UNITED STATES
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 30,2005

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)

(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 for 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 Exchange Act). Yes [X] No [ ]

At July 29, 2005, 18,623,393 shares of the Registrant's Common Stock, $.01 par value, were outstanding.

CAPITAL CITY BANK GROUP, INC.

FORM 10-Q INDEX

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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 Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and the Company's other filings with the Securities and Exchange Commission.

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED JUNE 30
(Unaudited)

<TABLE>

(Dollars in Thousands, Except Per Share Data)(1)	THREE MONTHS ENDED JUNE 30, 2005	THREE MONTHS ENDED JUNE 30, 2004	SIX MONTHS ENDED JUNE 30, 2005	SIX MONTHS ENDED JUNE 30, 2004
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Interest and Fees on Loans	$32,105	$22,922	$60,947	$44,194
Investment Securities:				
U.S. Treasury	121	224	257	452
U.S. Govt. Agencies and Corporations	834	462	1,654	791
States and Political Subdivisions	335	482	717	1,023
Other Securities	157	59	292	136
Funds Sold	358	116	517	339
Total Interest Income	33,910	24,265	64,384	46,935
INTEREST EXPENSE				
Deposits	4,618	2,385	8,927	4,779
Short-Term Borrowings	734	249	1,184	536
Subordinated Notes Payable	667	-	1,108	-
Other Long-Term Borrowings	769	587	1,489	1,084
Total Interest Expense	6,788	3,221	12,708	6,399
Net Interest Income	27,122	21,044	51,676	40,536
Provision for Loan Losses	388	580	798	1,541
Net Interest Income After Provision for Loan Losses	26,734	20,464	50,878	38,995
NONINTEREST INCOME				
Service Charges on Deposit Accounts	5,035	4,427	9,383	8,371
Data Processing	650	703	1,257	1,336
Asset Management Fees	1,013	950	2,125	1,691
Gain on Sale of Investment Securities	-	19	-	19
Mortgage Banking Revenues	1,036	986	1,799	1,680
Other	4,307	3,946	8,537	7,815
Total Noninterest Income	12,041	11,031	23,101	20,912
NONINTEREST EXPENSE				
Salaries and Associate Benefits	13,187	10,809	25,747	21,549
Occupancy, Net	2,035	1,749	3,972	3,366
Furniture and Equipment	2,192	1,977	4,304	4,040
Intangible Amortization	1,296	927	2,492	1,752

Merger Expense	234	4	234	46
Other	7,652	6,135	15,114	11,923
Total Noninterest Expense	26,596	21,601	51,863	42,676
Income Before Income Taxes	12,179	9,894	22,116	17,231
Income Taxes	4,311	3,451	7,871	5,941
NET INCOME	$ 7,868	$ 6,443	$14,245	$11,290
BASIC NET INCOME PER SHARE	$ .44	$ .38	$ .80	$ .68
DILUTED NET INCOME PER SHARE	$ .44	$ .38	$ .80	$ .68
Average Basic Shares Outstanding	18,094,256	16,592,894	17,898,253	16,585,340
Average Diluted Shares Outstanding	18,102,200	16,596,333	17,908,580	16,588,863

(1) All share and per share data have been adjusted to reflect the 5-for-4 stock split effective July 1, 2005.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

</TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF JUNE 30, 2005 AND DECEMBER 31, 2004
(Unaudited)

<TABLE>

(Dollars In Thousands, Except Share Data)(1)	June 30, 2005	December 31, 2004
<S>	<C>	<C>
ASSETS		
Cash and Due From Banks	$ 117,921	$ 87,039
Funds Sold and Interest Bearing Deposits	59,062	74,506
Total Cash and Cash Equivalents	176,983	161,545
Investment Securities, Available-for-Sale	195,860	210,240
Loans, Net of Unearned Interest	2,046,774	1,828,825
Allowance for Loan Losses	(17,451)	(16,037)
Loans, Net	2,029,323	1,812,788
Premises and Equipment, Net	69,294	58,963
Goodwill	84,511	54,341
Other Intangible Assets	28,570	25,964
Other Assets	45,344	40,172
Total Assets	$2,629,885	$2,364,013
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$ 598,602	$ 566,991
Interest Bearing Deposits	1,502,027	1,327,895
Total Deposits	2,100,629	1,894,886
Short-Term Borrowings	71,148	96,014
Subordinated Notes Payable	62,887	30,928
Other Long-Term Borrowings	73,144	68,453
Other Liabilities	26,655	16,932
Total Liabilities	2,334,463	2,107,213
SHAREOWNERS' EQUITY		
Preferred Stock, $.01 par value, 3,000,000 shares authorized; no shares outstanding	-	-
Common Stock, $.01 par value, 90,000,000 shares authorized; 18,614,482 shares outstanding at June 30, 2005 and 17,694,139 outstanding at December 31, 2004	186	177
Additional Paid-In Capital	82,582	52,328

Retained Earnings	213,352	204,648
Accumulated Other Comprehensive Loss, Net of Tax	(698)	(353)
Total Shareowners' Equity	295,422	256,800
Total Liabilities and Shareowners' Equity	$2,629,885	$2,364,013

(1) All share, per share, and shareowners' equity data have been adjusted to reflect the 5-for-4 stock split effective July 1, 2005.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

</TABLE>

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREOWNERS' EQUITY
(Dollars in Thousands, Except Per Share Data)(1)

<TABLE>

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Taxes	Total
<S>	<C>	<C>	<C>	<C>	<S>
Balance, December 31, 2004	$177	$52,328	$204,648	$(353)	$256,800
Comprehensive Income:					
Net Income	-	-	14,245		
Net Change in Unrealized Loss On Available-for-Sale Securities	-	-	-	(345)	
Total Comprehensive Income	-	-	-	-	13,900
Cash Dividends ($.304 per share)	-	-	(5,541)	-	(5,541)
Stock Performance Plan Compensation	-	765	-	-	765
Issuance of Common Stock	9	29,489	-	-	29,498
Balance, June 30, 2005	$186	$82,582	$213,352	$(698)	$295,422

(1) All share, per share, and shareowners' equity data have been adjusted to reflect the 5-for-4 stock split effective July 1, 2005.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

</TABLE>

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

<TABLE>

(Dollars in Thousands)	2005	2004
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 14,245	$ 11,290
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Provision for Loan Losses	798	1,541
Depreciation	2,769	2,584
Net Securities Amortization	783	1,229
Amortization of Intangible Assets	2,492	1,729
Gains on Sale of Investment Securities	-	(19)
Non-Cash Compensation	339	1,625
Net (Increase) Decrease in Other Assets	(5,534)	4,940
Net Increase in Other Liabilities	10,749	4,167
Net Cash Provided By Operating Activities	26,641	29,086
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Payments/Maturities/Sales of Investment Securities Available-for-Sale	77,357	87,296
Purchase of Investment Securities Available-for-Sale	(29,468)	(76,484)
Net Increase in Loans	(98,045)	(92,296)

Net Cash Acquired (Used) In Acquisitions	37,412	(18,055)
Purchase of Premises & Equipment	(9,918)	(3,686)
Proceeds From Sales of Premises & Equipment	134	861
Net Cash Used In Investing Activities	(22,528)	(102,364)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in Deposits	4,157	36,097
Net (Decrease) Increase in Short-Term Borrowings	(74,909)	18,828
Proceeds from Subordinated Note Payable	31,959	-
Increase in Other Long-Term Borrowings	3,600	9,737
Repayment of Other Long-Term Borrowings	51,134	(785)
Dividends Paid	(5,541)	(4,779)
Issuance of Common Stock	925	141
Net Cash Provided By Financing Activities	11,325	59,239
Net Increase (Decrease) in Cash and Cash Equivalents	15,438	(14,039)
Cash and Cash Equivalents at Beginning of Period	161,545	218,592
Cash and Cash Equivalents at End of Period	$176,983	$204,553
Supplemental Disclosure:		
Interest Paid on Deposits	$ 8,210	$ 4,815
Interest Paid on Debt	$ 3,525	$ 1,615
Taxes Paid	$ 6,468	$ 2,148
Transfer of Loans to Other Real Estate	$ 99	$ 846
Issuance of Common Stock as Non-Cash Compensation	$ 339	$ 1,625
Transfer of Current Portion of Long-Term Borrowings to Short-Term Borrowings	$ 43	$ -

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, 2005 and December 31, 2004, the results of operations for the three and six month periods ended June 30, 2005 and 2004, and cash flows for the six month periods ended June 30, 2005 and 2004.

