April 27, 2021

Capital City Bank Group, Inc. Reports First Quarter 2021 Results

TALLAHASSEE, Fla., April 27, 2021 (GLOBE NEWSWIRE) -- Capital City Bank Group, Inc. (NASDAQ: CCBG) today reported net income of $9.5 million, or $0.56 per diluted share, for the first quarter of 2021 compared to net income of $7.7 million, or $0.46 per diluted share, for the fourth quarter of 2020, and $4.3 million, or $0.25 per diluted share, for the first quarter of 2020.

QUARTER HIGHLIGHTS

- *Return on assets of 1.01% and return on equity of 11.81%*
- *Credit quality metrics remained stable and reduced COVID-19 exposure drove a negative credit loss provision of $1.0 million*
- *Period-end loan balances grew by $51 million, or 2.6% sequentially*
    - *SBA PPP Round 2 originations totaled $65 million through March 31st*
    - *SBA PPP Round 1 forgiveness pay-offs totaled $36 million - $143 million in balances remain at period-end*
    - *SBA PPP deferred fees remaining at March 31st totaled $5 million ($2 million for Round 1 and $3 million for Round 2)*
- *Average deposit balances grew $173 million, or 5.7% sequentially and reflected stimulus inflows as well as strong core deposit growth*
- *Noninterest expense declined $0.9 million driven by lower expense for other real estate and compensation*
- *Capital City Home Loans ("CCHL") contributed $0.09 per share*

"I am pleased with our first quarter results," said William G. Smith, Jr., Chairman, President and CEO of Capital City Bank Group. "Rising consumer spending, lower unemployment, improving credit quality and a noticeable increase in loan activity in and around our markets, are contributing to a stronger economy. Our core business is performing well. In addition to round two of the SBA PPP loans, we experienced solid growth in commercial real estate and residential loans, culminating in net loan growth of $51 million, or 2.6% for the quarter. Wealth management, mortgage and debit/credit cards performed well. Expenses declined $0.9 million, or 2% quarter over quarter. After evaluating our credit risk, we lowered our allowance for credit losses by $1.8 million, or 8%. This was based on our current level of problem assets and pandemic-related extensions, a $0.5 million net recovery for the quarter and our positive outlook on the economy. The past year has been challenging. Our team has responded to every challenge and we have tweaked our business model, where appropriate. While our tactics may change, our strategy remains the same -- to produce long-term value for our shareowners. I am optimistic about our future."

COVID-19 Update

- We continue to closely monitor conditions in our communities. With case counts trending downward in most of our markets, we established a phased plan for safely returning to work beginning February 1st.

- On March 1st, all of our banking offices returned to normal banking hours and lobby services.
- For the near term, we will continue to maintain flexible in-office and remote working arrangements for non-retail associates to limit building capacity.
- We are adhering to national guidelines and local safety ordinances to protect both clients and associates.
- We continue to support clients with the Small Business Administration Payment Protection Program ("SBA PPP") by actively assisting with the Round 1 forgiveness process and offering funding for clients eligible in Round 2.

Discussion of Operating Results

Summary Overview

Compared to the fourth quarter of 2020, the $2.0 million increase in operating profit was attributable to a $2.3 million decrease in the provision for credit losses and lower noninterest expense of $0.9 million, partially offset by a $0.7 million decrease in noninterest income and lower net interest income of $0.5 million.

Compared to the first quarter of 2020, the $9.5 million increase in operating profit was attributable to a $14.3 million increase in noninterest income and a lower provision for credit losses of $6.0 million, partially offset by higher noninterest expense of $9.5 million and lower net interest income of $1.3 million. This comparison reflects the acquisition of a 51% membership interest in, and consolidation of, CCHL on March 1, 2020.

Our return on average assets ("ROA") was 1.01% and our return on average equity ("ROE") was 11.81% for the first quarter of 2021. These metrics were 0.84% and 8.97% for the fourth quarter of 2020, respectively, and 0.57% and 5.20% for the first quarter of 2020, respectively.

Net Interest Income/Net Interest Margin

Tax-equivalent net interest income for the first quarter of 2021 was $24.6 million compared to $25.1 million for the fourth quarter of 2020 and $25.9 million for the first quarter of 2020. The decrease compared to both prior periods reflected lower rates earned on investment securities and variable/adjustable rate loans. The year-over-year decline also reflected lower rates on overnight funds. Partially offsetting these declines were higher volumes of earning assets, including lower yielding SBA PPP loans and overnight funds.

