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:
September 30, 1994 — Commission File Number 0-13358

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

Florida	59-2273542
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
217 North Monroe Street, Tallahassee, Florida	32301
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(904) 224-1171

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

Yes __X___ No _____

At October 31, 1994, 2,845,815 shares of the Registrant's Common Stock, $.01 par value, were outstanding.
CAPITAL CITY BANK GROUP, INC.

I N D E X

Signatures 16

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF CONDITION
AS OF SEPTEMBER 30, 1994 AND DECEMBER 31, 1993
(Dollars In Thousands, Except Per Share Amounts)

	September 30, 1994 (Unaudited)	December 31, 1993 (Audited)
ASSETS		
Cash & Due From Banks	$ 58,473	$56,665
Interest Bearing Deposits at Banks	-	1,257
Investment Securities, Market Value $203,933 and $221,274 as of September 30, 1994 and December 31, 1993, Respectively (Note 2)	207,085	218,623
Federal Funds Sold	36,650	55,970
Loans: (Note 3)	417,303	406,567
Unearned Interest	(5,745)	(7,143)
Allowance for Loan Losses	(7,799)	(7,594)
Loans, Net	403,759	391,830
Premises & Equipment	23,545	20,820
Accrued Interest Receivable	5,443	5,467
Intangible Assets	1,444	1,719
Other Assets	9,404	9,984
TOTAL ASSETS	$745,803	$762,335
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$170,794	$171,985
Interest Bearing Deposits (Note 4)	480,374	490,760
Total Deposits	651,168	662,745
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	15,160	23,264
Other Short-Term Borrowings	1,000	1,202
Long-Term Debt	500	1,900
Other Liabilities	4,881	6,084
TOTAL LIABILITIES	672,709	695,195
SHAREHOLDERS' EQUITY		
Common Stock, $.01 Par Value; 4,000,000 shares authorized; 3,105,243 issued	31	31
Surplus	5,852	5,857
Unrealized Gains and Losses	(584)	-
Retained Earnings	74,383	67,753
	79,682	73,641
Treasury Stock: 259,428 shares at September 30, 1994 and 255,927 at December 31, 1993	(6,588)	(6,501)
TOTAL SHAREHOLDERS' EQUITY	73,094	67,140
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$745,803	$762,335
Book Value Per Share	$ 25.68	$ 23.56

<TABLE>
CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED SEPTEMBER 30 (Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

<CAPTION>

	THREE MONTHS ENDED SEPT. 30		NINE MONTHS ENDED SEPT. 30	
	1994	1993	1994	1993
INTEREST INCOME				
<S>	<C>	<C>	<C>	<C>
Interest and Fees on Loans	$9,118	$8,698	$26,039	$25,089
Investment Securities:				
U. S. Treasury	1,376	1,362	3,931	4,242
U. S. Government Agencies/Corp.	419	398	1,406	1,207