The Company and its subsidiary follow accounting principles generally accepted in the United States of America and reporting practices applicable to the banking industry. The principles that materially affect its financial position, results of operations and cash flows are set forth in Notes to Consolidated Financial Statements which are included in the Company's 2004 Annual Report on Form 10-K.

On July 1, 2005, the Company executed a five-for-four stock split in the form of a 25% stock dividend, payable to shareowners of record as of close of business on June 17, 2005. All share, per share, and shareowners' equity data have been adjusted to reflect stock split.

Stock-based Compensation

As of June 30, 2005, the Company had three stock-based compensation plans, consisting of the Associate Incentive Plan ("AIP"), the Associate Stock Purchase Plan and the Director Stock Purchase Plan. Under the AIP, performance share units are awarded to participants based on performance goals being achieved. In addition, pursuant to the AIP, the Company executed stock option arrangements for 2005, 2004, and 2003 for a key executive officer (William G. Smith, Jr.). As a result of SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," the Company adopted the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," prospectively to all 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. The cost related to all stock-based associate compensation included in net income is accounted for under the fair value based method during 2004 and 2005 as all awards have grant dates after January 1, 2003.

(2) ACQUISITIONS

On May 20, 2005, the Company completed its merger with First Alachua Banking Corporation ("FABC"), headquartered in Alachua, Florida. The Company issued approximately 906,000 shares of common stock and paid approximately $29.0 million in cash for a total purchase price of $58.0 million. Results of FABC operations have been included in the Company's consolidated financial statements since May 21, 2005. FABC's wholly-owned subsidiary, First National Bank of Alachua ("FNBA") had $228.3 million in assets at closing with seven offices in Alachua County and an eighth office in Hastings, Florida, which is in St. Johns County. The transaction was accounted for as a purchase and resulted in approximately $35.6 million of intangible assets, including approximately $30.5 million in goodwill and a core deposit intangible of $5.1 million. The core deposit intangible is being amortized over a 5.5 year period.

On May 20, 2005, the Company issued a $32.0 million junior subordinated deferrable interest note to a wholly owned Delaware statutory trust, Capital City Bank Group Capital Trust II ("CCBG Capital Trust II") to facilitate the cash portion of the consideration paid to FABC shareowners. Interest payments on this note are due quarterly at a fixed rate of 6.07% for five years, then adjustable annually to three month LIBOR plus a margin of 1.80%. The note matures on June 15, 2035. The general terms and conditions of the Company's transaction with CCBG Capital Trust II are consistent with those enumerated for CCBG Capital Trust I which are described in Note 10 in the Company's 2004 Annual Report on Form 10-K.

The information below lists the consolidated assets and liabilities of FNBA as of May 20, 2005, along with the consideration paid:

(Dollars in Thousands)	First National Bank of Alachua
Cash and Due From Banks	$ 9,082
Funds Sold	58,312
Total Cash and Cash Equivalents	67,394
Investment Securities, Available-for-Sale	35,181
Loans, Net of Unearned Interest	119,262
Intangible Assets	35,623
Other Assets	3,282
Total Assets Acquired	$260,742
Total Deposits	$201,748
Long-Term Borrowings	-
Other Liabilities	994
Total Liabilities Assumed	$202,742
Consideration Paid to FABC Shareowners	$ 58,000

The following unaudited pro forma financial information for the three and six months ended June 30, 2005 and 2004, presents the consolidated operations of the Company as if the FNBA acquisition had been made on January 1, 2004. The unaudited pro forma financial information is provided for informational

purposes only, should not be construed to be indicative of the Company's consolidated results of operations had the acquisition of FNBA been consummated on this earlier date, and do not project the Company's results of operations for any future period:

(Dollars in Thousands, Except Per Share Data)(1)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Interest Income	$35,442	$27,012	$68,772	$52,475
Interest Expense	7,451	4,371	14,533	8,722
Net Interest Income	27,991	22,641	54,239	43,753
Provision for Loan Losses	388	580	798	1,541
Net Interest Income After Provision for Loan Losses	27,603	22,061	53,441	42,212
Noninterest Income	12,492	11,491	23,920	21,901
Noninterest Expense(2)	28,554	22,966	55,858	45,983
Income Before Income Taxes	11,541	10,586	21,503	18,130
Income Taxes	4,311	3,714	7,881	6,283
Net Income	$ 7,230	$ 6,872	$13,622	$11,847
Basic Net Income Per Share	$ .40	$ .41	$ .76	$ .70
Diluted Net Income Per Share	$ .40	$ .41	$ .76	$ .70

(1) All share and per share data have been adjusted to reflect the 5-for-4 stock split effective July 1, 2005.

(2) Includes non-recurring merger related expenses at FNBA and CCBG in the second quarter of 2005 totaling approximately $959,000, and year-to-date 2005 totaling approximately $1.1 million.

(3) INVESTMENT SECURITIES

The amortized cost and related market value of investment securities available-for-sale at June 30, 2005 and December 31, 2004 were as follows:

(Dollars in Thousands)	June 30, 2005 Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U.S. Treasury	$ 23,235	$ -	$ 169	$ 23,066
U.S. Government Agencies and Corporations	86,354	20	814	85,560
States and Political Subdivisions	51,736	148	208	51,676
Mortgage-Backed Securities	22,131	100	170	22,061
Other Securities(1)	13,497	-	-	13,497
Total Investment Securities	$196,953	$268	$1,361	$195,860

(Dollars in Thousands)	December 31, 2004 Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U.S. Treasury	$ 31,027	$ -	$ 244	$ 30,783
U.S. Government Agencies and Corporations	92,073	5	741	91,337
States and Political Subdivisions	49,889	409	92	50,206
Mortgage-Backed Securities	26,293	187	80	26,400
Other Securities(1)	11,514	-	-	11,514
Total Investment Securities	$210,796	$601	$1,157	$210,240

(1) FHLB and FRB stock recorded at cost.

</TABLE>

(4) LOANS

The composition of the Company's loan portfolio at June 30, 2005 and December 31, 2004 was as follows:

<TABLE>

(Dollars in Thousands)	June 30, 2005	December 31, 2004
<S>	<C>	<C>
Commercial, Financial and Agricultural	$ 214,983	$ 206,474
Real Estate-Construction	148,462	140,190
Real Estate-Commercial Mortgage	713,619	655,426
Real Estate-Residential	553,034	438,484
Real Estate-Home Equity	160,767	150,061
Real Estate-Loans Held-for-Sale	9,624	11,830
Consumer	246,285	226,360
Loans, Net of Unearned Interest	$2,046,774	$1,828,825

</TABLE>

(5) ALLOWANCE FOR LOAN LOSSES

An analysis of the changes in the allowance for loan losses for the six month periods ended June 30, 2005 and 2004, is as follows:

<TABLE>

(Dollars in Thousands)	June 30, 2005	June 30, 2004
<S>	<C>	<C>
Balance, Beginning of Period	$16,037	$12,429
Acquired Reserves	1,385	1,313
Provision for Loan Losses	798	1,541
Recoveries on Loans Previously Charged-Off	943	892
Loans Charged-Off	(1,712)	(2,518)
Balance, End of Period	$17,451	$13,657

</TABLE>

Impaired loans are primarily defined as all nonaccruing loans for the loan categories which are included within the scope of SFAS No. 114, "Accounting by Creditors for Impairment of a Loan." Selected information pertaining to impaired loans is depicted in the table below:

<TABLE>

	June 30, 2005		December 31, 2004	
(Dollars in Thousands)	Balance	Valuation Allowance	Balance	Valuation Allowance
<S>	<C>	<C>	<C>	<C>
Impaired Loans:				
With Related Valuation Allowance	$5,672	$2,910	$ 578	$313
Without Related Valuation Allowance	3,346	-	3,150	-

</TABLE>
<TABLE>

(Dollars in Thousands)	June 30, 2005	December 31, 2004
<S>	<C>	<C>
Average Recorded Investment in Impaired Loans	$9,724	$5,382
Interest Income on Impaired Loans:		
Recognized	62	140
Collected in Cash	62	120

