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:
March 31, 1997 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) 671-0610

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 April 30, 1997, 5,795,912 shares of the Registrant's Common Stock, $.01 par value, were outstanding.
<TABLE>
CAPITAL CITY BANK GROUP, INC.

I N D E X

<CAPTION>

</TABLE>
<TABLE>
PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF CONDITION
AS OF MARCH 31, 1997(1) AND DECEMBER 31, 1996
(Dollars In Thousands, Except Per Share Amounts)
<CAPTION>

	March 31, 1997 (Unaudited)	December 31, 1996 (Audited)
ASSETS		
<S>	<C>	<C>
Cash and Due From Banks	$ 51,336	$ 62,863

Funds Sold	14,815	26,043
Investment Securities Available-for-Sale	190,536	207,189
Loans	693,477	674,675
Unearned Interest	(2,247)	(2,479)
Allowance for Loan Losses	(8,272)	(8,179)
Loans, Net	682,958	664,017
Premises and Equipment	33,452	34,006
Accrued Interest Receivable	7,086	6,877
Intangibles	8,091	8,398
Other Assets	11,563	12,006
Total Assets	$999,837	$1,021,399
LIABILITIES		
Deposits:		
Noninterest Bearing Deposits	$188,699	$ 196,486
Interest Bearing Deposits	651,367	670,210
Total Deposits	840,066	866,696
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	33,955	28,697
Other Short-Term Borrowings	6,610	7,260
Long-Term Debt	17,528	18,072
Other Liabilities	9,952	11,174
Total Liabilities	908,111	931,899
SHAREHOLDERS' EQUITY		
Preferred Stock, $.01 par value, 3,000,000 shares authorized; no shares outstanding	-	-
Common Stock, $.01 par value; 60,000,000 shares authorized; 5,795,906 issued and outstanding at March 31, 1997 and 5,778,366 issued and outstanding at December 31, 1996	58	58
Additional Paid In Capital	5,459	4,934
Retained Earnings	86,598	84,426
Net Unrealized Gain (Loss) on Available-for-Sale Securities	(389)	82
Total Shareholders' Equity	91,726	89,500
Total Liabilities and Shareholders' Equity	$999,837	$1,021,399
Book Value Per Share	$ 15.83	$ 15.49

</TABLE>

(1) All share and per share data have been adjusted for a 2-for-1 stock split effective April 1, 1997.

<TABLE>

CAPITAL CITY BANK GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31(1)
(Dollars in Thousands, Except Per Share Amounts)

<CAPTION>

	1997 Unaudited	1996 Unaudited
<S>	<C>	<C>
INTEREST INCOME		
Interest and Fees on Loans	$ 15,398	$ 10,675
Investment Securities:		
U. S. Treasury	1,028	1,044
U. S. Government Agencies/Corp.	816	1,011
States and Political Subdivisions	832	904
Other Securities	96	69
Funds Sold	259	458
Total Interest Income	$ 18,429	$ 14,161
INTEREST EXPENSE		
Deposits	6,362	4,770
Federal Funds Purchased & Securities Sold Under Repurchase Agreements	373	283
Other Short-Term Borrowings	37	12
Long-Term Debt	304	30
Total Interest Expense	7,076	5,095
Net Interest Income	11,353	9,066
Provision for Loan Losses	456	261
Net Interest Income After Provision for Loan Losses	10,897	8,805
NONINTEREST INCOME		
Service Charges on Deposit Accounts	2,013	1,519
Data Processing	800	667
Income from Fiduciary Activities	275	288
Securities Transactions	(2)	12
Other	1,364	1,072
Total Noninterest Income	4,450	3,558

NONINTEREST EXPENSE		
Salaries and Employee Benefits	5,794	4,785
Occupancy, Net	705	617
Furniture and Equipment	1,285	891
Other	3,017	2,485
Total Noninterest Expense	10,801	8,778
Income Before Income Taxes	4,546	3,585
Income Tax Expense	1,504	1,018
NET INCOME	$ 3,042	$ 2,567
Net Income Per Share	$ .53	$ .45
Cash Dividends Per Share	$ .15	$ .135
Average Shares Outstanding	5,792,292	5,719,960

</TABLE>

(1) All share and per share data have been adjusted for a 2-for-1 stock split effective April 1, 1997.

