SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter:
March 31, 2000

Commission File Number 0-13358

CAPITAL CITY BANK GROUP, INC.
(Exact name of registrant as specified in its charter)

Florida	59-2273542
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

217 North Monroe Street, Tallahassee, Florida 32301
(Address of principal executive offices)

Registrant's telephone number, including area code:
(850) 671-0610

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

Yes[X] No [ ]

At April 30, 2000, 10,197,718 shares of the Registrant's Common Stock, $.01 par value, were outstanding.

CAPITAL CITY BANK GROUP, INC.

FORM 10-Q I N D E X

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31
(Dollars in Thousands, Except Per Share Amounts)

	2000 (Unaudited)	1999 (Unaudited)
INTEREST INCOME		
Interest and Fees on Loans	$ 21,119	$ 18,753
Investment Securities:		
U. S. Treasury	248	419
U. S. Government Agencies and Corporations	2,269	2,336
States and Political Subdivisions	1,081	1,067
Other Securities	604	668
Funds Sold	389	1,024
Total Interest Income	$ 25,710	$ 24,267
INTEREST EXPENSE		
Deposits	9,175	9,672
Short-Term Borrowings	784	332
Long-Term Debt	217	309
Total Interest Expense	10,176	10,313
Net Interest Income	15,534	13,954
Provision for Loan Losses	610	740
Net Interest Income After Provision for Loan Losses	14,924	13,214
NONINTEREST INCOME		
Service Charges on Deposit Accounts	2,336	2,445
Data Processing	680	748
Income from Fiduciary Activities	660	523
Securities Transactions	2	-
Other	2,224	2,387
Total Noninterest Income	5,902	6,103
NONINTEREST EXPENSE		
Salaries and Associate Benefits	7,555	7,478
Occupancy, Net	1,096	1,036
Furniture and Equipment	1,392	1,397
Other	3,809	4,081
Total Noninterest Expense	13,852	13,992
Income Before Income Taxes	6,974	5,325
Income Taxes	2,361	1,660
NET INCOME	$ 4,613	$ 3,665
Basic Net Income Per Share	$ .45	$ .36
Diluted Net Income Per Share	$ .45	$ .36
Cash Dividends Per Share(1)	$ .1325	$ .18
Average Shares Outstanding - Basic	10,195,261	10,169,638
Average Shares Outstanding - Diluted	10,210,794	10,185,169

(1) First quarter 1999 dividend amount includes a one-time distribution paid to Grady Holding Company shareowners of approximately $563,000.

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF MARCH 31, 2000 AND DECEMBER 31, 1999
(Dollars In Thousands, Except Per Share Amounts)

	March 31, 2000 (Unaudited)	December 31, 1999 (Audited)

ASSETS		
Cash and Due From Banks	$ 73,612	$ 79,454
Funds Sold	68,411	13,618
Investment Securities, Available-for-Sale	300,713	321,192
Loans, Net of Unearned Interest	964,073	928,486
Allowance for Loan Losses	(10,226)	(9,929)
Loans, Net	953,847	918,557
Premises and Equipment, Net	37,332	37,834
Intangibles	24,425	25,149
Other Assets	37,097	34,716
Total Assets	$1,495,437	$1,430,520
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 309,684	$ 253,140
Interest Bearing Deposits	941,788	949,518
Total Deposits	1,251,472	1,202,658
Short-Term Borrowings	78,632	66,275
Long-Term Debt	14,056	14,258
Other Liabilities	16,456	15,113
Total Liabilities	1,360,616	1,298,304
SHAREOWNERS' EQUITY		
Preferred Stock, $.01 par value, 3,000,000 shares authorized; no shares outstanding	-	-
Common Stock, $.01 par value; 90,000,000 shares authorized; 10,197,715 issued and outstanding at March 31, 2000 and 10,190,069 issued and outstanding at December 31, 1999	102	102
Additional Paid-In Capital	9,436	9,249
Retained Earnings	132,317	129,055
Accumulated Other Comprehensive (Loss), Net of Tax	(7,034)	(6,190)
Total Shareowners' Equity	134,821	132,216
Total Liabilities and Shareowners' Equity	$1,495,437	$1,430,520

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31
(Dollars in Thousands)

	2000 (Unaudited)	1999 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 4,613	$ 3,665
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Provision for Loan Losses	610	740
Depreciation	983	890
Net Securities Amortization	363	266
Amortization of Intangible Assets	705	696
Gain on Sale of Investment Securities	(2)	-
Non-Cash Compensation Expense	157	49
Net (Increase) Decrease in Other Assets	(1,833)	796
Net Increase (Decrease) in Other Liabilities	1,344	(2,741)
Net Cash Provided by Operating Activities	6,940	4,361
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Payments/Maturities of Investment Securities Available-for-Sale	19,237	63,663
Purchase of Investment Securities	(492)	(30,108)
Net (Increase) in Loans	(35,900)	(22,858)
Purchase of Premises & Equipment	(488)	(788)
Sales of Premises & Equipment	6	1,314

Net Cash (Used In) Provided by Investing Activities	(17,637)	11,223
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Increase (Decrease) in Deposits	48,814	(8,754)
Net Increase in Short-Term Borrowings	12,357	19,655
Borrowing from Long-Term Debt	928	1,525
Repayment of Long-Term Debt	(1,130)	(1,667)
Dividends Paid	(1,351)	(1,876)
Issuance of Common Stock	30	183
Net Cash Provided by Financing Activities	59,648	9,066
Net Increase in Cash and Cash Equivalents	48,951	24,650
Cash and Cash Equivalents at Beginning of Period	93,072	141,024
Cash and Cash Equivalents at End of Period	$142,023	$165,674
Supplemental Disclosure:		
Interest Paid on Deposits	$ 9,170	$ 9,795
Interest Paid on Debt	$ 1,090	$ 593
Transfer of Loans to ORE	$ 363	$ 430
Income Taxes Paid	$ 1,865	$ 1,686

CAPITAL CITY BANK GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) MANAGEMENT'S OPINION AND ACCOUNTING POLICIES

The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of S-X and S-K of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Prior year financial statements have been reformatted and/or amounts reclassified, as necessary, to conform with the current year presentation, including restatement to reflect the pooling of interest of Grady Holding Company and its subsidiaries.

