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CAPITAL CITY BANK GROUP INC
Form DEF 14A
March 31, 2006

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY
(AS PERMITTED BY RULE 14A-6(E)(2))
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material Pursuant to Section 240.14a-11(c) or
Section 240-14a-12

Capital City Bank Group, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check appropriate box):

- [X] No fee required.
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- (3) Filing Party: _____
- (4) Date Filed: _____

NOTICE OF 2006 ANNUAL MEETING
OF SHAREOWNERS AND PROXY STATEMENT

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[Capital City Bank Group Star Logo]

[Capital City Bank Group Logo]

217 North Monroe Street, Tallahassee, Florida 32301

CONTENTS

LETTER TO SHAREOWNERS

NOTICE OF ANNUAL MEETING OF SHAREOWNERS

PROXY STATEMENT

| | |
|--|----|
| General Information..... | 1 |
| Corporate Governance..... | 3 |
| Board and Committee Membership..... | 5 |
| Nominees for Election as Directors..... | 8 |
| Continuing Directors and Executive Officers..... | 10 |
| Share Ownership..... | 12 |
| Executive Officers and Transactions with Management..... | 14 |
| Compensation Committee Report..... | 16 |
| Executive Compensation..... | 20 |
| Retirement Plans..... | 22 |
| Five-Year Performance Graph..... | 23 |
| Audit Committee Report..... | 24 |
| Ratification of Auditors..... | 26 |
| Other Matters..... | 28 |

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LETTER TO SHAREOWNERS

CAPITAL CITY BANK GROUP, INC.
217 North Monroe Street
Tallahassee, Florida 32301

March 31, 2006

Dear Fellow Shareowners:

You are cordially invited to attend the 2006 Annual Meeting of Shareowners at 10:00 a.m., local time, on Tuesday, April 25, 2006, at University Center Club, Building B, Floor 3, University Center, Florida State University, Tallahassee, Florida.

At the meeting, I will give an update on Capital City's business and plans for the future. Also, we will elect four Class III directors to the Board of Directors and ratify our accountants for fiscal 2006.

Your Board of Directors encourages every shareowner to vote. Your vote is very important. Whether or not you plan to attend the meeting, please review the proxy materials and return your proxy instructions by Tuesday, April 11, 2006.

The meeting will begin at 10:00 a.m. I hope you will come early and join your friends for light refreshments at 9:30 a.m.

Sincerely,

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

NOTICE OF ANNUAL MEETING OF SHAREOWNERS

BUSINESS

TIME

(1) Elect four Class III directors
to the Board of Directors;

10:00 a.m., local time,
April 25, 2006

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(2) Ratify the appointment of KPMG LLP as the auditors for the fiscal year ending December 31, 2006; and

PLACE

(3) Transact other business properly coming before the meeting or any adjournment of the meeting.

University Center Club
Building B, Floor 3
University Center
Florida State University
Tallahassee, Florida

DOCUMENTS

VOTING

The Proxy Statement, proxy card, and Capital City Bank Group Annual Report are included in this mailing.

Even if you plan to attend the meeting in Tallahassee, Florida, please provide us your voting instructions in one of the following ways as soon as possible:

RECORD DATE

- (1) Internet - use the internet address on the proxy card;
- (2) Telephone - use the toll-free number on the proxy card; and
- (3) Mail - mark, sign, and date the proxy card and return in the enclosed postage-paid envelope

Shareowners owning Capital City Bank Group shares at the close of business on February 28, 2006, are entitled to attend and vote at the meeting. A list of these shareowners will be available at the Annual Meeting and for 10 days prior to the Annual Meeting between the hours of 9:00 a.m. and 5:00 p.m., at our principal executive offices at 217 North Monroe Street, Tallahassee, Florida 32301.

By Order of the Board of Directors

/s/ J. Kimbrough Davis
J. KIMBROUGH DAVIS
Executive Vice President, Chief Financial Officer
and Corporate Secretary,

Tallahassee, Florida
March 31, 2006

PROXY STATEMENT - GENERAL INFORMATION

Why am I receiving this Proxy Statement and proxy card?

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We are providing these proxy materials in connection with the solicitation by the Board of Directors of Capital City Bank Group, Inc. ("CCBG," the "Company," "we," "us," or "our"), a Florida corporation, of proxies to be voted at our 2006 Annual Meeting of Shareowners and at any adjournments or postponements of this meeting.