</TABLE>

(6) DEPOSITS

The composition of the Company's interest bearing deposits at June 30, 2005 and December 31, 2004 was as follows:

<TABLE>

(Dollars in Thousands)	June 30, 2005	December 31, 2004
<S>	<C>	<S>
NOW Accounts	$ 475,687	$ 338,932
Money Market Accounts	287,601	270,095
Savings Deposits	162,665	147,348
Other Time Deposits	576,074	571,520
Total Interest Bearing Deposits	$1,502,027	$1,327,895

</TABLE>

(7) INTANGIBLE ASSETS

The Company had intangible assets of $113.1 million and $80.3 million at June 30, 2005 and December 31, 2004, respectively. Intangible assets were as follows:

<TABLE>

	June 30, 2005		December 31, 2004	
(Dollars in Thousands)	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
<S>	<C>	<C>	<C>	<C>
Core Deposit Intangibles	$ 47,176	$20,578	$ 42,078	$18,300
Goodwill	88,297	3,786	58,127	3,786
Customer Relationship Intangible	1,867	210	1,867	114
Other	483	168	483	50
Total Intangible Assets	$137,823	$24,742	$102,555	$22,250

</TABLE>

Net Core Deposit Intangibles: As of June 30, 2005 and December 31, 2004, the Company had net core deposit intangibles of $26.6 million and $23.8 million, respectively. Amortization expense for the first half of 2005 and 2004 was $2.3 million and $1.7 million, respectively. Estimated annual amortization expense is $5.3 million.

Goodwill: As of June 30, 2005 and December 31, 2004, the Company had goodwill, net of accumulated amortization, of $84.5 million and $54.3 million, respectively. Goodwill is the Company's only intangible asset that is no longer subject to amortization under the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets."

Other: As of June 30, 2005 and December 31, 2004, the Company had a customer relationship intangible, net of accumulated amortization, of $1.7 million and $1.8 million, respectively. This intangible was recorded as a result of the March 2004 acquisition of trust client relationships from Synovus Trust Company. Amortization expense for the first six months of 2005 and 2004 was $96,000 and $34,000, respectively. Estimated annual amortization expense is $191,000 based on a 10 year useful life.

As of June 30, 2005 and December 31, 2004, the Company also had a non-compete intangible, net of accumulated amortization, of $315,000 and $433,000, respectively. This intangible was recorded as a result of the October 2004 acquisition of Farmers and Merchants Bank of Dublin, Georgia. Amortization expense for the first six months of 2005 was $118,000. Estimated annual amortization expense is $236,000 based on a 2-year useful life.

(8) EMPLOYEE BENEFIT PLANS

The components of the net periodic benefit costs for the Company's qualified benefit pension plan were as follows:

<TABLE>

	Three Months Ended June 30,	Six Months Ended June 30,

(Dollars in Thousands)	2005	2004	2005	2004
Discount rate	6.00%	6.25%	6.00%	6.25%
Long-term rate of return on assets	8.00%	8.00%	8.00%	8.00%
Service cost	$1,040	$ 950	$2,080	$1,900
Interest cost	800	725	1,600	1,450
Expected return on plan assets	(798)	(675)	(1,596)	(1,350)
Prior service cost amortization	55	50	110	100
Net loss amortization	295	300	590	600
Net periodic benefit cost	$1,392	$1,350	$2,784	$2,700

The components of the net periodic benefit costs for the Company's Supplemental Executive Retirement Plan ("SERP") were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in Thousands)	2005	2004	2005	2004
Discount rate	6.00%	6.25%	6.00%	6.25%
Long-term rate of return on assets	N/A	N/A	N/A	N/A
Service cost	$ 35	$ 48	$ 70	$ 96
Interest cost	54	65	108	129
Expected return on plan assets	N/A	N/A	N/A	N/A
Prior service cost amortization	15	30	30	61
Net loss/(gain) amortization	21	(18)	42	(36)
Net periodic benefit cost	$125	$125	$250	$250

(9) COMMITMENTS AND CONTINGENCIES

Lending Commitments. The Company is a party to financial instruments with off-balance sheet risks in the normal course of business to meet the financing needs of its customers. These financial instruments consist of commitments to extend credit and standby letters of credit.

The Company's maximum exposure to credit loss under standby letters of credit and commitments to extend credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in establishing commitments and issuing letters of credit as it does for on-balance sheet instruments. As of June 30, 2005, the amounts associated with the Company's off-balance sheet obligations were as follows:

(Dollars in Millions)	Amount
Commitments to Extend Credit(1)	$471.1
Standby Letters of Credit	$ 21.0

(1) Commitments include unfunded loans, revolving lines of credit, and other unused commitments.

Commitments to extend credit are agreements to lend to a customer so long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

(10) COMPREHENSIVE INCOME

SFAS No. 130, "Reporting Comprehensive Income," requires that certain transactions and other economic events that bypass the income statement be displayed as other comprehensive income (loss). Comprehensive income totaled $8.3 million and $13.9 million, respectively, for the three and six

months ended June 30, 2005 and $5.0 million and $9.9 million, respectively, for the comparable periods in 2004. The Company's comprehensive income consists of net income and changes in unrealized gains (losses) on securities available-for-sale, net of income taxes. Changes in unrealized gains (losses), net of taxes, on securities totaled $452,000 and $(345,000), respectively, for the three and six months ended June 30, 2005, and $(1.4 million) for both the three and six months ended June 30, 2004. Reclassification adjustments consist only of realized gains on sales of investment securities and were not material for the six months ended June 30, 2005 and 2004.

<TABLE>

QUARTERLY FINANCIAL DATA (UNAUDITED)
(Dollars in Thousands, Except Per Share Data)(1)

	2005		2004				2003	
	Second	First	Fourth	Third	Second	First	Fourth	Third
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Summary of Operations:								
Interest Income	$ 33,910	$ 30,474	$ 29,930	$ 24,660	$ 24,265	$ 22,670	$ 23,022	$ 23,484
Interest Expense	6,788	5,920	5,634	3,408	3,221	3,178	3,339	3,506
Net Interest Income	27,122	24,554	24,296	21,252	21,044	19,492	19,683	19,978
Provision for Loan Losses	388	410	300	300	580	961	850	921
Net Interest Income After Provision for Loan Losses	26,734	24,144	23,996	20,952	20,464	18,531	18,833	19,057
Gain on Sale of Credit Card Portfolio	-	-	324	6,857	-	-	-	-
Noninterest Income	12,041	11,060	11,596	10,864	11,031	9,881	10,614	10,952
Merger Expense	234	-	436	68	4	42	-	-
Noninterest Expense	26,362	25,267	24,481	21,565	21,597	21,033	20,593	20,184
Income Before Provision for Income Taxes	12,179	9,937	10,999	17,040	9,894	7,337	8,854	9,825
Provision for Income Taxes	4,311	3,560	3,737	6,221	3,451	2,490	2,758	3,529
Net Income	$ 7,868	$ 6,377	$ 7,262	$ 10,819	$ 6,443	$ 4,847	$ 6,096	$ 6,296
Net Interest Income (FTE)	$ 27,396	$ 24,835	$ 24,619	$ 21,528	$ 21,333	$ 19,811	$ 20,020	$ 20,332
Per Common Share:								
Net Income Basic	$ .44	$ .36	$ .40	$ .66	$ .38	$ .30	$ .38	$ .38
Net Income Diluted	.44	.36	.40	.66	.38	.30	.37	.38
Dividends Declared	.152	.152	.152	.144	.144	.144	.144	.136
Diluted Book Value	15.87	14.69	14.51	13.19	12.64	12.43	12.22	12.00
Market Price:								
High	33.46	33.60	36.78	32.96	34.52	36.44	37.46	32.74
Low	28.02	29.30	30.17	26.66	28.40	31.24	29.30	28.00

Close	32.32	32.41	33.44	30.97	31.67	33.00	36.79	30.53
Selected Average Balances:								
Loans	$1,932,637	$1,827,327	$1,779,736	$1,524,401	$1,491,142	$1,357,206	$1,329,673	$1,336,139
Earning Assets	2,170,483	2,047,049	2,066,111	1,734,708	1,721,655	1,634,468	1,636,269	1,634,689
Assets	2,458,788	2,306,807	2,322,870	1,941,372	1,929,485	1,830,496	1,819,552	1,816,005
Deposits	1,932,144	1,847,378	1,853,588	1,545,224	1,538,630	1,457,160	1,451,095	1,451,879
Shareowners' Equity	278,107	260,946	248,773	217,273	210,211	206,395	201,939	199,060
Common Equivalent Average Shares:								
Basic	18,094	17,700	17,444	16,604	16,593	16,578	16,528	16,527
Diluted	18,102	17,708	17,451	16,609	16,596	16,607	16,581	16,575
Ratios:								
ROA	1.28%	1.12%	1.24%	2.22%(2)	1.34%	1.06%	1.33%	1.38%
ROE	11.35%	9.91%	11.61%	19.81%(2)	12.33%	9.45%	11.98%	12.55%
Net Interest Margin (FTE)	5.07%	4.92%	4.75%	4.94%	4.99%	4.88%	4.85%	4.94%
Efficiency Ratio	63.56%	67.06%	63.85%	52.60%(2)	63.87%	68.06%	64.58%	61.93%

(1) All share and per share data have been adjusted to reflect the 5-for-4 stock split effective July 1, 2005.