In the opinion of management, the consolidated financial statements contain all adjustments, which are those of a recurring nature, and disclosures necessary to present fairly the financial position of the Company as of March 31, 2000 and December 31, 1999, the results of operations for the three month periods ended March 31, 2000 and 1999, and cash flows for the three month periods ended March 31, 2000 and 1999.

The Company and its subsidiaries follow generally accepted accounting principles and reporting practices applicable to the banking industry. The principles which materially affect its financial position, results of operations and cash flows are set forth in Notes to Financial Statements which are included in the Company's 1999 Annual Report and Form 10-K.

(2) INVESTMENT SECURITIES

The carrying values and related market value of investment securities at March 31, 2000 and December 31, 1999 were as follows (dollars in thousands):

	March 31,2000			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U. S. Treasury	$ 14,031	$ -	$ 118	$ 13,913
U. S. Government Agencies and Corporations	75,394	1	2,799	72,596
States and Political Subdivisions	100,283	36	2,569	97,750
Mortgage-Backed Securities	81,787	66	4,251	77,602
Other Securities	40,352	-	1,500	38,852
Total	$311,847	$103	$11,237	$300,713

	December 31, 1999			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value

U. S. Treasury	$ 20,047	$ 4	$ 70	$ 19,981
U. S. Government Agencies and Corporations	79,181	-	2,557	76,624
States and Political Subdivisions	104,312	74	1,895	102,491
Mortgage-Backed Securities	85,040	88	3,728	81,400
Other Securities	42,372	-	1,676	40,696
Total	$330,952	$166	$9,926	$321,192

(3) LOANS

The composition of the Company's loan portfolio at March 31, 2000 and December 31, 1999 was as follows (dollars in thousands):

	March 31, 2000	December 31, 1999
Commercial, Financial and Agricultural	$103,434	$ 98,894
Real Estate - Construction	60,590	62,166
Real Estate - Mortgage	220,581	214,036
Real Estate - Residential	404,022	383,536
Consumer	175,446	169,854
Loans, Net of Unearned Interest	$964,073	$928,486

(4) ALLOWANCE FOR LOAN LOSSES

An analysis of the changes in the allowance for loan losses for the three month period ended March 31, 2000 and 1999, was as follows (dollars in thousands):

	March 31, 2000	March 31, 1999
Balance, Beginning of the Period	$ 9,929	$ 9,827
Provision for Loan Losses	610	740
Recoveries on Loans Previously Charged-Off	184	210
Loans Charged-Off	(497)	(598)
Balance, End of Period	$10,226	$10,179

Impaired loans are primarily defined as all nonaccruing loans for the loan categories which are included within the scope of SFAS 114. Selected information pertaining to impaired loans is depicted in the table below (dollars in thousands):

	March 31,			
	2000		1999	
Impaired Loans:	Balance	Valuation Allowance	Balance	Valuation Allowance
With Related Valuation Allowance	$ -	$ -	$2,372	$268
Without Related Valuation Allowance	1,604	-	757	-
Average Recorded Investment for the Period	1,602	*	3,950	*
Interest Income:				
Recognized	$ -		$ 43	
Collected	$ -		$ 34	

* Not Applicable

The Company recognizes income on impaired loans primarily on the cash basis. Any change in the present value of expected cash flows is recognized through the allowance for loan losses.

(5) DEPOSITS

The composition of the Company's interest bearing deposits at March 31, 2000 and December 31, 1999 were as follows (dollars in thousands):

	March 31, 2000	December 31, 1999

NOW Accounts	$169,322	$182,794
Money Market Accounts	171,307	157,825
Savings Deposits	108,160	105,498
Other Time Deposits	492,999	503,401
Total Interest Bearing Deposits	$941,788	$949,518

(6) ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board "FASB" issued Statement of Financial Accounting Standards "SFAS" No. 133 "Accounting for Derivative Instruments and Hedging Activities" as amended. The statement establishes accounting and reporting standards for derivative instruments (including certain derivative instruments imbedded in other contracts). The statement is effective for fiscal years beginning after June 15, 2000. The adoption of this standard is not expected to have a material impact on reported results of operations of the Company.

(7) COMPREHENSIVE INCOME

Total comprehensive income is defined as net income and all other changes in equity which, for Capital City Bank Group, consists solely of changes in unrealized gains (losses) on available-for-sale securities. The Company reported total comprehensive income, net of tax, for the three month periods ended March 31, 2000 and 1999, as follows (dollars in thousands):

	THREE MONTHS ENDED MARCH 31	
	2000	1999
Net Income	$4,613	$3,665
Other Comprehensive Income, Net of Tax		
Unrealized (Losses) on Securities:		
Unrealized (Losses) on Securities Arising During the Period	(844)	(974)
Less: Reclassification Adjustments for Gains (Losses) Included in Net Income	2	-
Total Unrealized (Losses) On Securities	(842)	(974)
Total Comprehensive Income, Net of Tax	$3,771	$2,691

(8) ACQUISITION OF GRADY HOLDING COMPANY

On May 7, 1999, the Company completed its acquisition of Grady Holding Company and its subsidiary, First National Bank of Grady County in Cairo, Georgia. FNBGC is a $114 million asset institution with offices in Cairo and Whigham, Georgia. The Company issued 21.50 shares for each of the 60,910 shares of FNBGC. The consolidated financial statements of the Company give effect to the merger which has been accounted for as a pooling-of-interests. Accordingly, financial statements for the prior periods have been restated to reflect the results of operations of these entities on a combined basis from the earliest period presented.

