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:
June 30, 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) (Zip Code)

(850) 671-0300
(Registrant's telephone number, including area code)

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 [ ]

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

At July 31, 2003, 13,221,033 shares of the Registrant's Common Stock, $.01 par value, were outstanding.

CAPITAL CITY BANK GROUP, INC.

FORM 10-Q INDEX

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."

PART I. FINANCIAL INFORMATION
ITEM 1. 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 Data)<F1>

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Interest and Fees on Loans	$23,363	$23,570	$46,537	$47,397
Investment Securities:				
U.S. Treasury	150	-	286	-
U.S. Govt. Agencies and Corporations	628	1,471	1,494	2,918
States and Political Subdivisions	610	702	1,240	1,421
Other Securities	151	464	329	997
Funds Sold	332	392	685	907
Total Interest Income	25,234	26,599	50,571	53,640
INTEREST EXPENSE				
Deposits	3,053	5,314	6,280	12,161
Short-Term Borrowings	340	177	669	337
Long-Term Debt	501	202	1,045	392
Total Interest Expense	3,894	5,693	7,994	12,890
Net Interest Income	21,340	20,906	42,577	40,750
Provision for Loan Losses	886	641	1,665	1,443
Net Interest Income After Provision for Loan Losses	20,454	20,265	40,912	39,307
NONINTEREST INCOME				
Service Charges on Deposit Accounts	4,074	3,028	8,041	5,737
Data Processing	611	508	1,169	1,009
Asset Management Fees	650	675	1,255	1,305
Gain on Sale of Investment Securities	12	1	23	-
Mortgage Banking Revenues	1,893	1,098	3,469	2,345
Other	3,541	3,243	7,001	6,450
Total Noninterest Income	10,781	8,552	20,958	16,846

NONINTEREST EXPENSE				
Salaries and Associate Benefits	11,356	10,515	22,726	21,059
Occupancy, Net	1,510	1,485	2,879	2,879
Furniture and Equipment	1,874	1,941	3,669	3,837
Other	6,366	6,391	12,502	12,022
Total Noninterest Expense	21,106	20,332	41,776	39,797
Income Before Income Taxes	10,129	8,485	20,094	16,356
Income Taxes	3,689	3,037	7,293	5,797
NET INCOME	$ 6,440	$ 5,448	$12,801	$10,559
Basic Net Income Per Share	$ .49	$ .41	$ .97	$ .80
Diluted Net Income Per Share	$ .49	$ .41	$ .97	$ .79
Cash Dividends Per Share	$ .1700	$ .1220	$ .3060	$ .2440
Basic Average Shares Outstanding	13,209,124	13,219,401	13,208,999	13,262,130
Diluted Average Shares Outstanding	13,254,886	13,257,261	13,254,761	13,299,990

<FN>
<F1> All share and per share data have been adjusted to reflect the 5-for-4 stock split effective June 13, 2003.
</FN>

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 JUNE 30, 2003 AND DECEMBER 31, 2002
(Unaudited)
(Dollars In Thousands, Except Share Data)<F1>

<S>	June 30, 2003 <C>	December 31, 2002 <C>
ASSETS		
Cash and Due From Banks	$ 98,388	$ 89,823
Funds Sold	168,773	170,936
Total Cash and Cash Equivalents	267,161	260,759
Investment Securities, Available-for-Sale	170,745	180,315
Loans, Net of Unearned Interest	1,332,387	1,285,221
Allowance for Loan Losses	(12,434)	(12,495)
Loans, Net	1,319,953	1,272,726
Premises and Equipment, Net	53,132	48,897
Intangibles	27,413	29,034
Other Assets	32,186	33,040
Total Assets	$1,870,590	$1,824,771
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 456,050	$ 406,081
Interest Bearing Deposits	1,042,527	1,028,119
Total Deposits	1,498,577	1,434,200
Short-Term Borrowings	101,629	113,675
Long-Term Debt	57,664	71,745
Other Liabilities	17,251	18,620
Total Liabilities	1,675,121	1,638,240

SHAREOWNERS' EQUITY		
Preferred Stock, $.01 par value, 3,000,000 shares authorized, no shares outstanding	-	-
Common Stock, $.01 par value; 112,500,000 shares authorized; 13,221,030 shares outstanding at June 30, 2003 and 13,196,211 outstanding at December 31, 2002	132	132
Additional Paid-In Capital	15,447	14,691
Retained Earnings	177,346	168,587
Accumulated Other Comprehensive Income, Net of Tax	2,544	3,121
Total Shareowners' Equity	195,469	186,531
Total Liabilities and Shareowners' Equity	$1,870,590	$1,824,771

<FN>
<F1> All share and per share data have been adjusted to reflect the 5-for-4 stock split effective June 13, 2003.
</FN>

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 SIX MONTH PERIODS ENDED JUNE 30
(Unaudited)
(Dollars in Thousands)