(2) Includes $4.2 million (after-tax) one-time gain on sale of credit card portfolio.

</TABLE>

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

Management's discussion and analysis ("MD&A") 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 MD&A is divided into subsections entitled "Financial Overview," "Results of Operations," "Financial Condition," "Liquidity and Capital Resources," "Off-Balance Sheet Arrangements," 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 2005 compares with prior years. Throughout this section, Capital City Bank Group, Inc., and its subsidiary, 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 on page 26 for average balances and interest rates presented on a quarterly basis.

This report including the MD&A section, and other Company written and oral 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.

All forward-looking statements, by their nature, are subject to risks and uncertainties. The Company's actual future results may differ materially from those set forth in its forward-looking statements. Factors that might cause the future financial performance to vary from that described in its forward-looking statements include the credit, market, operational, liquidity, interest rate and other risks discussed in the MD&A section of this report and in other periodic reports filed with the SEC. In addition, the following discussion sets forth certain risks and uncertainties that the Company believes could cause its actual future results to differ materially from expected results. However, other factors besides those listed below or discussed in the Company's reports to the SEC also could adversely affect the Company's results, and the reader should not consider any such list of

factors to be a complete set of all potential risks or uncertainties. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995. The following factors, among others, could cause our financial performance to differ materially from what is contemplated in those forward-looking statements.

* Our ability to integrate the business and operations of companies and banks that we have acquired and that we may acquire in the future. For example, the Company may fail to realize the growth opportunities and cost savings anticipated to be derived from our acquisitions. In addition, it is possible that during the integration process of our acquisitions, the Company could lose key employees or the ability to maintain relationships with customers.

* 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;

* Worldwide political and social unrest, including acts of war and terrorism;

* The effects of harsh weather conditions, including hurricanes;

* 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;

* 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. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. 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 may make further disclosures of a forward-looking nature in its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its current report on Form 8-K.

The Company is headquartered in Tallahassee, Florida and as of June 30, 2005 had 68 banking offices, six mortgage lending offices, 79 ATMs and 11 Bank'N Shop locations in Florida, Georgia and Alabama.

RESULTS OF OPERATIONS

Net Income

Earnings for the three and six months ended June 30, 2005 were $7.9 million, or $0.44 per diluted share, and $14.2 million, or $0.80 per diluted share, respectively. This compares to $6.4 million, or $0.38 per diluted share, and $11.3 million, or $0.68 per diluted share in 2004.

The growth in earnings for the three and six month periods was driven by an increase in operating revenues and a decrease in the loan loss provision. Operating revenues (defined as net interest income plus noninterest income) increased 22.1% and 21.7% over the comparable three and six month periods in 2004. Growth in operating revenues is reflective of higher net interest income and noninterest income. Net interest income increased 28.9% and 27.5%, respectively, on a dollar basis, for the three and six month periods due to strong earning asset growth and an improved net interest margin. The increase in noninterest income is due to higher deposit service charge fees, asset management fees, and merchant fees. The loan loss provision declined 33.1% and 48.2% over the same periods in 2004. The lower loan loss provision reflects continued strong credit quality.

A condensed earnings summary is presented below.

<TABLE>

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in Thousands)	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Interest Income	$33,910	$24,265	$64,384	$46,935
Taxable Equivalent Adjustment(1)	274	289	555	608
Interest Income (FTE)	34,184	24,554	64,939	47,543
Interest Expense	6,788	3,221	12,708	6,399
Net Interest Income (FTE)	27,396	21,333	52,231	41,144
Provision for Loan Losses	388	580	798	1,541
Taxable Equivalent Adjustment	274	289	555	608
Net Interest Income After Provision	26,734	20,464	50,878	38,995
Noninterest Income	12,041	11,031	23,101	20,912
Merger Expense	234	4	234	46
Noninterest Expense	26,362	21,597	51,629	42,630
Income Before Income Taxes	12,179	9,894	22,116	17,231
Income Taxes	4,311	3,451	7,871	5,941
Net Income	$ 7,868	$ 6,443	$14,245	$11,290
Percent Change	22.12%	.05%	26.17%	(11.80)%
Return on Average Assets(2)	1.28%	1.34%	1.21%	1.21%
Return on Average Equity(2)	11.35%	12.33%	10.66%	10.90%

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

</TABLE>

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 2005 taxable-equivalent net interest income increased $6.1 million, or 28.4%, over the comparable quarter in 2004. During the first half of 2005, taxable-equivalent net interest income increased $11.1 million, or 26.9%, respectively, over the first half of 2004. This favorable impact was caused by the effect of three acquisitions (two in 2004 and one in 2005), an improved earning asset mix and higher yields; partially offset by increased funding costs resulting from the higher interest rate environment. Table I on page 26 provides a comparative analysis of the Company's average balances and interest rates.

For the three month period ended June 30, 2005, taxable-equivalent interest income increased $9.6 million or 39.2%, over the comparable period in 2004. During the first half of 2005, taxable-equivalent interest income improved $17.4 million, or 36.6%, respectively, over the comparable period in 2004. During the second quarter of 2005, growth in interest income resulted from strong loan demand, the recent acquisition of the First National Bank of Alachua ("FNBA"), and higher earning asset yields attributable to the rising rate environment. New loan production and repricing of existing earning assets produced a 58 basis point improvement in the yield on earning assets, which increased from 5.74% for the second quarter in 2004 to 6.32% for the same period in 2005. The Federal Reserve increased interest rates during the second quarter of 2005, which continue to impact new production and repricing. Income generated on earning assets is anticipated to expand in the third quarter due to the improved earning asset mix and the higher rate environment.

Interest expense for the three and six month periods ended June 30, 2005 increased $3.6 million, or 110.7% and $6.3 million, or 98.6%, respectively, from the comparable prior year periods. The unfavorable variance is attributable to higher rates, acquired deposits and an unfavorable shift in mix, as certificates of deposit, generally a higher cost deposit product, increased relative to total deposits. The average rate paid on interest bearing liabilities in 2005 increased 63 basis points over the second quarter of 2004, to a level of 1.69%.

Interest expense is anticipated to increase in the third quarter as a result of the higher rate environment and increased competition for funding sources.

The Company's interest rate spread (defined as the average federal taxable-equivalent yield on earning assets less the average rate paid on interest bearing liabilities) decreased from 4.63% in the first half of 2004 to 4.56% in the comparable period of 2005, reflecting the higher cost of funds.

The Company's net yield on earning assets (defined as taxable-equivalent net interest income divided by average earning assets) was 5.07% and 4.99%, respectively, for the three and six month periods of 2005, versus 4.99% and 4.93%, respectively, for the comparable periods in 2004. The increase in margin reflects higher asset yields driven by rising interest rates, partially offset by higher cost of funds.

If interest rates continue to rise at a measured pace, the net yield on earning assets is anticipated to increase slightly during the third quarter of 2005. Net interest income is expected to expand during the third quarter attributable to anticipated higher yield on earning assets, a favorable shift in mix of earning assets, and other factors noted above.