<TABLE>

QUARTERLY FINANCIAL DATA (UNAUDITED)
(Dollars in Thousands, Except Per Share Data)(1)
<CAPTION>

	2000	1999				1998		
	First	Fourth	Third	Second	First	Fourth	Third	Second
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Summary of Operations:								
Interest Income	$ 25,710	$ 25,366	$ 25,236	$ 24,816	$ 24,267	$ 22,904	$ 21,974	$ 22,402
Interest Expense	10,176	10,171	10,287	10,476	10,313	9,224	8,673	8,822
Net Interest Income	15,534	15,195	14,949	14,340	13,954	13,680	13,301	13,580
Provision for Loan Loss	610	510	610	580	740	657	618	618
Net interest Income After Provision for Loan Loss	14,924	14,685	14,339	13,760	13,214	13,023	12,683	12,962
Noninterest Income	5,902	6,204	6,269	6,185	6,103	6,260	5,271	5,847

Merger Expense	-	10	74	1,277	-	115	-	-
Noninterest Expense	13,852	14,012	14,072	14,591	13,992	13,150	12,090	12,747
Income Before Provision for Income Taxes	6,974	6,867	6,462	4,077	5,325	6,018	5,864	6,062
Provision for Income Taxes	2,361	2,548	2,089	1,182	1,660	2,146	2,057	2,065
Net Income	$ 4,613	$ 4,319	$ 4,373	$ 2,895	$ 3,665	$ 3,872	$ 3,807	$ 3,997
Net Interest Income (FTE)	$ 15,962	$ 15,521	$ 15,435	$ 14,822	$ 14,420	$ 14,046	$ 13,640	$ 13,922
Per Common Share:								
Net Income Basic	$ .45	$ .42	$ .43	$ .28	$ .36	$ .39	$ .37	$ .39
Net Income Diluted	.45	.42	.43	.28	.36	.39	.37	.39
Dividends Declared(2)	.1325	.1325	.12	.12	.18	.12	.11	.11
Book Value	13.20	12.95	12.78	12.56	12.80	12.65	12.40	12.07
Market Price:								
High	23.00	25.00	30.00	25.00	27.63	31.00	33.13	32.67
Low	15.00	20.19	21.00	20.25	22.00	24.13	19.00	29.75
Close	19.63	21.50	22.75	25.00	23.31	27.63	29.13	31.38
Selected Average Balances:								
Total Assets	$1,430,620	$1,446,815	$1,446,505	$1,452,215	$1,430,533	$1,257,934	$1,148,404	$1,156,186
Earning Assets	1,277,894	1,280,746	1,297,481	1,304,093	1,282,679	1,131,933	1,038,981	1,043,578
Loans	938,351	915,194	892,161	878,976	850,161	834,315	819,755	823,432
Total Deposits	1,198,608	1,235,002	1,234,360	1,247,452	1,232,816	1,059,192	954,652	962,719
Total Shareowners' Equity	133,836	131,932	130,134	131,234	130,929	128,250	123,728	121,686
Common Equivalent Shares:								
Basic	10,195	10,179	10,179	10,172	10,170	10,158	10,158	10,140
Diluted	10,211	10,201	10,195	10,187	10,185	10,179	10,158	10,140
Ratios:								
ROA	1.30%	1.18%	1.20%	.80%	1.04%	1.22%	1.32%	1.39%
ROE	13.86%	12.99%	13.33%	8.85%	11.35%	11.98%	12.20%	13.18%
Net Interest Margin (FTE)	5.02%	4.82%	4.73%	4.56%	4.56%	4.92%	5.21%	5.35%

(1) All share and per share data have been restated to reflect the pooling-of-interests of Grady Holding Company and its subsidiaries and adjusted to reflect the 3-for-2 stock split effective June 1, 1998.

(2) First quarter 1999 dividend amount includes a one-time distribution paid to Grady Holding Company shareowners of approximately $563,000.

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following analysis reviews important factors affecting the financial condition and results of operations of Capital City Bank Group, Inc., for the periods shown below. The Company, has made, and may continue to make, various forward-looking statements with respect to financial and business matters that involve numerous assumptions, risks and uncertainties. The following is a list of factors, among others, that could cause actual results to differ materially from the forward-looking statements: general and local economic conditions, competition for the Company's customers from other banking and financial institutions, government legislation and regulation, changes in interest rates, the impact of rapid growth, significant changes in the loan portfolio composition, and other risks described in the Company's filings with the Securities and Exchange Commission, all of which are difficult to predict and many of which are beyond the control of the Company.

The following discussion sets forth the major factors that have affected the Company's financial condition and results of operations and should be read in conjunction with the accompanying financial statements. All prior period financial information has been restated to reflect the pooling-of-interests of Grady Holding Company and its subsidiaries. The year-to-date averages used in this report are based on daily balances for each respective period.

The Financial Review is divided into three subsections entitled Earnings Analysis, Financial Condition, and Liquidity and Capital Resources. Information therein should facilitate a better understanding of the major factors and trends which affect the Company's earnings performance and financial condition, and how the Company's performance during 2000 compares with prior years. Throughout this section, Capital City Bank Group, Inc., and its subsidiaries, collectively, are referred to as "CCBG" or the

"Company." The two subsidiary banks are referred to as the "Capital City Bank" or "CCB", and "First National Bank of Grady County" or "FNBGC".

On March 30, 2000, the Company announced the authorization to repurchase 500,000 shares of the oustanding common stock. The purchases will be made in the open market or in privately negotiated transactions.

