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, 2001

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, 2001, 10,749,093 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

<TABLE>

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

<CAPTION>

	2001 (Unaudited)	2000 (Unaudited)
<S>	<C>	<C>
INTEREST INCOME		
Interest and Fees on Loans	$ 24,672	$ 21,119
Investment Securities:		
U. S. Treasury	128	248
U. S. Government Agencies and Corporations	2,042	2,269
States and Political Subdivisions	883	1,081
Other Securities	607	604
Funds Sold	804	389
Total Interest Income	29,136	25,710
INTEREST EXPENSE		
Deposits	11,787	9,175
Short-Term Borrowings	1,111	784
Long-Term Debt	245	217
Total Interest Expense	13,143	10,176
Net Interest Income	15,993	15,534
Provision for Loan Losses	822	610
Net Interest Income After Provision for Loan Losses	15,171	14,924
NONINTEREST INCOME		
Service Charges on Deposit Accounts	2,422	2,336

Data Processing	501	680
Income from Fiduciary Activities	638	660
Securities Transactions	-	2
Mortgage Banking Revenues	565	138
Other	3,203	2,586
Total Noninterest Income	7,329	6,402
NONINTEREST EXPENSE		
Salaries and Associate Benefits	8,434	7,555
Occupancy, Net	1,219	1,096
Furniture and Equipment	1,498	1,392
Other	4,689	4,309
Total Noninterest Expense	15,840	14,352
Income Before Income Taxes	6,660	6,974
Income Taxes	2,311	2,361
NET INCOME	$ 4,349	$ 4,613
Basic Net Income Per Share	$ .42	$ .45
Diluted Net Income Per Share	$ .42	$ .45
Cash Dividends Per Share	$ .1475	$ .1325
Average Shares Outstanding - Basic	10,296,732	10,195,261
Average Shares Outstanding - Diluted	10,304,756	10,210,774

</TABLE>
<TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF MARCH 31, 2001 AND DECEMBER 31, 2000
(Dollars In Thousands, Except Per Share Amounts)

<CAPTION>

	March 31, 2001 (Unaudited)	December 31, 2000 (Audited)
<S>	<C>	<C>

ASSETS		
Cash and Due From Banks	$ 73,499	$ 73,367
Funds Sold	153,910	40,623
Investment Securities, Available-for-Sale	265,741	276,839
Loans, Net of Unearned Interest	1,164,298	1,051,832
Allowance for Loan Losses	(11,780)	(10,564)
Loans, Net	1,152,518	1,041,268
Premises and Equipment, Net	43,056	37,023
Intangibles	39,146	22,293
Other Assets	36,932	36,047
Total Assets	$1,764,802	$1,527,460
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 339,073	$ 292,656
Interest Bearing Deposits	1,177,553	975,711
Total Deposits	1,516,626	1,268,367
Short-Term Borrowings	48,538	83,472
Long-Term Debt	14,018	11,707
Other Liabilities	17,636	16,307
Total Liabilities	1,596,818	1,379,853
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; 10,749,090 issued and outstanding at March 31, 2001 and 10,108,454 issued and outstanding at December 31, 2000	107	101
Additional Paid-In Capital	22,520	7,369
Retained Earnings	144,421	141,659
Accumulated Other Comprehensive Income (Loss), Net of Tax	936	(1,522)
Total Shareowners' Equity	167,984	147,607
Total Liabilities and Shareowners' Equity	$1,764,802	$1,527,460

