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:
June 30, 2001

Commission File Number 0-13358

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

Florida
(State or other jurisdiction of incorporation or organization)

59-2273542
(I.R.S. Employer Identification No.)

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

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 July 31, 2001, 10,685,028 shares of the Registrant's Common Stock, $.01 par value, were outstanding.

CAPITAL CITY BANK GROUP, INC.

FORM 10-Q INDEX

PART I. FINANCIAL INFORMATION
ITEM I. CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED JUNE 30
(UNAUDITED)
(Dollars in Thousands, Except Per Share Amounts)

<CAPTION>

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Interest and Fees on Loans	$26,418	$22,585	$51,090	$43,704
Investment Securities:				
U. S. Treasury	115	161	242	409
U. S. Government Agencies/Corp.	1,731	2,193	3,772	4,461
States and Political Subdivisions	847	1,016	1,729	2,097
Other Securities	587	592	1,196	1,196
Funds Sold	1,181	342	1,986	732
Total Interest Income	30,879	26,889	60,015	52,599
INTEREST EXPENSE				
Deposits	12,712	9,647	24,499	18,822
Short-Term Borrowings	495	1,205	1,606	1,989
Long-Term Debt	189	218	434	435
Total Interest Expense	13,396	11,070	26,539	21,246
Net Interest Income	17,483	15,819	33,476	31,353

Provision for Loan Losses	1,007	950	1,829	1,560
Net Interest Income After Provision for Loan Losses	16,476	14,869	31,647	29,793
NONINTEREST INCOME				
Service Charges on Deposit Accounts	2,656	2,314	5,079	4,650
Data Processing	586	650	1,087	1,330
Income from Fiduciary Activities	717	600	1,354	1,260
Securities Transactions	2	-	3	2
Mortgage Banking Revenues	1,010	318	1,575	456
Other	3,286	2,793	6,488	5,379
Total Noninterest Income	8,257	6,675	15,586	13,077
NONINTEREST EXPENSE				
Salaries and Associate Benefits	9,131	7,485	17,565	15,040
Occupancy, Net	1,410	1,113	2,630	2,209
Furniture and Equipment	1,733	1,479	3,231	2,871
Merger Expense	-	751	-	751
Other	5,857	4,426	10,545	8,735
Total Noninterest Expense	18,131	15,254	33,971	29,606
Income Before Income Taxes	6,602	6,290	13,262	13,264
Income Taxes	2,322	2,123	4,633	4,484
NET INCOME	$ 4,280	$ 4,167	$ 8,629	$ 8,780
Basic Net Income Per Share	$ .40	$ .41	$ .83	$ .86
Diluted Net Income Per Share	$ .40	$ .41	$ .83	$ .86
Cash Dividends Per Share	$ .1475	$ .1325	$ .2950	$ .2650
Basic Average Shares Outstanding	10,713,034	10,195,637	10,506,033	10,195,449
Diluted Average Shares Outstanding	10,721,058	10,211,150	10,514,057	10,210,980

</TABLE>

<TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF JUNE 30, 2001 AND DECEMBER 31, 2000
(Dollars In Thousands, Except Share Data)

<CAPTION>

<S>	June 30, 2001 (Unaudited) <C>	December 31, 2000 (Audited) <C>
ASSETS		
Cash and Due From Banks	$ 78,883	$ 73,367
Funds Sold	123,916	40,623
Investment Securities, Available-for-Sale	247,739	276,839
Loans, Net of Unearned Interest	1,210,141	1,051,832
Allowance for Loan Losses	(11,978)	(10,564)
Loans, Net	1,198,163	1,041,268
Premises and Equipment	44,751	37,023
Intangibles	38,076	22,293
Other Assets	36,611	36,047
Total Assets	$1,768,139	$1,527,460
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 331,431	$ 292,656
Interest Bearing Deposits	1,181,050	975,711
Total Deposits	1,512,481	1,268,367
Short-Term Borrowings	50,590	83,472
Long-Term Debt	16,826	11,707
Other Liabilities	18,512	16,307
Total Liabilities	1,598,409	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; 10,685,025 shares outstanding at June 30, 2001 and 10,108,454 outstanding at December 31, 2000	107	101
Additional Paid-In Capital	21,121	7,369
Retained Earnings	147,122	141,659
Accumulated Other Comprehensive Income (Loss), Net of Tax	1,380	

	(1,522)	
Total Shareowners' Equity	169,730	147,607
Total Liabilities and Shareowners' Equity	$1,768,139	$1,527,460

</TABLE>

<TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30
(Dollars in Thousands)

