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 Ended:
March 31, 2003

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) 671-0300

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 for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes [X] No [ ]

As of April 30, 2003, there were issued and outstanding 10,565,711 shares of the registrant's common stock.

CAPITAL CITY BANK GROUP, INC.

FORM 10-Q I N D E X

INTRODUCTORY NOTE

This Report and other Company communications and statements may contain "forward-looking statements," including statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions. These statements are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. For information concerning these factors and related matters, see Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

WEBSITE ACCESS TO COMPANY'S REPORTS

Capital City Bank Group Inc.'s internet website is www.ccbg.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission.

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)
(UNAUDITED)

<S>	<C> 2003	<C> 2002
INTEREST INCOME		
Interest and Fees on Loans	$ 23,174	$ 23,826
Investment Securities:		
U. S. Treasury	136	-
U. S. Government Agencies and Corporations	866	1,447
States and Political Subdivisions	631	719
Other Securities	178	533
Funds Sold	352	516
Total Interest Income	25,337	27,041
INTEREST EXPENSE		
Deposits	3,226	6,847
Short-Term Borrowings	329	160
Long-Term Debt	545	190
Total Interest Expense	4,100	7,197
Net Interest Income	21,237	19,844
Provision for Loan Losses	779	802
Net Interest Income After Provision for Loan Losses	20,458	19,042
NONINTEREST INCOME		
Service Charges on Deposit Accounts	3,967	2,709
Data Processing	558	501
Asset Management Fees	605	630
Mortgage Banking Revenues	1,576	1,247
Other	3,471	3,207
Total Noninterest Income	10,177	8,294

NONINTEREST EXPENSE		
Salaries and Associate Benefits	11,370	10,544
Occupancy	1,369	1,394
Furniture and Equipment	1,795	1,896
Other	6,136	5,631
Total Noninterest Expense	20,670	19,465
Income Before Income Taxes	9,965	7,871
Income Taxes	3,604	2,760
NET INCOME	$ 6,361	$ 5,111
Basic Net Income Per Share	$ .60	$ .48
Diluted Net Income Per Share	$ .60	$ .48
Cash Dividends Per Share	$ .1700	$ .1525
Average Basic Shares Outstanding	10,565,539	10,644,266
Average Diluted Shares Outstanding	10,602,739	10,674,554

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
</TABLE>

<TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF MARCH 31, 2003 AND DECEMBER 31, 2002
(Dollars In Thousands, Except Per Share Amounts)
(UNAUDITED)

<S>	March 31, 2003 <C>	December 31, 2002 <C>
ASSETS		
Cash and Due From Banks	$ 85,796	$ 89,823
Funds Sold	176,428	170,936
Total Cash and Cash Equivalents	262,404	260,759
Investment Securities, Available-for-Sale	190,119	180,315
Loans, Net of Unearned Interest	1,311,556	1,285,221
Allowance for Loan Losses	(12,437)	(12,495)
Loans, Net	1,299,119	1,272,726
Premises and Equipment, Net	51,484	48,897
Intangibles	28,223	29,034
Other Assets	33,168	33,040
Total Assets	$1,864,517	$1,824,771
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 426,269	$ 406,081
Interest Bearing Deposits	1,032,801	1,028,119
Total Deposits	1,459,070	1,434,200
Short-Term Borrowings	140,138	113,675
Long-Term Debt	53,651	71,745
Other Liabilities	20,644	18,620
Total Liabilities	1,673,503	1,638,240
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; 10,565,708 issued and outstanding at March 31, 2003 and 10,556,968 issued and outstanding at December 31, 2002	106	106
Additional Paid-In Capital	15,120	14,717
Retained Earnings	173,152	168,587
Accumulated Other Comprehensive Income, Net of Tax	2,636	3,121
Total Shareowners' Equity	191,014	186,531
Total Liabilities and Shareowners' Equity	$1,864,517	$1,824,771

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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
</TABLE>

<TABLE>

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

<S>	2003 <C>	2002 <C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 6,361	$ 5,111
Adjustments to Reconcile Net Income to		
Cash Provided by Operating Activities:		
Provision for Loan Losses	779	802
Depreciation	1,151	1,238
Net Securities Amortization	532	275
Amortization of Intangible Assets	811	811
Gain on Sale of Securities	(11)	-
Non-Cash Compensation	228	245
Net Decrease in Other Assets	202	1,468
Net Increase in Other Liabilities	2,191	1,283
Net Cash Provided by Operating Activities	12,244	11,233
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Payments/Maturities of Investment Securities Available-for-Sale	35,464	14,497
Purchase of Investment Securities	(46,554)	(16,137)
Net (Increase) Decrease in Loans	(27,222)	12,431
Purchase of Premises & Equipment	(3,739)	(1,309)
Sales of Premises & Equipment	1	86
Net Cash (Used In) Provided by Investing Activities	(42,050)	9,568
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase (Decrease) in Deposits	24,870	(58,579)
Net Increase in Short-Term Borrowings	6,463	27,246
Borrowing of Long-Term Debt	2,560	775
Repayment of Long-Term Debt	(653)	(1,029)
Dividends Paid	(1,796)	(1,632)
Repurchase of Common Stock	-	(605)
Issuance of Common Stock	7	43
Net Cash Provided By (Used In) Financing Activities	31,451	(33,781)
Net Increase (Decrease) in Cash and Cash Equivalents	1,645	(12,980)
Cash and Cash Equivalents at Beginning of Period	260,759	256,830
Cash and Cash Equivalents at End of Period	$262,404	$243,850
Supplemental Disclosure:		
Interest Paid on Deposits	$ 3,008	$ 8,274
Interest Paid on Debt	$ 886	$ 350
Transfer of Loans to ORE	$ 50	$ 286
Income Taxes Paid	$ 948	$ 910
Issuance of Common Stock as Non-Cash Compensation	$ 333	$ 245
Transfer of Current Portion of Long-Term Debt to Short-Term Borrowings	$ 20,000	$ -

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
</TABLE>

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

(1) SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, including Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. Prior period financial statements have been reformatted and/or amounts reclassified, as necessary, to conform with the current 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, 2003 and December 31, 2002, the results of operations for the three month periods ended March 31, 2003 and 2002, and cash flows for the three month periods ended March 31, 2003 and 2002.