Provision for Loan Losses

The provision for loan losses was $388,000 and $798,000, respectively, for the three and six month periods ended June 30, 2005, compared to $580,000 and $1.5 million for the same periods in 2004. The decrease in the provision for the first half of 2005 reflects a lower level of net charge-offs between comparable periods.

Net charge-offs totaled $362,000, or .08% of average loans for the second quarter of 2005 compared to $631,000, or .18% for the second quarter of 2004. The primary reason for the decrease in net charge-offs is attributable to a lower level of credit card charge-offs due to the sale of the portfolio. At quarter-end the allowance for loan losses was .85% of outstanding loans and provided coverage of 289% of nonperforming loans.

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

(Dollars in Thousands)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
CHARGE-OFFS				
Commercial, Financial and Agricultural	$ 302	$ 286	$ 390	$ 453
Real Estate - Construction	-	-	-	-
Real Estate - Commercial Mortgage	2	-	6	39
Real Estate - Residential	37	11	62	94
Consumer	536	885	1,254	1,932
Total Charge-offs	877	1,182	1,712	2,518

RECOVERIES				
Commercial, Financial and Agricultural	98	24	107	36
Real Estate - Construction	-	-	-	-
Real Estate - Commercial Mortgage	-	-	-	-
Real Estate - Residential	14	176	16	176
Consumer	403	333	820	680
Total Recoveries	515	533	943	892
Net Charge-offs	$ 362	$ 649	$ 769	$1,626
Net Charge-offs (Annualized) as a Percent of Average Loans Outstanding, Net of Unearned Interest	.08%	.18%	.08%	.23%

</TABLE>

Noninterest Income

Noninterest income increased $1.0 million, or 9.2%, and $2.2 million, or 10.5%, respectively, over the comparable three and six month periods in 2004, primarily due to higher deposit service charge fees, asset management fees, and merchant fees. Noninterest income represented 30.7% and 30.9% of operating revenue for the three and six month periods of 2005 compared to 34.4% and 34.0% for the same periods in 2004. The decrease is due to strong growth in net interest income during 2005.

Service charges on deposit accounts increased $608,000, or 13.7% and $1.0 million, or 12.1%, respectively, over the comparable three and six month periods in 2004. The increase is due to the growth in deposit accounts, partially attributable to acquisitions, a fee structure change implemented in mid-2004, and an increase in non-sufficient funds (NSF) and overdraft fees due to increased NSF activity.

Data processing revenues of $650,000 and $1.3 million for the three and six month periods ended June 30, 2005 reflect a decrease of 7.5% and 5.9%, respectively, from the comparable periods in 2004. The decline is due to slightly lower revenues from one processing contract with a state agency. The Company currently provides data processing services for six financial clients and contract processing services for six non-financial clients. For the first half of 2005 and 2004, processing revenues for financial clients represented 67.6% and 64.4% of total processing revenues, respectively. Management anticipates that revenues for the remainder of 2005 will remain consistent with the first half of the year.

Income from asset management activities increased $63,000, or 6.6%, and $434,000, or 25.7%, respectively, over the comparable three and six month periods in 2004. The improvement for the three-month period is due primarily to growth in new business within existing markets. The increase for the first half of 2005 reflects trust assets acquired late in the first quarter of 2004. At June 30, 2005, assets under management totaled $651.0 million, representing an increase of $18.6 million, or 2.9% from the comparable period in 2004. Management anticipates that revenues for the remainder of 2005 will remain consistent with the first half of the year.

Mortgage banking revenues increased $50,000, or 5.1%, and $119,000, or 7.1%, respectively, over the comparable three and six month periods in 2004. The improvement is due to an increase in mortgage production, which is up 24.0% over the first half of 2004, reflecting growth in both portfolio loans (ARM product) and loans sold in the secondary market. Due to the increasing rate environment, a larger percentage of total production is being retained in the loan portfolio. Loans sold in the secondary market during the first half of 2005 increased 9.5% over the first half of 2004 to a level of $101.4 million. The residential loan pipeline at the end of the second quarter of 2005 reflects an increase of 27.2% over the pipeline at the end of the first quarter of 2005.

Other income increased $361,000, or 9.1%, and $722,000, or 9.2%, respectively, over the comparable three and six month periods in 2004. The increase for both periods is primarily due to growth in card processing fees and miscellaneous loan fees.

Noninterest income as a percent of average assets was 1.95% and 2.24%,

respectively, for the first half of 2005 and 2004.

Noninterest Expense

Noninterest expense increased $5.0 million, or 23.1%, and $9.2 million, or 21.5%, respectively, over the comparable three and six month periods in 2004. Factors impacting the Company's noninterest expense for the first six months of 2005 are discussed below.

Salaries and associate benefits expense increased $2.4 million, or 22.0%, and $4.2 million, or 19.5% over the comparable three and six month periods in 2004. For the first half of the year, the Company experienced increases in associate salaries of $2.9 million, payroll tax expense of $328,000, pension plan expense of $154,000, associate insurance expense of $328,000, and stock-based compensation of $523,000. The increases in associate salaries and payroll tax reflects the addition of associates from acquisitions in 2004 and 2005 and annual merit/market based raises for associates. The higher pension expense is due primarily to a lower discount rate used for the 2005 expense projection. The increase in associate insurance expense is primarily attributable to additional participants and higher healthcare insurance premiums. The increase in stock-based compensation reflects an increase in the number of participants in the Company's stock compensation plans and a higher level of projected performance.

Occupancy expense, including premises, furniture, fixtures and equipment increased $501,000, or 13.4%, and $870,000, or 11.7%, respectively, over the comparable three and six month periods in 2004. For the first half of the year, the Company experienced increases in depreciation of $185,000, maintenance and repairs (building) of $261,000, utilities of $66,000, property taxes of $191,000, tangible tax of $96,000, and maintenance agreements of $218,000 from the comparable period in 2004. The increase in the aforementioned expense categories is primarily reflective of incremental expense incurred with the addition of 12 new banking offices since the second quarter of 2004.

Other noninterest expense increased $1.5 million, or 24.7%, and $3.1 million, or 26.8%, respectively, over the comparable three and six month periods in 2004. For the first half of the year, the increase was primarily attributable to higher expense for the following categories: 1) legal - $190,000; 2) professional fees - $339,000; 3) processing services - $244,000; 4) advertising - $894,000; 5) printing and supplies - $197,000; 6) travel and entertainment - $136,000; and 7) interchange service fees - $391,000. The increase in legal fees is reflective of increased corporate governance initiatives and a general increase in legal services tied to corporate activities. The increase in professional fees is due to higher expense for external audit fees. The higher expense for processing fees is attributable to the cost of integrating recent acquisitions and core processing system upgrades. The increase in advertising expense reflects the marketing cost to support the new free checking product introduced in the first quarter of 2005. The higher expense for printing and supplies and travel and entertainment is driven by the recent acquisitions. The increase in interchange fees is due to increased card processing volume.

Net noninterest expense (noninterest income minus noninterest expense, excluding intangible amortization and one-time merger expenses) as a percent of average assets was 2.20% for the first half of 2005 compared to 2.14% in 2004. The Company's efficiency ratio (noninterest expense, excluding intangible amortization and one-time merger expense, expressed as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 65.23% for the first half of 2005 compared to 65.87% for the first half of 2004.

Income Taxes

Relative to the prior year periods, the provision for income taxes increased $860,000, or 24.9%, during the second quarter and $1.9 million, or 32.5%, during the first six months of 2005, reflecting higher taxable income. The Company's effective tax rate for the first half of 2005 was 35.6% compared to 34.5% for the same period in 2004. The increase in the effective tax rate is primarily attributable to a lower level of tax-free loan and security income.

FINANCIAL CONDITION

Asset and liability balances include the integration of Farmers and Merchants Bank of Dublin on October 15, 2004, and First National Bank of Alachua on May 20, 2005.

The Company's average assets increased $136.0 million, or 5.9%, to $2.46

billion for the quarter-ended June 30, 2005 from $2.32 billion in the fourth quarter of 2004. Average earning assets of $2.17 billion increased $104.4 million, or 5.1%, from the fourth quarter of 2004 driven by a $152.9 million, or 8.6%, increase in average loans. The growth in loans reflects the recent FNBA acquisition and strong organic loan growth.