<S>	2001 (Unaudited) <C>	2000 (Unaudited) <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 8,629	$ 8,779
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Provision for Loan Losses	1,829	1,560
Depreciation	2,047	2,021
Net Securities Amortization	589	700
Amortization of Intangible Assets	1,912	1,404
Gains on Sales of Investment Securities	(2)	(2)
Non-Cash Compensation Expense	763	50
Net Decrease (Increase) in Other Assets	653	(1,434)
Net Increase in Other Liabilities	307	243
Net Cash Provided by Operating Activities	16,727	13,321
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Payments/Maturities of Investment Securities Available-for-Sale	84,012	31,666
Purchase of Investment Securities	(2,482)	(492)
Net Increase in Loans	(67,796)	(104,947)
Purchase of Premises & Equipment	(2,988)	(1,024)
Sales of Premises & Equipment	455	4
Cash & Cash Equivalents from Acquisition	80,420	-
Net Cash Provided By (Used In) Investing Activities	91,621	(74,793)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Increase in Deposits	40,225	30,492
Net (Decrease) Increase in Short-Term Borrowings	(57,882)	14,681
Borrowing of Long-Term Debt	5,196	928
Repayment of Long-Term Debt	(348)	(1,328)
Dividends Paid	(3,166)	(2,702)
Repurchase of Common Stock	(3,761)	-
Issuance of Common Stock	197	29
Net Cash (Used In) Provided by Financing Activities	(19,539)	42,100
Net Increase (Decrease) in Cash and Cash Equivalents	88,809	(19,372)
Cash and Cash Equivalents at Beginning of Period	113,990	93,072
Cash and Cash Equivalents at End of Period	$202,799	$ 73,700
Supplemental Disclosure:		
Interest Paid on Deposits	$ 25,542	$ 18,943
Interest Paid on Debt	$ 1,872	$ 2,460

Transfer of Loans to ORE	$ 968	$ 689
	========	========
Income Taxes Paid	$ 6,018	$ 7,489
	========	========

</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 June 30, 2001 and December 31, 2000, the results of operations for the three and six month periods ended June 30, 2001 and 2000, and cash flows for the six month periods ended June 30, 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

<TABLE>
The carrying value and related market value of investment securities at June 30, 2001 and December 31, 2000 were as follows (dollars in thousands):
<CAPTION>

	June 30, 2001			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U. S. Treasury	$ 8,006	$ 52	$ -	$ 8,058
U. S. Government Agencies and Corporations	46,637	675	-	47,312
States and Political Subdivisions	77,784	836	24	78,596
Mortgage-Backed Securities	73,138	538	335	73,341
Other Securities	39,996	453	17	40,432
Total	$245,561	$2,554	$376	$247,739

	December 31, 2000			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
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

<TABLE>
The composition of the Company's loan portfolio at June 30, 2001 and December 31, 2000 was as follows (dollars in thousands):
<CAPTION>

	June 30, 2001	December 31, 2000
<S>	<C>	<C>
Commercial, Financial and Agricultural	$ 129,181	$ 108,340
Real Estate-Construction	78,707	84,133
Real Estate-Mortgage	266,553	231,099
Real Estate-Residential	522,869	444,489
Consumer	212,831	183,771
Loans, Net of Unearned Interest	$1,210,141	$1,051,832

</TABLE>

(4) ALLOWANCE FOR LOAN LOSSES

<TABLE>
An analysis of the changes in the allowance for loan losses for the six month period ended June 30, 2001 and 2000, is as follows (dollars in thousands):
<CAPTION>

	June 30,	
	2001	2000
<S>	<C>	<C>
Balance, Beginning of the Period	$10,564	$ 9,929
Acquired Reserves	1,206	-
Provision for Loan Losses	1,829	1,560
Recoveries on Loans Previously Charged-Off	435	329
Loans Charged-Off	2,056	1,340
Balance, End of Period	$11,978	$10,478

</TABLE>
<TABLE>
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):
<CAPTION>

	June 30,			
	2001		2000	
Impaired Loans:	Balance	Valuation Allowance	Balance	Valuation Allowance
<S>	<C>	<C>	<C>	<C>
With Related Credit Allowance	$ -	$ -	$ -	$ -
Without Related Credit Allowance	1,081	-	2,052	-
Average Recorded Investment for the Period	1,081	*	2,176	*
Interest Income:				
Recognized	$ 6		$ 63	
Collected	$ 6		$ 33	

* Not Applicable
</TABLE>
The Company recognizes income on impaired loans primarily on the cash basis. Any change in the present value of expected cash flows on impaired loans is recognized through the allowance for loan losses.

