

April 25, 2022



# Capital City Bank Group Reports First Quarter 2022 Results

TALLAHASSEE, Fla., April 25, 2022 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income attributable to common shareowners of \$8.5 million, or \$0.50 per diluted share, for the first quarter of 2022 compared to net income of \$6.4 million, or \$0.38 per diluted share, for the fourth quarter of 2021, and \$9.5 million, or \$0.56 per diluted share, for the first quarter of 2021.

## ***First Quarter 2022 HIGHLIGHTS***

- *Period-end loan balances grew \$54 million, or 2.8% sequentially*
- *Net interest income gained momentum driven by growth in investment portfolio and higher rates*
- *Noninterest income increased by 4.6% sequentially, driven by wealth management fees (insurance commission revenues)*
- *Noninterest expense decreased \$1.0 million, or 2.4% sequentially, attributable to lower pension plan expense*
- *Continued strong credit quality resulted in no credit loss provision*

“We begin 2022 with a quarter of solid financial performance,” said William G. Smith, Jr., Chairman, President and CEO of Capital City Bank Group. “Loan growth, credit quality, rising rates, wealth management and lower expenses all contributed to this quarter’s strong performance. Much has changed in a short period of time – rapidly escalating inflation, a pivot by the Federal Reserve toward a quicker tightening of monetary policy and the Russia-Ukraine war, along with the accompanying sanctions and questions around how the financial markets will respond to these macro-economic events. While much of this is out of our control, we believe we are well positioned to navigate through this year and beyond. While acknowledging higher rates will generate unrealized losses in our investment portfolio, our asset-sensitive balance sheet and pension related other comprehensive loss should respond well to rising rates. Capital City Strategic Wealth (“CCSW”) also had a strong first quarter and we continue our expansion efforts in west Florida and the northern arc of Atlanta. While challenges remain, we continue to focus on identifying opportunities and executing strategies we believe are sustainable and add long-term value for our shareowners.”

## **Discussion of Operating Results**

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

Tax-equivalent net interest income for the first quarter of 2022 totaled \$24.8 million, comparable to the fourth quarter of 2021, and \$24.6 million for the first quarter of 2021. Compared to the fourth quarter of 2021, higher rates on overnight funds and growth in the investment portfolio was offset by two less calendar days during the quarter. Compared to the first quarter of 2021, the increase was due to growth in our investment portfolio which

was funded by higher deposit balances.

Our net interest margin for the first quarter of 2022 was 2.55%, a decrease of five basis points from the fourth quarter of 2021 and a decrease of 30 basis points from the first quarter of 2021. Compared to both prior periods, the decrease was primarily attributable to growth in earning assets (driven by deposit inflows), which negatively impacted our margin percentage. Our net interest margin for the first quarter of 2022, excluding the impact of overnight funds in excess of \$200 million, was 3.11%.

#### *Provision for Credit Loss*

We did not record a provision for credit losses for the first quarter of 2022 or the fourth quarter of 2021 and recorded a negative provision of \$1.0 million for the first quarter of 2021. The lack of provision for the first quarter of 2022 reflected continued strong credit quality and slight improvement in the forecasted level of unemployment. We discuss the allowance for credit losses further below.

#### *Noninterest Income and Noninterest Expense*

Noninterest income for the first quarter of 2022 totaled \$25.8 million compared to \$24.7 million for the fourth quarter of 2021 and \$29.8 million for the first quarter of 2021. The increase over the fourth quarter of 2021 was primarily attributable to higher wealth management fees of \$2.1 million that were partially offset by lower mortgage banking revenues of \$0.9 million. The increase in wealth management fees was attributable to higher insurance commission revenues. Lower loan production and a slightly lower gain on sale margin drove the decline in mortgage banking revenues. Compared to the first quarter of 2021, the decline was due to lower mortgage banking revenues attributable to lower loan production (primarily refinancing activity) and a lower gain on sale margin. Additional detail on our mortgage banking operation (CCHL) is provided on Page 11.