<S>	2003 <C>	2002 <C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 12,801	$ 10,559
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Loan Losses	1,665	1,443
Depreciation	2,327	2,471
Net Securities Amortization	1,070	525
Amortization of Intangible Assets	1,621	1,621
Gains on Sale of Investment Securities	(23)	-
Non-Cash Compensation	334	246
Net Decrease in Other Assets	1,817	2,017
Net Decrease in Other Liabilities	(1,369)	(1,603)
Net Cash Provided by Operating Activities	20,243	17,279
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Payments/Maturities of Investment Securities Available-for-Sale	54,166	33,444
Purchase of Investment Securities	(46,555)	(27,823)
Net Increase in Loans	(49,520)	(20,920)
Purchase of Premises & Equipment	(6,563)	(3,280)
Sales of Premises & Equipment	1	112
Net Cash Used In Investing Activities	(48,471)	(18,467)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase (Decrease) in Deposits	64,377	(112,414)
Net Decrease in Short-Term Borrowings	(32,372)	(2,537)
Borrowing of Long-Term Debt	6,891	2,040
Repayment of Long-Term Debt	(646)	(2,547)
Dividends Paid	(4,042)	(3,241)
Repurchase of Common Stock	-	(3,396)
Issuance of Common Stock	422	498
Net Cash Provided By (Used In) Financing Activities	34,630	(121,597)
Net Increase (Decrease) in Cash and Cash Equivalents	6,402	(122,785)
Cash and Cash Equivalents at Beginning of Period	260,759	256,830
Cash and Cash Equivalents at End of Period	$267,161	$134,045
Supplemental Disclosure:		
Interest Paid on Deposits	$ 6,591	$ 14,834

Interest Paid on Debt	$ 1,692	$ 740
Transfer of Loans to ORE	$ 628	$ 331
Income Taxes Paid	$ 9,496	$ 7,165
Issuance of Common Stock as Non-Cash Compensation	$ 334	$ 246
Transfer of Current Portion of Long-Term Debt to Short-Term Borrowings	$ 20,326	$ -

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) MANAGEMENT'S OPINION AND 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 June 30, 2003 and December 31, 2002, the results of operations for the three and six month periods ended June 30, 2003 and 2002, and cash flows for the six month periods ended June 30, 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 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 2002 Annual Report on Form 10-K.

Stock-based Compensation

As of June 30, 2003, the Company had three stock-based 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 on or 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>

(Dollars in Thousands, Except Per Share Data)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net income, as reported	$6,440	$5,448	$12,801	$10,559
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	80	138	221	276
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(132)	(97)	(229)	(194)
Pro forma net income	$6,388	$5,489	$12,793	$10,641
Earnings per share:				
Basic-as reported	$ .49	$ .41	$ .97	$ .80
Basic-pro forma	$ .48	$ .42	$ .97	$ .80
Diluted-as reported	$ .49	$ .41	$ .97	$ .79
Diluted-pro forma	$ .48	$ .41	$ .97	$ .80

</TABLE>

(2) INVESTMENT SECURITIES

The carrying value and related market value of investment securities at June 30, 2003 and December 31, 2002 were as follows (dollars in thousands):

<TABLE>

	June 30, 2003			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury	$ 40,924	$ 223	$ -	$ 41,147
U.S. Govt. Agencies and Corporations	35,357	535	-	35,892
States and Political Subdivisions	58,851	2,430	-	61,281
Mortgage-Backed Securities	19,184	704	-	19,888
Other Securities	12,413	130	6	12,537
Total	$166,729	$4,022	$ 6	$170,745

	December 31, 2002			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U.S. Treasury	$ 10,438	$ 5	$ -	$ 10,443
U. S. Govt. 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 June 30, 2003 and December 31, 2002 was as follows (dollars in thousands):

	June 30, 2003	December 31, 2002
<S>	<C>	<C>
Commercial, Financial and Agricultural	$ 154,261	$ 141,459
Real Estate-Construction	88,577	91,110
Real Estate-Commercial Mortgage	375,501	356,807
Real Estate-Residential	327,604	336,705
Real Estate-Home Equity	103,731	92,277
Real Estate-Loans Held-for-Sale	13,414	22,454
Consumer	227,542	221,776
Other Loans<F1>	41,757	22,633
Loans, Net of Unearned Interest	$1,332,387	$1,285,221

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

(4) ALLOWANCE FOR LOAN LOSSES

An analysis of the changes in the allowance for loan losses for the six month periods ended June 30, 2003 and 2002, is as follows (dollars in thousands):

<TABLE>

	June 30,	
	2003	2002
<S>	<C>	<C>
Balance, Beginning of Period	$12,495	$12,096
Provision for Loan Losses	1,665	1,443
Recoveries on Loans Previously Charged-Off	447	810
Loans Charged-Off	(2,173)	(2,122)
Balance, End of Period	$12,434	$12,227

</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):

<TABLE>

	June 30,			
	2003		2002	
Impaired Loans:	Balance	Valuation Allowance	Balance	Valuation Allowance
<S>	<C>	<C>	<C>	<C>
With Related Credit Allowance	$ 878	$453	$2,159	$474
Without Related Credit Allowance	1,668	-	615	-
Average Recorded Investment for the Period	3,088	*	3,062	*

* 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 June 30, 2003 and 2002, the Company recognized $5,000 and $80,000, respectively, in interest income on impaired loans, all of which was collected in cash.

(5) DEPOSITS

The composition of the Company's interest bearing deposits at June 30, 2003 and December 31, 2002 was as follows (dollars in thousands):

<TABLE>

	June 30, 2003	December 31, 2002
<S>	<C>	<C>
NOW Accounts	$ 278,708	$ 276,487
Money Market Accounts	219,122	209,508
Savings Deposits	110,698	104,053
Other Time Deposits	433,999	438,071
Total Interest Bearing Deposits	$1,042,527	$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.