States and Political Subdivisions	862	920	2,633	2,658
Other Securities	63	49	201	155
Interest on Deposits in Other Banks	1	27	17	80
Federal Funds Sold	396	377	1,199	1,361
Total Interest Income	12,235	11,831	35,426	34,792
INTEREST EXPENSE				
Deposits	3,500	3,514	10,154	10,793
Fed. Funds Purchased & Securities Sold Under Repurchase Agreements	168	120	451	379
Long-Term Borrowings	12	12	47	49
Other Short-Term Debt	8	6	22	18
Total Interest Expense	3,688	3,652	10,674	11,239
Net Interest Income	8,547	8,179	24,752	23,553
Provision for Loan Losses	304	185	963	670
Net Interest Income After Provision for Loan Losses	8,243	7,994	23,789	22,883
NONINTEREST INCOME				
Income from Fiduciary Activities	150	145	487	437
Service Charges on Deposit Accounts	1,346	1,370	4,014	4,181
Data Processing	582	529	1,890	1,801
Securities Transactions	3	14	7	20
Other	890	1,058	3,425	2,449
Total Noninterest Income	2,971	3,116	9,823	8,888
NONINTEREST EXPENSE				
Salaries and Employee Benefits	4,273	4,097	12,803	12,062
Occupancy, Net	619	576	1,737	1,591
Furniture and Equipment	718	731	2,096	2,142
Other	2,528	2,391	7,328	6,881
Total Noninterest Expense	8,138	7,795	23,964	22,676
Income Before Income Tax and Accounting Change	3,076	3,315	9,648	9,095
Income Tax Expense	870	931	2,705	2,497
Income Before Accounting Change	2,206	2,384	6,943	6,598
Cumulative Effect of a Change in Accounting Principle	-	0	-	(484)
NET INCOME	$2,206	$ 2,384	$ 6,943	$6,114
Net Income Per Share Before Accounting Change	$ .78	$ 0.82	2.44	$ 2.26
Net Income Per Share	$ .78	$ 0.82	2.44	$ 2.09
Cash Dividends Per Share	$ -	$ -	.11	$ 0.10
Average Shares Outstanding	2,845,815	2,923,778	2,848,056	2,924,703

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CAPITAL CITY BANK GROUP, INC.
STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30
(Dollars in Thousands)

	1994 (Unaudited)	1993 (Unaudited)
NET INCOME	$ 6,943	$ 6,114
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Provision for Loan Losses	963	670
Depreciation	1,334	1,401
Amortization of Intangible Assets	275	211
Cumulative Effect of Accounting Change	-	484
Net (Increase) Decrease in Interest Receivable	24	(218)
Net (Increase) Decrease in Other Assets	575	(763)
Net Increase (Decrease) in Other Liabilities	931	728
Net Cash From Operating Activities	11,045	8,627
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Payments/Maturities of Investment Securities	70,092	61,122
Purchase of Investment Securities	(59,139)	(80,115)
Net (Increase) Decrease in Loans	(12,892)	(7,193)
Purchase of Premises & Equipment	(4,143)	(5,120)
Sales of Premises & Equipment	85	6
Cash Acquired in Bank Acquisitions	-	28,811
Net Cash from Investing Activities	(5,997)	(2,489)

CASH FLOWS FROM FINANCING ACTIVITIES:

Net Increase (Decrease) in Deposits	(11,577)	2,267
Net Increase (Decrease) in Federal Funds Purchased	(8,104)	9,887
Net Increase (Decrease) in Other Borrowed Funds	(202)	212
Proceeds from Long-Term Debt	-	200
Repayment of Long-Term Debt	(1,400)	(1,500)
Dividends Paid	(2,447)	(2,282)
Sale (Purchase) of Treasury Stock	(87)	(62)
Net Cash From Financing Activities	(23,817)	4,188
Net Increase (Decrease) in Cash and Cash Equivalents	(18,769)	10,326
Cash and Cash Equivalents at Beginning of Period	113,892	107,271
Cash and Cash Equivalents at End of Period	$ 95,123	$117,597
Supplemental Disclosure:		
Interest Paid	$ 10,714	$ 11,062
Taxes Paid	$ 2,659	$ 2,386

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

(1) MANAGEMENT'S OPINION AND ACCOUNTING POLICIES

The consolidated financial statements, included herein, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Prior year financial statements have been reformatted and/or amounts reclassified, as necessary, to conform with the current year presentation.

In the opinion of management, the consolidated financial statements contain all adjustments, which are those of a recurring nature, and disclosures necessary to present fairly the financial position of the Company as of September 30, 1994 and December 31, 1993, and the results of operations and cash flows for the three and nine month periods ended September 30, 1994 and 1993.

The Company and its subsidiaries follow generally accepted accounting principles and reporting practices applicable to the banking industry. The principles which materially affect the financial position, results of operations and cash flows are set forth in Notes to Financial Statements which are included in the Company's 1993 Annual Report and Form 10K.