(5) DEPOSITS

<TABLE>
The composition of the Company's interest bearing deposits at June 30, 2001 and December 31, 2000 was as follows (dollars in thousands):
<CAPTION>

<S>	June 30, 2001 <C>	December 31, 2000 <C>
NOW Accounts	$ 228,301	$207,978
Money Market Accounts	206,641	156,590
Savings Deposits	112,611	104,035
Other Time Deposits	633,497	507,108
Total Interest Bearing Deposits	$1,181,050	$975,711

</TABLE>

(6) ACCOUNTING PRONOUNCEMENTS

In July 2001, the SEC released Staff Accounting Bulletin ("SAB") No. 102, "Selected Loan Loss Allowance Methodology and Documentation Issues." SAB No. 102 expresses the SEC staff's views on the development, documentation and application of a systematic methodology in determining a GAAP allowance for loan losses. The SAB stresses that the methodology for computing the allowance be both disciplined and consistent, and emphasizes that the documentation supporting the allowance and provision must be sufficient. SAB No. 102 provides guidance that is consistent with the Federal Financial Institutions Examination Council's ("FFIEC"), "Policy Statement on Allowance for Loan and Lease Losses Methodologies and Documentation for Banks and Savings Institutions", which was also issued in July 2001. SAB No. 102 is applicable to all registrants with material loan portfolios while the parallel guidance of the FFIEC is applicable only to banks and savings institutions. The adoption of this bulletin did not have a material impact on reported results of operations of the Company.

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangibles", which is effective for fiscal years beginning after December 15, 2001. This statement addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes Accounting Principles Board ("APB") Opinion No. 17, "Intangible Assets." This statement addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a business combination) should be accounted for in financial statements upon their acquisition. This statement also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. The Company anticipates the adoption of this standard to impact 2002 earnings by approximately $.06 to $.09 per diluted share.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations," which is effective for all business combinations initiated after June 30, 2001. This statement addresses financial accounting and reporting for business combinations and supersedes APB Opinion No. 16, "Business Combinations", and SFAS No. 38, "Accounting for Preacquisition Contingencies of Purchased Enterprises." All business combinations in the scope of this statement are to be accounted for using one method, the purchase method. The adoption of this standard did not have a material impact on the reported results of operations of the Company.

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

<TABLE>
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 and six month periods ended June 30, 2001 and 2000, was as follows (dollars in thousands):
<CAPTION>

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2001	2000	2001	2000
Net Income	$4,280	$4,166	$8,629	$8,779
Other Comprehensive Income, Net of Tax				
Unrealized Gains (Losses) on Securities:				
Unrealized Gains (Losses) on Securities During the Period	444	415	2,902	(429)
Less: Reclassification Adjustments for Gains Included in Net Income	2	-	2	2
Total Unrealized Gains (Losses) On Securities	446	415	2,904	(427)
Other Comprehensive Income, Net of Tax	$4,726	$4,581	$11,533	$8,352

</TABLE>

(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 $104 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 evolving and Management 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>

<S> <C> <C> <C> <C> <C> <C> <C> <C>

	2001		2000				1999	
	Second	First	Fourth	Third	Second	First	Fourth	Third
Summary of Operations:								
Interest Income	$ 30,879	$ 29,136	$ 28,717	$ 28,018	$ 26,889	$ 25,710	$ 25,366	$ 25,236
Interest Expense	13,396	13,143	12,949	12,039	11,070	10,176	10,171	10,287
Net Interest Income	17,483	15,993	15,768	15,979	15,819	15,534	15,195	14,949
Provision for Loan Loss	1,007	822	825	735	950	610	510	610
Net Interest Income After Provision for Loan Loss	16,476	15,171	14,943	15,244	14,869	14,924	14,685	14,339
Noninterest Income	8,257	7,329	7,046	6,646	6,675	6,402	6,655	6,719
Merger Expense	-	-	12	(2)	751	-	10	74
Noninterest Expense	18,131	15,840	14,847	14,684	14,503	14,352	14,463	14,522
Income Before Provision for Income Taxes	6,602	6,660	7,130	7,208	6,290	6,974	6,867	6,462
Provision for Income Taxes	2,322	2,311	2,478	2,487	2,123	2,361	2,548	2,089
Net Income	$ 4,280	$ 4,349	$ 4,652	$ 4,721	$ 4,167	$ 4,613	$ 4,319	$ 4,373
Net Interest Income (FTE)	$ 17,937	$ 16,454	$ 16,134	$ 16,364	$ 16,217	$ 15,962	$ 15,521	$ 15,435
Per Common Share:								
Net Income Basic	$ .40	$ .42	$ .46	$ .46	$ .41	$ .45	$ .42	$ .43
Net Income Diluted	.40	.42	.46	.46	.41	.45	.42	.43
Dividends Declared	.1475	.1475	.1475	.1325	.1325	.1325	.1325	.12
Book Value	15.87	15.62	14.56	14.08	13.51	13.20	12.96	12.78
Market Price:								
High	25.00	26.13	26.75	20.50	20.50	23.00	25.00	30.00
Low	19.88	23.13	18.88	18.75	18.00	15.00	20.19	21.00