The Company and its subsidiaries follow accounting principles generally accepted in the United States of America and reporting practices applicable to the banking industry. The principles that 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 2002 Annual Report on Form 10-K.

Stock-based Compensation

As of March 31, 2003, the Company had three stock-based employee compensation plans, consisting of the Associate Stock Incentive Plan ("AIP"), the Associate Stock Purchase Plan ("ASPP") and the Director Stock Purchase Plan ("DSPP"). In addition to stock-based compensation plans, the Company also executed an employee incentive stock option arrangement effective January 1, 2003. Prior to 2003, the Company accounted for its stock-based compensation under the recognition and measurement provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees ("APB 25"), and related interpretations. Stock-based employee compensation cost is reflected in 2002 net income for only the AIP, as the ASPP and DSPP were considered noncompensatory under the provisions of APB 25. Effective January 1, 2003, the Company adopted the fair value recognition provisions of the Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 123 ("SFAS 123"), Accounting for Stock-Based Compensation, prospectively to all employee awards granted, modified, or settled after January 1, 2003. Awards under the Company's plans vest over periods ranging from six-months to four years. Therefore, the cost related to stock-based employee compensation included in the determination of net income for 2003 and 2002 is different than that which would have been recognized if the fair value based method had been applied to all awards since the original effective date of SFAS 123, as a result of the difference between compensation measurement dates under SFAS 123 and APB 25, the differences in what instruments are considered noncompensatory, and the fact that awards granted prior to January 1, 2003 remain accounted for under APB 25. The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied to all outstanding and unvested awards in each period.

<TABLE>

	Period Ended March 31,	
(Dollars in Thousands, Except Per Share Data)	2003	2002
<S>	<C>	<C>
Net income, as reported	$ 6,361	$ 5,111
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	141	138
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(99)	(97)

Pro forma net income	$ 6,403	$ 5,152
Earnings per share:		
Basic-as reported	$ .60	$ .48
Basic-pro forma	$ .61	$ .48
Diluted-as reported	$ .60	$ .48
Diluted-pro forma	$ .60	$ .48

</TABLE>

(2) INVESTMENT SECURITIES

The carrying values and related market value of investment securities at March 31, 2003 and December 31, 2002 were as follows (dollars in thousands):

<TABLE>

	March 31, 2003			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury	$ 41,221	$ 48	$ -	$ 41,269
U.S. Government Agencies and Corporations	43,455	641	-	44,096
States and Political Subdivisions	61,606	2,450	1	64,055
Mortgage-Backed Securities	27,005	837	-	27,842
Other Securities	12,671	186	-	12,857
Total	$185,958	$4,162	$ 1	$190,119

</TABLE>
<TABLE>

	December 31, 2002			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury	$ 10,438	$ 5	$ -	$ 10,443
U.S. Government Agencies and Corporations	51,075	884	-	51,959
States and Political Subdivisions	62,845	2,632	2	65,475
Mortgage-Backed Securities	34,750	1,180	-	35,930
Other Securities	16,281	227	-	16,508
Total	$175,389	$4,928	$ 2	$180,315

</TABLE>

(3) LOANS

<TABLE>
The composition of the Company's loan portfolio at March 31, 2003 and December 31, 2002 was as follows (dollars in thousands):

	March 31, 2003	December 31, 2002
<S>	<C>	<C>
Commercial, Financial and Agricultural	$ 146,293	$ 141,459
Real Estate - Construction	87,283	91,110
Real Estate - Commercial Mortgage	382,778	356,807
Real Estate - Residential	335,332	336,705
Real Estate - Home Equity	95,319	92,277
Real Estate - Loans Held-for-Sale	6,855	22,454
Consumer	226,967	221,776
Other Loans <F1>	30,729	22,633
Loans, Net of Unearned Interest	$1,311,556	$1,285,221

<FN>

<F1> Consists primarily of loans-in-process.
</FN>
</TABLE>

(4) ALLOWANCE FOR LOAN LOSSES

<TABLE>
An analysis of the changes in the allowance for loan losses for the three-month periods ended March 31, 2003 and 2002, was as follows (dollars in thousands):

	March 31,	
	2003	2002
<S>	<C>	<C>
Balance, Beginning of Period	$12,495	$12,096
Provision for Loan Losses	779	802
Recoveries on Loans Previously Charged-Off	211	355
Loans Charged-Off	(1,048)	(1,140)
Balance, End of Period	$12,437	$12,113

</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):

	March 31,			
	2003		2002	
	Balance	Valuation Allowance	Balance	Valuation Allowance
<S>	<C>	<C>	<C>	<C>
Impaired Loans:				
With Related Valuation Allowance	$ 641	$227	$1,523	$379
Without Related Valuation Allowance	732	-	733	-
Average Recorded Investment for the Period	1,451	*	2,444	*

* 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 is recognized through the allowance for loan losses. For the periods ended March 31, 2003 and 2002, the Company recognized $5,000 and $27,000, respectively, in interest income on impaired loans, all of which was collected in cash.

(5) DEPOSITS

<TABLE>
The composition of the Company's interest-bearing deposits at March 31, 2003 and December 31, 2002 was as follows (dollars in thousands):

	March 31, 2003	December 31, 2002
<S>	<C>	<C>
NOW Accounts	$ 280,335	$ 276,487
Money Market Accounts	205,940	209,508
Savings Deposits	108,632	104,053
Time Deposits	437,894	438,071
Total Interest Bearing Deposits	$1,032,801	$1,028,119

</TABLE>

(6) INTANGIBLE ASSETS

As of January 1, 2002, the Company adopted SFAS No. 142, Goodwill and Other Intangible Assets ("SFAS 142"). The adoption of SFAS 142 required the Company to discontinue goodwill amortization and identify reporting units to which the goodwill related for purposes of assessing potential impairment of goodwill on an annual basis, or more frequently, if events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. In accordance with the guidelines in SFAS 142, the Company determined it has one reporting unit with goodwill.

