

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

/ X / ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended: December 31, 1998

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period: N/A

Commission File Number 0-13358

A. Full title of the plan and the address of the plan, if  
different from that of the issuer named below:

CAPITAL CITY BANK GROUP, INC. Profit Sharing 401(k) Plan.  
(Exact name of the plan)

B. Name of issuer of the securities held pursuant to the  
plan and the address of its principal executive office:

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

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

REQUIRED INFORMATION

The following financial statements shall be furnished for the plan:

Capital City Bank Group, Inc. Profit Sharing 401(k) Plan ("Plan") is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements and schedules of the Plan for the fiscal year ended December 31, 1998, which have been prepared in accordance with the financial reporting requirements of ERISA, are attached hereto as Appendix 1 and incorporated herein by this reference.

Capital City Bank Group, Inc.  
Profit Sharing 401(k) Plan

Financial Statements and Schedules  
as of December 31, 1998 and 1997  
Together With  
Auditors' Report

CAPITAL CITY BANK GROUP, INC.

PROFIT SHARING 401(K) PLAN

FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 1998 AND 1997

TABLE OF CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS

Statements of Net Assets Available for Benefits--December 31, 1998 and 1997

Statement of Changes in Net Assets Available for Benefits, With Fund  
Information, for the Year Ended December 31, 1998

NOTES TO FINANCIAL STATEMENTS AND SCHEDULES

SCHEDULES SUPPORTING FINANCIAL STATEMENTS

Schedule I: Item 27a--Schedule of Assets Held for Investment  
Purposes--December 31, 1998

Schedule II: Item 27d--Schedule of Reportable Transactions  
for the Year Ended December 31, 1998

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Retirement Committee of  
Capital City Bank Group, Inc.:

We have audited the accompanying statements of net assets available for benefits of CAPITAL CITY BANK GROUP, INC. PROFIT SHARING 401(k) PLAN as of December 31, 1998 and 1997 and the related statement of changes in net assets available for benefits, with fund information, for the year ended December 31, 1998. These financial statements and the schedules referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1998 and 1997 and the changes in net assets available for benefits for the year ended December 31, 1998 in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for plan benefits of each fund. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Jacksonville, Florida  
June 11, 1999

CAPITAL CITY BANK GROUP, INC.  
PROFIT SHARING 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1998 AND 1997

1998 1997

ASSETS:

Cash	\$ 38,767	\$ 52
Investments, at fair value (Notes 2 and 3):		
SEI S&P 500 Fund	651,215	96,140
Berger Small Cap Value Fund	155,124	15,371
American Century International Growth Fund	151,100	0
SEI Bond Index Fund	111,907	38,700
Capital City Bank Group Common Stock	68,358	11,982
Provident T-Fund	24,967	4,283
SEI Short Duration Government Fund	18,796	2,105
T. Rowe Price International Fund		20,025
Total investments	1,181,467	188,606
Receivables:		
Participants' contributions	0	37,970
Transfer from merged plan	0	207,067
Total receivables	0	245,037
Accrued investment income	2,524	1,277
NET ASSETS AVAILABLE FOR BENEFITS	\$1,222,758	\$434,972

The accompanying notes are an integral part of these statements.

<TABLE>

CAPITAL CITY BANK GROUP, INC.  
PROFIT SHARING 401(K) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS,  
WITH FUND INFORMATION,

FOR THE YEAR ENDED DECEMBER 31, 1998

<CAPTION>

Other	Total	S&P 500 Fund	Berger Cap Value Fund	American International Growth Fund	SEI Bond Index Fund	Capital City Bank Group Common Stock	Provident T-Fund	SEI Short Duration Government Fund	T. Rowe Price Inter- national Stock Fund	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ADDITIONS:										
Contributions:										
Participants	\$38,767 \$ 430,197	\$195,582	\$ 53,812	\$ 7,120	\$ 32,230	\$ 36,721	\$13,642	\$12,058	\$40,265	
Rollovers	0 294,851	146,940	73,610	14,394	15,156	1,814	0	0	42,937	
		-----	-----	-----	-----	-----	-----	-----	-----	---
		342,522	127,422	21,514	47,386	38,535	13,642	12,058	83,202	
38,767	725,048	-----	-----	-----	-----	-----	-----	-----	-----	---
Investment income:										
Net appreciation										
(depreciation) in fair										
value (Note 3)										
0	113,366	100,899	(2,917)	11,538	6,769	(4,753)	0	686	1,144	
Dividends	2,524 25,303	13,190	2,578	0	1,228	2,006	2,122	244	1,411	
		-----	-----	-----	-----	-----	-----	-----	-----	---
Total investment income	(loss)	114,089	(339)	11,538	7,997	(2,747)	2,122	930	2,555	
2,524	138,669	-----	-----	-----	-----	-----	-----	-----	-----	---
Total additions	41,291 863,717	456,611	127,083	33,052	55,383	35,788	15,764	12,988	85,757	
DEDUCTIONS:										
Benefits paid to										
participants										
0	(75,931)	(16,796)	(3,144)	0	(673)	(1,422)	(46,795)	(485)	(6,616)	
INTERFUND TRANSFERS	(246,366) 0	115,260	15,814	118,048	18,497	22,010	51,715	4,188	(99,166)	
		-----	-----	-----	-----	-----	-----	-----	-----	---
NET INCREASE (DECREASE)		555,075	139,753	151,100	73,207	56,376	20,684	16,691	(20,025)	