The federal funds target rate has remained in the range of 0.00%-0.25% since March 2020 when the Fed reduced its overnight rate by 150 basis points, and as a result, we continue to experience lower repricing of our variable/adjustable rate earning assets and investment securities. Our overall cost of funds remained low during the first quarter of 2021 at 0.11%, a decrease of three basis points compared to the fourth quarter of 2020, primarily due to a reduction in short-term borrowings.

Our net interest margin for the first quarter of 2021 was 2.85%, a decrease of 15 basis points from the fourth quarter of 2020 and a decline of 93 basis points from the first quarter of

2020. The decreases were primarily attributable to significant growth in overnight funds which reduced our margin. Our net interest margin for the first quarter of 2021, excluding the impact of overnight funds in excess of $200 million, was 3.45%. We discuss the effect of the pandemic related stimulus programs on our balance sheet in more detail below under *Discussion of Financial Condition*.

Provision for Credit Loss

We recorded a negative provision for credit losses of $1.0 million (consisting of a negative $2.3 million for HFI loans, partially offset by a $1.3 million expense for unfunded loan commitments) for the first quarter of 2021 compared to provision expense of $1.3 million for the fourth quarter of 2020 and $5.0 million for the first quarter of 2020. The negative provision for the first quarter of 2021 generally reflected improving economic conditions and a lower level of expected losses related to COVID-19. Further, we recognized net loan recoveries of $0.5 million in the first quarter of 2021. We discuss the allowance for credit losses and COVID-19 exposure further below.

Noninterest Income and Noninterest Expense

Noninterest income for the first quarter of 2021 totaled $29.8 million compared to $30.5 million for the fourth quarter of 2020 and $15.5 million for the first quarter of 2020. The decrease from the fourth quarter of 2020 was due to lower mortgage banking revenues of $0.6 million and deposit of $0.4 million, partially offset by higher bank card fees of $0.2 million and other income of $0.1 million. Compared to the first quarter of 2020, the $14.3 million increase reflected higher mortgage banking revenues of $13.9 million, wealth management fees of $0.5 million, and bank card fees of $0.6 million, partially offset by lower deposit fees of $0.7 million.

Noninterest expense for the first quarter of 2021 totaled $40.5 million compared to $41.3 million for the fourth quarter of 2020 and $31.0 million for the first quarter of 2020. The decrease from the fourth quarter of 2020 was primarily attributable to lower compensation expense of $0.6 million and other real estate owned (“OREO”) expense of $0.7 million, partially offset by higher other expense of $0.5 million. Compared to the first quarter of 2020, the $9.5 million increase reflected expenses added by the CCHL acquisition as Core CCBG’s expenses remained flat.

The 51% ownership acquisition of CCHL and consolidation into CCBG’s financial statements occurred on March 1, 2020. The table below reflects the major components of noninterest income for both Core CCBG and CCHL to help facilitate a better understanding of the year over year comparison.

(Dollars in thousands)	Three Months Ended Mar 31, 2021 Core CCBG	Mar 31, 2021 CCHL	Dec 31, 2020 Core CCBG	Dec 31, 2020 CCHL	Mar 31, 2020 Core CCBG	Mar 31, 2020 CCHL
Deposit Fees	$ 4,271	-	$ 4,713	$ -	$ 5,015	$ -
Bank Card Fees	3,618	-	3,462	-	3,051	-
Wealth Management Fees	3,090	-	3,069	-	2,604	-
Mortgage Banking Fees	279	16,846	302	17,409	1,138	2,115
Other	1,296	426	1,205	363	1,459	96
Total Noninterest Income	$ 12,554	$ 17,272	$ 12,751	$ 17,772	$ 13,267	$ 2,211
Salaries	$ 12,171	$ 10,276	$ 12,384	$ 10,398	$ 13,488	$ 2,242
Other Associate Benefits	3,396	221	3,740	200	3,957	49
Total Compensation	15,567	10,497	16,124	10,598	17,445	2,291
Occupancy, Net	5,106	861	5,056	920	4,748	231
Other	7,344	1,101	6,899	1,751	5,797	457
Total Noninterest Expense	$ 28,017	$ 12,459	$ 28,079	$ 13,269	$ 27,990	$ 2,979