<TABLE>

The Company had intangible assets of $28.2 million and $29.0 million at March 31, 2003 and December 31, 2002, respectively. Intangible assets were as follows (dollars in thousands):

	March 31, 2003		December 31, 2002	
Description	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
<S>	<C>	<C>	<C>	<C>
Core Deposit Intangibles	$33,752	$12,209	$33,752	$11,398
Goodwill	10,466	3,786	10,466	3,786
Total Intangible Assets	$44,218	$15,995	$44,218	$15,184

</TABLE>

Net Core Deposit Intangibles:

As of March 31, 2003 and December 31, 2002, the Company had net core deposit intangibles of $21.5 million and $22.5 million, respectively. The adoption of SFAS 142 did not have a material impact on the useful lives assigned to the Company's intangible assets subject to amortization. Amortization expense for the first three months of 2003 and 2002 was $811,000 for both periods, respectively.

Goodwill:

As of March 31, 2003 and December 31, 2002, the Company had goodwill, net of accumulated amortization, of $6.7 million. Goodwill is the Company's only intangible asset that is no longer subject to amortization under the provisions of SFAS 142.

(7) COMPREHENSIVE INCOME

SFAS No. 130, Reporting Comprehensive Income, requires that certain transactions and other economic events that bypass the income statement be displayed as other comprehensive income. The Company's comprehensive income consists of net income and changes in unrealized gains on securities available-for-sale, net of income taxes. Changes in unrealized gains/losses (net of taxes) on securities are reported as other comprehensive income and totaled a loss of $485,000 and $386,000 for the three months ended March 31, 2003 and 2002, respectively. Reclassification adjustments consist only of realized gains on sales of investment securities and were not material for the three months ended March 31, 2003 and 2002.

<TABLE>

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

	2003	2002				2001		
	First	Fourth	Third	Second	First	Fourth	Third	Second
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Summary of Operations:								
Interest Income	$ 25,337	$ 26,052	$ 26,403	$ 26,599	$ 27,041	$ 28,706	$ 30,258	$ 30,882
Interest Expense	4,100	4,667	4,946	5,693	7,197	9,454	12,256	13,396
Net Interest Income	21,237	21,385	21,457	20,906	19,844	19,252	18,002	17,486
Provision for								

Loan Losses	779	863	991	641	802	932	1,222	1,007
Net Interest Income After Provision for Loan Losses	20,458	20,522	20,466	20,265	19,042	18,320	16,780	16,479
Noninterest Income	10,177	11,243	9,087	8,552	8,294	8,536	7,918	8,255
Conversion/ Merger Expense	-	59	-	39	114	588	-	-
Noninterest Expense	20,670	21,316	20,526	20,293	19,351	19,251	18,993	18,132
Income Before Provision for Income Taxes	9,965	10,390	9,027	8,485	7,871	7,017	5,705	6,602
Provision for Income Taxes	3,604	3,668	3,226	3,037	2,760	2,522	1,963	2,322
Net Income	$ 6,361	$ 6,722	$ 5,801	$ 5,448	$ 5,111	$ 4,495	$ 3,742	$ 4,280
Net Interest Income (FTE)	$ 21,607	$ 21,786	$ 21,873	$ 21,331	$ 20,284	$ 19,689	$ 18,431	$ 17,935
Per Common Share:								
Net Income Basic	$ .60	$ .63	$ .55	$ .52	$ .48	$ .42	$ .35	$ .40
Net Income Diluted	.60	.63	.55	.51	.48	.42	.35	.40
Dividends Declared	.1700	.1700	.1525	.1525	.1525	.1525	.1475	.1475
Diluted Book Value	18.02	17.60	17.18	16.74	16.38	16.08	16.24	15.87
Market Price:								
High	40.40	40.05	36.94	34.80	27.50	24.67	25.25	25.00
Low	33.51	27.83	27.90	25.75	22.65	21.90	20.87	19.88
Close	39.11	39.19	33.06	34.53	27.00	24.23	23.47	24.87
Selected Average Balances:								
Loans	$1,289,161	$1,292,893	$1,266,591	$1,234,787	$1,229,344	$1,242,516	$1,204,323	$1,192,103
Earning Assets	1,615,286	1,591,536	1,511,485	1,547,603	1,575,698	1,584,225	1,561,519	1,556,186
Assets	1,796,657	1,762,174	1,678,620	1,720,095	1,748,211	1,756,995	1,734,392	1,733,115
Deposits	1,407,763	1,404,818	1,388,396	1,440,615	1,467,257	1,488,961	1,483,527	1,479,159
Shareowners' Equity	190,416	185,412	180,910	176,678	175,485	176,549	170,511	169,516
Common Equivalent Average Shares:								
Basic	10,566	10,552	10,551	10,576	10,644	10,674	10,685	10,713
Diluted	10,603	10,591	10,590	10,606	10,675	10,715	10,693	10,721
Ratios:								
ROA	1.44%	1.51%	1.37%	1.27%	1.19%	1.01%	.86%	.99%
ROE	13.55%	14.38%	12.72%	12.37%	11.81%	10.10%	8.71%	10.13%
Net Interest Margin (FTE)	5.42%	5.44%	5.74%	5.52%	5.22%	4.93%	4.70%	4.62%
Efficiency Ratio	62.48%	62.08%	63.68%	65.20%	64.88%	65.30%	68.17%	65.09%

</TABLE>

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

Management's discussion and analysis provides supplemental information, which 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 Consolidated Financial Statements and related notes. The Financial Review is divided into subsections entitled "Results of Operations," "Financial Condition," "Liquidity and Capital Resources" and "Accounting Policies." Information therein should facilitate a better understanding of the major factors and trends that affect the Company's earnings performance and financial condition, and how the Company's performance during 2003 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" or the "Bank."