</TABLE>
<TABLE>

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

<CAPTION>

	2001 (Unaudited)	2000 (Unaudited)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 4,349	$ 4,613
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Provision for Loan Losses	822	610
Depreciation	961	983
Net Securities Amortization	274	363
Amortization of Intangible Assets	828	705
Gain on Sale of Investment Securities	-	(2)
Non-Cash Compensation Expense	738	157
Net Increase in Other Assets	588	(1,833)
Net (Decrease) Increase in Other Liabilities	(568)	1,344
Net Cash Provided by Operating Activities	7,992	6,940
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Payments/Maturities of Investment Securities Available-for-Sale	63,588	19,237
Purchase of Investment Securities	(449)	(492)
Net Increase in Loans	(21,144)	(35,900)
Purchase of Premises & Equipment	(81)	(488)
Sales of Premises & Equipment	330	6
Cash & Cash Equivalents from Acquisition	80,435	- -
Net Cash Provided by (Used In) Investing Activities	122,679	(17,637)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Increase in Deposits	44,369	48,814
Net (Decrease) Increase in Short-Term Borrowings	(59,934)	12,357
Borrowing of Long-Term Debt	2,196	928
Repayment of Long-Term Debt	(156)	(1,130)
Dividends Paid	(1,587)	(1,351)
Repurchase of Common Stock	(2,183)	- -
Issuance of Common Stock	43	30
Net Cash (Used In) Provided by Financing Activities	(17,252)	

		59,648
Net Increase in Cash and Cash Equivalents	113,419	48,951
Cash and Cash Equivalents at Beginning of Period	113,990	93,072
Cash and Cash Equivalents at End of Period	$227,409	$142,023
Supplemental Disclosure:		
Interest Paid on Deposits	$ 12,782	$ 9,170
Interest Paid on Debt	$ 1,218	$ 1,090
Transfer of Loans to ORE	$ 305	$ 363
Income Taxes Paid	$ 539	$ 1,865

</TABLE>

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 accounting principles generally accepted in the United States 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.

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, 2001 and December 31, 2000, the results of operations, and cash flows for the three month periods ended March 31, 2001 and 2000.

The Company and its subsidiaries follow accounting principles generally accepted in the United States 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 Consolidated Financial Statements which are included in the Company's 2000 Annual Report and Form 10-K.

(2) INVESTMENT SECURITIES

The carrying values and related market value of investment securities at March 31, 2001 and December 31, 2000 were as follows (dollars in thousands):

<TABLE>

	March 31, 2001			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U. S. Treasury	$ 8,011	$ 57	$ -	$ 8,068
U. S. Government Agencies				

and Corporations	56,658	468	2	57,124
States and Political Subdivisions	82,762	781	17	83,526
Mortgage-Backed Securities	75,343	312	309	75,346
Other Securities	41,489	212	24	41,677
Total	$264,263	$1,830	$352	$265,741

</TABLE>
<TABLE>

Available-For-Sale	December 31, 2000 Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U. S. Treasury	$ 10,016	$ 5	$ -	$ 10,021
U. S. Government Agencies				
and Corporations	69,683	49	516	69,216
States and Political Subdivisions	85,744	192	695	85,241
Mortgage-Backed Securities	73,741	134	1,126	72,749
Other Securities	40,058	7	453	39,612
Total	$279,242	$387	$2,790	$276,839

</TABLE>

(3) LOANS

The composition of the Company's loan portfolio at March 31, 2001 and December 31, 2000 was as follows (dollars in thousands):

	March 31, 2001	December 31, 2000
Commercial, Financial		
and Agricultural	$ 119,457	$ 108,340
Real Estate - Construction	83,556	84,133
Real Estate - Mortgage	257,787	231,099
Real Estate - Residential	504,412	444,489
Consumer	199,086	183,771
Loans, Net of Unearned Interest	$1,164,298	$1,051,832

(4) ALLOWANCE FOR LOAN LOSSES

An analysis of the changes in the allowance for loan losses for the three month period ended March 31, 2001 and 2000, was as follows (dollars in thousands):

	March 31, 2001	2000
Balance, Beginning of the Period	$10,564	$ 9,929
Acquired Reserves	1,206	-
Provision for Loan Losses	822	610
Recoveries on Loans Previously		
Charged-Off	252	184
Loans Charged-Off	(1,064)	(497)
Balance, End of Period	$11,780	$10,226

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):

<TABLE>

	March 31, 2001		2000	
Impaired Loans:	Balance	Valuation Allowance	Balance	Valuation Allowance
<S>	<C>	<C>	<C>	<C>
With Related				

Valuation Allowance	$ -	$ -	$ -	$ -
Without Related				
Valuation Allowance	951	-	1,604	-
Average Recorded Investment				
for the Period	951	*	1,602	*
Interest Income:				
Recognized	$ 4		$ -	
Collected	$ 4		$ -	

* 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.