Income Taxes

We realized income tax expense of $2.8 million (effective rate of 19%) for the first quarter of 2021 compared to $2.8 million (effective rate of 22%) for the fourth quarter of 2020 and $1.3 million (effective rate of 24%) for the first quarter of 2020. Tax expense for the fourth quarter of 2020 was unfavorably impacted by a $0.3 million discrete tax expense. Compared to the first quarter of 2020, the decrease in our effective tax rate was attributable to converting CCHL to a partnership for tax purposes in the second quarter of 2020. Absent discrete items, we expect our annual effective tax rate to approximate 18%-19% in 2021.

Discussion of Financial Condition

Earning Assets

Average earning assets were $3.498 billion for the first quarter of 2021, an increase of $160.5 million, or 4.8%, over the fourth quarter of 2020, and an increase of $746.0 million, or 27.1%, over the first quarter of 2020. The increase over both prior periods was primarily driven by higher deposit balances, which funded growth in both overnight funds sold and SBA PPP loans. Deposit balances increased as a result of strong core deposit growth, in addition to funding retained at the bank from SBA PPP loans, and various other stimulus programs.

We maintained an average net overnight funds (deposits with banks plus FED funds sold less FED funds purchased) sold position of $814.6 million in the first quarter of 2021 compared to an average net overnight funds sold position of $705.1 million in the fourth quarter of 2020 and $234.4 million in the first quarter of 2020. The increase compared to both prior periods was driven by strong core deposit growth, in addition to pandemic related stimulus programs (see below – *Funding*).

Average loans held for investment (HFI) increased $50.9 million, or 2.6%, over the fourth quarter of 2020 and increased $196.6 million, or 10.6%, over the first quarter of 2020. Compared to the fourth quarter of 2020, average loan balances increased across all loan types except institutional and consumer, which declined slightly. Compared to the first quarter of 2020, average loan balances increased across all loan types except institutional, consumer, and HELOCs. Period-end HFI loans increased $51.3 million, or 2.6%, over the fourth quarter of 2020 and increased $195.3 million, or 10.5%, over the first quarter of 2020.

In the first quarter of 2021, we originated an additional round of SBA PPP loans totaling $65.4 million (reflected in the commercial loan category) which averaged $23.7 million for the quarter. Approximately $256 million in SBA PPP loans have been made since the inception of this program. Through the first quarter of 2021, approximately $47 million in SBA PPP loans have been forgiven and paid-off ($11 million in Q4 2020 and $36 million in Q1 2021). Forgiveness applications are expected to remain strong over the next three months for SBA PPP loans funded in 2020, and then over the course of 2021 for the SBA PPP loans funded in 2021. SBA PPP loan fee income totaled approximately $1.2 million for the first quarter of 2021. At March 31, 2021 we had $5.0 million (net) in deferred SBA PPP loan fees.

Allowance for Credit Losses

At March 31, 2021, the allowance for credit losses for HFI loans totaled $22.0 million compared to $23.8 million at December 31, 2020 and $21.1 million at March 31, 2020. Activity within the allowance is provided on Page 9. The $1.8 million net decrease in the allowance for the first quarter of 2021 reflected net loan recoveries totaling $0.5 million and the release of $2.3 million in reserves which reflected lower expected loan losses related to COVID-19. At March 31, 2021, the allowance represented 1.07% of HFI loans and provided coverage of 411% of nonperforming loans compared to 1.19% and 406%, respectively, at December 31, 2020 and 1.13% and 433%, respectively, at March 31, 2020. At March 31, 2021, excluding SBA PPP loans (100% government guaranteed), the allowance represented 1.19% of HFI loans compared to 1.30% at December 31, 2020.

Credit Quality/COVID-19 Exposure

Nonperforming assets (nonaccrual loans and OREO) totaled $5.5 million at March 31, 2021 compared to $6.7 million at December 31, 2020 and $6.3 million at March 31, 2020. Nonaccrual loans totaled $5.4 million at March 31, 2021, a $0.5 million decrease from December 31, 2020 and a $0.5 million increase over March 31, 2020. The balance of OREO totaled $0.1 million at March 31, 2021, a decrease of $0.7 million from December 31, 2020 and a $1.3 million decrease from March 31, 2020.