On May 7, 1999, the Company completed its acquisition of Grady Holding Company and its subsidiary, First National Bank of Grady County in Cairo, Georgia. FNBGC is a $114 million asset institution with offices in Cairo and Whigham, Georgia. The Company issued 21.50 shares for each of the 60,910 shares of FNBGC. The consolidated financial statements of the Company give effect to the merger which has been accounted for as a pooling-of-interests. Accordingly, financial statements for the prior periods have been restated to reflect the results of operations of these entities on a combined basis from the earliest period presented.

RESULTS OF OPERATIONS

Net Income

Earnings, including the effects of intangible amortization, were $4.6 million, or $.45 per diluted share, for the first quarter of 2000. This compares to $3.7 million, or $.36 per diluted share for the first quarter of 1999. Amortization of intangible assets, net of taxes, totaled $479,000 and $475,000, respectively, or $.05 per diluted share, for the first quarter in 2000 and 1999. Operating revenues, which include net interest income and noninterest income, increased $1.4 million, or 6.9%, over the first quarter of 1999, and are the most significant factor contributing to the increase in net income.

	For The Three Months Ended March 31,	
(Dollars in Thousands)	2000	1999
Interest Income	$25,710	$24,267
Taxable Equivalent Adjustment(1)	428	466
Interest Income (FTE)	26,138	24,733
Interest Expense	10,176	10,313
Net Interest Income (FTE)	15,962	14,420
Provision for Loan Losses	610	740
Taxable Equivalent Adjustment	428	466
Net Int. Inc. After Provision	14,924	13,214
Noninterest Income	5,902	6,103
Noninterest Expense	13,852	13,992
Income Before Income Taxes	6,974	5,325
Income Taxes	2,361	1,660
Net Income	$ 4,613	$ 3,665
Percent Change	25.86%	1.30%
Return on Average Assets(2)	1.30%	1.04%
Return on Average Equity(2)	13.86%	11.35%

(1) Computed using a statutory tax rate of 35%
(2) Annualized

Net Interest Income

First quarter taxable equivalent net interest income increased $1.5 million, or 10.7%, over the comparable period for 1999. This increase is attributable to higher yields and a change in the earning assets mix. Table I on page 18 provides a comparative analysis of the Company's average balances and interest rates.

Taxable equivalent interest income increased $1.4 million, or 5.7%, due to growth in the loan portfolio and increased yields on earning assets. Average loans, which represent the Company's highest yielding asset, increased $88.1 million, or 10.4%, and represented 73.4% of total earning assets in the first quarter of 2000 versus 66.3% for the comparable quarter in 1999. Offsetting this increase was a decline in income from investment securities and funds sold. The shift in mix of earning assets contributed to an increase of 40 basis points in the yield on earning assets which increased from 7.82% in the first quarter of 1999 to 8.22% in 2000.

Interest expense decreased $137,000, or 1.3%, primarily due to a decline in average deposits and a change in the mix of interest bearing liabilities. The change in mix was the primary factor contributing to a 6 basis point reduction in the average rate. Based on averages, certificates as a percent of average deposits decreased from 45.8% in the first quarter of 1999 to 41.5% in the first quarter of 2000. Partially offsetting this decline were increases in NOW, money market accounts and short-term borrowings.

The Company's interest rate spread (defined as the average taxable equivalent yield on earning assets less the average rate paid on interest bearing liabilities) increased from 3.72% in the first quarter of 1999 to 4.18% in the comparable quarter for 2000 due to higher yield on earning assets. The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) was 4.56% in the first quarter of 1999, versus 5.02% in the first quarter of 2000. The increase in the margin reflects the higher yield on earning assets, resulting from the shift in the mix of earning assets.

Provisions for Loan Losses

The provision for loan losses for the three months ended March 31, 2000, was $610,000 versus $740,000 for the first quarter of 1999. Net charge-offs decreased during the first quarter of 2000 and continue to remain at historically low levels relative to the size of the loan portfolio. Nonperforming loans decreased $1.0 million, or 26.2%, during the first quarter. The Company's nonperforming asset ratio declined slightly from .42% at year-end to .30%. As compared to year-end, the reserve for loan losses increased slightly to $10.2 million and represented 1.06% of total loans versus 1.07%.

For a discussion of the Company's nonperforming loans, see the section entitled "Financial Condition."

Based on current economic conditions, the low level of nonperforming loans and net charge-offs, it is management's opinion that the allowance for loan losses as of March 31, 2000, is sufficient to provide for losses inherent in the portfolio as of that date.

Charge-off activity for the respective periods is set forth below.

	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
Net Charge-Offs	$312,875	$388,074
Net Charge-Offs (Annualized) as a Percent of Average Loans Outstanding, Net of Unearned Interest	.13%	.18%

Noninterest Income

Noninterest income decreased $201,000, or 3.3%, over the first quarter of 1999, which included decreases in all major categories except income from fiduciary activites.

Service charges on deposit accounts decreased $109,000, or 4.5%. Service charge revenues in any one year are dependent on the number of accounts, primarily transaction accounts and the level of activity subject to service charges. The decrease in the first quarter of 2000, compared to the comparable quarter in 1999, reflects higher compensating balances and a decline in the number of transaction accounts.

Data processing revenues decreased $68,000, or 9.1%, over the first quarter of 1999. The decrease reflects lower processing revenues associated with government agencies.

Income from fiduciary activities increased $137,000, or 26.2%, over the comparable quarter in 1999. The increase is attributable to growth in managed assets. At March 31, 2000, assets under management totaled $323.3 million compared to $264.2 million at March 31, 1999.

Other income decreased $163,000, or 6.8%, over the comparable quarter of 1999. Gains on the sale of residential real estate loans decreased $293,000 attributable to the higher interest rate environment, resulting in fewer fixed rate loans being originated and sold in the secondary market. Offsetting this decline were increases in ATM fees, brokerage fees, and miscellaneous fees totaling $141,000.