The period-to-date averages used in this report are based on daily balances for each respective period. In certain circumstances, comparing average balances for the comparable quarters of consecutive years may be more meaningful than simply analyzing year-to-date averages. Therefore, where appropriate, quarterly averages have been presented for analysis and have been noted as such. See Table I for average balances and interest rates presented on a quarterly basis.

This Report and other Company communications and statements may contain "forward-looking statements." These forward-looking statements include, among others, statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions that are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan" and similar expressions are intended to identify forward-looking statements. The following factors, among others, could cause our financial performance to differ materially from what is contemplated in those forward-looking statements:

* The strength of the United States economy in general and the strength of the local economies in which we conduct operations may be different than expected resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, including the resultant effect on our loan portfolio and allowance for loan losses;

* The effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System;

* Inflation, interest rate, market and monetary fluctuations;

* Adverse conditions in the stock market and other capital markets and the impact of those conditions on our capital markets and capital management activities, including our investment and wealth management advisory businesses and brokerage activities;

* Changes in U.S. foreign or military policy;

* The timely development of competitive new products and services by us and the acceptance of those products and services by new and existing customers;

* The willingness of customers to accept third-party products marketed by us;

* The willingness of customers to substitute competitors' products and services for our products and services and vice versa;

* The impact of changes in financial services laws and regulations (including laws concerning taxes, banking, securities and insurance);

* Technological changes;

* Changes in consumer spending and saving habits;

* The effect of corporate restructuring, acquisitions or dispositions, including the actual restructuring and other related charges and the failure to achieve the expected gains, revenue growth or expense savings from such corporate restructuring, acquisitions or dispositions;

* The growth and profitability of our noninterest or fee income being less than expected;

* Unanticipated regulatory or judicial proceedings;

* The impact of changes in accounting policies by the Securities and Exchange Commission;

* Adverse changes in the financial performance and/or condition of our borrowers, which could impact the repayment of those borrowers' outstanding loans; and

* Our success at managing the risks involved in the foregoing.

We caution that the foregoing list of important factors is not exhaustive. Also, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

The Company is headquartered in Tallahassee, Florida and as of March 31, 2003 had 53 offices covering 17 counties in Florida, four counties in Georgia and one county in Alabama.

RESULTS OF OPERATIONS

Net Income

Earnings, including the effects of intangible amortization, were $6.4 million, or $.60 per diluted share, for the first quarter of 2003. This compares to $5.1 million, or $.48 per diluted share for the first quarter of 2002. Amortization of intangible assets, net of taxes, totaled $811,000 for the first quarter in 2003 and 2002, or $.05 and $.04 per diluted share, respectively.

The Company experienced growth in operating revenues of 11.2% over the comparable quarter in 2002. This increase is primarily due to growth in the taxable equivalent net interest income of 6.5% and noninterest income of 22.7%. The net interest margin increased 20 basis points over the first quarter of 2002 to a level of 5.42%, attributable to an 83 basis point reduction in the Company's cost of funds. Growth in noninterest income resulted from increased deposit fees, reflecting higher overdraft and NSF fees. Mortgage banking revenues remained strong and continued to reflect the higher volume of fixed rate residential mortgages sold to the secondary market.

<TABLE>
A condensed earnings summary is presented below (Dollars in Thousands):

	For the Three Months Ended March 31, 2003	2002
<S>	<C>	<C>
Interest Income	$25,337	$27,041
Taxable Equivalent Adjustment <F1>	370	440
Interest Income (FTE)	25,707	27,481
Interest Expense	4,100	7,197
Net Interest Income (FTE)	21,607	20,284
Provision for Loan Losses	779	802
Taxable Equivalent Adjustment	370	440
Net Int. Inc. After Provision	20,458	19,042
Noninterest Income	10,177	8,294
Noninterest Expense	20,670	19,465
Income Before Income Taxes	9,965	7,871
Income Taxes	3,604	2,760
Net Income	$ 6,361	$ 5,111
Percent Change	24.46%	17.52%
Return on Average Assets <F2>	1.44%	1.19%
Return on Average Equity <F2>	13.55%	11.81%

<FN>
<F1> Computed using a statutory tax rate of 35%
<F2> Annualized
</FN>
</TABLE>

Net Interest Income
- -------------------

First quarter taxable-equivalent net interest income increased $1.3 million, or 6.5%, over the comparable quarter in 2002. The favorable impact of lower funding costs and growth in earning assets was partially offset by declining asset yields attributable to the low interest rate environment. Table I on page 20 provides a comparative analysis of the Company's average balances and interest rates.

Taxable equivalent interest income decreased $1.8 million, or 6.5% from the comparable quarter in 2002. Earning assets repriced at lower levels, reflecting the rate environment and strong market competition. New loan production and repricing of existing earning assets produced a 52 basis point reduction in the yield on earning assets, which declined from 7.07% for the first quarter in 2002 to 6.45% for the same period in 2003. Growth in earning assets and the favorable shift in mix partially offset the decline in yield.

Interest expense decreased $3.1 million, or 43.0%, over the first quarter of 2002. The general decline in interest rates produced favorable rate variances on interest bearing liabilities. This was further enhanced by a favorable shift in mix, as certificates of deposit (generally a higher cost deposit product) declined relative to total deposits. Certificates of deposit, as a percent of average deposits, declined from 38.8% in 2002 to 30.9% in 2003. The average rate paid on interest bearing liabilities in 2003 declined 102 basis points over first quarter 2002, to a level of 1.39%.

The Company's interest rate spread (defined as the average taxable equivalent yield on earning assets less the average rate paid on interest bearing liabilities) increased from 4.66% in the first quarter of 2002 to 5.06% in the comparable quarter for 2003. The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) was 5.22% in the first quarter of 2002 versus 5.42% in the first quarter of 2003. The improvement in both the spread and margin reflects the lower cost of funds.