We continue to monitor our loan portfolio for segments that continue to be affected by the pandemic. To assist our clients, we have extended loans totaling $333 million of which 75% were for commercial borrowers and 25% were for consumer borrowers. Approximately $328 million, or 98%, of the loan balances associated with these borrowers have resumed making regularly scheduled payments of which loan balances totaling $2.9 million were over 30 days delinquent and an additional $0.6 million was on nonaccrual status at March 31, 2021. Of the $5 million that remains on extension, no loans were classified at March 31, 2021.

Funding (Deposits/Debt)

Average total deposits were $3.240 billion for the first quarter of 2021, an increase of $173.4 million, or 5.7%, over the fourth quarter of 2020 and $686.8 million, or 26.9%, over the first quarter of 2020. Average core deposits grew $546.8 million over the first quarter of 2020, which includes $342.9 million in noninterest bearing deposits and $113.0 million in savings account balances. In addition, average public fund deposits grew $121 million during this period. Over the past 12 months, multiple government stimulus programs have been implemented, including the CARES Act and the American Rescue Plan Act, which are responsible for a large part of the growth in average deposits. Given these increases, the potential exists for our deposit levels to be volatile throughout 2021 due to the uncertain timing of the outflows of the stimulus related balances and the economic recovery. 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 short-term borrowings decreased $29.2 million over the fourth quarter of 2020 and increased $30.5 million over the first quarter of 2020, which reflected a seasonal fluctuation in warehouse line borrowing needs to support CCHL's loans held for sale.

Capital

Shareowners' equity was $324.4 million at March 31, 2021 compared to $320.8 million at December 31, 2020 and $328.5 million at March 31, 2020. During the first quarter of 2021, shareowners' equity was positively impacted by net income of $9.5 million, a $1.6 million increase in fair value of the interest rate swap related to subordinated debt, net adjustments totaling $0.3 million related to transactions under our stock compensation plans, stock compensation accretion of $0.2 million, and a $0.1 million decrease in the accumulated other comprehensive loss for our pension plan. Shareowners' equity was reduced by a common stock dividend of $2.5 million ($0.15 per share), reclassification of $4.2 million to temporary equity to increase the redemption value of the non-controlling interest in CCHL, and a $1.4 million decrease in the unrealized gain on investment securities.

At March 31, 2021, our total risk-based capital ratio was 17.20% compared to 17.30% at December 31, 2020 and 17.19% at March 31, 2020. Our common equity tier 1 capital ratio was 13.63%, 13.71%, and 13.55%, respectively, on these dates. Our leverage ratio was 8.97%, 9.33%, and 10.81%, 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 6.13% at March 31, 2021 compared to 6.25% and 7.98% at December 31, 2020 and March 31, 2020, respectively.

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 $3.9 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 and securities brokerage services. Our bank subsidiary, Capital City Bank, was founded in 1895 and now has 57 banking offices and 85 ATMs/ITMs in Florida, Georgia and Alabama. For more information about Capital City Bank Group, Inc., visit 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: the magnitude and duration of the COVID-19 pandemic and its impact on the global economy and financial market conditions and our business, results of operations and financial condition, including the impact of our participation in government programs related to COVID-19; the accuracy of the our financial statement estimates and assumptions; legislative or regulatory changes; fluctuations in inflation, interest rates, or monetary policies; 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; 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, 2020, 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 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.

(Dollars in Thousands, except per share data)		**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**
Shareowners' Equity (GAAP)		$ 324,426	$ 320,837	$ 339,425	$ 335,057	$ 328,507
Less: Goodwill (GAAP)		89,095	89,095	89,095	89,095	89,275
Tangible Shareowners' Equity (non-GAAP)	A	235,331	231,742	250,330	245,962	239,232
Total Assets (GAAP)		3,929,884	3,798,071	3,587,041	3,499,524	3,086,523
Less: Goodwill (GAAP)		89,095	89,095	89,095	89,095	89,275
Tangible Assets (non-GAAP)	B	$ 3,840,789	$ 3,708,976	$ 3,497,946	$ 3,410,429	$ 2,997,248
Tangible Common Equity Ratio (non-GAAP)	**A/B**	**6.13%**	**6.25%**	**7.16%**	**7.21%**	**7.98%**
Actual Diluted Shares Outstanding (GAAP)	C	16,875,719	16,844,997	16,800,563	16,821,743	16,845,462
Tangible Book Value per Diluted Share (non-GAAP)	**A/C**	**$ 13.94**	**$ 13.76**	**$ 14.90**	**$ 14.62**	**$ 14.20**

