | 11,665             |
| Other Short-Term Borrowings                      | 17,834              | 336       | 7.54         | 37,766             | 452       | 4.86         | 42,380              | 683       | 6.39         | 35,014             |
| Subordinated Notes Payable                       | 52,887              | 604       | 4.52         | 52,887             | 571       | 4.32         | 52,887              | 522       | 3.86         | 52,887             |
| Other Long-Term Borrowings                       | 431                 | 5         | 4.80         | 480                | 6         | 4.80         | 530                 | 8         | 4.80         | 581                |

|                                                             |                     |          |        |                     |          |        |                     |          |        |                     |  |
|-------------------------------------------------------------|---------------------|----------|--------|---------------------|----------|--------|---------------------|----------|--------|---------------------|--|
| Total Interest                                              |                     |          |        |                     |          |        |                     |          |        |                     |  |
| Bearing Liabilities                                         | 2,268,727           | \$ 5,068 | 0.90 % | 2,316,040           | \$ 3,526 | 0.62 % | 2,244,860           | \$ 3,122 | 0.55 % | 2,143,092           |  |
| Other Liabilities                                           | 84,305              |          |        | 81,206              |          |        | 84,585              |          |        | 98,507              |  |
| Total Liabilities                                           | 3,892,909           |          |        | 3,998,996           |          |        | 3,991,888           |          |        | 3,968,511           |  |
| Temporary Equity                                            | 8,935               |          |        | 8,802               |          |        | 9,367               |          |        | 9,861               |  |
| <b>SHAREOWNERS' EQUITY:</b>                                 | 418,757             |          |        | 404,067             |          |        | 380,570             |          |        | 379,301             |  |
| Total Liabilities, Temporary Equity and Shareowners' Equity | <u>\$ 4,320,601</u> |          |        | <u>\$ 4,411,865</u> |          |        | <u>\$ 4,381,825</u> |          |        | <u>\$ 4,357,673</u> |  |
| Interest Rate Spread                                        | \$ 40,093           | 3.66 %   |        | \$ 40,489           | 3.77 %   |        | \$ 38,192           | 3.52 %   |        |                     |  |
| Interest Income and Rate Earned <sup>(1)</sup>              | 45,161              | 4.56     |        | 44,015              | 4.39     |        | 41,314              | 4.07     |        |                     |  |
| Interest Expense and Rate Paid <sup>(2)</sup>               | 5,068               | 0.51     |        | 3,526               | 0.35     |        | 3,122               | 0.31     |        |                     |  |
| Net Interest Margin                                         | \$ 40,093           | 4.05 %   |        | \$ 40,489           | 4.04 %   |        | \$ 38,192           | 3.76 %   |        |                     |  |

<sup>(1)</sup> Interest and average rates are calculated on a tax-equivalent basis using a 21% Federal tax rate.

<sup>(2)</sup> Rate calculated based on average earning assets.

For Information Contact:  
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Executive Vice President and Chief Financial Officer  
850.402. 8450



Source: Capital City Bank Group