The Company had intangible assets of $27.4 million and $29.0 million at June 30, 2003 and December 31, 2002, respectively. Intangible assets were as follows (dollars in thousands):

<TABLE>

	June 30, 2003		December 31, 2002	
Description	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
<S>	<C>	<C>	<C>	<C>
Core Deposit Intangibles	$33,752	$13,019	$33,752	$11,398
Goodwill	10,466	3,786	10,466	3,786
Total Intangible Assets	$44,218	$16,805	$44,218	$15,184

</TABLE>

Net Core Deposit Intangibles: As of June 30, 2003 and December 31, 2002, the Company had core deposit intangibles of $20.7 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 half of both 2003 and 2002 was $1.6 million.

Goodwill: As of June 30, 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

Total comprehensive income is defined as net income and all other changes in equity which, for the Company, consists solely of changes in unrealized gains (losses) on available-for-sale securities, net of income taxes. The Company reported total comprehensive income, net of tax, for the three and six month periods ended June 30, 2003 and 2002, as follows (dollars in thousands):

<TABLE>

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net Income	$6,440	$5,448	$12,801	$10,559
Other Comprehensive Income, Net of Tax				
Unrealized Gains on Securities:				
Unrealized Gains on Securities During the Period	(92)	1,027	(577)	641
Less: Reclassification Adjustments for				

Gains in Net Income	(8)	-	(15)	-
Total Unrealized Gains On Securities	(100)	1,027	(592)	641
Other Comprehensive Income, Net of Tax	$6,340	$6,475	$12,209	$11,200

</TABLE>

<TABLE>
QUARTERLY FINANCIAL DATA (UNAUDITED)
(Dollars in Thousands, Except Per Share Data)<F1>

	2003		2002				2001	
	Second	First	Fourth	Third	Second	First	Fourth	Third
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Summary of Operations:								
Interest Income	$ 25,234	$ 25,337	$ 26,052	$ 26,403	$ 26,599	$ 27,041	$ 28,706	$ 30,258
Interest Expense	3,894	4,100	4,667	4,946	5,693	7,197	9,454	12,256
Net Interest Income	21,340	21,237	21,385	21,457	20,906	19,844	19,252	18,002
Provision for Loan Losses	886	779	863	991	641	802	932	1,222
Net Interest Income After Provision for Loan Losses	20,454	20,458	20,522	20,466	20,265	19,042	18,320	16,780
Noninterest Income	10,781	10,177	11,243	9,087	8,552	8,294	8,536	7,918
Conversion/ Merger Expense	-	-	59	-	39	114	588	-
Noninterest Expense	21,106	20,670	21,316	20,526	20,293	19,351	19,251	18,993
Income Before Provision for Income Taxes	10,129	9,965	10,390	9,027	8,485	7,871	7,017	5,705
Provision for Income Taxes	3,689	3,604	3,668	3,226	3,037	2,760	2,522	1,963
Net Income	$ 6,440	$ 6,361	$ 6,722	$ 5,801	$ 5,448	$ 5,111	$ 4,495	$ 3,742
Net Interest Income (FTE)	$ 21,693	$ 21,607	$ 21,786	$ 21,873	$ 21,332	$ 20,284	$ 19,689	$ 18,431
Per Common Share:								
Net Income Basic	$ .49	$ .48	$ .51	$ .44	$ .41	$ .39	$ .34	$ .28
Net Income Diluted	.49	.48	.51	.44	.41	.38	.34	.28
Dividends Declared	.1700	.1360	.1360	.1220	.1220	.1220	.1220	.1180
Diluted Book Value	14.73	14.42	14.08	13.74	13.39	13.10	12.86	12.99
Market Price:								
High	36.43	32.32	32.04	29.55	27.84	22.00	19.74	20.20
Low	29.74	26.81	22.26	22.32	20.60	18.12	17.52	16.70
Close	36.08	31.29	31.35	26.45	27.62	21.60	19.38	

								18.78
Selected Average Balances:								
Loans	$1,316,705	$1,289,161	$1,292,893	$1,266,591	$1,234,787	$1,229,344	$1,242,516	$1,204,323
Earning Assets	1,612,133	1,615,286	1,591,536	1,511,485	1,547,603	1,575,698	1,584,225	1,561,519
Assets	1,786,991	1,796,657	1,762,174	1,678,620	1,720,095	1,748,211	1,756,995	1,734,392
Deposits	1,415,798	1,407,763	1,404,818	1,388,396	1,440,615	1,467,257	1,488,961	1,483,527
Shareowners' Equity	194,781	190,416	185,412	180,910	176,678	175,485	176,549	170,511
Common Equivalent Average Shares:								
Basic	13,209	13,207	13,189	13,189	13,219	13,305	13,343	13,356
Diluted	13,255	13,253	13,238	13,238	13,257	13,343	13,393	13,366
Ratios:								
ROA	1.45%	1.44%	1.51%	1.37%	1.27%	1.19%	1.01%	.86%
ROE	13.26%	13.55%	14.38%	12.72%	12.37%	11.81%	10.10%	8.71%
Net Interest Margin (FTE)	5.40%	5.42%	5.44%	5.74%	5.52%	5.22%	4.93%	4.70%
Efficiency Ratio	62.50%	62.48%	62.08%	63.68%	65.20%	64.88%	65.30%	68.17%

<FN>
<F1> All share and per share data have been adjusted to reflect the 5-for-4 stock split effective June 13, 2003.
</FN>
</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.

All share and per share data have been adjusted to reflect the 5-for-4 stock split effective June 13, 2003.

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 June 30, 2003 had 53 offices covering 17 counties in Florida, four counties in Georgia and one county in Alabama.