Provisions for Loan Losses
- --------------------------

The provision for loan losses of $779,000 for the quarter was slightly lower than the first quarter of 2002 due to continued improvement in the Bank's overall credit quality.

Net charge-offs increased $52,000 from the first quarter of 2002, but remain at historically low levels. In both periods net charge-offs represented .26% of average loans for the quarter. The Company's non-performing assets ratio improved to .29% at March 31, 2003 compared to .30% for year-end 2002 and ..35% at March 31, 2002.

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

	Three Months Ended March 31,	
(Dollars in Thousands)	2003	2002
<S>	<C>	<C>
CHARGE-OFFS		
Commercial, Financial and Agricultural	$ 142	$ 184
Real Estate - Construction	-	-
Real Estate - Commercial Mortgage	-	-
Real Estate - Residential	19	64
Consumer	887	892
Total Charge-offs	1,048	1,140
RECOVERIES		
Commercial, Financial and Agricultural	14	46
Real Estate - Construction	-	-
Real Estate - Commercial Mortgage	-	-
Real Estate - Residential	-	1
Consumer	197	308
Total Recoveries	211	355
Net Charge-offs	$ 837	$ 785

	======	======
Net Charge-Offs (Annualized) as a Percent of Average Loans Outstanding, Net of Unearned Interest	.26%	.26%
	======	======

</TABLE>

At March 31, 2003, the allowance for loan losses totaled $12.4 million, constant with year-end 2002. At quarter-end 2003, the allowance represented 0.95% of total loans. Management considers the allowance to be adequate based on the current level of nonperforming loans and the estimate of losses inherent in the portfolio as of March 31, 2003.

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

Noninterest income increased $1.9 million, or 22.7%, over the first quarter of 2002, driven primarily by higher deposit fees and mortgage banking revenues. Noninterest income represented 32.4% of operating revenue for the first quarter of 2003, compared to 29.5% for the first quarter of 2002. Both deposit fee income and mortgage banking revenues are expected to remain strong during the second quarter.

Service charges on deposit accounts increased $1.3 million, or 46.4%. 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 higher revenues in the first quarter of 2003, compared to 2002, are primarily attributable to an increase in overdraft/NSF fees, which is anticipated to have a favorable impact throughout the remainder of the year.

Data processing revenues of $558,000 for the first quarter of 2003 reflect an increase of $57,000, or 11.4%, over the comparable period in 2002. The Company currently provides data processing services for six financial clients, an increase of one from the first quarter ended 2002. During the first quarter of 2003, financial clients represented approximately 63.0% of total processing revenues compared to 61.4% in the comparable period in 2002. Management believes quarterly revenues for the remainder of 2003 will remain consistent with the revenues generated in the first quarter.

Income from asset management activities decreased $25,000, or 4.0%, over the comparable quarter in 2002. Fees lost due to the decline in stock market values over the past year have outpaced the incremental revenues attributable to new business development, as fees are primarily based on portfolio market values at quarter-end. At March 31, 2003, assets under management totaled $335.6 million, representing a decline of $5.8 million, or 1.7% from the comparable period in 2002.

Mortgage banking revenues increased $329,000, or 26.4%, over the comparable quarter in 2002. The Company continues to be among the leaders in the production of residential mortgage loans in most of its markets. The Bank generally sells into the secondary market all fixed rate residential loan production. The low interest rates continue to produce a high level of fixed rate production and increased mortgage banking revenues. The level of interest rates, origination volume and percent of fixed rate production is expected to impact the Company's ability to maintain the current level of mortgage banking revenues throughout the remainder of 2003.

Other income increased $253,000, or 7.91%, over the comparable quarter of 2002. The Company experienced increases in retail brokerage fees of $46,000, ATM/Visa settlement fees of $70,000, merchant card processing fees of $128,000, and ATM surcharge fees of $58,000.

Noninterest income as a percent of average assets was 2.30% for the first quarter of 2003, compared to 1.92% for the first quarter of 2002, driven primarily by increases in deposit fees and mortgage banking revenues.

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

Noninterest expense in the first quarter of 2003 increased $1.2 million, or 6.2%, over the first quarter of 2002. Factors impacting the Company's noninterest expense during the first quarter of 2003 are discussed below.

Compensation expense increased $826,000, or 7.8%, over the first quarter of 2002. The company experienced increases in pension costs of $393,000, higher healthcare insurance premiums of $162,000, and salaries of $240,000. The higher pension costs is a result of an increase in the number of plan participants and the lower than expected return on plan assets resulting from the general stock market decline. Healthcare premiums have risen due to the addition of plan participants and the rising costs charged by healthcare providers.

Occupancy expense, including premises, furniture, fixtures and equipment decreased $126,000, or 3.8%, over the first quarter of 2002. The Company experienced decreases in depreciation of $87,000, and maintenance and repairs of $48,000 from the comparable period in 2002. The decrease in depreciation is primarily attributable to the unusually high level of depreciation incurred during first quarter of 2002 due to the running of dual data processing systems. Occupancy costs are expected to increase over the course of 2003 due to the opening of three full-service banking offices.

Other noninterest expense increased $505,000, or 9.0%. The increase was primarily the result of: (1) higher EDP processing services of $129,000 resulting from the system conversion during 2002; (2) higher legal costs of $110,000 primarily resulting from litigation costs and new corporate governance compliance requirements; (3) increased ATM/Visa settlement service fees of $152,000 resulting from higher transaction volumes in merchant services; and (4) miscellaneous expenses of $139,000.

Net noninterest expense (noninterest income minus noninterest expense, excluding intangible amortization) as a percent of average assets was 2.19% in the first quarter of 2003 compared to 2.40% in 2001. The Company's efficiency ratio (noninterest expense, excluding intangible amortization, expressed as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 62.48% in the first quarter 2003 compared to 64.88% for the comparable quarter in 2002. This improvement is attributable to growth in operating revenues.