(205,075) 787,786

NET ASSETS AVAILABLE FOR  
BENEFITS:

Beginning of year	96,140	15,371	0	38,700	11,982	4,283	2,105	20,025		
246,366	434,972									
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	---
End of year	\$651,215	\$155,124	\$151,100	\$111,907	\$68,358	\$24,967	\$18,796	\$ 0	\$	
41,291	\$1,222,758									

The accompanying notes are an integral part of this statement.

</TABLE>

CAPITAL CITY BANK GROUP, INC.

PROFIT SHARING 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 1998 AND 1997

1. DESCRIPTION OF THE PLAN

The following description of the Capital City Bank Group, Inc. Profit Sharing 401(k) Plan (the "Plan") provides general information only. More complete information regarding the Plan's provisions may be found in the plan document.

General

The Plan, as established on October 1, 1997, effective retroactively to January 1, 1997, is a defined contribution plan under the provisions of Section 401(a) of the Internal Revenue Code ("IRC"), which includes a qualified deferred arrangement as described in Section 401(k) of the IRC. The Plan provides benefits to all employees of Capital City Bank Group, Inc. (the "Company"). Presently, employees of the Company and certain participating subsidiaries who are 21 years of age or older become eligible to participate in the Plan at the time of employment. Employees may enter the Plan as of the January 1, April 1, July 1, or October 1 following the date upon which employees become eligible to participate in the Plan.

On July 1, 1996, the Company acquired First Financial Bancorp, Inc., the parent company of First Federal Bank. Effective September 30, 1997, First Federal Bank's 401(k) plan was terminated and merged into the Plan. However, the assets were not transferred into the Plan until January 2, 1998.

Contributions and Withdrawals

Each year, participants may elect to contribute up to 15% of pretax annual compensation, as defined in the Plan and subject to certain limitations under the Internal Revenue Code. Participants may choose to change their deferral percentage at any time. Employer matching and discretionary contributions may be contributed to the Plan at the option of the Company's board of directors, subject to certain limitations. There were no employer contributions for 1998.

Participants in service may make hardship withdrawals from their voluntary contributions upon demonstrating immediate and heavy financial need. No withdrawals may be made from company contributions.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of plan earnings. Allocations of plan earnings are based on account balances, as defined in the Plan. Employer discretionary contributions are allocated among all participants in an amount equal to the ratio of the participants compensation to the compensation of all participants for the plan year.

Investment Options

Participants may change investments or redesignate the percentages on the following dates:

March 1  
June 1  
September 1  
December 1

Upon enrollment in the Plan, a participant may direct employee contributions in any of seven investment options:

## Money Market Fund

### Provident T-Fund

The Provident T-Fund is a money market fund whose objective is to seek current income with overnight liquidity and security of principal. The fund invests in U.S. Treasury bills, notes, and direct obligations of the U.S. Treasury and in repurchase agreements fully collateralized by such obligations. The fund's average weighted maturity is 37 days.

## Bond Funds

### SEI Short Duration Government Fund

The SEI Short Duration Government Fund seeks to provide current income and to preserve principal value. The fund invests in those securities issued by the U.S. government and backed by its full faith and credit and securities issued by U.S. government agencies. The average maturity of the fund is one to three years. The fund seeks to provide a higher level of sustainable income and total return than money market investments, with limited principal value fluctuations.

### SEI Bond Index Fund

The SEI Bond Index Fund's objective is current income. The fund seeks to provide investment results that correspond to the aggregate price and income performance of the debt securities in the Lehman Aggregate Bond Index. The index covers the U.S. investment grade fixed rate bond market, including the government and corporate markets, agency mortgage pass-through securities, and asset-backed securities. The maturity of the index is typically between eight and ten years.

## Stock Funds

### SEI S&P 500 Fund

The SEI S&P 500 Fund's investment objective is long-term growth of capital. The fund seeks to provide investment results consistent with the stock market as a whole, as represented by the Standard & Poor's 500 Stock Index. The fund purchases, in the same proportion, the 500 common stocks which make up the Standard & Poor's 500 Stock Index. The 50 largest stocks in the index account for approximately 50% of the weighting of the index, and the index represents approximately two-thirds of the market value of common stocks listed on the New York Stock Exchange. Deviation in performance between the fund and the index, called tracking error, is typically attributable to trading costs and cash reserves held for liquidity needs.