Noninterest expense for the first quarter of 2022 totaled \$39.2 million compared to \$40.2 million for the fourth quarter of 2021 and \$40.5 million for the first quarter of 2021. The decrease from the fourth quarter of 2021 was primarily attributable to lower pension expense of \$1.6 million (reflected in other expense) offset by higher commission expense of \$0.7 million related to higher insurance revenues. The decrease in pension expense generally reflected a higher discount rate in 2022 for determining plan liabilities and strong asset returns in 2021. Compared to the first quarter of 2021, the decrease was attributable to lower commission expense of \$2.6 million related to lower mortgage banking revenues offset by higher associate benefits of \$0.5 million and a decrease in realized loan cost of \$0.8 million (credit offset to salary expense).

#### *Income Taxes*

We realized income tax expense of \$2.2 million (effective rate of 20%) for the first quarter of 2022 compared to \$2.0 million (effective rate of 22%) for the fourth quarter of 2021 and \$2.8 million (effective rate of 19%) for the first quarter of 2021. Tax expense for the fourth quarter of 2021 was unfavorably impacted by discrete tax expense of \$0.1 million. Absent discrete items, we expect our annual effective tax rate to approximate 19%-20% in 2022.

### **Discussion of Financial Condition**

## *Earning Assets*

Average earning assets totaled \$3.939 billion for the first quarter of 2022, an increase of \$147.5 million, or 3.9%, over the fourth quarter of 2021, and an increase of \$440.9 million, or 12.6%, over the first quarter of 2021. The increase over the fourth quarter of 2021 was primarily attributable to seasonal growth in our public fund deposits. The increase compared to the first quarter of 2021 was primarily driven by higher deposit balances (see below – *Funding*).

We maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of \$873.1 million in the first quarter of 2022 compared to \$789.1 million in the fourth quarter of 2021 and \$814.6 million in the first quarter of 2021. The growth compared to the fourth quarter of 2021 primarily reflected higher seasonal public fund balances. The increase compared to the first quarter of 2021 reflected higher deposit balance (see below – *Funding*).

Average loans held for investment (“HFI”) increased \$15.3 million, or 0.8%, over the fourth quarter of 2021 and decreased \$80.8 million, or 4.0%, from the first quarter of 2021. Excluding SBA PPP loans, average loans HFI increased \$18.8 million compared to the fourth quarter of 2021, and increased \$115.9 million compared to the first quarter of 2021. Compared to the fourth quarter of 2021, the increase in average loans (excluding SBA PPP loans) reflected growth in commercial loans (primarily institutional), residential loans, HELOCs, and consumer loans (indirect auto). Compared to the first quarter of 2021, we realized growth in commercial loans, construction loans, residential mortgages, and consumer loans (indirect auto). New loan production strengthened in the latter part of the first quarter of 2022 resulting in period end loan growth of \$54 million over the fourth quarter of 2021. Increases were realized in most loan categories with the largest growth in commercial loans (primarily institutional) and consumer loans (indirect auto).

## *Allowance for Credit Losses*

At March 31, 2022, the allowance for credit losses for HFI loans totaled \$20.8 million compared to \$21.6 million at December 31, 2021 and \$22.0 million at March 31, 2021. Activity within the allowance is provided on Page 9. At March 31, 2022, the allowance represented 1.05% of HFI loans and provided coverage of 761% of nonperforming loans compared to 1.12% and 500%, respectively, at December 31, 2021, and 1.07% and 411%, respectively, at March 31, 2021.

## *Credit Quality*

Overall credit quality is strong and continues to improve. Nonperforming assets (nonaccrual loans and other real estate) totaled \$2.7 million at March 31, 2022 compared to \$4.3 million at December 31, 2021 and \$5.5 million at March 31, 2021. At March 31, 2022, nonperforming assets as a percentage of total assets totaled 0.06% compared to 0.10% at December 31, 2021 and 0.14% at March 31, 2021. Nonaccrual loans totaled \$2.7 million at March 31, 2022, a \$1.7 million decrease from December 31, 2021 and a \$2.7 million decrease from March 31, 2021. The \$4.4 million increase in classified loans over the fourth quarter of 2021, reflects one loan relationship that is in the loan workout process and has been reserved for at March 31, 2022.