RESULTS OF OPERATIONS

Net Income

Earnings for the three and six months ended June 30, 2003 were $6.4 million, or $0.49 per diluted share, and $12.8 million, or $0.97 per diluted share, respectively. This compares to $5.4 million, or $0.41 per diluted share, and $10.6 million, or $0.79 per diluted share in 2002. Amortization of intangible assets, net of taxes, totaled $1.0 million, or $0.07 per diluted share, for the first six months in 2003 and 2002.

The Company experienced growth in operating revenues of 9.0% and 10.3% over the comparable three and six month periods in 2002, respectively. The increase in both second quarter and year-to-date earnings was primarily attributable to growth in net interest income and noninterest income. Net interest income increased 2.1% and 4.4%, respectively for the three and six month periods. The net interest margin for the first half of 2003 improved 3 basis points over the first half of 2002 to a level of 5.41%. Growth in noninterest income resulted from higher service charge revenues, reflecting a higher level of NSF/overdraft fees, and mortgage banking revenues, attributable to the higher volume of fixed rate residential mortgage production sold in the secondary market. These increases were the most significant factors contributing to the increase in net income. A condensed earnings summary is presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest and Dividend Income	$25,234	$26,599	$50,571	$53,640
Taxable-Equivalent Adjustment[F1]	353	426	723	866
Interest Income (FTE)	25,587	27,025	51,294	54,506
Interest Expense	3,894	5,693	7,994	12,890
Net Interest Income (FTE)	21,693	21,332	43,300	41,616
Provision for Loan Losses	886	641	1,665	1,443
Taxable Equivalent Adjustment	353	426	723	866
Net Int. Inc. After Provision	20,454	20,265	40,912	39,307
Noninterest Income	10,781	8,552	20,958	16,846
Noninterest Expense	21,106	20,332	41,776	39,797
Income Before Income Taxes	10,129	8,485	20,094	16,356
Income Taxes	3,689	3,037	7,293	5,797
Net Income	$ 6,440	$ 5,448	$12,801	$10,559
Percent Change	18.21%	27.29%	21.23%	22.36%
Return on Average Assets[F2]	1.45%	1.27%	1.44%	1.23%
Return on Average Equity[F2]	13.26%	12.37%	13.40%	12.09%

[F1] Computed using a statutory tax rate of 35%
[F2] Annualized

Net Interest Income

Net interest income represents the Company's single largest source of earnings and is equal to interest income and fees generated by earning assets, less interest expense paid on interest bearing liabilities. Second quarter of 2003 taxable-equivalent net interest income increased $361,000, or 1.7%, over the comparable quarter in 2002. During the first half of 2003, taxable-equivalent net interest income increased $1.7 million, or 4.0%, over the first half of 2002. The favorable impact of lower funding costs and shift in earning assets mix was partially offset by declining asset yields attributable to the low interest rate environment. Table I on page 22 provides a comparative analysis of the Company's average balances and interest rates.

For the three and six month periods ended June 30, 2002, taxable-equivalent interest income decreased $1.4 million, or 5.3%, and $3.2 million, or 5.9%, respectively, over the comparable prior year periods. Earning assets continue to reprice at lower levels, reflecting the low rate environment and competition experienced in most markets. New loan production and repricing of existing earning assets produced a 63 basis point reduction in the yield on earning assets, which declined from 7.00% for the second quarter in 2002 to 6.37% for the same period in 2003. Earning asset yields are expected to decline as a result of the recent interest rate cut initiated by the Federal Reserve.

Interest expense for the three and six months periods ended June 30, 2003 declined $1.8 million, or 31.6% and $4.9 million, or 38.0%, respectively, from the comparable prior year periods. The favorable variances attributable to lower rates were 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 36.8% in 2002 to 30.8% in 2003. The average rate paid on interest bearing liabilities in 2003 declined 97 basis points over first half of 2002, to a level of 1.25%.

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) increased from 4.85% in the first half of 2002 to 5.05% in the comparable period of 2003.

The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) was 5.41% in the first half of 2003, versus 5.38% in the first half of 2002. The improvement in both the spread and margin reflects the lower cost of funds. The margin percentage may continue to decline slightly over the next quarter as historically low interest rates continue to prevail and the recent interest rate cut by the Federal Reserve drives earning asset yields lower.

Provision for Loan Losses

The provision for loan losses was $886,000 and $1.7 million, respectively, for the three and six month periods ended June 30, 2003, compared to $641,000 and $1.4 million for the same periods in 2002. The provision increase in the first half of 2003 reflects a slightly higher level of net charge-offs between comparable periods.

Net charge-offs increased in comparison to the first half of 2002 by $414,000, but remain at low levels relative to the size of the portfolio. The net charge-off ratio increased to .27% versus .21% in 2002. The primary reason for the increase in net charge-offs is due to the lower level of recoveries in the first half of 2003. The Company's nonperforming assets ratio increased to .38% at June 30, 2003 compared to .30% for year-end 2002 and .28% at June 30, 2002. The increase in the nonperforming asset ratio is reflective of a higher level of nonaccrual loans. The majority of the increase in nonaccrual loans is made up of three agriculture loans totaling $1.5 million, of which $1.1 million is supported with 90% government guaranties for principal and interest.