Income Taxes

The provision for income taxes increased $844,000, or 30.6%, over the first quarter of 2002, reflecting higher taxable income as a result of a decline in tax-exempt income. The Company's effective tax rate for the first quarter of 2003 was 36.2% compared to 35.1% for the same quarter in 2002. The increase in the effective tax rate is primarily attributable to a reduction in tax-exempt municipal interest.

FINANCIAL CONDITION

The Company's average assets increased $48.4 million, or 2.8%, from $1.7 billion at March 31, 2002 to $1.8 billion in the comparable quarter of 2003. Average earning assets of $1.6 billion, increased $39.6 million, or 2.5% from the comparable quarter of 2002. Throughout 2002 and the first quarter of 2003, there was a favorable shift in mix of earning assets as the Company continues to experience net loan growth. Loan growth was primarily funded through existing liquidity and the maturity of investment securities. Table I on page 20 presents average balances for the three month periods ended March 31, 2003 and 2002.

Average loans increased $59.8 million, or 4.9%, over the comparable period in 2002. The strong production levels have resulted in growth in all loan categories, with the exception of residential 1-4 family. The decline in residential 1-4 family was a result of the high level of refinancing activity that continues to occur. Loans as a percent of average earning assets increased to 79.8% for the first quarter of 2003, compared to 78.0% for the first quarter of 2002. Price and product competition remain strong. With the lower rate environment, there continues to be an increased demand for fixed-rate, longer term financing. Management anticipates moderate to strong loan production during the second quarter of 2003 in the majority of its markets.

Although management is continually evaluating alternative sources of revenue, lending is a major component of the Company's business and is key to profitability. While management strives to identify opportunities to increase loans outstanding and enhance the portfolio's overall contribution to earnings, it can do so only by adhering to sound lending principles applied in a prudent and consistent manner. Thus, management will not relax its underwriting standards in order to achieve designated growth goals.

Management maintains the allowance for loan losses at a level sufficient to provide for the estimated credit losses inherent in the loan portfolio as of the balance sheet date. Credit losses arise from the borrowers' ability and willingness to repay, and from other risks inherent in the lending process, including collateral risk, operations risk, concentration risk and economic risk. All related risks of lending are considered when assessing the adequacy of the loan loss reserve. The allowance for loan losses is established through a provision charged to expense. Loans are charged against the allowance when management believes collection of the principal is unlikely. The allowance for loan losses is based on management's judgment of overall loan quality. This is a significant estimate based on a detailed analysis of the loan portfolio. The balance can and will change based on changes in the assessment of the portfolio's overall credit quality. Management evaluates the adequacy of the allowance for loan losses on a quarterly basis.

The allowance for loan losses at March 31, 2003 was $12.4 million, slightly higher than the $12.1 million recorded at March 31, 2002. The allowance as a percent of total loans was 0.95% in 2003, versus 0.98% at March 31, 2002. While there can be no assurance that the Company will not sustain loan losses in a particular period that are substantial in

relation to the size of the allowance, management's assessment of the loan portfolio would not indicate a likelihood of this occurrence. It is management's opinion that the allowance at March 31, 2003 is adequate to absorb losses inherent in the loan portfolio at quarter-end.

The Company continues to operate with a high level of liquidity with average funds sold of $122.7 million. This represents a slight decline of $4.9 million, or 3.8% from the March 31, 2002 level of $127.6 million. For a further discussion on liquidity see the section "Liquidity and Capital Resources."

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, 2003, the average investment portfolio decreased $15.3 million, or 7.0%, from the first quarter of 2002. The decline was partially offset by management's decision to purchase available-for-sale securities during the fourth quarter of 2002 and early first quarter of 2003. The excess funds generated from the securities maturing were partially used to fund loan growth. Management will continue to evaluate the need to purchase securities for the investment portfolio throughout 2003.

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, 2003, shareowners' equity included a net unrealized gain of $2.6 million compared to a gain of $3.1 million at December 31, 2002. The decrease in value reflects a slight increase in interest rates during the first quarter.

The Company's nonperforming loans were $3.8 million at March 31, 2003, versus $4.3 million for the same period in 2002. As a percent of nonperforming loans, the allowance for loan losses represented 485% at March 31, 2003 versus 498% at December 31, 2002 and 421% at March 31, 2002. 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 $1.2 million at March 31, 2003, versus $1.3 million at December 31, 2002 and $1.4 million at March 31, 2002. The ratio of nonperforming assets as a percent of loans plus other real estate was .29% at March 31, 2003 compared to .30% at December 31, 2002 and .35% at March 31, 2002.

Average deposits decreased $59.5 million from $1.5 billion in the first quarter of 2002, to $1.4 billion in the first quarter of 2003. The Company experienced a steep decline in certificates of deposit throughout 2002. This decline was partially offset by growth of nonmaturity deposits which created a favorable shift in the deposit mix and a positive impact on the Bank's cost of funds. The shift in mix and certificate of deposit run-off in the remainder of 2003, if any, is anticipated to be at a slower pace than experienced during 2002.

The ratio of average noninterest bearing deposits to total deposits was 27.6% for the first quarter of 2003 compared to 23.4% for the first quarter of 2002. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 74.1% compared to 76.8%.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity for a banking institution is the availability of funds to meet increased loan demand and/or excessive deposit withdrawals. Management monitors the Company's financial position in an effort to ensure the Company has 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 include cash received through ordinary business activities (i.e., collection of interest and fees), federal funds sold, loan and investment maturities, bank lines of credit for the Company, approved lines for the purchase of federal funds by CCB and Federal Home Loan Bank advances. The Company maintains a $25.0 million revolving line of credit. As of March 31, 2003, the Company had no borrowings under the revolving line of credit.

During the first quarter of 2003, the Company borrowed $2.6 million from the Federal Home Loan Bank to fund loan growth. This borrowing was priced at 4.36% and has a maturity of 15 years. During the third quarter of 2002, the Company borrowed $75 million from the Federal Home Loan Bank to fund growth in loan demand and the decline in certificates of deposit. The borrowing consists of four separate advances with maturities ranging from 12 to 36 months and a weighted average rate of 2.51%.