Close	24.87	25.19	24.81	19.56	19.50	19.63	21.50	22.75
Selected Average Balances:								
Loans	$1,192,105	$1,082,960	$1,053,675	$1,025,943	$ 989,695	$ 938,351	$ 915,194	$ 892,161
Earning Assets	1,556,195	1,416,968	1,359,345	1,318,698	1,303,633	1,277,894	1,280,746	1,297,481
Assets	1,732,661	1,570,673	1,503,811	1,465,455	1,454,098	1,430,620	1,446,815	1,446,505
Deposits	1,479,248	1,301,194	1,223,642	1,203,254	1,202,770	1,198,608	1,235,002	1,234,360
Shareowners' Equity	168,245	155,393	146,161	141,847	137,014	133,836	131,932	130,134
Common Equivalent Shares:								
Basic	10,713	10,297	10,162	10,192	10,196	10,195	10,179	10,179
Diluted	10,721	10,305	10,186	10,208	10,211	10,211	10,201	10,195
Ratios:								
ROA	.99%	1.12%	1.23%	1.28%	1.15%	1.30%	1.18%	1.20%
ROE	10.20%	11.35%	12.66%	13.24%	12.23%	13.86%	12.99%	13.33%
Net Interest Margin (FTE)	4.62%	4.70%	4.73%	4.94%	5.00%	5.02%	4.82%	4.73%
Efficiency Ratio	65.08%	63.12%	61.03%	60.64%	60.30%	60.91%	60.67%	62.30%

</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 "Results of Operations", "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 $104 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 merger-related expenses and intangible amortization, for the three and six months ended June 30, 2001 were $4.3 million, or $0.40 per diluted share, and $8.6 million, or $0.82 per diluted share. This compares to $4.2 million, or $0.41 per diluted share, and $8.8 million, or $0.86 per diluted share in 2000. The Company did not incur merger-related expenses for the six month period ended June 30, 2001, versus $476,000, or $0.05 per diluted share, net of taxes, for the comparable period in 2000. Amortization of intangible assets, net of taxes, for the first six months in 2001 totaled $1.3 million, or $0.13 per diluted share, compared to $1.0 million, or $.09 per diluted share in 2000.

Net income, excluding merger-related expenses, for the three and six month periods ended June 30, 2001 decreased $347,000, or 7.5%, and $627,000, or 6.8%, respectively. The Company experienced an increase in noninterest expense of 18.9% for the second quarter in 2001 and 14.7% for the first half of 2001, versus the comparable periods in 2000. This was attributable to continued geographic expansion and higher ongoing operating costs. Operating revenues (defined as taxable equivalent net interest income plus noninterest income) in 2001 grew $3.3 million, or 14.4%, and $4.7 million, or 10.4%, respectively, over the three and six month periods in 2000. These and other factors are discussed throughout the Financial Review. A condensed earnings summary is presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Interest and Dividend Income	$30,879	$26,889	$60,015	$52,599
Taxable-Equivalent Adjustment(1)	454	398	915	826
Interest Income (FTE)	31,333	27,287	60,930	53,425
Interest Expense	13,396	11,070	26,539	21,246
Net Interest Income (FTE)	17,937	16,217	34,391	32,179
Provision for Loan Losses	1,007	950	1,829	1,560
Taxable Equivalent Adjustment	454	398	915	826
Net Int. Inc. After Provision	16,476	14,869	31,647	29,793
Noninterest Income	8,257	6,675	15,586	13,077
Merger Expense	-	751	-	751
Noninterest Expense	18,131	14,503	33,971	28,855
Income Before Income Taxes	6,602	6,290	13,262	13,264
Income Taxes	2,322	2,123	4,633	4,484
Net Income	$ 4,280	$ 4,167	$ 8,629	$ 8,780
Percent Change	2.71%	43.94%	(1.71)%	33.83%
Return on Average Assets(2)	.99%	1.15%	1.05%	1.22%
Return on Average Equity(2)	10.20%	12.23%	10.75%	13.04%

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

Net Interest Income

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

Second quarter taxable-equivalent net interest income increased $1.7 million, or 10.6%, over the comparable quarter in 2000. Taxable-equivalent net interest income for the first half of 2001 increased $2.2 million, or 6.9%, over the first half of 2000. The increase in both periods is attributable to higher earning assets, primarily loan volume and funds sold. The higher loan volume was partially offset by declining yields on earning assets and increased balances and rates on interest bearing liabilities. Both earning assets and interest bearing liabilities were higher as a result of the Georgia acquisitions. Table I on page 19 provides a comparative analysis of the Company's average balances and interest rates.