CAPITAL CITY BANK GROUP, INC.
EARNINGS HIGHLIGHTS
Unaudited

(Dollars in thousands, except per share data)	Three Months Ended Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
EARNINGS			
Net Income Attributable to Common Shareowners	$ 9,506	$ 7,746	$ 4,287
Diluted Net Income Per Share	$ 0.56	$ 0.46	$ 0.25
PERFORMANCE			
Return on Average Assets	1.01 %	0.84 %	0.57 %
Return on Average Equity	11.81	8.97	5.20
Net Interest Margin	2.85	3.00	3.78
Noninterest Income as % of Operating Revenue	54.90	55.00	37.52
Efficiency Ratio	74.36 %	74.36 %	74.89 %
CAPITAL ADEQUACY			
Tier 1 Capital	16.08 %	16.19 %	16.12 %
Total Capital	17.20	17.30	17.19
Leverage	8.97	9.33	10.81
Common Equity Tier 1	13.63	13.71	13.55
Tangible Common Equity [(1)]	6.13	6.25	7.98
Equity to Assets	8.26 %	8.45 %	10.64 %
ASSET QUALITY			
Allowance as % of Non-Performing Loans	410.78 %	405.66 %	432.61 %
Allowance as a % of Loans HFI	1.07	1.19	1.13
Net Charge-Offs as % of Average Loans HFI	(0.10)	0.09	0.23
Nonperforming Assets as % of Loans HFI and OREO	0.27	0.33	0.34
Nonperforming Assets as % of Total Assets	0.14 %	0.18 %	0.21 %
STOCK PERFORMANCE			
High	$ 28.98	$ 26.35	$ 30.62
Low	21.42	18.14	15.61
Close	$ 26.02	$ 24.58	$ 20.12
Average Daily Trading Volume	30,303	22,271	40,536

[(1)] Tangible common equity ratio is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 5.

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

	2021	2020			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
ASSETS					
Cash and Due From Banks	$ 73,973	$ 67,919	$ 76,509	$ 75,155	$ 72,676
Funds Sold and Interest Bearing Deposits	851,910	860,630	626,104	513,273	196,936
Total Cash and Cash Equivalents	925,883	928,549	702,613	588,428	269,612
Investment Securities Available for Sale	406,245	324,870	328,253	341,180	382,514
Investment Securities Held to Maturity	199,109	169,939	202,593	232,178	251,792
Total Investment Securities	605,354	494,809	530,846	573,358	634,306
Loans Held for Sale ("HFS")	82,081	114,039	116,561	76,610	82,598
Loans Held for Investment ("HFI"):					
Commercial, Financial, & Agricultural	413,819	393,930	402,997	421,270	249,020
Real Estate - Construction	138,104	135,831	125,804	117,794	122,595