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

<TABLE>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
CHARGE-OFFS				
Commercial, Financial and Agricultural	$ 177	$ 220	$ 319	$ 404
Real Estate - Construction	0	0	0	0
Real Estate - Commercial Mortgage	0	0	0	0
Real Estate - Residential	20	9	40	73
Consumer	928	753	1,814	1,645
Total Charge-offs	1,125	982	2,173	2,122
RECOVERIES				
Commercial, Financial and Agricultural	42	56	56	101
Real Estate - Construction	0	0	0	0
Real Estate - Commercial Mortgage	0	0	0	0
Real Estate - Residential	0	35	1	35
Consumer	194	365	390	674
Total Recoveries	236	456	447	810
Net Charge-offs	$ 889	$ 526	$1,726	$1,312
Net Charge-offs (Annualized) as a Percent of Average Loans Outstanding, Net of Unearned Interest	.27%	.17%	.27%	.21%

</TABLE>

Noninterest Income

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Noninterest income increased $2.2 million, or 26.1%, and $4.1 million, or 24.4%, over the comparable three and six month periods in 2002. Noninterest income represented 33.6% and 33.0% of operating revenue for the three and six-month periods of 2003 compared to 29.0% and 29.3% for the same periods in 2002. Increases in deposit fees and mortgage banking revenues were the primary drivers underlying the growth.

Service charges on deposit accounts increased $1.0 million, or 34.6%, and $2.3 million, or 40.2%, respectively, over the comparable three and six month periods for 2002. Service charge revenues in any one period are dependent on the number of accounts, primarily transaction accounts, the level of activity subject to service charges and the rate of collection. The higher revenues in the first half of 2003, compared to 2002, are attributable to an increase in overdraft/NSF fees, which are anticipated to have a favorable impact throughout the remainder of the year.

Data processing revenues of $611,000 and $1.2 million for the three and six month periods ended June 30, 2003 reflect an increase of 20.2% and 15.8% over the comparable periods in 2002. The increase for both periods was a result of higher government contract processing. The Company currently provides data processing services for six financial clients, an increase of one from the second quarter ended 2002. During the first half of 2003, financial clients represented approximately 54.2% of total processing revenues compared to 59.1% in the comparable period in 2002. Management believes that revenues for the remainder of 2003 will remain consistent with the revenues generated in the first half of the year.

Income from asset management activities decreased $25,000, or 3.7%, compared to the second quarter of 2002, and $50,000, or 3.8%, over the comparable six month period in 2002. At June 30, 2003, assets under management totaled $368.2 million, representing an increase of $44.1 million, or 13.6% from June 30, 2002. This growth is attributable to recent (second quarter) growth in new business, and improvement in asset values due to improvement in the stock market. Recent growth in assets under management is expected to enhance revenues for the second half of the year.

Mortgage banking revenues increased $796,000, or 72.4%, and $1.1 million, or 48.0%, respectively, over the comparable three and six month periods in 2002. The Company continues to be among the leaders in the production of residential real estate 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 $298,000, or 9.2%, and $551,000, or 8.5%, respectively, over the comparable three and six month periods in 2002. For the first half of the year, the Company experienced increases in retail brokerage fees of $39,000, debit/credit settlement fees of $84,000, merchant card processing fees of $254,000, interchange fees of $125,000, and ATM/Debit card fees of $43,000. The recent Visa/MasterCard legal settlement will adversely impact debit card fees. However, growth in the number of debit cards issued will partially offset loss of revenue.

Noninterest income as a percent of average assets was 2.36% and 1.96%, respectively, for the first half of 2003 and 2002. The increase in 2003 is attributable to growth in deposit fees and mortgage banking revenues.

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

Noninterest expense increased $774,000, or 3.8%, and $2.0 million, or 5.0%, respectively, over the comparable three and six month periods in 2002. Factors impacting the Company's noninterest expense during the first six months of 2003 are discussed below.

Compensation expense increased $840,000, or 8.0%, and $1.7 million, or 7.9% over the comparable three and six month periods in 2002. For the first half of the year, the company experienced increases in pension costs of $726,000, associate insurance of $224,000, and salaries of $703,000. 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. These premiums are expected to increase during the second half of 2003. Higher salaries are reflective of normal associate raises and higher commission payments to associates in the mortgage production division.

Occupancy expense, including premises, furniture, fixtures and equipment decreased $42,000, 1.2%, and $168,000, or 2.5%, respectively, over the comparable three and six month periods in 2002. For the first half of the year, the company experienced decreases in depreciation of $144,000 and maintenance and repairs of $135,000. This was attributable to lower levels of FF&E purchased and non-renewal of maintenance agreements, primarily at offices acquired in 2001 and 2002. These decreases were partially offset by increases in property taxes of $77,000, premises rental of $16,000, and other furniture/fixture expense of $18,000.

Other noninterest expense decreased $24,000, or 0.4% for the quarter ended June 30, 2003, but reflected an increase of $480,000, or 4.0% over the six month period in 2002. For the first half of the year, the increase was primarily attributable to: (1) higher EDP processing service expense of $294,000 resulting from the system conversion during 2002; (2) higher legal costs of $62,000 primarily resulting from litigation costs and new corporate governance compliance requirements; (3) increased ATM/Visa settlement service fees of $204,000 resulting from higher transaction volumes in merchant services; (4) higher postage of $33,000 and (5) higher miscellaneous expenses of $133,000. These increases were partially offset by declines in advertising expense of $165,000, and printing/supplies expense of $92,000.

Net noninterest expense (noninterest income minus noninterest expense, excluding intangible amortization) as a percent of average assets was 2.16% in the first half of 2003 compared to 2.46% in 2002. 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 62.49% for the first half of 2003 compared to 65.04% for the comparable period in 2002. This improvement is attributable to growth in operating revenues.