The Company ended the second quarter with approximately $13.0 million in average net overnight funds sold as compared to $60.6 million in net overnight funds sold in the fourth quarter of 2004. The decline is primarily reflective of the Company's loan growth. For a further discussion on liquidity see the section "Liquidity and Capital Resources."

The investment portfolio is a significant component of the Company's operations and, as such, it functions as a key element of liquidity and asset/liability management. As of June 30, 2005, the average investment portfolio decreased $12.5 million, or 6.1%, from the fourth quarter of 2004. Cash from portfolio run-off for the first half of the year has been used to fund loan growth. Management will continue to evaluate the need to purchase securities for the investment portfolio throughout 2005, taking into consideration liquidity needed to fund loan growth, acquisitions, and meet pledging requirements.

Securities classified as available-for-sale 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, 2005 and December 31, 2004, shareowners' equity included a net unrealized loss of $0.7 million and $0.4 million, respectively.

Average loans increased $152.9 million, or 8.6%, from the fourth quarter of 2004. The increase was driven by gains in all loan categories reflective of loans integrated from the FNBA acquisition and from organic loan growth for the first half of the year. Exclusive of the FNBA acquisition, period end loans increased $97.5 million, or 5.3% over the fourth quarter of 2004. Loan activity in all markets remains moderate to strong.

The Company's nonperforming loans were $6.2 million at June 30, 2005, versus $4.6 at December 31, 2004. The increase is attributable to the addition of one large commercial real estate loan relationship for which the bank recently received a deed in lieu of foreclosure. Management expects no significant loss upon the disposition of this asset. As a percent of nonperforming loans, the allowance for loan losses represented 289% at June 30, 2005 versus 345% at December 31, 2004. 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 $0.2 million at

June 30, 2005, versus $0.6 million at December 31, 2004. The ratio of nonperforming assets as a percent of loans plus other real estate was .30% at June 30, 2005 compared to .29% at December 31, 2004.

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, 2005 was $17.5 million, compared to $16.0 million at year-end 2004. The increase from year-end primarily reflects the integration of acquired loan reserves from FNBA in the second quarter of 2005. At quarter-end 2005, the allowance represented 0.85% of total loans. 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 does not indicate a likelihood of this occurrence. It is management's opinion that the allowance at June 30, 2005 is adequate to absorb losses inherent in the loan portfolio at quarter-end.

Average total deposits increased $78.6 million, or 4.2% from the fourth quarter of 2004 driven by a $84.1 million increase in nonmaturity deposits. This increase primarily reflects accounts added from the FNBA acquisition and new accounts gained from the Company's free-checking campaign initiated early

in the first quarter of 2005.

The ratio of average noninterest bearing deposits to total deposits was 28.2% for the second quarter of 2005 compared to 29.9% for the fourth quarter of 2004. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 74.2%, and 72.1%, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

General. Liquidity for a banking institution is the availability of funds to meet increased loan demand, excessive deposit withdrawals, and the payment of other contractual cash obligations. 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 and 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 ("FHLB") advances.

Borrowings. The Company maintains a $25.0 million revolving line of credit. As of June 30, 2005, the Company had no borrowings under the revolving line of credit. For the first six months of the year, the Bank has made scheduled FHLB advance payments totaling $51.1 million and obtained $53.8 million in new FHLB advances. The aforementioned borrowing activity for the year includes a new short-term advance for $50.0 million that was obtained in May and repaid in June.

The Company issued a $32.0 million junior subordinated deferrable interest note in May 2005 to a wholly owned Delaware statutory trust, Capital City Bank Group Capital Trust II ("CCBG Capital Trust II"). Interest payments are due quarterly at a fixed rate of 6.07% for five years, then adjustable annually to three month LIBOR plus a margin of 1.80%. The note matures on June 15, 2035. The proceeds of the borrowing were used to partially fund the First National Bank of Alachua acquisition.

The Company ended the second quarter of 2005 with approximately $13.0 million in average net overnight funds sold as compared to $60.6 million net overnight funds sold in the fourth quarter of 2004. The decline reflects cash used to fund loan growth. If loan growth continues at its current pace, the Company expects to be a net purchaser of funds in the third quarter.

Contractual Cash Obligations. The Company maintains certain debt and operating lease commitments that require cash payments. The table below details those future cash commitments as of June 30, 2005:

<TABLE>

	Payments Due After June 30, 2005						
(Dollars in Thousands)	2005 (Remaining)	2006	2007	2008	2009	Thereafter	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Federal Home Loan Bank Advances	$17,320	$22,843	$5,905	$4,905	$2,775	$ 33,124	$ 86,872
Subordinated Notes Payable	-	-	-	-	-	62,887	62,887
Operating Lease Obligations	707	1,243	1,122	1,114	1,104	7,129	12,419
Total Contractual Cash Obligations	$18,027	$24,086	$7,027	$6,019	$3,879	$103,140	$162,178

</TABLE>

Capital

The Company's equity capital was $295.4 million as of June 30, 2005 compared to $256.8 million as of December 31, 2004. 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 9.28% at June 30, 2005 compared to 8.79% at December 31, 2004. Further, the Company's risk-adjusted capital ratio of 11.96% at June 30, 2005 exceeds the 8.0% minimum requirement under risk-based regulatory guidelines. As allowed by Federal Reserve Board capital guidelines the trust preferred securities issued by CCBG Capital Trust I and CCBG Capital Trust II are included as Tier 1 capital in the Company's capital calculations previously noted.

Adequate capital and financial strength is paramount to the stability of CCBG and its subsidiary bank. Cash dividends declared and paid should not place unnecessary strain on the Company's capital levels. Although a consistent dividend payment is believed to be favorably viewed by the financial markets and shareowners, the Board of Directors will declare dividends only if the Company is considered to have adequate capital. Future capital requirements and corporate plans are considered when the Board considers a dividend payment. Dividends declared and paid during the second quarter of 2005 totaled $.1520 per share compared to $.1440 per share for the second quarter of 2004, an increase of 5.6%. The dividend payout ratios for the second quarter ended 2005 and 2004 were 34.5% and 37.9%, 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, 2005, these regulations and covenants did not impair the Company's (or the Bank's) ability to declare and pay dividends or to meet other existing obligations in the normal course of business.

During the first six months of 2005, shareowners' equity increased $38.6 million, or 30.0%, on an annualized basis. Growth in equity during the first half of the year was positively impacted by net income of $14.2 million, the issuance of common stock of $29.5 million, and stock-based compensation accretion of $0.7 million. Equity was reduced by dividends paid during the first half of the year by $5.5 million, or $.304 per share and

an increase in the net unrealized loss on available-for-sale securities of $0.3 million. At June 30, 2005, the Company's common stock had a book value of $15.87 per diluted share compared to $14.50 at December 31, 2004.

On July 1, 2005, the Company executed a five-for-four stock split in the form of a 25% stock dividend, payable to shareowners of record as of close of business on June 17, 2005. All share, per share, and shareowners' equity data in this Form 10-Q have been adjusted to reflect the stock split.

On March 30, 2000, the Company's Board of Directors authorized the repurchase of up to 781,250 shares of its outstanding common stock. On January 24, 2002, the Company's Board of Directors authorized the repurchase of an additional 390,625 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 second quarter of 2005. From March 30, 2000 through June 30, 2005, the Company repurchased 715,884 shares at an average purchase price of $15.34 per share.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not currently engage in the use of derivative instruments to hedge interest rate risks. However, the Company is a party to financial instruments with off-balance sheet risks in the normal course of business to meet the financing needs of its customers.

At June 30, 2005, the Company had $471.1 million in commitments to extend credit and $21.0 million in standby letters of credit. Commitments to extend credit are agreements to lend to a customer so long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. The Company uses the same credit policies in establishing commitments and issuing letters of credit as it does for on-balance sheet instruments.

If commitments arising from these financial instruments continue to require funding at historical levels, management does not anticipate that such funding will adversely impact its ability to meet on-going obligations. In the event these commitments require funding in excess of historical levels, management believes current liquidity, available lines of credit from the Federal Home Loan Bank, investment security maturities and the Company's revolving credit facility provide a sufficient source of funds to meet these commitments.

ACCOUNTING POLICIES

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 United States of America, which require the Company to make various estimates and assumptions (see Note 1 in the Notes to Consolidated Financial Statements). 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 2004 Annual Report on Form 10-K.