(2) INVESTMENT SECURITIES

On January 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115 ("Accounting for Certain Investments in Debt and Equity Securities") and management transferred approximately 30% of the Company's portfolio to the "Available-for-Sale" category. Securities transferred to the Available-for-Sale category on the date the statement was adopted were as follows:

	Amortized Cost
U. S. Treasury	$31,364,293
U. S. Government Agencies and Corporations	6,246,822
States & Political Subdivisions	20,853,825
Mortgage Backed Securities	3,842,192
Other Securities	500,000
Total Available for Sale	$62,807,132

Securities in this category are recorded at fair value with unrealized gains and losses, net of deferred taxes, reported as a separate component of equity capital. At the time the new accounting standard was adopted the Company recorded an unrealized gain, net of deferred taxes, of $847,000. As a result of rising interest rates, the Company had a net unrealized loss of $584,000 at September 30, 1994.

Prior to 1994, all securities were held for investment and carried at amortized cost. It is not management's intention nor practice to participate in the trading of securities and sales of securities have been minimal. With the recent change in accounting standards, management believes it is prudent to transfer a portion of its investment portfolio to the available-for-sale category in order to properly manage its liquidity position and interest rate risk. Securities in the available-for-sale portfolio will be recorded at fair value while securities in the held-to-maturity portfolio will continue to be carried at amortized cost.

The carrying value and related market value of investment securities in the held-to-maturity and available-for-sale portfolios at September 30, 1994 and the held-for-investment portfolio at December 31, 1993 were as follows (dollars in thousands):

September 30, 1994

Held-To-Maturity	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U. S. Treasury	$ 75,399	$ 6	$ 1,083	$ 74,322
U. S. Government Agencies and Corporations	24,038	16	942	23,112
States and Political Subdivisions	50,705	299	1,286	49,718
Mortgage Backed Securities	3,161	1	138	3,024
Other Securities	2,789	-	25	2,764
Total	$156,092	$ 322	$3,474	$152,940

September 30, 1994

Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U. S. Treasury	$18,019	$ 6	$ 210	$17,815
U. S. Government Agencies and Corporations	7,046	15	350	6,711
States and Political Subdivisions	21,941	184	566	21,559
Mortgage Backed Securities	3,014	9	7	3,016
Other Securities	1,889	3	-	1,892
Total	$51,909	$ 217	$ 1,133	$50,993

December 31, 1993

Held-For-Investment	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
U. S. Treasury	$111,233	$ 578	$ 88	$111,723
U. S. Government Agencies and Corporations	26,811	185	76	26,920
States and Political Subdivisions	67,070	1,991	112	68,949
Mortgage Backed Securities	8,504	135	6	8,633
Other Securities	5,005	48	4	5,049
Total	$218,623	$ 2,937	$ 286	$221,274

(3) LOANS

The composition of the Company's loan portfolio at September 30, 1994 and December 31, 1993 was as follows (dollars in thousands):

	September 30, 1994	December 31, 1993
Commercial, Financial and Agricultural	$ 38,721	$ 46,963
Real Estate-Construction	22,859	22,968
Real Estate-Mortgage	254,335	242,741
Consumer	101,388	93,895
Gross Loans	$417,303	$406,567

(4) DEPOSITS

The composition of the Company's interest bearing deposits at September 30, 1994 and December 31, 1993 was as follows (dollars in thousands):

	September 30, 1994	December 31, 1993
NOW Accounts	$ 94,805	$100,184
Money Market Accounts	73,618	77,302
Savings Deposit	105,525	110,128
Other Time Deposits	206,426	203,146
Total Interest Bearing Deposits	$480,374	$490,760

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

The following discussion sets forth the major factors that have affected the Company's financial condition and results of operations and should be read in conjunction with the accompanying financial statements. The year-to-date averages used in this report are based on daily balances for each respective period.