</TABLE>

(5) DEPOSITS

The composition of the Company's interest bearing deposits at March 31, 2001 and December 31, 2000 were as follows (dollars in thousands):

	March 31, 2001	December 31, 2000
NOW Accounts	$ 219,282	$207,978
Money Market Accounts	212,676	156,590
Savings Deposits	114,594	104,035
Other Time Deposits	631,001	507,108
Total Interest Bearing Deposits	$1,177,553	$975,711

(6) ACCOUNTING PRONOUNCEMENTS

In September 2000, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", a replacement of SFAS No. 125. The statement revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures. The statement is effective for fiscal years ending after December 15, 2000. The adoption of this standard did not have a material impact on reported results of operations of the Company.

In June 1998, the FASB issued 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 did not 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, 2001 and 2000, as follows (dollars in thousands):

	THREE MONTHS ENDED MARCH 31	
	2001	2000
Net Income	$4,349	$4,613
Other Comprehensive Income, Net of Tax		
Unrealized Gains (Losses) on Securities:		
Unrealized Gains (Losses) on Securities		
Arising During the Period	2,458	(844)
Less: Reclassification Adjustments for		

Gains (Losses) Included in Net Income	-	2
Total Unrealized Gains (Losses) On Securities, Net of Tax	2,458	(842)
Total Comprehensive Income, Net of Tax	$6,807	$3,771

(8) ACQUISITIONS

On March 9, 2001, the Company completed its purchase and assumption agreement with First Union National Bank ("First Union") and acquired six of First Union's offices which included real estate, loans and deposits. The transaction created approximately $11.5 million in intangible assets and is being amortized over 10 years. The Company purchased $18 million in loans and assumed deposits of $105 million.

On March 2, 2001, the Company completed its acquisition of First Bankshares of West Point, Inc., and its subsidiary First National Bank of West Point. First National Bank of West Point is a $155 million financial institution with offices located in West Point, Georgia, and two offices in the Greater Valley area of Alabama. First Bankshares of West Point, Inc., merged with CCBG, and First National Bank of West Point merged with CCB. The Company issued 3.6419 shares and $17.7543 in cash for each of the 192,481 shares of First Bankshares of West Point, Inc. The transaction was accounted for as a purchase and resulted in approximately $5.5 million of intangibles, primarily goodwill. These intangible assets are being amortized over fifteen years.

(9) CONTINGENCIES

As part of its card processing services operation, the Bank has relationships with several Independent Sales Organizations ("ISOs"). A small number of one ISO's merchants have generated large amounts of charge-backs, and have not reimbursed the ISO for this charge-back activity. Should these charge-backs exceed the financial capacity of the ISO, the Bank could face related exposure. In addition, the ISO and certain merchants may have disputes about reserves placed with the ISO. The Bank is currently involved in a workout strategy with the ISO related to charge-back issues, which management believes substantially mitigates the Bank's potential exposure. The issues are still in their earliest stages and the Bank cannot reasonably estimate potential exposure for losses, if any, at this time. Management does not believe the ultimate resolution of these issues will have a material impact on the Company's financial position or results of operations.

<TABLE>

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

	2001	2000				1999		
	First	Fourth	Third	Second	First	Fourth	Third	Second
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Summary of Operations:								
Interest Income	$ 29,136	$ 28,717	$ 28,018	$ 26,889	$ 25,710	$ 25,366	$ 25,236	$ 24,816
Interest Expense	13,143	12,949	12,039	11,070	10,176	10,171	10,287	10,476