<TABLE>

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

<CAPTION>

	1997 (Unaudited)	1996 (Unaudited)
<S>	<C>	<C>
NET INCOME	$ 3,042	$ 2,567
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Provision for Loan Losses	456	261
Depreciation	782	609
Net Amortization (Accretion)-AFS Securities	117	303
Amortization of Intangible Assets	307	61
Non-Cash Compensation	184	90
Net (Increase) Decrease in Interest Receivable	(209)	27
Net (Increase) Decrease in Other Assets	553	(331)
Net Increase (Decrease) in Other Liabilities	(1,222)	(1,814)
Net Cash From Operating Activities	4,010	1,773
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Payments/Maturities of Investment Securities-AFS	15,954	36,084
Purchase of Investment Securities-AFS	-	(17,965)
Net (Increase) Decrease in Loans	(19,397)	(19,124)
Purchase of Premises & Equipment	(456)	(949)
Sales of Premises & Equipment	228	-
Net Cash from Investing Activities	(3,671)	(1,954)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Increase (Decrease) in Deposits	(26,630)	(22,417)
Net Increase (Decrease) in Federal Funds Purchased	5,258	8,693
Net Increase (Decrease) in Other Short-Term Borrowings	(650)	(574)
Repayment of Long-Term Debt	(544)	(27)
Dividends Paid	(869)	(3,313)
Issuance of Common Stock	341	186
Net Cash From Financing Activities	(23,094)	(17,452)
Net Increase (Decrease) in Cash and Cash Equivalents	(22,755)	(17,633)
Cash and Cash Equivalents at Beginning of Period	88,906	103,063
Cash and Cash Equivalents at End of Period	$ 66,151	$ 85,430
Supplemental Disclosure:		
Interest Paid	$ 6,426	$ 6,237
Taxes Paid	-	-
Transfer of Loans to ORE	$ 443	$ 897

</TABLE>

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. All share and per share data have been adjusted to reflect a 2-for-1 stock split paid effective April 1, 1997.

In the opinion of management, the consolidated financial statements contain all adjustments, which are those of a recurring nature, and disclosures necessary to present fairly the financial position of the Company as of March 31, 1997 and December 31, 1996, and the results of operations and cash flows for the three month periods ended March 31, 1997 and 1996.

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 Consolidated Financial Statements which are included in the Company's 1996 Annual Report and Form 10-K. The Company has not significantly changed its accounting and reporting policies from those disclosed in its 1996 Annual Report on Form 10-K.

(2) INVESTMENT SECURITIES

The carrying value and related market value/amortized cost of investment securities in the available-for-sale portfolio at March 31, 1997 and December 31, 1996 were as follows (dollars in thousands):

<TABLE>
<CAPTION>

	March 31, 1997			
Available-For-Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U. S. Treasury	$ 37,223	$ 16	$ 147	$ 37,092
U. S. Government Agencies and Corporations	50,323	5	682	49,646
States and Political Subdivisions	70,706	345	284	70,767
Mortgage Backed Securities	27,743	279	146	27,876
Other Securities	5,156	2	3	5,155
Total	$191,151	$647	$1,262	$190,536

<CAPTION>

	December 31, 1996			
Available For Sale	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
<S>	<C>	<C>	<C>	<C>
U. S. Treasury	$ 40,766	$ 75	$ 9	$ 40,832
U. S. Government Agencies and Corporations	57,381	32	376	57,037
States and Political Subdivisions	74,196	620	117	74,699
Mortgage Backed Securities	29,266	160	257	29,169
Other Securities	5,448	4	-	5,452
Total	$207,057	$ 891	$ 759	$207,189

</TABLE>

(3) LOANS

The composition of the Company's loan portfolio at March 31, 1997 and December 31, 1996 was as follows (dollars in thousands):

<TABLE>
<CAPTION>

	March 31, 1997	December 31, 1996
<S>	<C>	<C>
Commercial, Financial and Agricultural	$ 68,493	$ 57,023
Real Estate-Construction	35,612	30,594
Real Estate-Mortgage	452,732	449,905
Consumer	136,640	137,153
Gross Loans	$693,477	$674,675

</TABLE>

(4) ALLOWANCE FOR LOAN LOSSES

An analysis of the changes in the allowance for loan losses for the three month period ended March 31, 1997 and 1996, is as follows (dollars in thousands):