RESULTS OF OPERATIONS

Net Income

Net income was $2.2 million, or $.78 per share, for the third quarter of 1994, a 4.9% decrease on a per share basis over the comparable period for 1993. Net income was $6.9 million, or $2.44 per share, for the nine months ended September 30, 1994, a 16.7% increase on a per share basis over the comparable period in 1993. Earnings for the first nine months of 1993 included a one-time, non-cash charge of $484,000, or $.17 per share, attributable to the adoption of Financial Accounting Standards Statement No. 109. Other factors which impacted earnings include a higher net interest margin, gains on the sale of real estate and higher noninterest expense. Condensed statements of income for the respective periods are presented below:

	For The Three Months Ended September 30, 1994	1993	For The Nine Months Ended September 30, 1994	1993
Interest and Dividend Income	$12,235	$11,831	$35,426	$34,792
Taxable Equivalent Adjustment(1)	403	427	1,256	1,254
	12,638	12,258	36,682	36,046
Interest Expense	3,688	3,652	10,674	11,239
Net Interest Income (FTE)	8,950	8,606	26,008	24,807
Provision for Loan Losses	304	185	963	670
Taxable Equivalent Adjustment	403	427	1,256	1,254
Net Int. Inc. After Provision	8,243	7,994	23,789	22,883
Noninterest Income	2,971	3,116	9,823	8,888
Noninterest Expense	8,138	7,795	23,964	22,676
Income Before Income Taxes and Cumulative Effect of a Change in Accounting Principle	3,076	3,315	9,648	9,095
Income Taxes	870	931	2,705	2,497
Income Before Change in Accounting Principle	2,206	2,384	6,943	6,598
Cumulative Effect of a Change in Accounting Principle	-	-	-	(484)
Net Income	$2,206	$2,384	$6,943	$6,114
Percent Change				
Before Cumulative Adjustment	(7.47%)	7.48%	5.23%	3.34%
After Cumulative Adjustment	(7.47%)	7.48%	13.56%	(4.24%)
Return on Average Assets (2)				
Before Cumulative Adjustment	1.17%	1.31%	1.24%	1.24%
After Cumulative Adjustment	1.17%	1.31%	1.24%	1.15%
Return on Average Equity (2)				
Before Cumulative Adjustment	12.29%	14.05%	13.30%	13.47%
After Cumulative Adjustment	12.29%	14.05%	13.30%	12.48%

(1) Computed using a statutory tax rate of 34%
(2) Annualized

Net Interest Income

Third quarter taxable equivalent net interest income increased $344,000, or 4.0% over the same period for 1993. Through September 30, 1994, taxable equivalent net interest income increased $1,201,000, or 4.8%, over the same period for 1993. The increase in each respective period is attributable to the growth in earning assets and improvement in the net interest margin. Table I on page 14 provides a comparative analysis of the Company's average balances and interest rates.

As compared to the prior year, taxable-equivalent interest income increased $380,000, or 3.1% and $636,000, or 1.8%, respectively, for the three and nine month periods ended September 30, 1994. This increase is attributable to loan growth. Average loans for the first nine months of 1994 increased $25.4 million, or 6.7%, as compared to the same period in 1993. This growth in loans equalled the total growth in average earning assets of $25.4 million, or 3.9%. Although interest rates have increased significantly during 1994, i.e., the prime rate has risen 175 basis points from 6.00% to 7.75%, overall portfolio yields are still slightly below their 1993 levels. The average yield on earning assets during the first nine months on 1994 was 7.34% compared to 7.50% in 1993.

Interest expense increased $36,000, or 1.0%, in the third quarter and decreased $565,000, or 5.0% for the first nine months, as compared to the comparable periods in 1993. Although interest rates have increased sharply during 1994, growth in transaction accounts, primarily noninterest bearing and N.O.W. accounts, enabled management to maintain a lower cost of funds as compared to the comparable nine-month period in 1993. During the third quarter, however, the mix of deposits began to shift into higher cost certificates of deposit as noninterest bearing, N.O.W. account and savings balances declined. Although still slightly below 1993 levels, the shift in deposits coupled with higher interest rates increased the average rate paid on interest bearing liabilities eleven basis points over the second quarter of 1994, from 2.73% to 2.84%. If interest rates remain at their current level or higher, management anticipates this shift in mix will continue and the general repricing of deposits will result in a higher cost of funds in the fourth quarter.