Noninterest income as a percent of average assets was 1.66% for the first quarter of 2000 versus 1.72% for the comparable quarter in 1999.

Noninterest Expense

Noninterest expense in the first quarter of 2000 decreased $140,000, or 1.0%, over the first quarter of 1999, primarily in the "other" expense category.

Compensation expense increased $77,000, or 1.0%, over the first quarter of 1999 reflecting annual raises partially offset by reductions in pension expense, contractual employment and full-time equivalent associates ("FTE's"). For the comparable first quarter periods in 2000 and 1999, FTE's declined by 11 associates.

Occupancy expense, including premises, furniture, fixtures and equipment increased $55,000, or 2.3%, over the first quarter of 1999. Depreciation expense, utilites and property taxes increased $92,000, $17,000 and $18,000, respectively. These increases were partially offset by a decline in maintenance and repairs of $82,000.

Other noninterest expense decreased $272,000, or 6.7%. The decrease is attributable to printing and supplies, postage, telephone and the elimination of Florida intangible taxes. The decline in printing and supplies is attributable to the implementation of centralized purchasing. Telephone costs have declined due to the completion of the wide-area network.

Net noninterest expense (noninterest income minus noninterest expense, net of intangible amoritization) as a percent of average assets was 2.04% in the first quarter of 2000 and 1999. The Company's efficiency ratio (noninterest expense, net of intangible amoritization, expressed as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 60.02% in the first quarter 2000 compared to 64.70% for the comparable quarter in 1999. The decrease in the efficiency ratio is attributable to both higher operating revenues and lower costs.

Income Taxes

The provision for income taxes increased $701,000, or 42.2%, over the first quarter of 1999. The Company's effective tax rate for the first quarter of 2000 was 33.9% compared to 31.2% for the same quarter in 1999. The increase in the effective tax rate is attributable to an increase in state tax due to the elimination of the intangible tax credit.

FINANCIAL CONDITION

The Company's average assets were $1.4 billion in the first quarter of 2000 and 1999. Average earning assets were $1.3 billion for the three months ended March 31, 2000, constant with the comparable quarter of 1999. The change in the mix of earning assets reflects loan generation offset by a decline in investment securities. Table I on page 18 presents average balances for the three months ended March 31, 2000 and 1999.

Average loans increased $88.0 million, or 10.4%, over the comparable period in 1999. Price and product competition remains strong and there continues to be an increased demand for fixed-rate, longer term financing. Loan growth has occurred in all categories, with the most significant increase in real estate. Loans as a percent of average earning assets increased to 73.4% for the first quarter of 2000, compared to 66.3% for the first quarter of 1999.

The investment portfolio is a significant component of the Company's operations and, as such, it functions as a key element of liquidity and asset/liability management. As of March 31, 2000, the average investment portfolio decreased $31.3 million, or 9.1%, from the first quarter of 1999. The decrease in the investment portfolio was used to fund the growth in loans. Securities in the available-for-sale portfolio are recorded at fair value and unrealized gains and losses associated with these securities are recorded, net of tax, as a separate component of shareowners' equity. At March 31, 2000, shareowners' equity included a net unrealized loss of $7.0 million compared to a loss of $6.2 million at December 31, 1999. The decrease in value reflects an increase in interest rates during the first quarter.

At March 31, 2000, the Company's nonperforming loans were $1.8 million versus $3.0 million at year-end 1999, primarily due to the romaval of several large loans. As a percent of nonperforming loans, the allowance for loan losses represented 563% at March 31, 2000 versus 332% at December 31, 1999 and 183% at March 31, 1999. Nonperforming loans include nonaccruing and restructured loans. Other real estate, which includes property acquired either through foreclosure or by receiving a deed in lieu of foreclosure, was $1.1 million at March 31, 2000, versus $934,000 at

December 31, 1999, and $1.2 million at March 31, 1999. The ratio of nonperforming assets as a percent of loans plus other real estate was .30% at March 31, 2000 compared to .42% at December 31, 1999 and .78% at March 31, 1999.

Average deposits decreased 2.8% from $1.23 billion in the first quarter of 1999, to $1.20 billion in the first quarter of 2000. The decrease in deposits is attributable to the decline in certificates of deposits, partially reflecting maturities of high yielding, promotional certificates. This decline was partially offset by increases in NOW and money market accounts. The Company is experiencing a notable increase in competition for deposits, in terms of both rate and product.

The ratio of average noninterest bearing deposits to total deposits was 22.3% for the first quarter of 2000 compared to 21.4% for the first quarter of 1999. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 79.3% and 79.6%, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, for a financial institution, is the availability of funds to meet increased loan demand and/or excessive deposit withdrawals. Management has implemented a financial structure that provides ready access to sufficient liquid funds to meet normal transaction requirements, take advantage of investment opportunities and cover unforeseen liquidity demands. In addition to core deposit growth, sources of funds available to meet liquidity demands for the subsidiary banks include federal funds sold, near-term loan maturities, securities held in the available-for-sale portfolio, and the ability to purchase federal funds through established lines of credit with correspondent banks. Additionally, the parent company maintains a $25.0 million revolving line of credit. As of March 31, 2000, there was $3.0 million outstanding under this facility. During the first quarter of 2000, the Company did not make a principal reduction on the line of credit.

The Company's equity capital was $134.8 million as of March 31, 2000 compared to $132.2 million as of December 31, 1999. Management continues to monitor its capital position in relation to its level of assets with the objective of maintaining a strong capital position. The leverage ratio was 7.85% at March 31, 2000 compared to 7.84% at December 31, 1999. Further, the Company's risk-adjusted capital ratio of 11.92% at March 31, 2000, exceeds the 8.0% minimum requirement under the risk-based regulatory guidelines.

State and federal regulations as well as the Company's long-term debt agreements place certain restrictions on the payment of dividends by both the Company and its subsidiary bank. At March 31, 2000, these regulations and covenants did not impair the Company's (or its subsidiary's) ability to declare and pay dividends or to meet other existing obligations in the normal course of business.