Net Interest Income	15,993	15,768	15,979	15,819	15,534	15,195	14,949	14,340
Provision for Loan Loss	822	825	735	950	610	510	610	580
Net Interest Income After Provision for Loan Loss	15,171	14,943	15,244	14,869	14,924	14,685	14,339	13,760
Noninterest Income	7,329	7,046	6,646	6,675	6,402	6,655	6,719	6,634
Merger Expense	-	12	(2)	751	-	10	74	1,277
Noninterest Expense	15,840	14,847	14,684	14,503	14,352	14,463	14,522	15,040
Income Before Provision for Income Taxes	6,660	7,130	7,208	6,290	6,974	6,867	6,462	4,077
Provision for Income Taxes	2,311	2,478	2,487	2,123	2,361	2,548	2,089	1,182
Net Income	$ 4,349	$ 4,652	$ 4,721	$ 4,167	$ 4,613	$ 4,319	$ 4,373	$ 2,895
Net Interest Income (FTE)	$ 16,440	$ 16,134	$ 16,364	$ 16,217	$ 15,962	$ 15,521	$ 15,435	$ 14,822
Per Common Share:								
Net Income Basic	$ .42	$ .46	$ .46	$ .41	$ .45	$ .42	$ .43	$ .28
Net Income Diluted	.42	.46	.46	.41	.45	.42	.43	.28
Dividends Declared	.1475	.1475	.1325	.1325	.1325	.1325	.12	.12
Book Value	15.62	14.56	14.08	13.51	13.20	12.96	12.78	12.56
Market Price:								
High	26.13	26.75	20.50	20.50	23.00	25.00	30.00	25.00
Low	23.13	18.88	18.75	18.00	15.00	20.19	21.00	20.25
Close	25.19	24.81	19.56	19.50	19.63	21.50	22.75	25.00
Selected Average Balances:								
Loans	$1,082,960	$1,053,675	$1,025,943	$ 989,695	$ 938,351	$ 915,194	$ 892,161	$ 878,976
Earning Assets	1,416,968	1,359,345	1,318,698	1,303,633	1,277,894	1,280,746	1,297,481	1,304,093
Total Assets	1,570,673	1,503,811	1,465,455	1,454,098	1,430,620	1,446,815	1,446,505	1,452,215
Total Deposits	1,301,194	1,223,642	1,203,254	1,202,770	1,198,608	1,235,002	1,234,360	1,247,452
Total Shareowners' Equity	155,393	146,161	141,847	137,014	133,836	131,932	130,134	131,234
Common Equivalent Shares:								
Basic	10,297	10,162	10,192	10,196	10,195	10,179	10,179	10,172
Diluted	10,305	10,186	10,208	10,211	10,211	10,201	10,195	10,187
Ratios:								
ROA	1.12%	1.23%	1.28%	1.15%	1.30%	1.18%	1.20%	.80%
ROE	11.35%	12.66%	13.24%	12.23%	13.86%	12.99%	13.33%	8.85%
Net Interest Margin (FTE)	4.69%	4.73%	4.94%	5.00%	5.02%	4.82%	4.73%	4.56%
Efficiency Ratio	63.16%	61.03%	60.64%	60.30%	60.91%	60.67%	62.30%	66.70%

</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. 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 2001 compares with prior years. Throughout this section, Capital City Bank Group, Inc., and its subsidiaries, collectively, are referred to as "CCBG" or the "Company." Capital City Bank is referred to as "CCB" and First National Bank of Grady County is referred to as "FNBGC", or collectively as the "Banks".

On March 9, 2001, the Company completed its purchase and assumption agreement with First Union National Bank ("First Union") and acquired six of First Union's offices which included real estate, loans and deposits. The transaction created approximately $11.5 million in intangible assets and is being amortized over 10 years. The Company purchased $18 million in loans and assumed deposits of $105 million.

On March 2, 2001, the Company completed its acquisition of First Bankshares of West Point, Inc., and its subsidiary First National Bank of West Point. First National Bank of West Point is a $155 million financial institution with offices located in West Point, Georgia, and two offices in the Greater Valley area of Alabama. First Bankshares of West Point, Inc., merged with CCBG, and First National Bank of West Point merged with CCB. The Company issued 3.6419 shares and $17.7543 in cash for each of the 192,481 shares of First Bankshares of West Point, Inc. The transaction was accounted for as a purchase and resulted in approximately $5.5 million of intangibles, primarily goodwill. These intangible assets are being amortized over fifteen years.