The Company's interest rate spread (defined as the average taxable equivalent yield on earning assets less the average rate paid on interest bearing liabilities) increased from 4.47% in the first nine months of 1993 to 4.57% in 1994. The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) increased from 5.16% in the first nine months of 1993 to 5.20% in 1994.

Provisions for Loan Losses

The provision for loan losses was $304,000 and $963,000, respectively, for the three and nine month periods ended September 30, 1994, compared to $185,000 and $670,000 for the comparable periods in 1993. Loan growth and slightly higher net charge-offs contributed to the increase in the loan loss provision. Charge-offs through the first nine months of 1994 totalled $758,000 of which $435,000 is attributable to one credit. At September 30, 1994, the allowance for loan losses was $7.8 million, or 1.89%, of total loans compared to $7.6 million, or 1.90%, at December 31, 1993. Charge-off activity for the respective periods is set forth below.

	Three Months Ended		Nine Months Ended	
	9/30/94	9/30/93	9/30/94	9/30/93
Net Charge-Offs	$ 66,000	$293,000	$758,000	$734,000
Net Charge-Offs (Annualized) as a percent of Average Loans Outstanding, Net of Unearned Interest	.06%	.30%	.25%	.26%

Noninterest Income

Relative to the comparable periods in 1993, noninterest income decreased $145,000, or 4.7%, in the third quarter and increased $935,000, or 10.5%, through the first nine months of 1994. As discussed below, the decrease in the third quarter reflects lower mortgage origination fees. A majority of the year-to-date increase is attributable to gains on the sale of real estate (recognized during the first and second quarter) and credit card merchant fees. During the first nine months of 1994, the Company recognized gains, including gains from the sale of OREO and bank premises, totalling $627,000, which represented a $408,000 increase over the first nine months of 1993. Credit card merchant fees were up $447,000, or 55.9%, primarily reflecting an increase in the number of accounts and higher volume. However, the increase is partially offset by a $304,000, or 91.8%, increase in credit card processing expense which is recorded in "Other" noninterest expense. Mortgage origination volume declined significantly during the second and third quarter of 1994. Through the first nine months of 1994 mortgage volume totalled $29.1 million ($15.3 million closed in the first quarter) versus $35.9 million for the comparable period in 1993. Reflecting the lower volume, mortgage fees have declined $121,000, or 18.5%, through the first nine months of 1994 as compared to the comparable period in 1993.

Service charges on deposit accounts declined $24,000, or 1.8%, and $167,000, or 4.0%, over the comparable three and nine month periods for 1993. The decline in service charge income reflects a decrease in number of accounts, primarily transaction accounts, and a lower level of activity subject to service charge assessments.

Noninterest income as a percent of average earning assets was 1.96% for the first nine months of 1994 versus 1.85% for the comparable quarter in 1993 due primarily to the nonrecurring gains which were recognized in 1994.

Noninterest Expense

Noninterest expense increased $343,000, or 4.4%, and $1.3 million, or 5.7%, respectively, over the comparable three and nine month periods in 1993. Through the first nine months, compensation expense increased $741,000, or 6.1%, partially attributable to personnel expense associated with additional branch locations and higher pension expense. During the fourth quarter of 1993, the pension plan's rate assumptions were revised to reflect the lower level of interest rates. The revisions in assumptions contributed to the overall increase in pension expense which is up $165,000, or 32.9%, through the first nine months.