For the three and six month periods ended June 30, 2001, taxable-equivalent interest income increased $4.0 million, or 14.8%, and $7.5 million, or 14.0%, respectively, over the comparable prior year periods. Average loans, which represent the Company's highest yielding asset, increased $173.8 million, or 18.0%, and represented 76.5% of total earning assets for the six months ended June 30, 2001 versus 74.7% for the comparable period in 2000. Funds sold increased $491,000 and $829,000 from the comparable three and six months periods in 2001, reflecting higher liquidity levels resulting from the recent Georgia acquisitions. Partially offsetting these increases was a decline in income from investment securities as maturities were used to fund loan demand. The higher level of liquidity and declining interest rates contributed to a decrease of 6 basis points in the yield on earning assets which declined from 8.32% for the first half of 2000 to 8.26% in 2001.

Interest expense for the three and six month periods ended June 30, 2001 increased $2.3 million, or 21.0%, and $5.3 million, or 24.9%, respectively, over the comparable prior year periods. This was primarily 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 35 basis point increase in the average rate paid on interest bearing liabilities. The Company continued to experience competition for deposits in terms of both rate and product. Interest rates have declined 275 basis points during the first six months of 2001. Management is aggressively managing the cost of funds and has experienced a 39 basis point reduction in the average rate paid on interest bearing liabilities during the second quarter of 2001 versus the prior quarter. Certificates of deposit, which generally represent a higher cost deposit product to the Company, increased from 41.2% of average deposits in the first half of 2000 to 42.5% in 2001.

The Company's interest rate spread (defined as the average federal taxable-equivalent yield on earning assets less the average rate paid on interest bearing liabilities) decreased from 4.13% in the first half of 2000 to 3.72% in the comparable period of 2001. The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) was 4.66% in the first half of 2001, versus 5.01% in the first half of 2000. The decrease in spread and margin is attributable to the higher costs of funds and lower yield on earning assets.

Provision for Loan Losses
- -------------------------

The provision for loan losses was $1.0 million and $1.8 million, respectively, for the three and six month periods ended June 30, 2001, compared to $1.0 million and $1.6 million for the comparable periods in 2000. While still at historically low levels, the Company did experience slight deterioration in credit quality. Net charge-offs increased over the first half of 2000, but remain at low levels relative to the size of the loan portfolio. Nonperforming loans increased $142,000, or 4.8%, during the first six months of 2001. The Company's nonperforming asset ratio declined from .37% at year-end to .32% at June 30, 2001. At June 30, the reserve for loan losses was $12.0 million and represented 1.00% of total loans, consistent with the prior year-end.

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 reserve for loan losses as of June 30, 2001, is sufficient to provide for losses inherent in the portfolio as of that date.

<TABLE>
Charge-off activity for the respective periods is set forth below.
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net Charge-Offs	$809,000	$698,000	$1,621,000	$1,011,000
Net Charge-Offs (Annualized) as a percent of Average Loans Outstanding, Net of Unearned Interest	.27%	.28%	.29%	.21%

</TABLE>

Noninterest Income
- ------------------

Noninterest income increased $1.6 million, or 23.7%, in the second quarter of 2001 versus the comparable quarter for 2000, and $2.5 million, or 19.2%, for the six months ended June 30, 2001 versus the comparable period for 2000. During both periods, service charge on deposit accounts, mortgage banking revenues and other income items posted higher revenues.

Service charges on deposit accounts increased $342,000, or 14.8%, and $429,000, or 9.2%, respectively, over the comparable three and six month periods for 2000. Service charge revenues in any one year are dependent on the number of accounts, primarily transaction accounts, the level of activity subject to service charges and the collection rate. The increase in the first half of 2001 compared to 2000, reflects an increase in number of accounts, primarily attributable to the Georgia acquisitions.

Data processing revenues decreased $64,000, or 9.8%, and $243,000, or 18.3%, respectively, over the comparable three and six month periods in 2000. The decrease primarily reflects a reduction in the number of processing clients.

Revenue from fiduciary activities increased $117,000, or 19.5%, compared to the second quarter of 2000, and $94,000, or 7.5%, over the comparable six month period in 2000. Assets generated through new production were partially offset by declining stock market values. At June 30, 2001, assets under management totaled $342.9 million compared to $320.7 million at June 30, 2000.

Mortgage banking revenues increased $692,000, or 217.9%, and $1.1 million, or 245.4%, respectively, over the comparable three and six month period in 2000. The increase was due to the lower interest rate environment, resulting in fixed rate loans being generated and sold in the secondary market.

Other income increased $493,000, or 17.7%, and $1.1 million, or 20.6%, respectively, for the three and six month periods ended June 30, 2001 over the comparable prior year periods. The increase is partially attributable to accounts receivable financing of $110,000, credit card merchant fees of $235,000, interchange commissions of $233,000, safe deposit revenues of $102,000, gains on the disposal of bank assets of $113,000 and miscellaneous recoveries of $91,000.