RESULTS OF OPERATIONS

Net Income

Earnings, including the effects of intangible amortization, were $4.3 million, or $.42 per diluted share, for the first quarter of 2001. This compares to $4.6 million, or $.45 per diluted share for the first quarter of 2000. Amortization of intangible assets, net of taxes, totaled $566,000 and $479,000, or $.06 per diluted share and $.05 per diluted share, respectively, for the first quarter in 2001 and 2000. The Company experienced an increase in noninterest expense, attributable to continued geographic expansion and ongoing operating costs. This increase was the most significant factor contributing to the decline in net income.

For The Three Months Ended March 31,

(Dollars in Thousands)	2001	2000
Interest Income	$29,136	$25,710
Taxable Equivalent Adjustment(1)	447	428
Interest Income (FTE)	29,583	26,138
Interest Expense	13,143	10,176
Net Interest Income (FTE)	16,440	15,962
Provision for Loan Losses	822	610
Taxable Equivalent Adjustment	346	428
Net Int. Inc. After Provision	15,171	14,924
Noninterest Income	7,329	6,402
Merger Expense	-	-
Noninterest Expense	15,840	14,352
Income Before Income Taxes	6,660	6,974
Income Taxes	2,311	2,361
Net Income	$ 4,349	$ 4,613
Percent Change	(5.72)%	25.86%
Return on Average Assets(2)	1.12%	1.30%
Return on Average Equity(2)	11.35%	13.86%

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

Net Interest Income

First quarter taxable equivalent net interest income increased $377,000, or 2.4%, over the comparable period for 2000. This increase is attributable to higher loan volume and yields. Table I on page 17 provides a comparative analysis of the Company's average balances and interest rates.

Taxable equivalent interest income increased $3.3 million, or 12.8%, due to growth in the loan portfolio and higher yields. Average loans, which represent the Company's highest yielding asset, increased $144.6 million, or 15.4%, and represented 76.4% of total earning assets in the first quarter of 2001 versus 73.4% for the comparable quarter in 2000. Interest on funds sold increased $415,000, or 106.7%, reflecting higher liquidity levels attributable to the recent Georgia acquisitions. Partially offsetting these increases was a decline in income from investment securities as maturities were used to fund the Company's loan growth. The loan growth and favorable shift in mix of earning assets contributed to an increase of 23 basis points in the yield on earning assets which improved from 8.22% in the first quarter of 2000 to 8.45% in 2001.

Interest expense increased $3.0 million, or 29.2%, due to an increase in average deposits and higher rates paid on interest bearing liabilities. The recent Georgia acquisitions added approximately $217 million in deposits. Rising interest rates during 2000 and competitive pressures contributed to a 70 basis point increase in the average rate paid on interest bearing liabilities. The Company continues to experience competition for deposits in terms of both rate and product. Based on averages, certificates as a percent of average deposits increased from 41.5% in the first quarter of 2000 to 42.2% in the first quarter of 2001.

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) decreased from 4.18% in the first quarter of 2000 to 3.71% in the comparable quarter for 2001 due to higher rates paid on interest bearing liabilities. The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) was 5.02% in the first quarter of 2000 versus 4.69% in the first quarter of 2001. The decline in the margin reflects the higher cost of funds partially offset by increased yields on earning assets.

Provisions for Loan Losses

The provision for loan losses for the three months ended March 31, 2001, was $822,000 versus $610,000 for the first quarter of 2000. While still at historically low levels, the Company did experience slight deterioration in credit quality. Net charge-offs increased over the comparable period in 2000, but declined relative to the fourth quarter of 2000. Nonperforming loans increased $849,000, or 28.9%, during the first quarter. The Company's nonperforming asset ratio increased slightly from .37% at year-end to .42%. As compared to year-end, the reserve for loan losses increased to $11.8 million and represented 1.01% of total loans versus 1.00%.

For a discussion of the Company's nonperforming assets, 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, 2001, 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, 2001	Three Months Ended March 31, 2000
Net Charge-Offs	$811,766	$312,875
Net Charge-Offs (Annualized) as a Percent of Average Loans Outstanding, Net of Unearned Interest	.30%	.13%

Noninterest Income

Noninterest income increased $928,000, or 14.5%, over the first quarter of 2000, which included increases in service charges on deposit accounts, mortgage banking revenues and other income items discussed below.