Intangible Assets: Intangible assets consist primarily of goodwill, core deposit assets, and other identifiable intangibles 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. The Company has determined that no impairment existed at December 31, 2004. 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 5.5-10 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.

Pension Assumptions: The Company has a defined benefit pension plan for the benefit of substantially all associates of the Company. The Company's funding policy with respect to the pension plan is to contribute amounts to the plan sufficient to meet minimum funding requirements as set by law. Pension expense, reflected in the Consolidated Statements of Income in noninterest expense as "Salaries and Associate Benefits", is determined by an external actuarial valuation based on assumptions that are evaluated annually as of December 31, the measurement date for the pension obligation. The Consolidated Statements of Financial Condition reflect an accrued pension benefit cost due to funding levels and unrecognized actuarial amounts. The most significant assumptions used in calculating the pension obligation are the weighted-average discount rate used to determine the present value of the pension obligation, the weighted-average expected long-term rate of return on plan assets, and the assumed rate of annual compensation increases. These assumptions are re-evaluated annually with the external actuaries, taking into consideration both current market conditions and anticipated long-term market conditions.

The weighted-average discount rate is determined by matching anticipated Retirement Plan cash flows for a 30-year period to long-term corporate Aa-rated bonds and solving for the underlying rate of return, which investing in such securities would generate. This methodology is applied consistently from year-to-year. The discount rate utilized for 2005 is 6.00%.

The weighted-average expected long-term rate of return on plan assets is determined based on the current and anticipated future mix of assets in the plan. The assets currently consist of equity securities, U.S. Government and Government agency debt securities, and other securities (typically temporary liquid funds awaiting investment). The weighted-average expected long-term rate of return on plan assets utilized for 2005 is 8.0%.

The assumed rate of annual compensation increases of 5.50% in 2005 is based on expected trends in salaries and the employee base. This assumption is not

expected to change materially in 2005.

Information on components of the Company's net periodic benefit cost is provided in Note 8 of the Notes to Consolidated Financial Statements included herein and Note 8 of the Notes to Consolidated Financial Statements in the Company's 2004 10-K.

Recent Accounting Pronouncements

SFAS No. 154, "Accounting Changes and Error Corrections, a Replacement of APB Opinion No. 20 and FASB Statement No. 3" ("SFAS 154"). SFAS 154 establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to a newly adopted accounting principle. Previously, most changes in accounting principle were recognized by including the cumulative effect of changing to the new accounting principle in net income of the period of the change. Under SFAS 154, retrospective application requires (i) the cumulative effect of the change to the new accounting principle on periods prior to those presented to be reflected in the carrying amounts of assets and liabilities as of the beginning of the first period presented, (ii) an offsetting adjustment, if any, to be made to the opening balance of retained earnings (or other appropriate components of equity) for that period, and (iii) financial statements for each individual prior period presented to be adjusted to reflect the direct period-specific effects of applying the new accounting principle. Special retroactive application rules apply in situations where it is impracticable to determine either the period-specific effects or the cumulative effect of the change. Indirect effects of a change in accounting principle are required to be reported in the period in which the accounting change is made. SFAS 154 carries forward the guidance in APB Opinion 20 "Accounting Changes," requiring justification of a change in accounting principle on the basis of preferability. SFAS 154 also carries forward without change the guidance contained in APB Opinion 20, for reporting the correction of an error in previously issued financial statements and for a change in accounting estimate. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Corporation does not expect SFAS 154 will significantly impact its financial statements upon its adoption on January 1, 2006.

In December 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") No. 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer." SOP No. 03-3 addresses accounting for differences between contractual cash flows and cash flows expected to be collected from an investor's initial investment in loans acquired in a transfer when those cash flow differences are attributable, at least in part, to credit quality. As such, SOP 03-3 applies to loans and debt securities acquired individually, in pools or as part of a business combination and does not apply to originated loans. The application of SOP 03-3 limits the interest income, including accretion of purchase price discounts, that may be recognized for certain loans and debt securities. Additionally, SOP 03-3 does not allow the excess of contractual cash flows over cash flows expected to be collected to be recognized as an adjustment of yield, loss accrual or valuation allowance, such as the allowance for loan losses. SOP 03-3 requires that increases in expected cash flows subsequent to the initial investment be recognized prospectively through adjustment of the yield on the loan or debt security over its remaining life. Decreases in expected cash flows should be recognized as impairment. In the case of loans acquired in a business combination where the loans show signs of credit deterioration, SOP 03-3 represents a significant change from current purchase accounting practice whereby the acquiree's allowance for loan losses is typically added to the acquirer's allowance for loan losses. SOP 03-3 is effective for loans and debt securities acquired by the Company beginning January 1, 2005. The Company has adopted SOP 03-3 and application of its guidance for the recent FABC acquisition did not have a significant impact on the Company's financial statements. Loans acquired in future acquisitions will continue to be accounted for under SOP 03-3.

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

<TABLE>

FOR THREE MONTHS ENDED JUNE 30,	
2005	2004

	Balance	Interest	Rate	Balance	Interest	Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Loans, Net of Unearned Interest(1)(2)	$1,932,637	$32,200	6.68%	$1,491,142	$22,961	6.19%
Taxable Investment Securities	149,958	1,113	2.96%	134,634	745	2.21%
Tax-Exempt Investment Securities(2)	41,316	513	4.97%	50,191	732	5.83%
Funds Sold	46,572	358	3.04%	45,688	116	1.01%
Total Earning Assets	2,170,483	34,184	6.32%	1,721,655	24,554	5.74%
Cash & Due From Banks	104,336			89,921		
Allowance for Loan Losses	(16,998)			(13,804)		
Other Assets	200,967			131,713		
TOTAL ASSETS	$2,458,788			$1,929,485		
LIABILITIES						
NOW Accounts	$ 413,799	$ 560	0.54%	$ 283,297	$ 121	0.17%
Money Market Accounts	270,195	830	1.23%	215,746	239	0.44%
Savings Accounts	155,286	75	0.19%	129,684	32	0.10%
Other Time Deposits	547,919	3,153	2.31%	433,514	1,993	1.85%
Total Int. Bearing Deposits	1,387,199	4,618	1.34%	1,062,241	2,385	0.90%
Short-Term Borrowings	108,508	734	2.71%	109,723	249	0.91%
Subordinated Note Payable	45,681	667	5.86%	-	-	-
Other Long-Term Borrowings	68,975	769	4.47%	53,752	587	4.39%
Total Int. Bearing Liabilities	1,610,363	6,788	1.69%	1,225,716	3,221	1.06%
Noninterest Bearing Deposits	544,945			476,389		
Other Liabilities	25,373			17,169		
TOTAL LIABILITIES	2,180,681			1,719,274		
SHAREOWNERS' EQUITY						
TOTAL SHAREOWNERS' EQUITY	278,107			210,211		
TOTAL LIABILITIES & EQUITY	$2,458,788			$1,929,485		
Interest Rate Spread			4.63%			4.68%
Net Interest Income		$27,396			$21,333	
Net Interest Margin(3)			5.07%			4.99%

FOR SIX MONTHS ENDED JUNE 30,

	2005			2004		
	Balance	Interest	Rate	Balance	Interest	Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS						
Loans, Net of Unearned Interest(1)(2)	$1,880,272	$61,120	6.56%	$1,424,175	$44,271	6.25%
Taxable Investment Securities	151,740	2,203	2.91%	128,167	1,380	2.15%
Tax-Exempt Investment Securities(2)	42,615	1,099	5.16%	52,233	1,554	5.95%
Funds Sold	34,479	517	2.98%	73,487	338	0.91%
Total Earning Assets	2,109,106	64,939	6.21%	1,678,062	47,543	5.70%
Cash & Due From Banks	100,848			90,124		
Allowance for Loan Losses	(16,585)			(13,264)		
Other Assets	189,849			125,069		
TOTAL ASSETS	$2,383,218			$1,879,991		
LIABILITIES						
NOW Accounts	$ 386,626	$ 1,007	0.53%	$ 277,588	$ 245	0.18%
Money Market Accounts	261,072	1,455	1.12%	215,412	478	0.45%
Savings Accounts	151,502	151	0.20%	122,835	60	0.10%
Other Time Deposits	549,983	6,314	2.31%	427,007	3,996	1.88%
Total Int. Bearing Deposits	1,349,183	8,927	1.33%	1,042,842	4,779	0.92%
Short-Term Borrowings	94,125	1,184	2.54%	107,064	536	1.01%
Subordinated Note Payable	38,345	1,108	5.83%	-	-	-
Other Long-Term Borrowings	68,590	1,489	4.38%	50,387	1,084	4.33%
Total Int. Bearing Liabilities	1,550,243	12,708	1.65%	1,200,293	6,399	1.07%
Noninterest Bearing Deposits	540,812			455,053		
Other Liabilities	22,589			16,342		
TOTAL LIABILITIES	2,113,644			1,671,688		

SHAREOWNERS' EQUITY				
TOTAL SHAREOWNERS' EQUITY	269,574		208,303	
TOTAL LIABILITIES & EQUITY	$2,383,218		$1,879,991	
Interest Rate Spread		4.56%		4.63%
Net Interest Income	$52,231		$41,144	
Net Interest Margin(3)		4.99%		4.93%

(1) Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $820,478 and $1.3 million, for the three and six months ended June 30, 2005, versus $528,000 and $873,000, for the comparable periods ended June 30, 2004.