Noninterest income as a percent of average assets was 1.90% and 1.82%, respectively, for the first half of 2001 and 2000.

Noninterest Expense
- -------------------

Noninterest expense increased $2.9 million, or 18.9%, and $4.4 million, or 14.7%, respectively, over the comparable three and six month periods in 2000. All expense categories experienced increases attributable to the recent acquisitions.

Compensation expense increased $1.6 million, or 22.0%, and $2.5

million, or 16.8%, respectively, over the comparable three and six month periods 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 $551,000, or 21.3%, and $781,000, or 15.4%, respectively, over the comparable three and six month periods in 2000. The increase was partially due to the addition of nine offices acquired with the two Georgia acquisitions. Office leases, maintenance/repairs and other FF&E increased $176,000, $384,000 and $102,000, respectively.

For the three and six month periods ended June 30, 2001, the Company did not incur any merger related expense. This compares to $751,000 from the comparable periods in 2000.

Other noninterest expense (excluding merger related costs) increased $1.4 million, or 32.3%, and $1.8 million, or 20.7%, respectively, over the comparable three and six month periods in 2000. The increase is attributable to higher intangible amortization resulting from acquisitions of $508,000, credit cards and ATM interchange costs of $302,000, legal costs of $176,000, telephone costs of $138,000, postage of $107,000, courier costs of $84,000, disposal of bank assets of $74,000 and advertising of $85,000.

Annualized net noninterest expense (noninterest income minus noninterest expense, net of intangibles and merger expense) as a percent of average assets was 2.01% in the first half of 2001 versus 2.00% for the first half of 2000. The Company's efficiency ratio (noninterest expense, net of intangibles and merger expense, expressed as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 64.15% in the first half of 2001 compared to 60.60% for the comparable period in 2000. The increase in the efficiency ratio reflects rising costs as noted above.

Income Taxes

The provision for income taxes increased $199,000, or 9.4%, during the second quarter and $149,000, or 3.3%, during the first six months of 2001, relative to the comparable prior year periods. The Company's effective tax rate for the first half of 2001 was 34.9% versus 33.8% for the comparable period 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 $1.7 billion for the first six months of 2001 and $1.4 billion for the comparable period in 2000. Average earning assets were $1.5 billion for the six months ended June 30, 2001, compared to $1.3 billion for the first half of 2000. The increase, as well as 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 19 presents average balances for the three and six month periods ended June 30, 2001 and 2000.

Average loans increased $173.8 million, or 18.0%, 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, primarily first mortgage residential loans. Loans as a percent of average earning assets represented 76.5% of total earning assets for the six months ended June 30, 2001 versus 74.7% for the comparable period in 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 June 30, 2001, the average investment portfolio decreased $38.6 million, or 12.8%, from the comparable period in 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 June 30, 2001, shareowners' equity included an accumulated other comprehensive gain of $1.4 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 half of 2001.

At June 30, 2001, the Company's nonperforming loans were $3.1 million versus $2.9 million at year-end 2000. As a percent of nonperforming loans, the allowance for loan losses represented 389% at June 30, 2001 versus 360% at December 31, 2000 and 324% at June 30, 2000, respectively. 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 $837,000 at June 30, 2001, compared to $971,000 at December 31, 2000, and $1.2 million at June 30, 2000. The ratio of nonperforming assets as a percent of loans plus other real estate was .32% at June 30, 2001, compared to .37% at December 31, 2000, and .43% at June 30, 2000.

Average deposits increased 15.8% from $1.2 billion for the first half of 2000, to $1.4 billion for the first half of 2001. The increase in deposits is primarily attributable to Georgia acquisitions. Excluding acquisitions, existing markets realized growth primarily in certificates of deposit, NOW accounts and noninterest bearing demand accounts. The Company continues 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 21.0% for the first half of 2001 compared to 22.6% for the first half of 2000. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 79.4% and 78.9%, 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 deposits, 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 million revolving line of credit. As of June 30, 2001 there was $2.3 million outstanding under this facility. The Company did not reduce the outstanding principal on the line of credit during the first half of 2001.

The Company's equity capital was $169.7 million as of June 30, 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 "well capitalized" position. The leverage ratio was 7.37% at June 30, 2001 versus 8.30% at December 31, 2000. Further, the Company's risk-adjusted capital ratio of 11.50% significantly 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 agreement, place certain restrictions on the payment of dividends by both the Company and its Group banks. At June 30, 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.

During the first six months of 2001, shareowners' equity increased $22.1 million, or 30.2%, on an annualized basis. Growth in equity during the first half was positively impacted by net income of $8.6 million and issuance of common stock of $17.5 million and a change in the net unrealized gain (loss) on available-for-sale securities from a loss at year-end of $1.5 million to a gain of $1.4 million. Equity was reduced by dividends paid during the first quarter of $3.2 million, or $.295 per share and the repurchase of common stock of $3.7 million.