The Company's equity capital was $191.0 million as of March 31, 2003 compared to $186.5 million as of December 31, 2002. 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 8.59% at March 31, 2003 compared to 8.46% at December 31, 2002. Further, the Company's risk-adjusted capital ratio of 12.47% at March 31, 2003, exceeds the 8.0% minimum requirement under the risk-based regulatory guidelines.

Adequate capital and financial strength is paramount to the stability of CCBG and its subsidiary bank. Cash dividends declared and paid should not place unnecessary strain on the Company's capital levels. Although a consistent dividend payment is believed to be favorably viewed by the financial markets and shareowners, the Board of Directors will declare dividends only if the Company is considered to have adequate capital. Future capital requirements and corporate plans are considered when the Board considers a dividend payment. Dividends declared and paid during the first quarter of 2003 totaled $.1700 per share compared to $.1525 per share for the first quarter of 2002, an increase of 11.5%. The dividend payout ratios for the first quarter ended 2003 and 2002 were 28.3% and 31.8%, respectively.

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 the Bank. At March 31, 2003, 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 2003, shareowners' equity increased $4.5 million, or 9.7%, on an annualized basis. Growth in equity during the first quarter was positively impacted by net income of $6.4 million and the issuance of common stock of $63,000. Equity was reduced by dividends paid during the first quarter of $1.8 million, or $.1700 per share and a reduction in the net unrealized gain on available-for-sale securities of $485,000. At March 31, 2003, the Company's common stock had a book value of $18.02 per diluted share compared to $17.60 at December 31, 2002.

On March 30, 2000, the Company's Board of Directors authorized the repurchase of up to 500,000 shares of its outstanding common stock. On January 24, 2002, the Company's Board of Directors authorized the repurchase of an additional 250,000 shares of its outstanding common stock. The purchases will be made in the open market or in privately negotiated transactions. The Company did not purchase any shares in the first quarter of 2003. During 2002, 124,620 shares were acquired. From March 30, 2000 through March 31, 2003, the Company repurchased 457,754 shares at an average purchase price of $24.04 per share.

Other

Prior to 2002, the Bank maintained several relationships with various Independent Service Organizations (ISOs) in connection with its card processing operations. During late 2000 and early 2001, a small number of one of the ISO's merchants generated a large amount of charge-backs. Certain merchants have alledged they are entitled to receive financial reserves placed with the ISO. The Bank is currently named, along with others, as a co-defendant in a lawsuit brought against the ISO by a merchant. Management does not believe that the ultimate resolution of these issues will have a material impact on the Company's financial position or results of operations. The Bank no longer maintains merchant service relationships with ISOs.

Critical Accounting Policies

The consolidated financial statements and accompanying Notes to Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the U.S., which require the Company to make various estimates and assumptions (see Note 1 in the Notes to Consolidated Financial Statements in the Compnay's 2002 Form 10-K). The Company believes that, of its significant accounting policies, the following may involve a higher degree of judgment and complexity.

Allowance for Loan Losses: The allowance for loan losses is established through a charge to the provision for loan losses. Provisions are made to reserve for estimated losses in loan balances. The allowance for loan losses is a significant estimate and is evaluated quarterly by the Company for adequacy. The use of different estimates or assumptions could produce a different required allowance, and thereby a larger or smaller provision recognized as expense in any given reporting period. A further discussion of the allowance for loan losses can be found in the section entitled "Allowance for Loan Losses" and Note 1 in the Notes to Consolidated Financial Statements in the Company's 2002 Form 10-K.

Intangible Assets: Intangible assets consist primarily of goodwill and core deposit assets that were recognized in connection with various acquisitions. Goodwill represents the excess of the cost of acquired businesses over the fair market value of their identifiable net assets. The Company performs an impairment review on an annual basis to determine if there has been impairment of its goodwill. Impairment testing requires management to make significant judgments and estimates relating to the fair value of its identified reporting units. Significant changes to these estimates may have a material impact on the Company's reported results.

Core deposit assets represent the premium the Company paid for core deposits. Core deposit intangibles are amortized on the straight-line method over various periods ranging from 10 - 15 years, with the majority being amortized over approximately 10 years. Generally, core deposits refer to nonpublic, nonmaturing deposits including noninterest-bearing deposits, NOW, money market and savings. The Company makes certain estimates relating to the useful life of these assets, and rate of run-off based on the nature of the specific assets and the customer bases acquired. If there is a reason to believe there has been a permanent loss in value, management will assess these assets for impairment. Any changes in the original estimates may materially affect reported earnings.

<TABLE>

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

	For Three Months Ended March 31,					
	2003			2002		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Loans, Net of Unearned Interest <F1><F2>	$1,289,161	$23,220	7.30%	$1,229,344	$23,911	7.89%
Taxable Investment Securities	138,646	1,180	3.41%	147,800	1,980	5.43%
Tax-Exempt Investment Securities<F2>	64,772	955	5.89%	70,933	1,074	6.06%
Funds Sold	122,708	352	1.15%	127,621	516	1.62%
Total Earning Assets	1,615,287	25,707	6.45%	1,575,698	27,481	7.07%
Cash & Due From Banks	82,453			72,266		
Allowance for Loan Losses	(12,619)			(12,231)		
Other Assets	111,536			112,478		
TOTAL ASSETS	$1,796,657			$1,748,211		
LIABILITIES						
NOW Accounts	$ 262,618	$ 203	0.31%	$ 230,696	$ 332	0.58%
Money Market Accounts	214,539	420	0.79%	221,751	793	1.45%
Savings Accounts	106,241	65	0.25%	102,125	131	0.52%
Other Time Deposits	434,825	2,539	2.37%	569,166	5,591	3.98%
Total Interest Bearing Deposits	1,018,223	3,227	1.29%	1,123,738	6,847	2.47%
Short-Term Borrowings	106,798	329	1.25%	72,043	160	0.90%
Long-Term Debt	72,372	544	3.05%	13,801	190	5.57%
Total Interest Bearing Liabilities	1,197,393	4,100	1.39%	1,209,582	7,197	2.41%
Noninterest Bearing Deposits	389,540			343,519		
Other Liabilities	19,308			19,625		
TOTAL LIABILITIES	1,606,241			1,572,726		
SHAREOWNERS' EQUITY						
Common Stock	106			106		
Surplus	14,862			17,064		
Other Comprehensive Income	3,006			2,815		
Retained Earnings	172,442			155,500		