During the first three months of 2000, shareowners' equity increased $2.6 million, or 7.9%, on an annualized basis. Growth in equity during the first quarter was positively impacted by net income of $4.6 million, issuance of common stock of $187,000. Equity was reduced by an increase in the net unrealized loss on available-for-sale securities of $880,000 and dividends paid during the first quarter of $1.4 million, or $.1325 per share.

At March 31, 2000, the Company's common stock had a book value of $13.20 per diluted share compared to $12.95 at December 31, 1999. On March 30, 2000, the Company announced the authorization to repurchase 500,000 shares of the oustanding common stock. The purchases will be made in the open market or in privately negotiated transactions. No shares have been repurchased during 2000.

YEAR 2000 COMPLIANCE

Introduction

The YEAR 2000 issue created challenges with respect to the automated systems used by financial institutions and other companies. Many programs and systems were not able to recognize the year 2000, or that the new millennium is a leap year. The problem was not limited to computer systems. YEAR 2000 issues could have potentially affected every system that has an embedded microchip containing this flaw.

The YEAR 2000 challenge impacts the Company, as many of its transactions are date sensitive. The Company also is effected by the ability of its vendors, suppliers, customers and other third parties to be YEAR 2000 compliant.

State of Readiness

The Company addressed the YEAR 2000 challenges in a prompt and responsible manner and dedicated significant resources to do so. An assessment of the Company's automated systems and third party operations was completed and a plan was implemented. The Company's YEAR 2000 compliance plan ("Y2K Plan") had nine phases. These phases are (1) project management, (2) awareness, (3) assessment, (4) renovation, (5) testing and implementation, (6) risk assessment, (7) customer awareness, (8) contingency planning, and (9) verification. The Company had completed phases one through eight as of December 31, 1999, and the last section of Phase 9, pertaining to the risk associated with the leap year, was completed in February 2000.

(1) Project Management: The Company assigned primary responsibility for the YEAR 2000 project to the President of Capital City Services Company, a wholly owned subsidiary of Capital City Bank Group, Inc. Also, the Company hired an outside consultant to assist in project administration. Monthly updates were provided to senior management and quarterly updates were provided to the Board of Directors in order to assist them in overseeing the Company's readiness.

(2) Awareness: The Company defined the YEAR 2000 problem and gained executive level support for allocation of the resources necessary to renovate and/or upgrade all systems. A YEAR 2000 team was established and met regularly. The strategy developed for YEAR 2000 compliance covered in-house systems, service bureaus for systems that are outsourced, vendors, auditors, customers, and suppliers.

(3) Assessment: Information Technology "IT" and non-IT systems were assessed and mission critical applications that could potentially be affected were identified. Mission critical was defined as anything that may have a material adverse effect on the Company if not YEAR 2000 compliant.

(4) Renovation: The Company upgraded and replaced IT and non-IT systems where appropriate, and all such replacements were complete in June 30, 1999.

(5) Testing and Implementation: The Company's testing and implementation of Mission Critical systems is complete.

(6) Risk Assessment: Lending officers were trained on YEAR 2000 issues and have documented YEAR 2000 readiness of borrowers. Significant borrowers were mailed a questionnaire and were assigned a YEAR 2000 risk rating by the Company. Appropriate responses to credit requests took YEAR 2000 into consideration. A similar assessment was conducted of deposit customers relative to liquidity risk. Investment and funding strategies were planned to ameliorate any potential risk in this area.

(7) Customer Awareness: During the fourth quarter of 1999, the Company continued its comprehensive plan to increase customer awareness of the YEAR 2000 issue and to inform customers of the bank's efforts to become compliant. This plan included posting information on the Company's web site, distribution of quarterly press releases, statement stuffers and lobby brochures. Associate training was conducted to assure that customers were provided with accurate information about the Company's Y2K readiness. Company officials participated in a community question and answer program.

(8) Contingency Planning: The Company completed a Business Resumption/Contingency Plan for the YEAR 2000. This plan incorporated back-up systems and procedures for core business processes, should any unforeseen disruptions occur. This plan was substantially completed by September 30, 1999.

(9) Verification: The Verification process was completed during the actual Century Date Change, with the exception of leap year due February, 2000. This involved verifying successful transition to the YEAR 2000 of all systems and applications, at all critical dates and functions to the YEAR 2000. Monitoring and reporting protocol were established for this phase.

Estimated Costs to Address the Company's YEAR 2000 Issues
- --

Costs directly related to YEAR 2000 issues are estimated to be $780,000 from 1998 to 2000, of which approximately 100% had been spent as of December 31, 1999. Approximately 75% of the total spending represent costs to modify existing systems. Costs incurred by the Company prior to 1998 were immaterial. This estimate assumes that the Company will not incur significant YEAR 2000 related costs on behalf of its vendors, suppliers, customers and other third parties.

Risks of the Company's YEAR 2000 Issues
- ---------------------------------------

The YEAR 2000 presents certain risks to the Company and its operations. Some risks are present because the Company purchased technology applications from other parties who face YEAR 2000 challenges and additional risks that are inherent in the business of banking. Management identified the following potential risks that could have had a material adverse effect on the Company's business.

1. The Company's subsidiary banks may have experienced a liquidity problem if there were any significant amount of deposits withdrawn by customers who have uncertainties associated with the YEAR 2000. This did not occur. The Company implemented a contingency plan to ensure there were appropriate levels of funding available.

2. The Company's operations could be materially affected by the failure of third parties who provide mission critical IT and non-IT systems. The Company identified its mission critical third parties and monitored their Y2K Plan progress. In response to this concern, the Company identified and contacted the third parties who provide mission critical applications. The Company received YEAR 2000 compliance assurances from third parties who provide mission critical applications and monitored and tested their efforts for YEAR 2000 compliance. The Company currently knows of no material liability due to this risk.