The Company's common stock had a diluted book value of $15.87 per share at June 30, 2001 compared to $14.56 at December 31, 2000. On March 30, 2000, the Company announced the authorization to repurchase 500,000 shares of its outstanding common stock. The purchases will be made in the open market or in privately negotiated transactions. To date, 281,134 shares have been repurchased.

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 evolving and Management 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

AVERAGE BALANCES & INTEREST RATES
(Taxable Equivalent Basis - Dollars in Thousands)

<CAPTION>

	FOR THREE MONTHS ENDED JUNE 30, 2001			2000		
	Balance	Interest	Rate	Balance	Interest	Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Loans, Net of Unearned Interest(1)	$1,192,105	$26,488	8.91%	$ 989,695	$22,631	9.20%
Taxable Investment Securities	173,497	2,433	5.63%	198,511	2,946	5.97%
Tax-Exempt Investment Securities(2)	80,772	1,231	6.11%	93,813	1,368	5.83%
Funds Sold	109,821	1,181	4.28%	21,614	342	6.36%
Total Earning Assets	1,556,195	31,333	8.07%	1,303,633	27,287	8.42%
Cash & Due From Banks	74,661			63,059		
Allowance for Loan Losses	(11,965)			(10,442)		
Other Assets	113,770			97,848		
TOTAL ASSETS	$1,732,661			$1,454,098		
LIABILITIES						
NOW Accounts	$ 215,941	$ 1,162	2.16%	$ 170,322	$ 1,025	2.42%
Money Market Accounts	208,621	1,867	3.59%	160,356	1,634	4.10%
Savings Accounts	111,345	535	1.93%	105,663	584	2.22%
Other Time Deposits	633,556	9,148	5.79%	491,178	6,404	5.24%
Total Int. Bearing Deposits	1,169,463	12,712	4.36%	927,519	9,647	4.18%
Short-Term Borrowings	52,291	495	3.80%	83,579	1,205	5.80%
Long-Term Debt	14,012	189	5.40%	13,970	218	6.28%
Total Interest Bearing						

	2001 Balance	2001 Interest	2001 Rate	2000 Balance	2000 Interest	2000 Rate
Liabilities	1,235,766	13,396	4.35%	1,025,068	11,070	4.34%
Noninterest Bearing Deposits	309,785			275,251		
Other Liabilities	18,865			16,765		
TOTAL LIABILITIES	1,564,416			1,317,084		
SHAREOWNERS' EQUITY						
Common Stock	107			102		
Surplus	21,730			9,400		
Other Comprehensive Income	736			(7,318)		
Retained Earnings	145,672			134,830		
TOTAL SHAREOWNERS' EQUITY	168,245			137,014		
TOTAL LIABILITIES & EQUITY	$1,732,661			$1,454,098		
Interest Rate Spread			3.72%			4.08%
Net Interest Income		$17,937			$16,217	
Net Interest Margin			4.62%			5.00%

FOR SIX MONTHS ENDED JUNE 30,

	2001 Balance	2001 Interest	2001 Rate	2000 Balance	2000 Interest	2000 Rate
ASSETS						
Loans, Net of Unearned Interest(1)	$1,137,834	$51,222	9.08%	$ 964,023	$43,792	9.14%
Taxable Investment Securities	181,411	5,210	5.79%	205,823	6,066	5.93%
Tax-Exempt Investment Securities(2)	82,229	2,512	6.16%	96,407	2,835	5.84%
Funds Sold	85,434	1,986	4.64%	24,511	732	6.01%
Total Earning Assets	1,486,908	60,930	8.26%	1,290,764	53,425	8.32%
Cash & Due From Banks	69,734			64,192		
Allowance for Loan Losses	(11,525)			(10,263)		
Other Assets	107,011			97,666		
TOTAL ASSETS	$1,652,128			$1,442,359		
LIABILITIES						
NOW Accounts	$ 209,925	$ 2,562	2.46%	$ 169,092	$ 1,973	2.35%
Money Market Accounts	189,030	3,573	3.81%	161,242	3,226	4.02%
Savings Accounts	108,635	1,147	2.13%	104,740	1,120	2.15%
Other Time Deposits	591,390	17,217	5.87%	494,237	12,503	5.09%
Total Int. Bearing Deposits	1,098,980	24,499	4.50%	929,311	18,822	4.07%
Short-Term Borrowings	65,563	1,606	4.94%	75,540	1,989	5.29%
Long-Term Debt	15,504	434	5.64%	14,069	435	6.22%
Total Interest Bearing Liabilities	1,180,047	26,539	4.54%	1,018,920	21,246	4.19%
Noninterest Bearing Deposits	291,746			271,377		
Other Liabilities	18,480			16,637		
TOTAL LIABILITIES	1,490,273			1,306,934		
SHAREOWNERS' EQUITY						