<TABLE>
<CAPTION>

	March 31, 1997	March 31, 1996
<S>	<C>	<C>

Balance, Beginning of the Period	$8,179	$6,474
Provision for Loan Losses	456	261
Recoveries on Loans Previously Charged-Off	183	104
Loans Charged-Off	(546)	(410)
Balance, End of Period	$8,272	$6,429

</TABLE>

Impaired loans are primarily defined as all nonaccruing loans for the loan categories which are included within the scope of SFAS 114. Selected information pertaining to impaired loans is depicted in the table below (dollars in thousands):
<TABLE>
<CAPTION>

	March 31, 1997	
Impaired Loans:	Balance	Valuation Allowance
<S>	<C>	<C>
With Related Credit Allowance	$ 141	$ 48
Without Related Credit Allowance	1,429	-
Average Recorded Investment for the Period	2,131	*
Interest Income:		
Recognized	$ 24	
Collected	$ 24	

<CAPTION>

	March 31, 1996	
Impaired Loans:	Balance	Valuation Allowance
<S>	<C>	<C>
With Related Credit Allowance	$ 133	$ 19
Without Related Credit Allowance	1,642	-
Average Recorded Investment for the Period	2,166	*
Interest Income:		
Recognized	$ 12	
Collected	$ 7	

</TABLE>
* Not Applicable

The Company recognizes income on impaired loans primarily on the cash basis. Any change in the present value of expected cash flows is recognized through the allowance for loan losses.

(5) DEPOSITS

The composition of the Company's interest bearing deposits at March 31, 1997 and December 31, 1996 was as follows (dollars in thousands):
<TABLE>
<CAPTION>

	March 31, 1997	December 31, 1996
<S>	<C>	<C>
NOW Accounts	$103,681	$114,507
Money Market Accounts	79,599	79,352
Savings Deposits	90,191	91,986
Other Time Deposits	377,896	384,365
Total Interest Bearing Deposits	$651,367	$670,210

</TABLE>

(6) ACCOUNTING PRONOUNCEMENTS

Effective January 1, 1997, Capital City Bank Group adopted SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." This Statement establishes new rules for determining whether a transfer of financial assets constitutes a sale and, if so, the determination of any resulting gain or loss. This Statement requires that an enterprise recognize only assets it controls and liabilities it has incurred, to remove assets only when control has been surrendered, and to remove liabilities only when they have been extinguished. The Statement will be effective for the Company's December 31, 1997 financial statements and is not anticipated to have a material impact on the Company's financial condition or results of operations.

In February 1997, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share" which, when adopted, will replace the current methodology for calculating and presenting earnings per share. Under SFAS No. 128, primary earnings per share will be replaced with a presentation of basic earnings per share and fully diluted earnings per share will be replaced with diluted earnings per share. Basic earnings per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed similarly to fully diluted earnings per share. The Statement will be effective for the Company's December 31, 1997 financial statements and is not anticipated to have a material impact on the Company's financial condition or results of operations.

ITEM 2. 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.

On July 1, 1996, the Company completed its acquisition of First Financial Bancorp, Inc. and its wholly-owned subsidiary, First Federal Bank (collectively referred to as "First Financial"). The acquisition was accounted for as a purchase. Financial comparisons to prior year periods are not necessarily comparable due to the impact of the acquisition.

RESULTS OF OPERATIONS

Net Income

Net income was $3.0 million, or $.53 per share for the first quarter of 1997, a per share increase of 17.8% over the $2.6 million, or $.45 per share for the comparable period in 1996. Operating revenues, which include net interest income and noninterest income, increased $3.2 million, or 25.2%, over the first quarter of 1996, and was the most significant factor contributing to the increase in earnings (dollars in thousands):

	For The Three Months Ended March 31, 1997	1996
Interest Income	$18,429	$14,161
Taxable Equivalent Adjustment(1)	427	461
Interest Income (FTE)	18,856	14,622
Interest Expense	7,076	5,095
Net Interest Income (FTE)	11,780	9,527
Provision for Loan Losses	456	261
Taxable Equivalent Adjustment	427	461
Net Int. Inc. After Provision	10,897	8,805
Noninterest Income	4,450	3,558
Noninterest Expense	10,801	8,778
Income Before Income Taxes	4,546	3,585
Income Taxes	1,504	1,018
Net Income	$ 3,042	$ 2,567
Percent Change	18.50%	17.32%
Return on Average Assets (2)	1.23%	1.30%
Return on Average Equity (2)	13.61%	12.59%

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

Net Interest Income

First quarter taxable equivalent net interest income increased $2.3 million, or 23.9%, over the comparable period for 1996. The increase is attributable to a higher level of earning assets and growth in the loan portfolio. The acquisition of First Financial contributed significantly to the Company's growth and increase in net interest income. Table I on page 14 provides a comparative analysis of the Company's average balances and interest rates.