### *Funding (Deposits/Debt)*

Average total deposits were \$3.714 billion for the first quarter of 2022, an increase of \$164.9 million, or 4.6%, over the fourth quarter of 2021 and \$474.6 million, or 14.6%, over the first quarter of 2021. Growth over the fourth quarter of 2021 was primarily attributable to an increase in seasonal public fund deposits. Compared to the first quarter 2021, strong growth occurred in our noninterest bearing deposits, NOW accounts, and savings account balances. Over the past few years, we have experienced strong core deposit growth, in addition to growth related to multiple government stimulus programs in response to the Covid-19 pandemic, such as those under the CARES Act and the American Rescue Plan Act. Given these increases, the potential exists for our deposit levels to be volatile into 2022 due to the uncertain timing of the outflows of the stimulus related balances, in addition to the frequency and degree to which the Federal Open Market Committee (FOMC) raises the overnight funds rate. It is anticipated that current liquidity levels will remain robust due to our strong overnight funds sold position. The Bank continues to strategically consider ways to safely deploy a portion of this liquidity.

Average borrowings decreased \$14.6 million from the fourth quarter of 2021 and declined \$36.6 million from the first quarter of 2021, as both periods reflected lower warehouse line borrowing needs to support CCHL's loans held for sale.

### *Capital*

Shareowners' equity was \$372.1 million at March 31, 2022 compared to \$383.2 million at December 31, 2021 and \$324.4 million at March 31, 2021. During the first quarter of 2022, shareowners' equity was positively impacted by net income of \$8.5 million, a \$0.2 million decrease in the accumulated other comprehensive loss for our pension plan, a \$1.4 million increase in the fair value of the interest rate swap related to subordinated debt, net adjustments totaling \$0.5 million related to transactions under our stock compensation plans, and stock compensation accretion of \$0.2 million. Shareowners' equity was reduced by common stock dividends of \$2.7 million (\$0.16 per share) and a \$19.1 million increase in the unrealized loss on investment securities.

At March 31, 2022, our total risk-based capital ratio was 16.98% compared to 17.15% at December 31, 2021 and 17.20% at March 31, 2021. Our common equity tier 1 capital ratio was 13.77%, 13.86%, and 13.63%, respectively, on these dates. Our leverage ratio was 8.78%, 8.95%, and 8.97%, respectively, on these dates. All of 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 6.61% at March 31, 2022 compared to 6.95% and 6.13% at December 31, 2021 and March 31, 2021, respectively. The slight reduction in our regulatory capital ratios was attributable to loan growth and higher asset levels.

### **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 \$4.3 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 57 banking offices and 86 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 following factors, among others, could cause our actual results to differ: fluctuations in inflation, interest rates, or monetary policies; the accuracy of the our financial statement estimates and assumptions; legislative or regulatory changes; the effects of security breaches and computer viruses that may affect our computer systems or fraud related to debit card products; changes in consumer spending and savings habits; our growth and profitability; the strength of the U.S. economy and the local economies where we conduct operations; the effects of a non-diversified loan portfolio, including the risks of geographic and industry concentrations; natural disasters, widespread health emergencies, military conflict, terrorism or other geopolitical events; changes in the stock market and other capital and real estate markets; the magnitude and duration of the ongoing COVID-19 pandemic and its impact on the global economy and financial market conditions and our business; customer acceptance of third-party products and services; increased competition and its effect on pricing; negative publicity and the impact on our reputation; technological changes, especially changes that allow out of market competitors to compete in our markets; changes in accounting; 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, 2021, 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