Real Estate - Commercial	669,158	648,393	656,064	662,434	656,084
Real Estate - Residential	358,849	342,664	335,713	353,831	354,150
Real Estate - Home Equity	202,099	205,479	197,363	194,479	196,443
Consumer	267,666	269,520	268,393	266,417	275,982
Other Loans	7,082	9,879	10,488	4,883	6,580
Overdrafts	950	730	1,339	1,069	1,533
Total Loans Held for Investment	2,057,727	2,006,426	1,998,161	2,022,177	1,862,387
Allowance for Credit Losses	(22,026)	(23,816)	(23,137)	(22,457)	(21,083)
Loans Held for Investment, Net	2,035,701	1,982,610	1,975,024	1,999,720	1,841,304
Premises and Equipment, Net	86,370	86,791	87,192	87,972	87,684
Goodwill	89,095	89,095	89,095	89,095	89,275
Other Real Estate Owned	110	808	1,227	1,059	1,463
Other Assets	105,290	101,370	84,483	83,282	80,281
Total Other Assets	280,865	278,064	261,997	261,408	258,703
Total Assets	$ 3,929,884	$ 3,798,071	$ 3,587,041	$ 3,499,524	$ 3,086,523
LIABILITIES					
Deposits:					
Noninterest Bearing Deposits	$ 1,473,891	$ 1,328,809	$ 1,378,314	$ 1,377,033	$ 1,066,607
NOW Accounts	993,571	1,046,408	827,506	808,244	779,467
Money Market Accounts	269,041	266,649	247,823	240,754	210,124
Regular Savings Accounts	518,373	474,100	451,944	423,924	384,480
Certificates of Deposit	103,232	101,594	103,859	105,041	104,907
Total Deposits	3,358,108	3,217,560	3,009,446	2,954,996	2,545,585
Short-Term Borrowings	55,687	79,654	90,936	63,958	76,516
Subordinated Notes Payable	52,887	52,887	52,887	52,887	52,887
Other Long-Term Borrowings	1,829	3,057	5,268	5,583	5,896
Other Liabilities	109,487	102,076	71,880	75,702	70,044
Total Liabilities	3,577,998	3,455,234	3,230,417	3,153,126	2,750,928
Temporary Equity	27,460	22,000	17,199	11,341	7,088
SHAREOWNERS' EQUITY					
Common Stock	169	168	168	168	168
Additional Paid-In Capital	32,804	32,283	31,425	31,575	32,100
Retained Earnings	335,324	332,528	333,545	328,570	321,772
Accumulated Other Comprehensive Loss, Net of Tax	(43,871)	(44,142)	(25,713)	(25,256)	(25,533)
Total Shareowners' Equity	324,426	320,837	339,425	335,057	328,507
Total Liabilities, Temporary Equity and Shareowners' Equity	$ 3,929,884	$ 3,798,071	$ 3,587,041	$ 3,499,524	$ 3,086,523
OTHER BALANCE SHEET DATA					
Earning Assets	$ 3,597,071	$ 3,475,904	$ 3,271,672	$ 3,185,418	$ 2,776,228
Interest Bearing Liabilities	1,994,620	2,024,349	1,780,223	1,700,391	1,614,277
Book Value Per Diluted Share	$ 19.22	$ 19.05	$ 20.20	$ 19.92	$ 19.50
Tangible Book Value Per Diluted Share(1)	13.94	13.76	14.90	14.62	14.20
Actual Basic Shares Outstanding	16,852	16,791	16,761	16,780	16,812
Actual Diluted Shares Outstanding	16,876	16,845	16,801	16,822	16,845

(1) Tangible book value per diluted share is a non-GAAP financial measure. For additional information, including a reconciliation to GAAP, refer to Page 5.

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

	2021	2020			
(Dollars in thousands, except per share data)	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
INTEREST INCOME					
Interest and Fees on Loans	$ 23,350	$ 23,878	$ 23,594	$ 23,687	$ 23,593
Investment Securities	1,883	2,096	2,426	2,737	3,015
Funds Sold	213	180	146	88	757
Total Interest Income	25,446	26,154	26,166	26,512	27,365
INTEREST EXPENSE					
Deposits	208	201	190	218	939
Short-Term Borrowings	412	639	498	421	132
Subordinated Notes Payable	307	311	316	374	471
Other Long-Term Borrowings	21	30	40	41	50
Total Interest Expense	948	1,181	1,044	1,054	1,592
Net Interest Income	24,498	24,973	25,122	25,458	25,773
Provision for Credit Losses	(982)	1,342	1,308	2,005	4,990
Net Interest Income after Provision for Credit Losses	25,480	23,631	23,814	23,453	20,783
NONINTEREST INCOME					
Deposit Fees	4,271	4,713	4,316	3,756	5,015
Bank Card Fees	3,618	3,462	3,389	3,142	3,051
Wealth Management Fees	3,090	3,069	2,808	2,554	2,604
Mortgage Banking Revenues	17,125	17,711	22,983	19,397	3,253
Other	1,722	1,568	1,469	1,350	1,555
Total Noninterest Income	29,826	30,523	34,965	30,199	15,478
NONINTEREST EXPENSE					
Compensation	26,064	26,722	26,164	23,658	19,736
Occupancy, Net	5,967	5,976	5,906	5,798	4,979
Other Real Estate, Net	(118)	567	219	116	(798)
Other	8,563	8,083	8,053	7,731	7,052
Total Noninterest Expense	40,476	41,348	40,342	37,303	30,969
OPERATING PROFIT	14,830	12,806	18,437	16,349	5,292
Income Tax Expense	2,787	2,833	3,165	2,950	1,282
Net Income	12,043	9,973	15,272	13,399	4,010
Pre-Tax Income Attributable to Noncontrolling Interest	(2,537)	(2,227)	(4,875)	(4,253)	277
NET INCOME ATTRIBUTABLE TO COMMON SHAREOWNERS	$ 9,506	$ 7,746	$ 10,397	$ 9,146	$ 4,287
PER COMMON SHARE					
Basic Net Income	$ 0.56	$ 0.46	$ 0.62	$ 0.55	$ 0.25
Diluted Net Income	0.56	0.46	0.62	0.55	0.25
Cash Dividend	$ 0.15	$ 0.15	$ 0.14	$ 0.14	$ 0.14
AVERAGE SHARES					
Basic	16,838	16,763	16,771	16,797	16,808
Diluted	16,862	16,817	16,810	16,839	16,842