3. The Company's ability to operate effectively in the YEAR 2000 could be adversely affected by the ability to communicate and to access utilities. The Company established a contingency plan to address this situation. Currently, no problems have materialized due to this risk.

4. The Company's subsidiary banks lend significant amounts to businesses and contractors in our market area. If the businesses are adversely affected by the YEAR 2000 issues, their ability to repay loans could be impaired and increased credit risk could affect the Company's financial performance. As part of the Company's Y2K Plan, the Company identified its significant borrowers and documented their YEAR 2000 readiness and risk to the Company. Currently, no businesses or contractors have been identified that are affected by this risk.

5. Sanctions could be imposed against the Company if it does not meet deadlines or follow timetables established by the federal and state governmental agencies, which regulate the Company and its subsidiaries. The Company has incorporated the regulatory guidelines for YEAR 2000 into its Y2K Plan. No sanctions have been imposed by regulators.

Contingency Plan
- ----------------
Contingency plans for YEAR 2000 related interruptions have been developed and include, but are not limited to, the development of emergency backup and recovery procedures, remediation of existing systems parallel with installation of new systems, replacing electronic applications with manual processes, and identification of alternate suppliers. All plans were substantially completed by September 30, 1999.

Year 2000
- ---------
As of March 31, 2000, the Company experienced no known Year 2000 problems that were material.

<TABLE>

TABLE I
AVERAGES BALANCES & INTEREST RATES
(Taxable Equivalent Basis - Dollars in Thousands)

For Three Months Ended March 31	2000			1999		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<CAPTION>						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Loans, Net of Unearned Interest(1)(2)	$ 938,351	$21,161	9.07%	$ 850,161	$18,820	8.98%
Taxable Investment Securities	213,136	3,121	5.89%	242,604	3,423	5.72%
Tax-Exempt Investment Securities(2)	99,000	1,467	5.93%	100,821	1,466	5.82%
Funds Sold	27,407	389	5.71%	89,093	1,024	4.66%
Total Earning Assets	1,277,894	26,138	8.22%	1,282,679	24,733	7.82%
Cash & Due From Banks	65,326			64,035		
Allowance for Loan Losses	(10,085)			(10,055)		
Other Assets	97,485			93,874		
TOTAL ASSETS	$1,430,620			$1,430,533		
LIABILITIES						
NOW Accounts	$ 167,862	948	2.27%	$ 145,101	$ 663	1.85%
Money Market Accounts	162,129	1,592	3.95%	143,298	1,319	3.73%
Savings Accounts	103,817	536	2.07%	115,545	577	2.03%
Other Time Deposits	497,296	6,099	4.93%	564,686	7,113	5.11%

Total Interest Bearing Deposits	931,104	9,175	3.96%	968,630	9,672	4.05%
Funds Purchased	65,888	767	4.68%	32,047	316	4.00%
Short-Term Borrowings	1,614	17	4.24%	1,175	16	5.52%
Long-Term Debt	14,169	217	6.16%	18,832	309	6.66%
Total Int. Bearing Liabilities	1,012,775	10,176	4.04%	1,020,684	10,313	4.10%
Noninterest Bearing Deposits	267,504			264,185		
Other Liabilities	16,505			14,735		
TOTAL LIABILITIES	1,296,784			1,299,604		
SHAREOWNERS' EQUITY						
Common Stock	102			102		
Surplus	9,316			8,699		
Retained Earnings	124,418			122,128		
TOTAL SHAREOWNERS' EQUITY	133,836			130,929		
TOTAL LIABILITIES & EQUITY	$1,430,620			$1,430,533		
Net Interest Rate Spread			4.18%			3.72%
Net Interest Income		$15,962			$14,420	
Net Interest Margin			5.02%			4.56%

(1) Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $974,000 and $790,000, for the three months ended March 31, 2000 and 1999, respectively.
(2) Interest income includes the effects of taxable equivalent adjustments using a 35% tax rate.
</TABLE>

Item 3. Qualitative and Quantitative Disclosure for Market Risk

Overview

Market risk management arises from changes in interest rates, exchange rates, commodity prices and equity prices. The Company has risk management policies to monitor and limit exposure to market risk. Capital City Bank Group does not actively participate in exchange rates, commodities or equities. In asset and liability management activities, policies are in place that are designed to minimize structural interest rate risk.

Interest Rate Risk Management

The normal course of business activity exposes Capital City Bank Group to interest rate risk. Fluctuations in interest rate risk may result in changes in the fair market value of the Company's financial instruments, cash flows and net interest income. Capital City Bank Group's asset/liability management process manages the Company's interest rate risk.

The financial assets and liabilities of the Company are classified as other-than-trading. An analysis of the other-than-trading financial components, including the fair values, are presented in Table II on page 20. This table presents the Company's consolidated interest rate sensitivity position as of March 31, 2000, based upon certain assumptions as set-forth in the Notes to the Table. The objective of interest rate sensitivity analysis is to measure the impact on the Company's net interest income due to fluctuations in interest rates. The asset and liability fair values presented in Table II may not necessarily be indicative of the Company's interest rate sensitivity over an extended period of time.

The Company is currently liability sensitive which generally indicates that in a period of rising interest rates the net interest margin will be adversely impacted as the velocity and/or volume of liabilities being repriced exceeds assets. However, as general interest rates rise or fall, other factors such as current market conditions and competition may impact how the Company responds to changing rates and thus impact the magnitude of change in net interest income.