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>Mar 31, 2022</b>	<b>Dec 31, 2021</b>	<b>Sep 30, 2021</b>	<b>Jun 30, 2021</b>	<b>Mar 31, 2021</b>
Shareowners' Equity (GAAP)		\$ 372,145	\$ 383,166	\$ 348,868	\$ 335,880	\$ 324,426
Less: Goodwill and Other Intangibles (GAAP)		93,213	93,253	93,293	93,333	89,095
Tangible Shareowners' Equity (non-GAAP)	A	<u>278,932</u>	<u>289,913</u>	<u>255,575</u>	<u>242,547</u>	<u>235,331</u>
Total Assets (GAAP)		4,310,045	4,263,849	4,048,733	4,011,459	3,929,884
Less: Goodwill and Other Intangibles (GAAP)		93,213	93,253	93,293	93,333	89,095
Tangible Assets (non-GAAP)	B	<u>\$ 4,216,832</u>	<u>\$ 4,170,596</u>	<u>\$ 3,955,440</u>	<u>\$ 3,918,126</u>	<u>\$ 3,840,789</u>
<b>Tangible Common Equity Ratio (non-GAAP)</b>	<b>A/B</b>	<b>6.61%</b>	<b>6.95%</b>	<b>6.46%</b>	<b>6.19%</b>	<b>6.13%</b>
Actual Diluted Shares Outstanding (GAAP)	C	16,962,362	16,935,389	16,911,715	16,901,375	16,875,719
<b>Tangible Book Value per Diluted Share (non-GAAP)</b>	<b>A/C \$</b>	<b>16.44</b>	<b>\$ 17.12</b>	<b>\$ 15.11</b>	<b>\$ 14.35</b>	<b>\$ 13.94</b>

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

<i>(Dollars in thousands, except per share data)</i>	Three Months Ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
<b>EARNINGS</b>			
Net Income Attributable to Common Shareowners	\$ 8,455	\$ 6,372	\$ 9,506
Diluted Net Income Per Share	\$ 0.50	\$ 0.38	0.56
<b>PERFORMANCE</b>			
Return on Average Assets	0.80 %	0.61 %	1.01 %
Return on Average Equity	8.93	7.22	11.81
Net Interest Margin	2.55	2.60	2.85
Noninterest Income as % of Operating Revenue	51.11	49.96	54.90
Efficiency Ratio	77.55 %	81.29 %	74.36 %
<b>CAPITAL ADEQUACY</b>			
Tier 1 Capital	15.98 %	16.14 %	16.08 %
Total Capital	16.98	17.15	17.20
Leverage	8.78	8.95	8.97
Common Equity Tier 1	13.77	13.86	13.63
Tangible Common Equity <sup>(1)</sup>	6.61	6.95	6.13
Equity to Assets	8.63 %	8.99 %	8.26 %
<b>ASSET QUALITY</b>			
Allowance as % of Non-Performing Loans	760.83 %	499.93 %	410.78 %
Allowance as a % of Loans HFI	1.05	1.12	1.07
Net Charge-Offs as % of Average Loans HFI	0.16	0.02	(0.10)
Nonperforming Assets as % of Loans HFI and OREO	0.14	0.22	0.27
Nonperforming Assets as % of Total Assets	0.06 %	0.10 %	0.14 %
<b>STOCK PERFORMANCE</b>			
High	\$ 28.88	\$ 29.00	28.98
Low	25.96	24.77	21.42
Close	\$ 26.36	\$ 26.40	26.02
Average Daily Trading Volume	24,019	29,900	30,303

<sup>(1)</sup> Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 4.

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

<i>(Dollars in thousands)</i>	2022		2021		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<b>ASSETS</b>					
Cash and Due From Banks	\$ 77,963	\$ 65,313	\$ 73,132	\$ 78,894	\$ 73,973
Funds Sold and Interest Bearing Deposits	790,465	970,041	708,988	766,920	851,910
Total Cash and Cash Equivalents	868,428	1,035,354	782,120	845,814	925,883
Investment Securities Available for Sale	624,361	654,611	645,844	480,890	406,245
Investment Securities Held to Maturity	518,678	339,601	341,228	325,559	199,109
Other Equity Securities	855	861	-	-	-
Total Investment Securities	1,143,894	995,073	987,072	806,449	605,354
Loans Held for Sale	50,815	52,532	77,036	80,821	82,081