Occupancy expense (including premises, furniture, fixtures and equipment) increased $43,000, or 7.5%, in the third quarter and $146,000, or 9.2%, through the first nine months. Increases associated with additional branch facilities were partially offset by a reduction in depreciation expense as certain pieces of data processing equipment have become fully depreciated. With the recent renovation of Capital City First National's main facility and purchase of an operations center which was placed into service in August 1994, management is projecting that occupancy expense will continue to increase during the fourth quarter of 1994.

Other noninterest expense increased $137,000, or 5.7%, in the third quarter and $447,000, or 6.5% through the first nine months. A significant portion of the increase is attributable to commission and service fees which were up $359,000, or 45.3%, due primarily to an increase in credit card processing fees of $304,000, or 91.8%. Additionally, the Company incurred approximately $86,000 in non-recurring expense items during the first and second quarters associated with the conversion of credit card processing. The addition of four branch offices during 1993 and 1994 has also increased the expense level for items such as telephone, deposit insurance and the amortization of intangible assets.

During the first quarter of 1995, the Company plans to complete its corporate reorganization in which seven of its ten affiliate banks will be merged into one state bank affiliate. The resulting bank will constitute approximately 80% of the Company's total assets. Management anticipates the Company will incur some additional expense during the fourth quarter of 1994 associated with this corporate reorganization.

Annualized net noninterest expense (noninterest income minus noninterest expense) as a percent of average earning assets was 2.83% in the first nine months of 1994 versus 2.87% for the first nine months of 1993. Real estate gains recognized in the first and second quarter of 1994 have enabled the Company to maintain the net noninterest expense ratio at a level below that of last year.

Income Taxes

The provision for income taxes decresed $61,000, or 6.6%, during the third quarter and increased $208,000, or 8.3 %, during the first nine months of 1994. Third quarter taxable income declined resulting in a lower tax provision for the quarter. Higher taxable income during the first and second quarter, however, contributed to the overall increase in the tax provision through the first nine months. The Company's effective tax rate for the first nine months of 1994 was 28.0% compared to 27.5% for the same period in 1993. The higher effective rate is primarily attributable to the level of tax-exempt interest, which has declined as a percent of operating profits, and recent tax law changes impacting the deductibility of certain expenses, including meals and entertainment, club dues and association dues.

During the first quarter of 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", which changed the accounting for income taxes to the "liability" method from the "deferral" method previously required by Accounting Principals Board Opinion No. 11. A tax expense of $484,000 resulting from the cumulative effect of adopting this new standard is included in net income for the first nine months of 1993.

FINANCIAL CONDITION

For the first nine months of 1994, the Company's assets averaged $745.7 million compared to $712.5 million in 1993. During this same nine month period, earning assets averaged $668.7 million versus $643.4 million in 1993. The most significant event during 1994 has been the growth in the loan portfolio. On average, loans increased $25.4 million, or 6.7% over 1993. The loan portfolio as a percent of average earning assets is 60.1% versus 58.5% in 1993. This loan growth has had a very positive impact on the Company's net interest income during 1994. U.S. Government securities increased $8.3 million, or 6.0%, while municipal securities increased $7.7 million, or 11.9%. The increase in the investment portfolios reflects management's decision to take advantage of the higher interest rates and reduce the Company's position in federal funds sold, which decreased $19.5 million, or 31.5%.

Growth in earning assets has been funded through both internal deposit generation and branch acquisitions. Table I on page 15, presents average balances for the three and nine month periods of 1994 and 1993.

During the first quarter of 1994, the Company adopted Statement of Financial Accounting Standards No. 115 ("Accounting for Certain Investments in Debt and Equity Securities"). To afford greater flexibility in managing the portfolio, management transferred approximately 30% of the portfolio to the "Available-for-Sale" category. The available-for-sale securities portfolio will enable the Company to better manage its liquidity position and interest rate risk without adversely affecting the classification of securities in the "Held-to-Maturity" portfolio, which are recorded at amortized costs. Securities in the available-for-sale portfolio are recorded at fair value with unrealized gains and losses, net of deferred taxes, reported as a separate component of equity capital. See Note 2 in Notes to Consolidated Financial Statements for further discussion.