Income Taxes

The provision for income taxes increased $652,000, or 21.5%, during the second quarter and $1.5 million, or 25.8%, during the first six months of 2003, relative to the comparable prior year periods. The Company's effective tax rate for the first half of 2003 was 36.3% versus 35.4% for the comparable period in 2002. The increase in the effective tax rate is attributable to a higher operating profit and a reduction in tax-exempt municipal interest.

FINANCIAL CONDITION

The Company's average assets increased $57.8 million, or 3.3%, from $1.7 billion in the first half of 2002 to $1.8 billion for the comparable period in 2003. Average earning assets of $1.6 billion for the six months ended June 30, 2003, increased $52.1 million, or 3.3% from the comparable period of 2002. There was a favorable shift in mix of earning assets throughout 2002 and the first half of 2003, as the Company experienced net loan growth. Growth in the loan portfolio was fueled by increased production in all lending categories, with the exception of 1-4 families. The current loan growth was primarily funded through the maturity of investment securities, short-term and long-term borrowings. Table I on page 22 presents average balances for the three and six month periods ended June 30, 2003 and 2002.

Average loans increased $71.9 million, or 5.8%, over the first half of 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 loans was a result of the high level of refinancing activity that continues to occur as a result of the low interest rate environment. Loans as a percent of average earning assets increased to 80.7% for the second quarter of 2003, compared to 78.8% for the second quarter of 2002. Price and product competition remain strong. As the low rate environment continues, there is increased demand for fixed-rate, longer term financing. Loan production remains moderate to strong in most 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 June 30, 2003 was $12.4 million, slightly higher than the $12.2 million recorded at June 30, 2002. The allowance as a percent of total loans was 0.93% in 2003, versus 0.97% at June 30, 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 June 30, 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 year-to-date average funds sold of $118.5 million. This represents an increase of $18.2 million, or 7.5% from the June 30, 2002 level of $110.3 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. For the six months ended June 30, 2003 the average investment portfolio decreased $27.0 million, or 12.3%, from the first half 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 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 June 30, 2003, shareowners' equity included a net unrealized gain of $2.5 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 second quarter.

The Company's nonperforming assets were $5.1 million at June 30, 2003, versus $3.5 million for the same period in 2002. The increase in nonperforming assets experienced in the second quarter of 2003 was primarily due to three loans totaling $1.5 million being moved to nonaccrual status. These loans are agricultural in nature, and $1.1 million is supported with 90% government guaranties of both principal and interest. As a percent of nonperforming loans, the allowance for loan losses represented 331% at June 30, 2003 versus 498% at December 31, 2002 and 431% at June 30, 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 $1.3 million at June 30, 2003, versus $1.3 million at December 31, 2002 and $700,000 at June 30, 2002. The ratio of nonperforming assets as a percent of loans plus other real estate was .38% at June 30, 2003 compared to .30% at December 31, 2002 and .28% at June 30, 2002. While these metric depict marginal deterioration in credit quality, they remains at historically low levels. The Company expects this trend to continue into the third quarter.

Average deposits decreased $42.1 million from $1.5 billion in the first half of 2002, to $1.4 billion in the first half of 2003. The Company experienced a steep decline in certificates of deposit throughout 2002. This decline was partially offset by growth of nonmaturity deposits that 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 second half 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 28.1% for the first half of 2003 compared to 24.1% for the first half of 2002. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 73.3% compared to 76.1%.

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 June 30, 2003, the Company had no borrowings under the revolving line of credit.

During the first half of 2003, the Company borrowed $6.9 million from the Federal Home Loan Bank to fund loan growth. This borrowing was priced at 3.82% 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 $195.5 million as of June 30, 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 8.85% at June 30, 2003 compared to 8.46% at December 31, 2002. Further, the Company's risk-adjusted capital ratio of 12.58% at June 30, 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. In June 2003, the Board of Directors authorized a dividend increase of 25% and a 5-for-4 stock split. Dividends declared and paid during the first half of 2003 totaled $.306 per share compared to $.244 per share for the first half of 2002, an increase of 24.4%. The dividend payout ratios for the first six months ended June 30, 2003 and 2002 were 34.8% and 38.3%, 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 June 30, 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 six months of 2003, shareowners' equity increased $8.9 million, or 9.7%, on an annualized basis. Growth in equity during the first half was positively impacted by net income of $12.8 million and the issuance of common stock of $756,000. Equity was reduced by dividends paid during the first half of $4.0 million, or $.306 per share and a reduction in the net unrealized gain on available-for-sale securities of $577,000. At June 30, 2003, the Company's common stock had a book value of $14.73 per diluted share compared to $14.08 at December 31, 2002.