CAPITAL CITY BANK GROUP, INC.
ALLOWANCE FOR CREDIT LOSSES ("ACL")
AND RISK ELEMENT ASSETS
Unaudited

	2021	2020			
(Dollars in thousands, except per share data)	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
ACL - HELD FOR INVESTMENT					
Balance at Beginning of Period	$ 23,816	$ 23,137	$ 22,457	$ 21,083	$ 13,905
Impact of Adopting ASC 326 (CECL)	-	-	-	-	3,269
Provision for Credit Losses	(2,312)	1,165	1,265	1,615	4,990
Net Charge-Offs	(522)	486	585	241	1,081
Balance at End of Period	$ 22,026	$ 23,816	$ 23,137	$ 22,457	$ 21,083
As a % of Loans HFI	1.07%	1.19%	1.16%	1.11%	1.13%
As a % of Nonperforming Loans	410.78%	405.66%	420.30%	322.37%	432.61%
ACL - UNFUNDED COMMITMENTS					
Balance at Beginning of Period	1,644	$ 1,467	$ 1,424	$ 1,033	$ 157
Impact of Adopting ASC 326 (CECL)	-	-	-	-	876
Provision for Credit Losses	1,330	177	43	391	-
Balance at End of Period[(1)]	2,974	1,644	1,467	1,424	1,033
CHARGE-OFFS					
Commercial, Financial and Agricultural	$ 69	$ 104	$ 137	$ 186	$ 362
Real Estate - Commercial	-	-	17	-	11
Real Estate - Residential	6	38	1	1	110
Real Estate - Home Equity	5	10	58	52	31
Consumer	564	668	619	634	864
Overdrafts	492	564	450	541	702
Total Charge-Offs	$ 1,136	$ 1,384	$ 1,282	$ 1,414	$ 2,080
RECOVERIES					
Commercial, Financial and Agricultural	$ 136	$ 64	$ 74	$ 74	$ 40
Real Estate - Construction	-	50	-	-	-
Real Estate - Commercial	645	27	30	70	191
Real Estate - Residential	75	153	35	51	40
Real Estate - Home Equity	124	40	41	64	33
Consumer	311	306	280	365	268
Overdrafts	367	258	237	549	427
Total Recoveries	$ 1,658	$ 898	$ 697	$ 1,173	$ 999
NET CHARGE-OFFS	$ (522)	$ 486	$ 585	$ 241	$ 1,081
Net Charge-Offs as a % of Average Loans HFI[(2)]	(0.10)%	0.09%	0.11%	0.05%	0.23%
RISK ELEMENT ASSETS					
Nonaccruing Loans	$ 5,362	$ 5,871	$ 5,505	$ 6,966	$ 4,874
Other Real Estate Owned	110	808	1,227	1,059	1,463
Total Nonperforming Assets ("NPAs")	$ 5,472	$ 6,679	$ 6,732	$ 8,025	$ 6,337
Past Due Loans 30-89 Days	$ 2,622	$ 4,594	$ 3,191	$ 2,948	$ 5,077
Classified Loans	20,608	17,631	16,772	17,091	16,548
Performing Troubled Debt Restructuring's	$ 13,597	$ 13,887	$ 14,693	$ 15,133	$ 15,934
Nonperforming Loans as a % of Loans HFI	0.26%	0.29%	0.28%	0.34%	0.26%
NPAs as a % of Loans HFI and Other Real Estate	0.27%	0.33%	0.34%	0.40%	0.34%
NPAs as a % of Total Assets	0.14%	0.18%	0.19%	0.23%	0.21%