(2) Interest income includes the effects of taxable equivalent adjustments using a 35% tax rate.

(3) Taxable equivalent net interest income divided by average earning assets.

</TABLE>

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Overview

Market risk management arises from changes in interest rates, exchange rates, commodity prices, and equity prices. The Company has risk management policies to monitor and limit exposure to market risk and does not participate in activities that give rise to significant market risk involving exchange rates, commodity prices, or equity prices. 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. The Company seeks to avoid fluctuations in its net interest margin and to maximize net interest income within acceptable levels of risk through periods of changing interest rates. Accordingly, the Company's interest rate sensitivity and liquidity are monitored on an ongoing basis by its Asset and Liability Committee ("ALCO"), which oversees market risk management and establishes risk measures, limits and policy guidelines for managing the amount of interest rate risk and its effects on net interest income and capital. A variety of measures are used to provide for a comprehensive view of the magnitude of interest rate risk, the distribution of risk, the level of risk over time and the exposure to changes in certain interest rate relationships.

ALCO continuously monitors and manages the balance between interest rate-sensitive assets and liabilities. ALCO's objective is to manage the impact of fluctuating market rates on net interest income within acceptable levels. In order to meet this objective, management may adjust the rates charged/paid on loans/deposits or may shorten/lengthen the duration of assets or liabilities within the parameters set by ALCO.

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 28. This table presents the Company's consolidated interest rate sensitivity position as of June 30, 2005 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 expects rising rates to have a favorable impact on the net interest margin, subject to the magnitude and timeframe over which the rate changes occur. 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.

Inflation

The impact of inflation on the banking industry differs significantly from that of other industries in which a large portion of total resources are invested in fixed assets such as property, plant and equipment.

Assets and liabilities of financial institutions are virtually all monetary in nature, and therefore are primarily impacted by interest rates rather than changing prices. While the general level of inflation underlies most interest rates, interest rates react more to changes in the expected rate of inflation and to changes in monetary and fiscal policy. Net interest income and the interest rate spread are good measures of the Company's ability to react to changing interest rates and are discussed in further detail in the section entitled "Results of Operations."

Table II
FINANCIAL ASSETS AND LIABILITIES MARKET RISK ANALYSIS(1)
(Other Than Trading Portfolio)

<TABLE>

	As of June 30, 2005							
(Dollars in Thousands)	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	$ 371,720	$174,391	$ 96,393	$61,712	$27,637	$25,534	$ 757,387	$ 745,841
Average Interest Rate	6.24%	7.01%	7.14%	6.81%	7.11%	6.18%	6.61%	
Floating Rate(2)	1,018,582	152,998	97,721	8,172	5,270	6,645	1,289,388	1,289,946
Average Interest Rate	5.39%	6.13%	6.39%	7.08%	7.46%	7.62%	5.59%	
Investment Securities(3)								
Fixed Rate	105,989	31,496	21,997	5,281	1,395	27,248	193,406	193,406
Average Interest Rate	2.62%	3.14%	3.28%	3.45%	3.78%	4.28%	3.04%	
Floating Rate	2,454	-	-	-	-	-	2,454	2,454
Average Interest Rate	4.51%	-	-	-	-	-	4.51%	
Other Earning Assets								
Floating Rate	59,062	-	-	-	-	-	59,062	59,062
Average Interest Rates	3.10%	-	-	-	-	-	3.10%	
Total Financial Assets	$1,557,807	$358,885	$216,111	$75,165	$34,302	$59,427	$2,301,697	$2,290,709
Average Interest Rates	5.32%	6.30%	6.41%	6.61%	7.03%	5.47%	5.64%	
Deposits(4)								
Fixed Rate Deposits	$ 427,064	$ 90,030	$ 40,776	$11,585	$ 7,461	$ 258	$ 577,174	$ 555,784
Average Interest Rates	2.27%	2.96%	3.47%	3.37%	3.62%	4.88%	2.50%	
Floating Rate Deposits	924,852	-	-	-	-	-	924,852	891,570
Average Interest Rates	0.75%	-	-	-	-	-	0.75%	
Other Interest Bearing Liabilities								
Fixed Rate Debt	3,275	26,418	3,881	3,914	3,846	31,811	73,145	73,981
Average Interest Rate	4.70%	3.17%	4.67%	3.72%	4.63%	5.08%	4.26%	
Floating Rate Debt	71,148	-	-	-	62,887	-	134,035	134,268
Average Interest Rate	2.63%	-	-	-	5.89%	-	4.16%	
Total Financial Liabilities	$1,426,339	$116,448	$ 44,657	$15,499	$74,194	$32,069	$1,709,207	$1,655,603
Average interest Rate	1.31%	3.01%	3.58%	3.46%	5.60%	5.08%	1.76%	

(1) Based upon expected cashflows, unless otherwise indicated.

(2) Based upon a combination of expected maturities and repricing opportunities.

(3) Based upon contractual maturity, except for callable and floating rate securities, which are based on expected maturity and weighted average life, respectively.

(4) Savings, NOW and money market accounts can be repriced at any time, therefore, all such balances are included as floating rate deposits in Year 1. Other time deposit balances are classified according to maturity.

</TABLE>

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended, are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that the information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The Company's management, with the participation of the Company's 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 of the end of the period covered by this report. Based upon that evaluation and subject to the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures provided reasonable assurance that the disclosure controls and procedures are effective to accomplish their objectives.

Changes in Internal Control over Financial Reporting

The Company's management, including the Chief Executive Officer and Chief Financial Officer, has reviewed the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(l) under the Securities Exchange Act of 1934). There have not been any changes in the Company's internal controls over financial reporting during the Company's most recently completed fiscal quarter that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting.

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 26, 2005. Proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, and there was no solicitation in opposition to management's solicitations. The following summarizes all matters voted upon at this meeting.

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

For terms to expire at the 2008 annual meeting:	For	Against/ Withheld	Abstentions/ Broker Non-Votes
Thomas A. Barron	11,149,980	13,609	-
J. Everitt Drew	11,148,011	15,578	-
Lina S. Knox	11,069,396	94,193	-
John R. Lewis	11,086,005	77,585	-

2. The shareowners ratified the selection of KPMG LLP as the Company's

independent auditors for the fiscal year ending December 31, 2005. The number of votes cast were as follows:

For	Against/ Withheld	Abstentions/ Broker Non-Vote
11,140,536	13,908	9,145

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

(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.

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 9, 2005

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Exhibit 31.1

Certification of CEO Pursuant to Securities Exchange Act
Rule 13a-14(a) / 15d-14(a) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) 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

(d) 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 (or persons performing the equivalent functions):

(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.

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

Date: August 9, 2005

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Exhibit 31.2

Certification of CFO Pursuant to Securities Exchange Act Rule 13a-14(a) / 15d-14(a) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) 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

(d) 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 (or persons performing the equivalent functions):

(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.

/s/ J. Kimbrough Davis

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J. Kimbrough Davis
Executive Vice President and
Chief Financial Officer

Date: August 9, 2005

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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, 2005, 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.

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

Date: August 9, 2005

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.

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Exhibit 31.1

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, 2005, 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.

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

Date: August 9, 2005

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.

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