Loans Held for Investment ("HFI"):

Commercial, Financial, & Agricultural	230,213	223,086	218,929	292,953	413,819
Real Estate - Construction	174,293	174,394	177,443	149,884	138,104
Real Estate - Commercial	669,110	663,550	683,379	707,599	669,158
Real Estate - Residential	368,020	346,756	355,958	362,018	358,849
Real Estate - Home Equity	188,174	187,821	187,642	190,078	202,099
Consumer	347,785	321,511	309,983	298,464	267,666
Other Loans	6,692	13,265	6,792	6,439	7,082
Overdrafts	1,222	1,082	1,299	1,227	950
Total Loans Held for Investment	1,985,509	1,931,465	1,941,425	2,008,662	2,057,727
Allowance for Credit Losses	(20,756)	(21,606)	(21,500)	(22,175)	(22,026)
Loans Held for Investment, Net	1,964,753	1,909,859	1,919,925	1,986,487	2,035,701
Premises and Equipment, Net	82,518	83,412	84,750	85,745	86,370
Goodwill and Other Intangibles	93,213	93,253	93,293	93,333	89,095
Other Real Estate Owned	17	17	192	1,192	110
Other Assets	106,407	94,349	104,345	111,618	105,290
Total Other Assets	282,155	271,031	282,580	291,888	280,865
Total Assets	\$ 4,310,045	\$ 4,263,849	\$ 4,048,733	\$ 4,011,459	\$ 3,929,884
<b>LIABILITIES</b>					
Deposits:					
Noninterest Bearing Deposits	\$ 1,704,329	\$ 1,668,912	\$ 1,592,345	\$ 1,552,864	\$ 1,473,891
NOW Accounts	1,062,498	1,070,154	926,201	970,705	993,571
Money Market Accounts	288,877	274,611	286,065	280,805	269,041
Regular Savings Accounts	614,599	599,811	559,714	539,477	518,373
Certificates of Deposit	95,204	99,374	101,637	103,070	103,232
Total Deposits	3,765,507	3,712,862	3,465,962	3,446,921	3,358,108
Short-Term Borrowings	30,865	34,557	51,410	47,200	55,687
Subordinated Notes Payable	52,887	52,887	52,887	52,887	52,887
Other Long-Term Borrowings	806	884	1,610	1,720	1,829
Other Liabilities	77,323	67,735	113,720	105,534	109,487
Total Liabilities	3,927,388	3,868,925	3,685,589	3,654,262	3,577,998
Temporary Equity	10,512	11,758	14,276	21,317	27,460
<b>SHAREOWNERS' EQUITY</b>					
Common Stock	169	169	169	169	169
Additional Paid-In Capital	35,188	34,423	33,876	33,560	32,804
Retained Earnings	370,531	364,788	359,550	345,574	335,324
Accumulated Other Comprehensive Loss, Net of Tax	(33,743)	(16,214)	(44,727)	(43,423)	(43,871)
Total Shareowners' Equity	372,145	383,166	348,868	335,880	324,426
Total Liabilities, Temporary Equity and Shareowners' Equity	\$ 4,310,045	\$ 4,263,849	\$ 4,048,733	\$ 4,011,459	\$ 3,929,884
<b>OTHER BALANCE SHEET DATA</b>					
Earning Assets	\$ 3,970,684	\$ 3,949,111	\$ 3,714,521	\$ 3,662,852	\$ 3,597,071
Interest Bearing Liabilities	2,145,736	2,132,278	1,979,524	1,995,864	1,994,620
Book Value Per Diluted Share	\$ 21.94	\$ 22.63	\$ 20.63	\$ 19.87	\$ 19.22
Tangible Book Value Per Diluted Share <sup>(1)</sup>	16.44	17.12	15.11	14.35	13.94
Actual Basic Shares Outstanding	16,948	16,892	16,878	16,874	16,852
Actual Diluted Shares Outstanding	16,962	16,935	16,912	16,901	16,876

<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 4.