(1) Recorded in other liabilities
(2) Annualized

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

Unaudited

(Dollars in thousands)	First Quarter 2021 Average Balance	First Quarter 2021 Interest	First Quarter 2021 Average Rate	Fourth Quarter 2020 Average Balance	Fourth Quarter 2020 Interest	Fourth Quarter 2020 Average Rate	Third Quarter 2020 Average Balance	Third Quarter 2020 Interest	Third Quarter 2020 Average Rate	Secon Average Balance
ASSETS:										
Loans Held for Sale	$ 106,242	$ 970	3.70 %	$ 121,052	$ 878	3.85 %	$ 92,522	$ 671	3.64 %	$ 74,965
Loans Held for Investment[1]	2,044,363	22,483	4.46	1,993,470	23,103	4.55	2,005,178	23,027	4.53	1,982,960
Investment Securities										
Taxable Investment Securities	528,842	1,863	1.41	513,277	2,072	1.61	553,395	2,401	1.73	601,509
Tax-Exempt Investment Securities[1]	3,844	25	2.61	4,485	30	2.71	4,860	32	2.66	5,865
Total Investment Securities	532,686	1,888	1.42	517,762	2,102	1.62	558,255	2,433	1.74	607,374
Funds Sold	814,638	214	0.11	705,125	180	0.10	567,883	146	0.10	351,473
Total Earning Assets	3,497,929	$ 25,555	2.96 %	3,337,409	$ 26,263	3.14 %	3,223,838	$ 26,277	3.25 %	3,016,772
Cash and Due From Banks	68,978			73,968			69,893			72,647
Allowance for Loan Losses	(24,128)			(23,725)			(22,948)			(21,642)
Other Assets	278,742			264,784			268,549			261,449
Total Assets	$ 3,821,521			$ 3,652,436			$ 3,539,332			$ 3,329,226
LIABILITIES:										
Interest Bearing Deposits										
NOW Accounts	$ 985,517	$ 76	0.03 %	$ 879,564	$ 66	0.03 %	$ 826,776	$ 61	0.03 %	$ 789,378
Money Market Accounts	269,829	33	0.05	261,543	34	0.05	247,185	32	0.05	222,377
Savings Accounts	492,252	60	0.05	466,116	57	0.05	438,762	54	0.05	409,366
Time Deposits	102,089	39	0.15	102,809	44	0.17	104,522	43	0.16	104,718
Total Interest Bearing Deposits	1,849,687	208	0.05 %	1,710,032	201	0.05 %	1,617,245	190	0.05 %	1,525,839
Short-Term Borrowings	67,033	412	2.49 %	95,280	639	2.67 %	74,557	498	2.66 %	73,377
Subordinated Notes Payable	52,887	307	2.32	52,887	311	2.30	52,887	316	2.34	52,887
Other Long-Term Borrowings	2,736	21	3.18	3,700	30	3.18	5,453	40	2.91	5,766
Total Interest Bearing Liabilities	1,972,343	$ 948	0.19 %	1,861,899	$ 1,181	0.25 %	1,750,142	$ 1,044	0.24 %	1,657,869
Noninterest Bearing Deposits	1,389,821			1,356,104			1,354,032			1,257,614
Other Liabilities	111,050			74,605			83,192			72,073
Total Liabilities	3,473,214			3,292,608			3,187,366			2,987,556
Temporary Equity	21,977			16,154			11,893			8,155

SHAREOWNERS' EQUITY:	326,330			343,674			340,073			333,515
Total Liabilities, Temporary Equity and Shareowners' Equity	$ 3,821,521			$ 3,652,436			$ 3,539,332			$ 3,329,226
Interest Rate Spread		$ 24,607	2.77 %		$ 25,082	2.88 %		$ 25,233	3.01 %	
Interest Income and Rate Earned[1]		25,555	2.96		26,263	3.14		26,277	3.25	
Interest Expense and Rate Paid[2]		948	0.11		1,181	0.14		1,044	0.13	
Net Interest Margin		$ 24,607	2.85 %		$ 25,082	3.00 %		$ 25,233	3.12 %	

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

(2) *Rate calculated based on average earning assets.*

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Source: Capital City Bank Group