At September 30, 1994, the Company's nonperforming loans, which include nonaccruing and restructured, were $6.9 million versus $9.4 million at year-end and $10.6 million at September 30, 1993. As a percent of nonperforming loans, the allowance for loan losses represented 113.6% at September 30, 1994 versus 80.6% at December 31, 1993 and 70.9% at September 30, 1993. Other real estate, which includes property acquired either through foreclosure or by receiving a deed in lieu of foreclosure, was $1.8 million at September 30, 1994, versus $3.5 million at December 31, 1993, and $3.0 million at September 30, 1993. Total nonperforming assets have been reduced by $4.9 million, or 36.2% since September 30, 1993.

Average deposits increased from $623.0 million for the first nine months of 1993, to $650.0 million for the first nine months of 1994. Relative to the first nine months of 1993, the most significant deposit growth has been in the categories of noninterest bearing and NOW accounts. Average noninterest bearing deposits have increased $9.6 million, or 6.7%, and NOW accounts have increased $17.7 million, or 23.3%. The lower interest rate environment in recent years has reduced the incentive for depositors to invest in longer term, fixed rate deposits, thereby leaving higher balances in transaction accounts. As interest rates rose during the second and third quarter, the Company experienced growth in its certificates of deposit reflecting the more attractive rates.

The ratio of average noninterest bearing deposits to total deposits was 23.7% for the first nine months of 1994 compared to 23.2% for the first nine months of 1993. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 77.2% and 77.4%, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity, for a financial institution, is the availability of funds to meet increased loan demand and/or excessive deposit withdrawals. Management has implemented a financial structure that provides ready access to sufficient liquid funds to meet normal transaction requirements, take advantage of investment opportunities and cover unforeseen liquidity demands. In addition to core deposit growth, sources of funds available to meet liquidity demands for the subsidiary banks include federal funds sold, near-term loan and investment maturities, including the "Available for Sale" investment portfolio, and the ability to purchase federal funds through established lines of credit with correspondent banks. Additionally, the parent company maintains two $6.0 million revolving lines of credit. As of September 30, 1994, there was $500,000 drawn under the two facilities, leaving available credit of $11.5 million.

The Company's equity capital was $73.1 million as of September 30, 1994 compared to $67.1 million as of December 31, 1993. The Company's 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 9.6% at September 30, 1994 versus 8.6% at December 31, 1993. Further, the Company's risk-adjusted capital ratio of 17.15% significantly exceeds the 8.0% minimum requirement under the risk-based regulatory guidelines.

State and federal regulations as well as the Company's long-term debt agreements place certain restrictive covenants on both the Company and its Group banks. At September 30, 1994, these regulations and covenants did not impair the Company's (or its Group banks') ability to declare and pay dividends or to meet other existing obligations.

During the first nine months of 1994, shareholders' equity increased $6.0 million, or 11.9%, on an annualized basis. At September 30, 1994, the Company's common stock had a book value of $25.68 per share compared to $23.56 at December 31, 1993. Pursuant to the Company's stock repurchase program adopted in 1989, the Company has repurchased 259,428 shares of its common stock, net of shares subsequently reissued. In the first nine months of 1994, 5,819 shares were repurchased and 2,318 treasury shares were reissued as performance awards in accordance with the Company's Stock Incentive Plan.