Taxable-equivalent interest income increased $4.3 million, or 29.1%, due to growth in the loan portfolio. Loans, which represent the Company's highest yielding asset, increased (on average) $226.2 million, or 50.0%, representing 75.7% of total earning assets during the first quarter of 1997 versus 64.1% for the comparable quarter in 1996. The substantial increase in the loan portfolio reflects the First Financial acquisition and a reduction in the investment portfolio. The favorable shift in mix of earning assets contributed to an increase of 20 basis points in the yield on earning assets which rose from 8.33% in the first quarter of 1996 to 8.53% in 1996.

Interest expense increased $2.0 million, or 38.9%, due to higher levels of interest bearing deposits and a shift in deposit mix.

Average deposits increased $166.7 million, or 24.8%, reflecting the acquisition of First Financial. Certificates of deposit, which generally represent a higher cost of funds than other deposit offerings, increased as a percent of average deposits from 38.3% in the first quarter of 1996 to 45.2% in the first quarter of 1997. This shift in deposit mix is attributable to the mix of acquired deposits and led to a 17 basis point increase in the average rate paid on interest bearing liabilities, which rose from 3.83% in the first quarter of 1996 to 4.00% in the first quarter of 1997.

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 4.50% in the first quarter of 1996 to 4.52% in the comparable quarter for 1997 due to the higher yield on earning assets. The Company's net interest margin percentage (defined as taxable-equivalent net interest income divided by average earning assets) was 5.43% in the first quarter of 1996, versus 5.32% in the first quarter of 1997. The decrease in the margin reflects the higher costs of funds.

Provisions for Loan Losses

The provision for loan losses for the three months ended March 31, 1997, was $456,000 versus $261,000 for the first quarter of 1996. Net charge-offs, while up slightly from 1996, remain at historically low levels relative to the size of the loan portfolio. Nonperforming loans declined $400,000, or 13.3%, during the first quarter. As compared to year-end, the reserve for loan losses increased slightly to $8.3 million, and represented 1.20% of total loans versus 1.22%. For a discussion of the Company's nonperforming loans, see the section entitled "Financial Condition."

Based on current economic conditions, the low level of nonperforming loans and net charge-offs, it is management's opinion that the allowance for loan losses as of March 31, 1997, is sufficient to provide for losses inherent in the portfolio as of that date.

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

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
<S>	<C>	<C>
Net Charge-Offs	$363,000	$306,000
Net Charge-Offs (Annualized) as a percent of Average Loans Outstanding, Net of Unearned Interest	.20%	.28%

</TABLE>

Noninterest Income

Noninterest income increased $892,000, or 25.1%, over the first quarter of 1996, which included gains in all major categories except income from fiduciary activities, which was down slightly. Although the acquisition of First Financial positively impacted noninterest income, the increase is principally attributable to the implementation of recommendations resulting from a profit enhancement program conducted in the latter half of 1995 and repricing of the Bank's service fees.

Service charges on deposit accounts increased $494,000, or 32.5%. The increase in the first quarter of 1997, compared to the comparable quarter in 1996, reflects an increase in the bank service fees which went into effect on July 1, 1996.

Data processing revenues increased $133,000, or 19.9%, over the first quarter of 1996. The increase reflects higher processing revenues associated with both government agencies and third party banks.

Other income increased $292,000, or 27.2%, over the comparable quarter of 1996. Gains on the sale of real estate loans increased $142,000 due to the acquisition of First Financial. Additionally, check printing income increased $56,000 and credit life insurance commissions increased $43,000.

Noninterest income as a percent of average assets was 1.7% for the first quarter of 1997 versus 1.8% for the comparable quarter in 1996.

Noninterest Expense

Noninterest expense in the first quarter of 1997 increased $2.0 million, or 23.0%, over the first quarter of 1996. The comparison to first quarter 1996 is substantially impacted by the acquisition of

First Financial. In a linked quarter comparison, noninterest expense is up $69,000, or .64% versus the fourth quarter 1996.