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

	2022		2021		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<i>(Dollars in thousands, except per share data)</i>					
<b>INTEREST INCOME</b>					
Loans, including Fees	\$ 22,133	\$ 22,744	\$ 25,885	\$ 24,582	\$ 23,350
Investment Securities	2,896	2,505	2,350	2,054	1,883
Federal Funds Sold and Interest Bearing Deposits	409	300	285	200	213
Total Interest Income	25,438	25,549	28,520	26,836	25,446
<b>INTEREST EXPENSE</b>					
Deposits	224	213	210	208	208
Short-Term Borrowings	192	307	317	324	412
Subordinated Notes Payable	317	306	307	308	307
Other Long-Term Borrowings	9	12	14	16	21
Total Interest Expense	742	838	848	856	948
Net Interest Income	24,696	24,711	27,672	25,980	24,498
Provision for Credit Losses	-	-	-	(571)	(982)
Net Interest Income after Provision for Credit Losses	24,696	24,711	27,672	26,551	25,480
<b>NONINTEREST INCOME</b>					
Deposit Fees	5,191	5,300	5,075	4,236	4,271
Bank Card Fees	3,763	3,872	3,786	3,998	3,618
Wealth Management Fees	6,070	3,706	3,623	3,274	3,090
Mortgage Banking Revenues	8,946	9,800	12,283	13,217	17,125
Other	1,848	1,994	1,807	1,748	1,722
Total Noninterest Income	25,818	24,672	26,574	26,473	29,826
<b>NONINTEREST EXPENSE</b>					
Compensation	24,856	24,783	25,245	25,378	26,064
Occupancy, Net	6,093	5,960	6,032	5,973	5,967
Other Real Estate, Net	25	26	(1,126)	(270)	(118)
Pension Settlement	209	572	500	2,000	-
Other	8,050	8,866	9,051	9,042	8,563
Total Noninterest Expense	39,233	40,207	39,702	42,123	40,476
<b>OPERATING PROFIT</b>	11,281	9,176	14,544	10,901	14,830
Income Tax Expense	2,235	2,040	2,949	2,059	2,787
Net Income	9,046	7,136	11,595	8,842	12,043
Pre-Tax Income Attributable to Noncontrolling Interest	(591)	(764)	(1,504)	(1,415)	(2,537)
<b>NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS</b>	\$ 8,455	\$ 6,372	\$ 10,091	\$ 7,427	\$ 9,506
<b>PER COMMON SHARE</b>					
Basic Net Income	\$ 0.50	\$ 0.38	\$ 0.60	\$ 0.44	\$ 0.56
Diluted Net Income	0.50	0.38	0.60	0.44	0.56
Cash Dividend	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.15	\$ 0.15
<b>AVERAGE SHARES</b>					
Basic	16,931	16,880	16,875	16,858	16,838
Diluted	16,946	16,923	16,909	16,885	16,862