<TABLE>
TABLE I
AVERAGES BALANCES & INTEREST RATES
(Taxable Equivalent Basis - Dollars in Thousands)
<CAPTION>

	FOR THREE MONTHS ENDED SEPTEMBER 30						FOR NINE MONTHS ENDED SEPTEMBER 30					
	1994			1993			1994			1993		
	Balance	Interest	Rate	Balance	Interest	Rate	Balance	Interest	Rate	Balance	Interest	Rate
ASSETS												
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Loans, Net of Unearned Interest	$410,819	$ 9,124	8.81%	$387,614	$8,705	8.91%	$401,965	$ 26,055	8.67%	$376,595	$25,107	8.91%
Taxable Investment Securities	152,105	1,859	4.95%	139,314	1,809	5.26%	151,691	5,539	4.93%	138,310	5,604	5.48%
Tax-Exempt Investment Securities	71,908	1,259	7.00%	69,919	1,339	7.66%	72,327	3,873	7.14%	64,656	3,892	8.03%
Funds Sold	35,555	396	4.42%	51,961	405	3.09%	42,757	1,215	3.80%	63,793	1,442	3.02%
Total Earning Assets	670,387	12,638	7.51%	648,808	12,258	7.53%	668,740	36,682	7.34%	643,354	36,045	7.50%
Cash & Due From Banks	43,013			44,715			46,223			44,752		
Allowance for Loan Losses	(7,665)			(7,678)			(7,744)			(7,654)		
Other Assets	39,233			34,252			38,475			32,055		
TOTAL ASSETS	$744,968			$720,097			$745,694			$712,507		
LIABILITIES												
NOW Accounts	$ 90,081	$483	2.13%	$ 76,727	$ 391	2.02%	$ 94,012	$ 1,341	1.93%	$ 76,267	$ 1,196	2.12%
Money Market Accounts	75,374	431	2.27%	82,575	455	2.19%	76,972	1,220	2.14%	79,584	1,367	2.32%
Savings Accounts	107,151	652	2.42%	112,589	704	2.48%	109,527	1,971	2.41%	114,614	2,281	2.66%
Other Time Deposits	222,838	1,933	3.44%	209,403	1,964	3.72%	215,500	5,622	3.49%	208,175	5,949	3.82%
Total Int. Bearing Deposits	495,444	3,499	2.80%	481,294	3,514	2.90%	496,011	10,154	2.74%	478,640	10,793	3.02%
Funds Purchased	17,175	168	3.88%	18,188	120	2.62%	17,925	451	3.36%	16,294	379	3.11%
Other Borrowed Funds	872	9	3.88%	1,013	6	2.40%	947	22	3.17%	1,131	18	2.18%
Long-Term Debt	889	12	5.30%	1,184	12	4.05%	1,378	47	4.53%	1,602	49	4.08%
Total Interest Bearing Liabilities	514,380	3,688	2.84%	501,679	3,652	2.89%	516,261	10,674	2.77%	497,667	11,239	3.03%
Noninterest Bearing Deposits	153,301			146,362			154,024			144,389		
Other Liabilities	6,083			4,718			5,601			4,954		
TOTAL LIABILITIES	673,764			652,759			675,886			647,010		
SHAREHOLDERS' EQUITY												
Common Stock	31			31			31			31		
Surplus	5,852			5,857			5,853			5,857		
Retained Earnings	65,321			61,450			63,924			59,609		
TOTAL S'HOLDERS' EQUITY	71,204			67,338			69,808			65,497		
TOTAL LIAB. & EQUITY	$744,968			$720,097			$745,694			$712,507		
Interest Rate Spread			4.67%			4.64%			4.57%			4.47%
Net interest Income		$8,950			$8,606			$26,008			$24,807	
Net Interest Margin			5.33%			5.29%			5.20%			5.16%

(1) Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $477,000 and $1,266,000, for the nine months ended September 30, 1994 and $510,000 and $1,214,000, for the three and nine month periods ended September 30, 1993.

</TABLE>

PART II. OTHER INFORMATION

Items 1-5.

Not applicable

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

EX-27 Financial Data Schedule

(B) Reports on Form 8-K

The Company did not file any reports on Form 8-K during the period ended September 30, 1994.

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:___________________________
J. Kimbrough Davis
Senior Vice President and
Chief Financial Officer

Date: November 10, 1994

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