Compensation expense increased $1.0 million, or 21.1%, over the first quarter of 1996 reflecting annual raises and an increase in full-time equivalent employees of 73.

Occupancy expense, including premises, furniture, fixtures and equipment increased $482,000, or 32.0%. The increase is primarily attributable to the addition of five new offices through the First Financial acquisition.

Other noninterest expense increased $532,000, or 21.4%. The increase was principally attributable to advertising, which was up $131,000, or 102%, and amortization of intangible assets, which was up $165,000, or 271%.

Net noninterest expense (noninterest income minus noninterest expense) as a percent of average assets was 2.58% in the first quarter of 1997 versus 2.98% for the first quarter of 1996. The Company's efficiency ratio (noninterest expense expressed as a percent of the sum of taxable-equivalent net interest income plus noninterest income) was 66.5% in the first quarter 1997 compared to 67.1% for the comparable quarter in 1996. The reduction in the efficiency ratio is attributable to growth in operating revenues.

Income Taxes

The provision for income taxes increased $486,000, or 47.7%, over the first quarter of 1996. The increase in the provision is attributable to higher taxable income. The Company's effective tax rate for the first quarter of 1997 was 33.1% compared to 28.4% for the same quarter in 1996. The increase in the effective tax rate is attributable to a decrease in tax exempt income as a percent of taxable income in the first quarter of 1997 as compared to first quarter of 1996.

FINANCIAL CONDITION

Average balances for the first quarter of 1997 reflect the acquisition of First Financial which was consummated on July 1, 1996. Table I on page 14 presents average balances for the three months ended March 31, 1997 and 1996.

The Company's average assets increased to $999.8 million in the first quarter of 1997 from $791.2 million in the first quarter of 1996. Average earning assets were $896.1 million for the three months ended March 31, 1997 versus $705.5 million for the comparable quarter of 1996. The most significant change in the mix of earning assets occurred through growth in the loan portfolio. Average loans were up $226.2 million, or 50.0%. The increase in the loan portfolio reflects the First Financial acquisition and a reduction in the investment portfolio.

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. Securities in the Available-for-Sale portfolio are recorded at fair value and unrealized gains and losses associated with these securities are recorded, net of tax, as a separate component of shareholders' equity. At March 31, 1997, shareholders' equity included a net unrealized loss of $389,000 compared to a gain of $82,000 at December 31, 1996. The reduction in value reflects the rise in interest rates during the first quarter.

At March 31, 1997, the Company's nonperforming loans were $2.6 million versus $3.0 million at year-end and $4.6 million at March 31, 1996. As a percent of nonperforming loans, the allowance for loan losses represented 323% at March 31, 1997 versus 276% at December 31, 1996 and 183% at March 31, 1996. Nonperforming loans include nonaccruing and restructured loans. Other real estate, which includes property acquired either through foreclosure or by receiving a deed in lieu of foreclosure, was $1.6 million at March 31, 1997, versus $1.5 million at December 31, 1996, and $1.1 million at March 31, 1996. The ratio of nonperforming assets as a percent of loans plus other real estate was .60% at March 31, 1997 compared to .66% at December 31, 1996 and 1.00% at March 31, 1996.

Average deposits increased 24.8% from $673.2 million in the first quarter of 1996, to $840.0 million in the first quarter of 1997. The growth in deposits is attributable to the acquisition of First Financial. At the time of acquisition, certificates of deposit constituted 75% of the acquired deposits. As a result, the Company experienced a significant shift in its deposit mix. During the first quarter, certificates of deposit represented 45.2% of total deposits compared to 38.3% for the comparable quarter in 1996. This shift in mix has contributed to a compression in the Company's net interest margin which averaged 5.32% in the first quarter of 1997 versus 5.43% in 1996.

The ratio of average noninterest bearing deposits to total deposits was 21.3% for the first quarter of 1997 compared to 24.5% for the first quarter of 1996. For the same periods, the ratio of average interest bearing liabilities to average earning assets was 80.0% and 75.9%, respectively. The change in both ratios is primarily attributable to the acquisition of First Financial.

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 maturities, securities held in the available-for-sale portfolio, and the ability to purchase federal funds through established lines of credit with correspondent banks. Additionally, the parent company maintains a $25.0 million revolving line of credit. As of March 31, 1997, there was $14.5 million outstanding under this facility. On July 1, 1996, the Company borrowed $15.0 million to fund the acquisition of First Financial Bancorp. During the first quarter of 1997, principal reductions on the line of credit totaled $500,000.