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

	2022		2021		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<i>(Dollars in thousands, except per share data)</i>					
<b>ACL - HELD FOR INVESTMENT LOANS</b>					
Balance at Beginning of Period	\$ 21,606	\$ 21,500	\$ 22,175	\$ 22,026	\$ 23,816
Provision for Credit Losses	(79)	200	(546)	(184)	(2,312)
Net Charge-Offs (Recoveries)	771	94	129	(333)	(522)
Balance at End of Period	\$ 20,756	\$ 21,606	\$ 21,500	\$ 22,175	\$ 22,026
As a % of Loans HFI	1.05%	1.12%	1.11%	1.10%	1.07%
As a % of Nonperforming Loans	760.83%	499.93%	710.39%	433.93%	410.78%
<b>ACL - DEBT SECURITIES</b>					
Provision for Credit Losses	\$ -	\$ 20	\$ 16	\$ -	\$ -
<b>ACL - UNFUNDED COMMITMENTS</b>					
Balance at Beginning of Period	2,897	\$ 3,117	\$ 2,587	\$ 2,974	\$ 1,644
Provision for Credit Losses	79	(220)	530	(387)	1,330
Balance at End of Period <sup>(1)</sup>	2,976	2,897	3,117	2,587	2,974
<b>CHARGE-OFFS</b>					
Commercial, Financial and Agricultural	\$ 73	\$ 101	\$ 37	\$ 32	\$ 69
Real Estate - Construction	-	-	-	-	-
Real Estate - Commercial	266	-	405	-	-
Real Estate - Residential	-	20	17	65	6
Real Estate - Home Equity	33	9	15	74	5
Consumer	622	254	221	230	564
Overdrafts	780	678	1,093	440	492
Total Charge-Offs	\$ 1,774	\$ 1,062	\$ 1,788	\$ 841	\$ 1,136
<b>RECOVERIES</b>					
Commercial, Financial and Agricultural	\$ 165	\$ 148	\$ 66	\$ 103	\$ 136
Real Estate - Construction	8	-	10	-	-
Real Estate - Commercial	29	25	169	26	645
Real Estate - Residential	27	33	401	244	75
Real Estate - Home Equity	58	173	46	70	124
Consumer	183	214	334	332	311
Overdrafts	533	375	633	399	367
Total Recoveries	\$ 1,003	\$ 968	\$ 1,659	\$ 1,174	\$ 1,658
NET CHARGE-OFFS (RECOVERIES)	\$ 771	\$ 94	\$ 129	\$ (333)	\$ (522)
Net Charge-Offs as a % of Average Loans HFI <sup>(2)</sup>	0.16%	0.02%	0.03%	(0.07)%	(0.10)%
<b>CREDIT QUALITY</b>					
Nonaccruing Loans	\$ 2,728	\$ 4,322	\$ 3,026	\$ 5,110	\$ 5,362
Other Real Estate Owned	17	17	192	1,192	110
Total Nonperforming Assets ("NPAs")	\$ 2,745	\$ 4,339	\$ 3,218	\$ 6,302	\$ 5,472
Past Due Loans 30-89 Days	\$ 3,120	\$ 3,600	\$ 3,360	\$ 3,745	\$ 2,622
Past Due Loans 90 Days or More	74	-	-	-	-
Classified Loans	22,348	17,912	16,310	19,397	20,608
Performing Troubled Debt Restructurings	\$ 7,304	\$ 7,643	\$ 7,919	\$ 8,992	\$ 13,597
Nonperforming Loans as a % of Loans HFI	0.14%	0.22%	0.16%	0.25%	0.26%
NPAs as a % of Loans HFI and Other Real Estate	0.14%	0.22%	0.17%	0.31%	0.27%
NPAs as a % of Total Assets	0.06%	0.10%	0.08%	0.16%	0.14%