Service charges on deposit accounts increased $86,000, or 3.7%. Service charge revenues in any one period are dependent on the number of accounts, primarily transaction accounts and the level of activity subject to service charges. The increase in the first quarter of 2001, compared to the comparable quarter in 2000, reflects an increase in number of accounts partially attributable to the Georgia acquisitions.

Data processing revenues decreased $179,000, or 26.3%, over the first quarter of 2000. The decrease primarily reflects a reduction in the number of processing clients.

Income from fiduciary activities decreased $22,000, or 3.4%, over the comparable quarter in 2000. Assets generated through new production were partially offset by declining stock market values. At March 31, 2001, assets under management totaled $327.3 million compared to $323.3 million at March 31, 2000.

Mortgage banking revenues increased $427,000, or 308.8%, over the comparable quarter in 2000. The increase was due to the lower interest rate environment, resulting in fixed rate loans being originated and sold in the secondary market.

Other income increased $618,000, or 23.9%, over the comparable quarter of 2000. The increase is partially attributable to the gain on the sale of bank owned properties of $157,000, credit card merchant fees of $105,000 and merchant and ATM interchange fees of $134,000.

Noninterest income as a percent of average assets was 1.89% for the first quarter of 2001 versus 1.66% for the comparable quarter in 2000.

Noninterest Expense

- -------------------

Noninterest expense in the first quarter of 2001 increased $1.5 million, or 10.4%, over the first quarter of 2000, spread across all expense categories.

Compensation expense increased $878,000, or 11.63%, over the first quarter of 2000 reflecting the addition of associates through the Georgia acquisitions, annual raises, and increased pension and insurance costs for associates.

Occupancy expense, including premises, furniture, fixtures and equipment increased $229,000, or 9.2%, over the first quarter of 2000. The increase was partially due to the addition of nine offices acquired with the Georgia acquisitions. Office leases, maintenance/repairs and other FF&E increased $55,000, $128,000 and $43,000, respectively.

Other noninterest expense increased $380,000, or 8.8%. The increase is attributable to higher intangible amortization resulting from acquisitions of $123,000, credit card and ATM interchange costs of $83,000, legal costs of $102,000 and advertising of $72,000.

Net noninterest expense (noninterest income minus noninterest expense, net of intangible amortization) as a percent of average assets was 1.98% in the first quarter of 2001 compared to 2.04% in 2000. The Company's efficiency ratio (noninterest expense, net of intangible amortization, expressed as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 63.43% in the first quarter 2001 compared to 60.16% for the comparable quarter in 2000. The increase in the efficiency ratio is attributable to higher operating costs.

Income Taxes
- ------------

The provision for income taxes decreased $49,000, or 2.1%, over the first quarter of 2000 reflecting lower taxable income. The Company's effective tax rate for the first quarter of 2001 was 34.7% compared to 33.9% for the same quarter in 2000. The increase in the effective tax rate is attributable to a reduction in nontaxable municipal interest.

FINANCIAL CONDITION

The Company's average assets were $1.6 billion in the first quarter of 2001 and $1.4 billion for the comparable period in 2000. Average earning assets were $1.4 billion for the three months ended March 31, 2001, compared to $1.3 billion for the first quarter of 2000. The change in the mix of earning assets reflects the recent Georgia acquisitions and continued loan generation, partially offset by a decline in investment securities. Table I on page 17 presents average balances for the three months ended March 31, 2001 and 2000.

Average loans increased $144.6 million, or 15.4%, over the comparable period in 2000. Price and product competition remain strong. With the recent rate decline, there is 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 76.4% for the first quarter of 2001, compared to 73.4% for the first quarter of 2000.

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, 2001, the average investment portfolio decreased $38.9 million, or 12.5%, from the first quarter of 2000. 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, 2001, shareowners' equity included a net unrealized gain of $936,000 million compared to a loss of $1.5 million at December 31, 2000. The increase in value reflects a decrease in interest rates during the first quarter.