TOTAL SHAREOWNERS' EQUITY	190,416			175,485		
TOTAL LIABILITIES & EQUITY	$1,796,657			$1,748,211		
Net Interest Rate Spread			5.06%			4.66%
Net Interest Income		$21,607			$20,284	
Net Interest Margin			5.42%			5.22%

<FN>
<F1> Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $1.6 million and $1.1 million, for the three months ended March 31, 2003 and 2002, respectively.
<F2> Interest income includes the effects of taxable equivalent adjustments using a 35% tax rate.
</FN>
</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 and 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 CCBG 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. CCBG'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 22. This table presents the Company's consolidated interest rate sensitivity position as of March 31, 2003 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 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. The opposite is true in a falling rate environment. 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. Nonmaturity deposits offer management greater discretion as to the direction, timing and magnitude of interest rate changes and can have a material impact on the Company's interest rate sensitivity. In addition, the relative level of interest rates as compared to the current yields/rates of existing assets/liabilities can impact both the direction and magnitude of the change in net interest margin as rates rise and fall from one period to the next.

<TABLE>
Table II - FINANCIAL ASSETS AND LIABILITIES MARKET RISK ANALYSIS <F1>
(Dollars in Thousands)

Other Than Trading Portfolio	March 31, 2003							
	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	$ 173,442	$ 97,230	$ 74,148	$29,413	$15,414	$25,611	$ 415,258	$ 429,668
Average Interest Rate	7.68%	7.98%	7.56%	8.07%	7.88%	6.58%	7.69%	

Floating Rate <F2>	548,148	98,734	170,576	47,236	10,877	20,726	896,298	927,402
Average Interest Rate	5.49%	7.22%	7.02%	7.60%	7.47%	7.91%	6.16%	
Investment Securities <F3>								
Fixed Rate	94,332	47,082	26,130	7,913	2,305	7,689	185,452	185,452
Average Interest Rate	3.88%	3.79%	5.24%	6.61%	4.64%	4.09%	4.08%	
Floating Rate	4,667	-	-	-	-	-	4,667	4,667
Average Interest Rate	4.58%	-	-	-	-	-	4.58%	
Other Earning Assets								
Floating Rates	176,428	-	-	-	-	-	176,428	176,428
Average Interest Rates	1.18%	-	-	-	-	-	1.18%	
Total Financial Assets	$ 997,018	$243,046	$270,854	$84,562	$28,597	$54,027	$1,678,103	$1,723,617
Average Interest Rates	4.95%	6.86%	6.99%	7.67%	7.46%	6.74%	5.78%	
Deposits <F4>								
Fixed Rate Deposits	$ 350,465	$ 63,494	$ 13,270	$ 5,899	$ 5,519	7	$ 438,654	$ 440,400
Average Interest Rates	2.02%	3.05%	3.58%	4.08%	3.85%	4.85%	2.27%	
Floating Rate Deposits	594,147	-	-	-	-	-	594,147	594,147
Average Interest Rates	0.46%	-	-	-	-	-	0.46%	
Other Interest Bearing Liabilities								
Fixed Rate Debt	20,757	14,472	4,669	1,264	1,330	11,161	53,651	54,610
Average Interest Rate	2.87%	3.06%	3.82%	5.19%	5.19%	5.27%	3.26%	
Floating Rate Debt	140,138	-	-	-	-	-	140,138	140,138
Average Interest Rate	1.77%	-	-	-	-	-	1.77%	
Total Financial Liabilities	$1,105,507	$ 77,966	$ 17,939	$ 7,162	$ 6,849	$11,168	$1,226,591	$1,229,295
Average interest Rate	1.17%	3.06%	3.64%	4.27%	4.11%	5.27%	1.40%	

<FN>
<F1> Based upon expected cashflows, unless otherwise indicated.
<F2> Based upon a combination of expected maturities and repricing opportunities.
<F3> Based upon contractual maturity, except for callable and floating rate securities, which are based on expected maturity and weighted average life, respectively.
<F4> 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.
</FN>
</TABLE>

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Within ninety (90) days prior to the date of this report, the Company's management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. However, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Controls

The Company's management, including the Chief Executive Officer and Chief Financial Officer, has reviewed the Company's internal controls. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

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

99.1 Certification required by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification required by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(B) Reports on Form 8-K

Capital City Bank Group, Inc. filed no reports on Form 8-K during the first quarter 2003.

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
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J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer
Date: May 14, 2003

Certification required by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, William G. Smith, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Capital City Bank Group, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ William G. Smith, Jr.
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William G. Smith, Jr.
President and Chief Executive Officer

Date: 14 May 2003

Certification required by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, J. Kimbrough Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Capital City Bank Group, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies

and material weaknesses.

/s/ J. Kimbrough Davis
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J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer

Date: May 14, 2003

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Exhibit 99.1. CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that (1) this Quarterly Report of Capital City Bank Group, Inc. (the "Company") on Form 10-Q, as filed with the Securities and Exchange Commission on the date hereof (this "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods covered in the Report.

/s/ William G. Smith, Jr.
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William G. Smith, Jr.
President and Chief Executive Officer

Date: 14 May 2003

Exhibit 99.2. CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that (1) this Quarterly Report of Capital City Bank Group, Inc. (the "Company") on Form 10-Q, as filed with the Securities and Exchange Commission on the date hereof (this "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods covered in the Report.

/s/ J. Kimbrough Davis
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J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer

Date: May 14, 2003