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

<sup>(2)</sup> Annualized

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

<i>(Dollars in thousands)</i>	<b>First Quarter 2022</b>			<b>Fourth Quarter 2021</b>			<b>Third Quarter 2021</b>			<b>Second</b>
	<i>Average Balance</i>	<i>Interest</i>	<i>Average Rate</i>	<i>Average Balance</i>	<i>Interest</i>	<i>Average Rate</i>	<i>Average Balance</i>	<i>Interest</i>	<i>Average Rate</i>	<i>Average Balance</i>
<b>ASSETS:</b>										
Loans Held for Sale	\$ 43,004	\$ 397	3.75 %	\$ 62,809	\$ 522	3.29 %	\$ 67,753	\$ 497	2.91 %	\$ 77,101
Loans Held for Investment <sup>(1)</sup>	1,963,578	21,811	4.50	1,948,324	22,296	4.54	1,974,132	25,458	5.12	2,036,781
<b>Investment Securities</b>										
Taxable Investment Securities	1,056,736	2,889	1.10	987,700	2,493	1.00	904,962	2,333	1.03	687,882
Tax-Exempt Investment Securities <sup>(1)</sup>	2,409	10	1.60	3,380	17	2.07	4,332	25	2.31	3,530
Total Investment Securities	1,059,145	2,899	1.10	991,080	2,510	1.01	909,294	2,358	1.03	691,412
Federal Funds Sold and Interest Bearing Deposits	873,097	409	0.19	789,100	300	0.15	741,944	285	0.15	818,616
Total Earning Assets	3,938,824	\$ 25,516	2.63 %	3,791,313	\$ 25,628	2.68 %	3,693,123	\$ 28,598	3.07 %	3,623,910
Cash and Due From Banks	74,253			73,752			72,773			74,076
Allowance for Loan Losses	(21,655)			(22,127)			(22,817)			(22,794)
Other Assets	275,353			284,999			283,534			281,157
<b>Total Assets</b>	<b>\$ 4,266,775</b>			<b>\$ 4,127,937</b>			<b>\$ 4,026,613</b>			<b>\$ 3,956,349</b>
<b>LIABILITIES:</b>										
<b>Interest Bearing Deposits</b>										
NOW Accounts	\$ 1,079,906	\$ 86	0.03 %	\$ 963,778	\$ 72	0.03 %	\$ 945,788	\$ 72	0.03 %	\$ 966,649
Money Market Accounts	285,406	33	0.05	289,335	34	0.05	282,860	34	0.05	272,138
Savings Accounts	599,359	72	0.05	573,563	71	0.05	551,383	68	0.05	529,844
Time Deposits	97,054	33	0.14	101,037	36	0.14	102,765	36	0.14	102,995
Total Interest Bearing Deposits	2,061,725	224	0.04 %	1,927,713	213	0.04 %	1,882,796	210	0.04 %	1,871,626
<b>Short-Term Borrowings</b>										
Subordinated Notes Payable	52,887	317	2.40	52,887	306	2.26	52,887	307	2.27	52,887
Other Long-Term Borrowings	833	9	4.49	1,414	12	3.50	1,652	14	3.37	1,762
Total Interest Bearing Liabilities	2,147,798	\$ 742	0.14 %	2,028,369	\$ 838	0.16 %	1,987,108	\$ 848	0.17 %	1,977,427
Noninterest Bearing Deposits	1,652,337			1,621,432			1,564,892			1,515,726

Other Liabilities	72,166		114,657		112,707		107,801
Total Liabilities	3,872,301		3,764,458		3,664,707		3,600,954
Temporary Equity	10,518		13,339		20,446		26,355
<b>SHAREOWNERS' EQUITY:</b>	383,956		350,140		341,460		329,040
Total Liabilities, Temporary Equity and Shareowners' Equity	<u>\$ 4,266,775</u>		<u>\$ 4,127,937</u>		<u>\$ 4,026,613</u>		<u>\$ 3,956,349</u>
Interest Rate Spread	\$ 24,774	2.49 %	\$ 24,790	2.52 %	\$ 27,750	2.91 %	
Interest Income and Rate Earned <sup>(1)</sup>	25,516	2.63	25,628	2.68	28,598	3.07	
Interest Expense and Rate Paid <sup>(2)</sup>	742	0.08	838	0.09	848	0.09	
Net Interest Margin	\$ 24,774	2.55 %	\$ 24,790	2.60 %	\$ 27,750	2.98 %	

<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.

**CAPITAL CITY HOME LOANS  
MORTGAGE BANKING ACTIVITY  
Unaudited**

<i>(Dollars in thousands)</i>	Three Months Ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Net Interest Income	\$ 75	\$ 35	\$ (153)
Mortgage Banking Fees	8,947	9,800	16,846
Other	467	470	426
Total Noninterest Income	9,414	10,270	17,272
Salaries	6,024	6,643	10,276
Other Associate Benefits	181	202	221
Total Compensation	6,205	6,845	10,497
Occupancy, Net	885	743	861
Other	1,313	1,312	1,101
Total Noninterest Expense	8,403	8,900	12,459
Operating Profit	\$ 1,086	\$ 1,405	\$ 4,660
Key Performance Metrics			
Total Loans Closed	\$ 246,887	\$ 294,237	\$ 463,126
Total Loans Closed - Mix			
Purchase	79%	76%	60%
Refinance	21%	24%	40%

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Source: Capital City Bank Group