The Company's equity capital was $91.7 million as of March 31, 1997 compared to $89.5 million as of December 31, 1996. Management continues to monitor its capital position in relation to its level of assets with the objective of maintaining a strong capital position. The leverage ratio was 8.36% at March 31, 1997 compared to 7.87% at December 31, 1996. Further, the Company's risk-adjusted capital ratio of 13.73% at March 31, 1997, 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 restrictions on the payment of dividends by both the Company and its Group banks. At March 31, 1997, 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 in the normal course of business.

During the first three months of 1997, shareholders' equity increased $2.2 million, or 9.9%, on an annualized basis. Growth in equity during the first quarter was adversely impacted by a reduction of $471,000 in the Company's net unrealized gain on available-for-sale securities, which declined from an $82,000 gain at December 31, 1996 to a $389,000 loss at March 31, 1997. The loss in value reflects the rise in interest rates which occurred primarily during March 1997. Additionally, shareholders' equity reflects the declaration and payment of dividends totaling $869,000 ($.15 per share) during the first quarter.

At March 31, 1997, the Company's common stock had a book value of $15.83 per share compared to $15.49 at December 31, 1996. Pursuant to the Company's stock repurchase program adopted in 1989, the Company has repurchased 527,160 shares (split adjusted) of its common stock. No shares have been repurchased in 1997. During the first quarter, the Company issued 17,540 shares under its performance incentive and stock purchase plans.

IMPACT OF ACCOUNTING STANDARDS

Effective January 1, 1997, Capital City Bank Group adopted SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." This Statement establishes new rules for determining whether a transfer of financial assets constitutes a sale and, if so, the determination of any resulting gain or loss. This Statement requires that an enterprise recognize only assets it controls and liabilities it has incurred, to remove assets only when control has been surrendered, and to remove liabilities only when they have been extinguished.

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings per Share" which, when adopted, will replace the current methodology for calculating and presenting earnings per share. The Statement will be effective for the Company's December 31, 1997 financial statements.

Neither statement has a material impact on the Company's financial condition or results of operations.
<TABLE>

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

<CAPTION>
For Three Months Ended March 31, 1997

	Average Balance	Interest	Average Rate
ASSETS			
<S>	<C>	<C>	<C>
Loans, Net of Unearned Interest	$678,730	$15,438	9.22%
Taxable Investment Securities	124,657	1,940	6.30%
Tax-Exempt Investment Securities	72,250	1,219	6.75%
Funds Sold	20,493	259	5.11%
Total Earning Assets	896,130	18,856	8.53%
Cash & Due From Banks	50,180		
Allowance for Loan Losses	(8,275)		
Other Assets	61,802		
TOTAL ASSETS	$999,837		
LIABILITIES			
NOW Accounts	$110,072	506	1.86%
Money Market Accounts	79,882	579	2.94%
Savings Accounts	91,236	451	2.00%
Other Time Deposits	379,585	4,826	5.16%
Total Interest Bearing Deposits	660,775	6,362	3.90%
Funds Purchased	31,779	373	4.76%
Other Short-Term Borrowings	6,281	37	2.36%
Long-Term Debt	18,031	304	6.84%
Total Int. Bearing Liabilities	716,866	7,076	4.00%
Noninterest Bearing Deposits	179,184		
Other Liabilities	13,166		
TOTAL LIABILITIES	909,216		
SHAREHOLDERS' EQUITY			
Common Stock	58		
Surplus	5,301		
Retained Earnings	85,262		
TOTAL SHAREHOLDERS' EQUITY	90,621		
TOTAL LIABILITIES & EQUITY	$999,837		
Net Interest Rate Spread			4.52%
Net Interest Income		$11,780	
Net Interest Margin			5.32%