<TABLE>

Table II
FINANCIAL ASSETS AND LIABILITIES MARKET RISK ANALYSIS
(Dollars in Thousands)
<CAPTION>

Other Than Trading Portfolio March 31, 2000

	Year 1	Year 2	Year 3	Year 4	Year 5	Beyond	Total	Fair Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Loans								
Fixed Rate	$ 71,689	$ 28,999	$ 45,461	$ 46,906	$ 40,541	$ 73,157	$ 306,753	$ 307,235
Average Interest Rate	9.44%	9.90%	8.55%	8.71%	8.57%	7.94%	9.04%	
Floating Rate(2)	393,370	34,109	53,484	33,403	72,471	70,483	657,320	658,352
Average Interest Rate	9.22%	8.23%	8.52%	7.98%	8.20%	7.01%	8.67%	
Investment Securities(3)								
Fixed Rate	83,319	40,725	33,608	18,550	22,592	92,946	291,740	291,740
Average Interest Rate	5.83%	5.80%	5.58%	5.59%	5.89%	6.52%	6.01%	
Floating Rate	-	-	8,468	-	-	505	8,973	8,973
Average Interest Rate	-	-	5.91%	-	-	6.29%	5.93%	
Other Earning Assets								
Fixed Rates	-	-	-	-	-	-	-	-
Average Interest Rates	-	-	-	-	-	-	-	
Floating Rates	68,411	-	-	-	-	-	68,411	68,411
Average Interest Rates	5.66%	-	-	-	-	-	5.66%	
Total Financial Assets	$616,789	$103,833	$141,021	$ 98,859	$135,604	$237,091	$1,333,197	$1,334,711
Average Interest Rates	8.39%	7.74%	7.67%	7.88%	7.92%	7.10%	8.00%	
Deposits(4)								
Fixed Rate Deposits	$438,665	$ 36,770	$ 11,192	$ 4,137	$ 2,220	$ 16	$ 493,000	$ 489,905
Average Interest Rates	4.90%	5.31%	5.04%	5.05%	4.97%	4.79%	4.93%	
Floating Rate Deposits	448,788	-	-	-	-	-	448,788	448,788
Average Interest Rates	2.01%	-	-	-	-	-	2.01%	
Other Interest Bearing Liabilities								
Fixed Rate Debt	779	644	662	678	698	7,595	11,056	10,945
Average Interest Rate	6.02%	6.16%	6.16%	6.16%	6.15%	6.08%	6.10%	
Floating Rate Debt	81,632	-	-	-	-	-	81,632	80,813
Average Interest Rate	4.76%	-	-	-	-	-	4.76%	
Total Financial Liabilities	$969,864	$ 37,414	$ 11,854	$ 4,815	$ 2,918	$ 7,611	$1,034,476	$1,030,451
Average interest Rate	3.55%	5.32%	5.10%	5.21%	5.25%	6.08%	3.66%	

(1) Based upon expected cashflows, unless otherwise indicated.
(2) Based upon a combination of expected maturities and repricing opportunities.
(3) Based upon contractual maturity, except for callable and floating rate securities, which are based on expected maturity and weighted average life, respectively.
(4) Savings, NOW and money market accounts can be repriced at any time, therefore, all such balances are included as floating rates deposits in 2000. Other time deposit balances are classified according to maturity.

</TABLE>

PART II. OTHER INFORMATION

Items 1-4.

Not applicable

Item 5. Other

On March 30, 2000, the Company announced the authorization to repurchase 500,000 shares of the oustanding common stock. The purchases will be made in the open market or in privately negotiated transactions.

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

Not applicable

(B) Reports on Form 8-K

Capital City Bank Group, Inc., filed no Form 8-K during the first quarter 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned Chief Financial Officer hereunto duly authorized.

CAPITAL CITY BANK GROUP, INC.
(Registrant)

/s/ J. Kimbrough Davis
- ----------------------
J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer
Date: May 15, 2000

<TABLE> <S> <C>

<ARTICLE> 9
<CIK> 0000726601
<NAME> CAPITAL CITY BANK GROUP, INC.
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-2000
<PERIOD-START>	JAN-01-2000
<PERIOD-END>	MAR-31-2000
<CASH>	73,612
<INT-BEARING-DEPOSITS>	1,034,476
<FED-FUNDS-SOLD>	68,411
<TRADING-ASSETS>	0
<INVESTMENTS-HELD-FOR-SALE>	0
<INVESTMENTS-CARRYING>	311,847
<INVESTMENTS-MARKET>	300,713
<LOANS>	964,073
<ALLOWANCE>	(10,226)
<TOTAL-ASSETS>	1,495,437
<DEPOSITS>	1,251,471
<SHORT-TERM>	78,632
<LIABILITIES-OTHER>	16,456
<LONG-TERM>	14,056
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	102
<OTHER-SE>	134,719
<TOTAL-LIABILITIES-AND-EQUITY>	1,495,437
<INTEREST-LOAN>	21,509
<INTEREST-INVEST>	3,598
<INTEREST-OTHER>	604
<INTEREST-TOTAL>	25,710
<INTEREST-DEPOSIT>	9,175
<INTEREST-EXPENSE>	10,176
<INTEREST-INCOME-NET>	15,534
<LOAN-LOSSES>	610
<SECURITIES-GAINS>	0
<EXPENSE-OTHER>	13,852
<INCOME-PRETAX>	6,974
<INCOME-PRE-EXTRAORDINARY>	4,613
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	4,613
<EPS-BASIC>	.45
<EPS-DILUTED>	.45
<YIELD-ACTUAL>	5.06
<LOANS-NON>	1,784
<LOANS-PAST>	1,710
<LOANS-TROUBLED>	33
<LOANS-PROBLEM>	0
<ALLOWANCE-OPEN>	9,928
<CHARGE-OFFS>	497
<RECOVERIES>	184
<ALLOWANCE-CLOSE>	10,225
<ALLOWANCE-DOMESTIC>	10,225
<ALLOWANCE-FOREIGN>	0
<ALLOWANCE-UNALLOCATED>	0

</TABLE>