At March 31, 2001, the Company's nonperforming loans were $3.8 million versus $2.9 million at year-end 2000. As a percent of nonperforming loans, the allowance for loan losses represented 311% at March 31, 2001 versus 360% at December 31, 2000 and 563% at March 31, 2000. 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, 2001 and 2000, versus $971,000 at December 31, 2000. The ratio of nonperforming assets as a percent of loans plus other real estate was .42% at March 31, 2001 compared to .37% at December 31, 2000 and .30% at March 31, 2000.

Average deposits increased 8.6% from $1.2 billion in the first quarter of 2000, to $1.3 billion in the first quarter of 2001. The increase in deposits is partially attributable to the Georgia acquisitions. Excluding acquisitions, existing markets realized growth primarily in certificates of deposit and noninterest bearing demand accounts. The Company is continuing to experience 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 21.1% for the first quarter of 2001 compared to 22.3% for the first quarter of 2000. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 79.3%.

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 funds through established lines of credit with correspondent banks and the Federal Home Loan Bank. Additionally, the parent company maintains a $25.0 million revolving line of credit. As of March 31, 2001, there was $2.3 million outstanding under this facility. During the first quarter of 2001, the Company did not make a principal reduction on the line of credit.

The Company's equity capital was $168.0 million as of March 31, 2001 compared to $147.6 million as of December 31, 2000. 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 7.25% at March 31, 2001 compared to 8.30% at December 31, 2000. The lower ratio reflects the recent Georgia acquisitions. Further, the Company's risk-adjusted capital ratio of 11.58% at March 31, 2001, 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 banks. At March 31, 2001, these regulations and covenants did not impair the Company's (or its subsidiaries') ability to declare and pay dividends or to meet other existing obligations in the normal course of business.

During the first three months of 2001, shareowners' equity increased $20.4 million, or 56.0%, on an annualized basis. Growth in equity during the first quarter was positively impacted by net income of $4.3 million, issuance of common stock of $15.2 million and a change in the net unrealized gain (loss) on available-for-sale securities from a loss of $1.5 million to a gain of $900,000. Equity was reduced by dividends paid during the first quarter of $1.6 million, or $.1475 per share.

At March 31, 2001, the Company's common stock had a book value of $15.62 per diluted share compared to $14.56 at December 31, 2000. On March 30, 2000, the Board of Directors authorized management to repurchase up to 500,000 shares of the Company's outstanding common stock. The purchases will be made in the open market or in privately negotiated transactions. To date, the Company has acquired 210,134 shares.

Other Matters

As part of its card processing services operation, the Bank has relationships with several Independent Sales Organizations ("ISOs"). A small number of one ISO's merchants have generated large amounts of charge-backs, and have not reimbursed the ISO for this charge-back activity. Should these charge-backs exceed the financial capacity of the ISO, the Bank could face related exposure. In addition, the ISO and certain merchants may have disputes about reserves placed with the ISO. The Bank is currently involved in a workout strategy with the ISO related to charge-back issues, which management believes substantially mitigates the Bank's potential exposure. The issues are still in their earliest stages and the Bank cannot reasonably estimate potential exposure for losses, if any, at this time. Management does not believe the ultimate resolution of these issues will have a material impact on the Company's financial position or results of operations.

<TABLE>

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

For Three Months Ended March 31	2001			2000		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Loans, Net of Unearned Interest(1)(2)	$1,082,960	$24,733	9.26%	$ 938,351	$21,161	9.07%
Taxable Investment Securities	189,530	2,777	5.94%	213,136	3,121	5.89%
Tax-Exempt Investment Securities(2)	83,701	1,269	6.06%	99,000	1,467	5.93%
Funds Sold	60,777	804	5.30%	27,407	389	5.71%
Total Earning Assets	1,416,968	29,583	8.45%	1,277,894	26,138	8.22%
Cash & Due From Banks	64,724			65,326		
Allowance for Loan Losses	(11,080)			(10,085)		
Other Assets	100,061			97,485		
TOTAL ASSETS	$1,570,673			$1,430,620		
LIABILITIES						
NOW Accounts	$ 203,842	$ 1,400	2.79%	$ 167,862	$ 948	2.27%
Money Market Accounts	169,221	1,706	4.09%	162,129	1,592	3.95%
Savings Accounts	105,895	612	2.34%	103,817	536	2.07%
Other Time Deposits	548,757	8,069	5.96%	497,296	6,099	4.93%
Total Interest Bearing Deposits	1,027,715	11,787	4.65%	931,104	9,175	3.96%
Short-Term Borrowings	78,981	1,111	5.70%	67,502	784	4.67%
Long-Term Debt	17,013	245	5.83%			