On March 30, 2000, the Company's Board of Directors authorized the repurchase of up to 625,000 shares of its outstanding common stock. On January 24, 2002, the Company's Board of Directors authorized the repurchase of an additional 312,500 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 half of 2003. During 2002, 155,775 shares were acquired. From March 30, 2000 through June 30, 2003, the Company repurchased 572,193 shares at an average purchase price of $19.23 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 alleged they are entitled to receive financial reserves placed with the ISO. The Bank is currently named 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 Company'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 JUNE 30,

<S>	2003 Balance <C>	2003 Interest <C>	2003 Rate <C>	2002 Balance <C>	2002 Interest <C>	2002 Rate <C>
ASSETS						
Loans, Net of Unearned Interest<F1>	$1,316,705	$23,403	7.13%	$1,234,787	$23,646	7.68%
Taxable Investment Securities	118,494	929	3.13%	150,188	1,935	5.17%
Tax-Exempt Investment Securities<F2>	62,552	923	5.90%	69,472	1,052	6.06%
Funds Sold	114,382	332	1.15%	93,156	392	1.66%
Total Earning Assets	1,612,133	25,587	6.37%	1,547,603	27,025	7.00%
Cash & Due From Banks	74,537			74,178		
Allowance for Loan Losses	(12,531)			(12,265)		
Other Assets	112,852			110,579		
TOTAL ASSETS	$1,786,991			$1,720,095		
LIABILITIES						
NOW Accounts	$ 256,675	$ 193	0.30%	$ 241,059	$ 323	.54%
Money Market Accounts	211,314	392	0.74%	234,454	823	1.41%
Savings Accounts	109,424	68	0.25%	105,396	134	.51%
Other Time Deposits	434,515	2,400	2.22%	501,440	4,034	3.23%
Total Int. Bearing Deposits	1,011,928	3,053	1.21%	1,082,349	5,314	1.97%
Short-Term Borrowings	102,510	340	1.33%	70,257	177	1.01%
Long-Term Debt	54,434	501	3.69%	13,924	202	5.83%

Total Interest Bearing Liabilities	1,168,872	3,894	1.34%	1,166,530	5,693	1.96%
Noninterest Bearing Deposits	403,870			358,266		
Other Liabilities	19,468			18,621		
TOTAL LIABILITIES	1,592,210			1,543,417		
SHAREOWNERS' EQUITY						
Common Stock	114			106		
Surplus	15,181			15,343		
Other Comprehensive Income	2,568			2,354		
Retained Earnings	176,918			158,875		
TOTAL SHAREOWNERS' EQUITY	194,781			176,678		
TOTAL LIABILITIES & EQUITY	$1,786,991			$1,720,095		
Interest Rate Spread			5.03%			5.04%
Net Interest Income		$21,693			$21,332	
Net Interest Margin			5.40%			5.52%

FOR SIX MONTHS ENDED JUNE 30,

	2003			2002		
	Balance	Interest	Rate	Balance	Interest	Rate
ASSETS						
Loans, Net of Unearned Interest<F1>	$1,303,008	$46,623	7.22%	$1,232,081	$47,557	7.78%
Taxable Investment Securities	128,514	2,109	3.28%	149,000	3,915	5.30%
Tax-Exempt Investment Securities<F2>	63,656	1,877	5.90%	70,199	2,127	6.06%
Funds Sold	118,523	685	1.15%	110,293	907	1.64%
Total Earning Assets	1,613,701	51,294	6.41%	1,561,573	54,506	7.04%
Cash & Due From Banks	78,473			73,228		
Allowance for Loan Losses	(12,575)			(12,248)		
Other Assets	112,198			111,522		
TOTAL ASSETS	$1,791,797			$1,734,075		
LIABILITIES						
NOW Accounts	$ 259,630	$ 396	0.31%	$ 235,906	$ 655	.56%
Money Market Accounts	212,918	812	0.77%	228,138	1,616	1.43%
Savings Accounts	107,841	133	0.25%	103,770	265	.52%
Other Time Deposits	434,669	4,939	2.29%	535,116	9,624	3.63%
Total Int. Bearing Deposits	1,015,058	6,280	1.25%	1,102,930	12,160	2.22%
Short-Term Borrowings	104,642	669	1.29%	71,144	338	.96%
Long-Term Debt	63,354	1,045	3.33%	13,863	392	5.70%
Total Interest Bearing Liabilities	1,183,054	7,994	1.36%	1,187,937	12,890	2.19%
Noninterest Bearing Deposits	396,744			350,933		
Other Liabilities	19,389			19,121		
TOTAL LIABILITIES	1,599,187			1,557,991		
SHAREOWNERS' EQUITY						
Common Stock	110			106		
Surplus	15,022			16,199		
Other Comprehensive Income	2,786			2,583		
Retained Earnings	174,692			157,196		
TOTAL SHAREOWNERS' EQUITY	192,610			176,084		
TOTAL LIABILITIES & EQUITY	$1,791,797			$1,734,075		
Interest Rate Spread			5.05%			4.85%
Net Interest Income		$43,300			$41,616	
Net Interest Margin			5.41%			5.38%

<FN>
<F1> Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $1.7 million and $3.3 million, for the three and six months ended June 30, 2003, versus $1.1 million and $2.1 million, for the comparable periods ended June 30, 2002.
<F2> Interest income includes the effects of taxable equivalent adjustments using a 35% tax rate.
</FN>
</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. CCBG 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 24. This table presents the Company's consolidated interest rate sensitivity position as of June 30, 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.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by 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 (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended). 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 during the Company's most recently completed fiscal quarter that could significantly affect these controls subsequent to the date of their evaluation.