<CAPTION>
For Three Months Ended March 31, 1996

	Average Balance	Interest	Average Rate
ASSETS			
<S>	<C>	<C>	<C>
Loans, Net of Unearned Interest	$452,579	$10,712	9.52%
Taxable Investment Securities	142,307	2,124	6.00%
Tax-Exempt Investment Securities	76,053	1,329	6.99%
Funds Sold	34,578	458	5.33%
Total Earning Assets	705,517	14,623	8.33%
Cash & Due From Banks	49,772		
Allowance for Loan Losses	(6,506)		
Other Assets	42,411		
TOTAL ASSETS	$791,194		
LIABILITIES			
NOW Accounts	$ 99,117	$ 432	1.75%
Money Market Accounts	72,217	524	2.92%
Savings Accounts	79,219	407	2.07%
Other Time Deposits	257,485	3,407	5.32%
Total Interest Bearing Deposits	508,038	4,770	3.78%
Funds Purchased	23,986	283	4.75%
Other Short-Term Borrowings	1,310	12	3.68%
Long-Term Debt	1,927	30	6.26%
Total Int. Bearing Liabilities	535,261	5,095	3.83%
Noninterest Bearing Deposits	165,193		
Other Liabilities	8,737		
TOTAL LIABILITIES	709,191		
SHAREHOLDERS' EQUITY			
Common Stock	62		
Surplus	5,842		
Retained Earnings	76,099		
TOTAL SHAREHOLDERS' EQUITY	82,003		
TOTAL LIABILITIES & EQUITY	$791,194		

Net Interest Rate Spread		4.50%
Net Interest Income	$9,528	
Net Interest Margin		5.43%

</TABLE>

(1) Average balances include nonaccrual loans. Interest income includes fees on loans of approximately $705,000 and $476,000, for the three months ended March 31, 1997 and 1996, respectively.

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

PART II. OTHER INFORMATION

Items 1-5.

Not applicable

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

Not applicable

(B) Reports on Form 8-K

The Company did not file any reports on Form 8-K during the period ended March 31, 1997.

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)

J. Kimbrough Davis
Senior Vice President and
Chief Financial Officer
Date: May 13, 1996

```
<TABLE> <S> <C>

<ARTICLE> 9
<CIK> 0000726601
<NAME> CAPITAL CITY BANK GROUP, INC.
<CURRENCY> U.S. DOLLARS

<S>                                <C>
<PERIOD-TYPE>                      3-MOS
<FISCAL-YEAR-END>                          DEC-31-1996
<PERIOD-START>                             JAN-01-1997
<PERIOD-END>                               MAR-31-1997
<EXCHANGE-RATE>                                      1
<CASH>                                           51336
<INT-BEARING-DEPOSITS>                            3915
<FED-FUNDS-SOLD>                                 10900
<TRADING-ASSETS>                                     0
<INVESTMENTS-HELD-FOR-SALE>                          0
<INVESTMENTS-CARRYING>                          191151
<INVESTMENTS-MARKET>                            190536
<LOANS>                                         691230
<ALLOWANCE>                                     (8272)
<TOTAL-ASSETS>                                  999837
<DEPOSITS>                                      840066
<SHORT-TERM>                                     40565
<LIABILITIES-OTHER>                               9952
<LONG-TERM>                                      17528
<PREFERRED-MANDATORY>                                0
<PREFERRED>                                          0
<COMMON>                                            29
<OTHER-SE>                                       91697
<TOTAL-LIABILITIES-AND-EQUITY>                  999837
<INTEREST-LOAN>                                  15398
<INTEREST-INVEST>                                 2676
<INTEREST-OTHER>                                   355
<INTEREST-TOTAL>                                 18429
<INTEREST-DEPOSIT>                                6362
<INTEREST-EXPENSE>                                7076
<INTEREST-INCOME-NET>                            11353
<LOAN-LOSSES>                                      456
<SECURITIES-GAINS>                                 (2)
<EXPENSE-OTHER>                                  10801
<INCOME-PRETAX>                                   4546
<INCOME-PRE-EXTRAORDINARY>                        3042
<EXTRAORDINARY>                                      0
<CHANGES>                                            0
<NET-INCOME>                                      3042
<EPS-PRIMARY>                                      .53
<EPS-DILUTED>                                      .53
<YIELD-ACTUAL>                                    5.32
<LOANS-NON>                                       2303
<LOANS-PAST>                                       856
<LOANS-TROUBLED>                                   257
<LOANS-PROBLEM>                                      0
<ALLOWANCE-OPEN>                                  8179
<CHARGE-OFFS>                                      546
<RECOVERIES>                                       183
<ALLOWANCE-CLOSE>                                 8272
<ALLOWANCE-DOMESTIC>                              8272
<ALLOWANCE-FOREIGN>                                  0
<ALLOWANCE-UNALLOCATED>                              0


</TABLE>
```