				14,169	217	6.16%
Total Int. Bearing Liabilities	1,123,709	13,143	4.74%	1,012,775	10,176	4.04%
Noninterest Bearing Deposits	273,479			267,504		
Other Liabilities	18,092			16,505		
TOTAL LIABILITIES	1,415,280			1,296,784		
SHAREOWNERS' EQUITY						
Common Stock	103			102		
Surplus	12,010			9,316		
Other Comprehensive Income	(566)			(6,935)		
Retained Earnings	143,846			131,353		
TOTAL SHAREOWNERS' EQUITY	155,393			133,836		
TOTAL LIABILITIES & EQUITY	$1,570,673			$1,430,620		
Net Interest Rate Spread			3.71%			4.18%
Net Interest Income		$16,440			$15,962	
Net Interest Margin			4.69%			5.02%

(1) Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $0.9 million and $1.0 million, for the three months ended March 31, 2001 and 2000, 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 18. This table presents the Company's consolidated interest rate sensitivity position as of March 31, 2001, 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, 2001							
	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	$ 93,583	$ 62,182	$ 52,255	$ 48,660	$ 44,414	$ 98,237	$ 399,331	$ 365,420
Average Interest Rate	9.07%	9.47%	8.97%	9.02%	9.54%	8.05%	9.05%	
Floating Rate(2)	426,295	53,096	62,512	50,014	89,007	84,043	764,967	828,763
Average Interest Rate	9.27%	8.54%	8.36%	8.25%	8.10%	7.60%	8.76%	
Investment Securities(3)								
Fixed Rate	61,410	48,639	30,323	14,302	21,912	76,936	253,522	253,522
Average Interest Rate	5.92%	5.59%	5.36%	5.40%	5.84%	5.71%	5.71%	
Floating Rate	-	-	4,289	7,427	-	503	12,219	12,219
Average Interest Rate	-	-	6.35%	6.73%	-	6.05%	6.57%	
Other Earning Assets								
Fixed Rates	-	-	-	-	-	-	-	-
Average Interest Rates	-	-	-	-	-	-	-	
Floating Rates	153,910	-	-	-	-	-	153,910	153,910
Average Interest Rates	5.21%	-	-	-	-	-	5.21%	
Total Financial Assets	$ 735,198	$163,917	$149,379	$120,403	$155,333	$259,719	$1,583,949	$1,613,834
Average Interest Rates	8.12%	8.02%	7.91%	8.13%	8.19%	7.21%	7.98%	
Deposits(4)								
Fixed Rate Deposits	$ 534,362	$ 70,617	$ 18,249	$ 5,509	$ 2,084	$ 180	$ 631,001	$ 638,227
Average Interest Rates	5.60%	5.82%	5.33%	5.52%	5.27%	6.56%	5.62%	
Floating Rate Deposits	546,552	-	-	-	-	-	546,552	546,552
Average Interest Rates	3.36%	-	-	-	-	-	3.36%	
Other Interest Bearing Liabilities								
Fixed Rate Debt	1,108	842	857	870	863	7,203	11,743	11,743
Average Interest Rate	6.22%	6.09%	6.08%	6.08%	6.09%	6.04%	6.07%	
Floating Rate Debt	50,813	-	-	-				

- -   -   50,813   50,813
Average Interest Rate   5.51%   -   -   -
- -   -   5.51%
Total Financial Liabilities $1,132,835 $ 71,459 $ 19,106 $ 6,379 $
2,947 $ 7,383 $1,240,109 $1,247,335
Average interest Rate   4.52%   5.82%   5.36%   5.60%
5.51%   6.05%   4.62%

(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 Year 1. Other time deposit balances are classified according to maturity.

</TABLE>

PART II. OTHER INFORMATION

ITEMS 1-4.

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

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 2001.

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 14, 2001