<TABLE>

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

Other Than Trading Portfolio — June 30, 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	$ 199,599	$ 95,212	$ 67,107	$26,329	$14,118	$25,671	$ 428,036	$ 444,244
Average Interest Rate	7.37%	7.97%	7.53%	8.08%	7.87%	7.72%	7.59%	
Floating Rate<F2>	595,492	109,611	150,934	32,808	5,489	10,017	904,351	938,591
Average Interest Rate	5.38%	7.13%	6.67%	7.43%	6.73%	6.62%	5.91%	
Investment Securities<F3>								
Fixed Rate	91,631	49,284	14,832	3,753	563	6,637	166,700	166,700
Average Interest Rate	3.37%	3.10%	4.36%	4.81%	5.73%	4.10%	3.32%	
Floating Rate	4,045	-	-	-	-	-	4,045	4,045
Average Interest Rate	4.62%	-	-	-	-	-	4.62%	
Other Earning Assets								
Floating Rate	168,773	-	-	-	-	-	168,773	168,773
Average Interest Rates	1.17%	-	-	-	-	-	1.17%	
Total Financial Assets	$1,059,540	$254,107	$232,873	$62,890	$20,170	$42,325	$1,671,905	$1,722,353
Average Interest Rates	4.91%	6.66%	6.77%	7.54%	7.50%	6.89%	5.60%	
Deposits<F4>								
Fixed Rate Deposits	$ 339,232	$ 71,174	$ 13,879	$ 5,938	$ 4,546	$ 6	$ 434,775	$ 440,301
Average Interest Rates	1.92%	2.98%	3.32%	3.99%	3.70%	4.85%	2.15%	
Floating Rate Deposits	607,752	-	-	-	-	-	607,752	607,752
Average Interest Rates	0.47%	-	-	-	-	-	0.47%	
Other Interest Bearing Liabilities								
Fixed Rate Debt	40,000	20,145	16,261	-	899	20,359	97,664	99,445
Average Interest Rate	2.14%	2.51%	3.27%	-	4.80%	4.89%	3.00%	
Floating Rate Debt	61,629	-	-	-	-	-	61,629	61,629
Average Interest Rate	0.43%	-	-	-	-	-	0.43%	
Total Financial Liabilities	$1,048,613	$ 91,319	$ 30,140	$ 5,938	$ 5,445	$20,365	$1,201,820	$1,209,127
Average interest Rate	1.00%	2.87%	3.29%	3.99%	3.88%	4.89%	1.28%	

<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>

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 22, 2003. 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 — Against/ — Abstentions/

the 2006 annual meeting:	For	Withheld	Broker Non-Votes
DuBose Ausley	8,853,420	93,075	-
John K. Humphress	8,916,925	29,570	-

2. The shareowners ratified the selection of KPMG LLP as the Company's independent auditors for the fiscal year ending December 31, 2003. The number of votes cast were as follows:

For	Against/ Withheld	Abstentions/ Broker Non-Vote
8,907,671	35,708	3,116

Item 5. Other Information

On June 26, 2003, Capital City Bank Group, Inc. issued a press release announcing the election of four new members to the Board of Directors. The new members are: Frederick Carroll, III, J. Everitt Drew, Dr. Henry Lewis, III and Ruth A. Knox. The Company also announced the election of William G. Smith, Jr. as Chairman of the Board in addition to his duties as President and Chief Executive Officer. DuBose Ausley, the Company's former Chairman, continues to serve on the Board as Chairman of the Executive Committee

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

31.1 Certification of William G. Smith, Jr., Chairman, President and Chief Executive Officer of Capital City Bank Group, Inc., Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

31.2 Certification of J. Kimbrough Davis, Executive Vice President and Chief Financial Officer of Capital City Bank Group, Inc., Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

32.1 Certification of William G. Smith, Jr., Chairman, President and Chief Executive Officer of Capital City Bank Group, Inc., Pursuant to 18 U.S.C. Section 1350.

32.2 Certification of J. Kimbrough Davis, Executive Vice President and Chief Financial Officer of Capital City Bank Group, Inc., Pursuant to 18 U.S.C. Section 1350.

(B) Reports on Form 8-K

On April 25, 2003, the Company filed an 8-K to report the following event: issuance of a press release to report earnings for the quarter ended March 31, 2003.

On May 22, 2003, the Company filed an 8-K to report the following event: issuance of a press release to report declaration of a 5-for-4 stock split effected in the form of a 25% common stock dividend payable to holders of record as of close of business on June 2, 2003.

On June 26, 2003, the Company filed an 8-K to report the following event: issuance of a press release to announce the election of four new members to the Board of Directors.

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)

By: /s/ J. Kimbrough Davis

J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer
Date: August 14, 2003
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Exhibit 31.1 Certification of CEO Pursuant to Securities Exchange Act

Rules 13a-14 and 15d-14 as Adopted 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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Capital City Bank Group, Inc.

By: /s/ William G. Smith, Jr.

William G. Smith, Jr.
Chairman, President and Chief Executive Officer

Date: August 14, 2003

Exhibit 31.2 Certification of CFO Pursuant to Securities Exchange Act

Rules 13a-14 and 15d-14 as Adopted 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 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Capital City Bank Group, Inc.

By: /s/ J. Kimbrough Davis

J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer

Date: August 14, 2003

Exhibit 32.1 Certification of CEO Pursuant to 18 U.S.C. Section 1350

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 for the period ended June 30, 2003, 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 of the Company and its results of operations as of and for the periods covered therein.

Capital City Bank Group, Inc.

By: /s/ William G. Smith, Jr.

William G. Smith, Jr.
Chairman, President and Chief Executive Officer

Date: August 14, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2 Certification of CFO Pursuant to 18 U.S.C. Section 1350

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 for the period ended June 30, 2003, 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 of the Company and its results of operations as of and for the periods covered therein.

Capital City Bank Group, Inc.

By: /s/ J. Kimbrough Davis

J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer

Date: August 14, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.