Common Stock	105			102		
Surplus	16,897			9,358		
Other Comprehensive Income	89			(7,127)		
Retained Earnings	144,764			133,092		
TOTAL SHAREOWNERS' EQUITY	161,855			135,425		
TOTAL LIABILITIES & EQUITY	$1,652,128			$1,442,359		
Interest Rate Spread			3.72%			4.13%
Net Interest Income		$34,391			$32,179	
Net Interest Margin			4.66%			5.01%

(1) Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $1.2 million and $2.1 million, for the three and six months ended June 30, 2001, versus $1.0 million and $2.0 million, for the comparable periods ended June 30, 2000.
(2) Interest income includes the effects of taxable equivalent adjustments using a 35% tax rate.
</TABLE>

Item 3. Quantitative and Qualitative 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 rates 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 June 30, 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(1)

(Dollars in Thousands)
<CAPTION>

Other Than Trading Portfolio — June 30, 2001

	Year 1	Year 2	Year 3	Year 4	Year 5	Beyond	Total	Fair Value
Loans								
Fixed Rate	$ 98,174	$ 35,186	$ 48,524	$ 44,542	$ 42,073	$161,663	$ 430,162	$ 439,151
Average Interest Rate	8.69%	9.42%	9.45%	9.41%	9.44%	7.94%	8.70%	
Floating Rate(2)	422,965	48,376	74,205	58,915	93,595	81,923	779,979	796,279
Average Interest Rate	8.56%	8.45%	8.18%	8.33%	7.83%	7.47%	8.30%	
Investment Securities(3)								
Fixed Rate	53,022	40,656	29,421	24,700	16,916	70,293	235,008	235,008
Average Interest Rate	5.90%	5.55%	5.33%	5.78%	5.95%	5.76%	5.75%	
Floating Rate	2,384	-	9,844	-	-	503	12,731	12,731
Average Interest Rate	4.68%	-	6.45%	-	-	6.05%	6.10%	
Other Earning Assets								
Fixed Rates	-	-	-	-	-	-	-	-
Average Interest Rates	-	-	-	-	-	-	-	
Floating Rate	123,916	-	-	-	-	-	123,916	123,916
Average Interest Rates	3.86%	-	-	-	-	-	3.86%	
Total Financial Assets	$700,461	$124,218	$161,994	$128,157	$152,584	$314,382	$1,581,796	$1,607,085
Average Interest Rates	7.53%	7.78%	7.94%	8.21%	8.07%	7.33%	7.66%	
Deposits(4)								
Fixed Rate Deposits	$553,007	$ 59,253	$ 13,447	$ 5,535	$ 2,249	$ 6	$ 633,497	$ 644,252
Average Interest Rates	5.53%	5.45%	5.22%	5.54%	4.77%	4.85%	5.52%	
Floating Rate Deposits	547,553	-	-	-	-	-	547,553	547,553
Average Interest Rates	5.56%	-	-	-	-	-	5.56%	
Other Interest Bearing Liabilities								
Fixed Rate Debt	3,043	1,048	1,048	988	962	7,462	14,551	16,494
Average Interest Rate	5.50%	6.06%	6.05%	6.00%	6.01%	6.00%	5.90%	
Floating Rate Debt	52,865	-	-	-	-	-	52,865	52,865
Average Interest Rate	3.30%	-	-	-	-	-	3.30%	
Total Financial Liabilities	$1,156,468	$ 60,301	$ 14,495	$ 6,523	$ 3,211	$ 7,468	$1,248,466	$1,261,164
Average interest Rate	5.44%	5.46%	5.28%	5.61%	5.14%	6.00%	5.44%	

(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 2001. Other time deposit balances are classified according to maturity.
</TABLE>

PART II. OTHER INFORMATION

Items 1-3.

Not applicable

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders of Capital City Bank Group, Inc. was held on April 24, 2001. Proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, and there was no solicitation in opposition to management's solicitations. The following summarizes all matters voted upon at this meeting.

1. The following directors were elected for terms expiring as noted. These individuals served on the Board of Directors prior to the Annual Meeting. The number of votes cast were as follows:

For terms to expire at the 2004 annual meeting:	For	Against/ Withheld	Abstentions/ Broker Non-Votes
Cader B. Cox, III	8,720,889	1,718	- -
William G. Smith, Jr.	8,720,889	1,718	- -
John B. Wight, Jr.	8,720,889	1,718	

2. The shareowners ratified the selection of Arthur Andersen LLP as the independent auditors for the Company for 2001. The number of votes cast were as follows:

For	Against/ Withheld	Abstentions/ Broker Non-Votes
8,718,962	1,225	2,420

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 second 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: August 14, 2001