### American Century International Growth Fund

The American Century International Growth Fund's investment objective is capital growth. The fund will seek to achieve this objective by investing primarily in securities of foreign issuers that have the potential for appreciation. The fund will invest primarily in issuers in developed markets. Share price will fluctuate with changes in market, economic, and foreign currency exchange conditions, as well as with changes in portfolio company prospects.

### T. Rowe Price International Stock Fund

The T. Rowe Price International Stock Fund's objective is long-term growth of capital through investments primarily in common stocks of established, non-U.S. companies. The fund expects to invest substantially all of its assets outside the U.S. and to diversify broadly among developed, newly industrialized, and emerging countries throughout the world. Share price will fluctuate with changes in market, economic, and foreign currency exchange conditions, as well as with changes in portfolio company prospects. On November 3, 1998, all assets in this fund were transferred to the American Century International Growth Fund.

#### Berger Small Cap Value Fund

The Berger Small Cap Value Fund's investment objective is capital appreciation. The fund seeks to achieve this objective by investing primarily in common stocks of small companies (market capitalization of less than \$1 billion) that the fund believes are undervalued in the marketplace relative to their assets, earnings, cash flow or business franchise.

#### Other Options

##### Capital City Bank Group Common Stock

This investment option invests in the common stock of Capital City Bank Group, Inc.

#### Benefits Payments

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a ten-year period. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

#### Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

## 2. SUMMARY OF ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### Investment Valuation and Income Recognition

The Plan's investments are stated at fair value as determined by quoted market prices on the last day of the plan year.

Purchases and sales of securities are recorded on a settlement date basis which does not materially differ from the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

#### Plan Expenses

All plan expenses are paid by the plan sponsor.

## 3. INVESTMENTS

The carrying values of individual investments that represent 5% or more of the Plan's net assets as of December 31, 1998 are as follows:

	Fair Value
Fair value as determined by quoted market value:	
Mutual funds:	
SEI Standard & Poor's 500 Fund	\$651,215
Berger Small Cap Value Fund	155,124
American Century International Growth Fund	151,100
SEI Bond Index Fund	111,907
Capital City Bank Group Common Stock	68,358

During the year ended December 31, 1998, the Plan's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Mutual funds	\$118,119
Common stock	(4,753)
	-----
	\$113,366
	=====

#### 4. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

#### 5. TAX STATUS

The Company filed for a determination letter with the Internal Revenue Service but had not yet received a ruling as of June 11, 1999. However, management believes that the Plan is currently designed and is being operated in compliance with the application requirements of the Code. Therefore, management believes that the Plan was qualified and that the related trust was tax-exempt as of December 31, 1998.

#### CAPITAL CITY BANK GROUP, INC. PROFIT SHARING 401(K) PLAN

#### ITEM 27A--SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 1998

Description	Cost	Fair Value
MONEY MARKET FUND:		
Provident T-Fund	\$ 24,967	\$ 24,967
	-----	-----
MUTUAL FUNDS:		
SEI S&P 500 Fund	561,245	651,215
Berger Small Cap Value Fund	163,783	155,124
American Century International Growth Fund	142,080	151,100
SEI Bond Index Fund	109,596	111,907
SEI Short Duration Government Fund	18,634	18,796
	-----	-----
Total mutual funds	995,338	1,088,142
	-----	-----
COMMON STOCK:		
* Capital City Bank Group Common Stock	71,866	68,358
	-----	-----
Total investments	\$1,092,171	\$1,181,467

\*Represents a party in interest.

The accompanying notes are an integral part of this schedule.

<TABLE>

PROFIT SHARING 401(K) PLAN

ITEM 27D--SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 1998

<CAPTION>

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<b>MONEY MARKET FUND:</b>						
Provident T-Fund	Money Market Fund	\$ 68,443	\$ 48,041	\$ 48,041	\$ 48,041	\$ 0
<b>MUTUAL FUNDS:</b>						
SEI Bond Index Fund	Mutual fund	72,011	3,321	3,264	3,321	57
SEI S&P 500 Fund	Mutual fund	477,929	16,797	15,519	16,797	1,278
American Century International Growth Fund	Mutual fund	140,740	0	0	0	0
T. Rowe Price International Stock Fund	Mutual fund	104,279	125,448	125,320	125,448	128
Berger Small Cap Stock Fund	Mutual fund	154,919	11,287	12,933	11,287	(1,646)
<b>COMMON STOCK:</b>						
* Capital City Bank Group Common Stock	Common stock	66,140	3,146	3,452	3,146	(306)

\*Represents a party in interest.

The accompanying notes are an integral part of this schedule.

</TABLE>

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent certified public accountants, we hereby consent to the incorporation of our report dated June 11, 1999, included in this Form 11-K, into the Company's previously filed Registration Statement File No. 333-36693.

ARTHUR ANDERSEN LLP

Jacksonville, Florida  
June 28, 1999

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned Chief Financial Officer hereunto duly authorized.  
CAPITAL CITY BANK GROUP, INC. Profit Sharing 401(k) Plan.

By: Capital City Trust Company, Trustee

By: /s/ Randolph M. Pople  
Randolph M. Pople, President