We will hold our 2006 Annual Meeting at 10:00 a.m., local time, Tuesday, April 25, 2006, at the University Center Club, Building B, Floor 3, University Center, Florida State University, Tallahassee, Florida.

We are providing this Proxy Statement and the proxy card to our shareowners on or about March 31, 2006.

What is being voted upon?

You are being asked to elect four Class III directors and to ratify our appointment of KPMG LLP as our auditors. The proposals to be considered will not create appraisal or dissenter's rights.

Could other matters be decided at the Annual Meeting?

We are not aware of any matters to be presented at the meeting other than those referred to in this Proxy Statement. If other matters are properly presented at the meeting, the holders of the proxies (those persons named on your proxy card) will have the discretion to vote on those matters for you.

Who can vote?

All shareowners of record at the close of business on the record date of February 28, 2006 are entitled to receive these proxy materials. On that date, there were 18,662,689 shares of our common stock outstanding and entitled to vote, and these shares were held of record by approximately 1,716 shareowners.

How much does each share count?

Each share counts as one vote. For the proposals scheduled to be voted upon at the meeting, withheld votes on directors, abstentions, and shares held by a broker that the broker fails to vote are all counted to determine a quorum, but are not counted for or against the matters being considered. There is no cumulative voting.

How many votes are required to have a quorum?

In order for us to conduct the Annual Meeting, a majority of the shares entitled to vote must be present in person or by proxy.

How many votes are required to elect directors and to ratify KPMG's appointment?

Directors are elected by a plurality of the votes cast. "Plurality" means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors who are nominated to be elected at the meeting. At our meeting, the maximum number of directors to be elected is four. The ratification of KPMG's appointment requires a majority of the votes cast at the Annual Meeting.

How do I give voting instructions?

You may attend the meeting and give instructions in person or by the Internet, by telephone, or by mail. Instructions are on the proxy card. The appropriate individuals named on the enclosed proxy card will vote all properly executed proxies that are delivered in response to this

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solicitation and not later revoked in accordance with the instructions given by you. If you want to vote in person at the Annual Meeting, and you hold your shares

1

through a securities broker (that is, in street name), you must obtain a proxy from your broker and bring that proxy to the meeting.

How will my voting instructions be treated?

If you provide specific voting instructions, your shares will be voted as instructed. If you hold your shares in your name and sign and return a proxy card or vote by telephone or Internet without giving specific voting instructions, then your shares will be voted as recommended by our Board of Directors.

If you hold your shares in the name of a bank, broker, or other nominee, and you do not give instructions to that nominee on how you want your shares voted, then generally your broker can vote your shares on certain "routine" matters. At our meeting, both proposals 1 and 2 are considered routine, which means that your nominee can vote your shares on these proposals if you do not timely provide instructions to vote your shares.

If you hold your shares in the name of a bank, broker, or other nominee, and that nominee does not have discretion to vote your shares on a particular proposal and you don't give your broker instructions on how to vote your shares, then the votes will be considered broker nonvotes. A "broker nonvote" will be treated as unvoted for purposes of determining approval for the proposal and will have the effect of neither a vote for nor a vote against the proposal.

Can I change my vote?

Yes, you may revoke your proxy by submitting a later proxy or by written request received by our corporate secretary before the meeting. You may also revoke your proxy at the meeting and vote in person.

Who pays for soliciting proxies?

We pay the cost of soliciting proxies. Our officers or other associates may solicit proxies to have a larger representation at the meeting.

What does it mean if I get more than one proxy card?

You will receive a proxy card for each account you have. Please vote proxies for all accounts to ensure that all your shares are voted.

What is "householding" and how does it affect me?

We have adopted a procedure approved by the SEC known as "householding." Under this procedure, shareowners of record who have the same address and last name will receive only one copy of our Notice of Annual Meeting, Proxy Statement, and Annual Report, unless one or more of these shareowners notifies our transfer agent that they wish to continue receiving individual copies. You may contact our transfer agent, American Stock Transfer & Trust Company in writing: 59 Maiden Lane Plaza Level, New York, NY 10038; by telephone in the U.S., Puerto Rico, and Canada, 800-937-5449; outside the U.S., Puerto Rico, and Canada, 718-921-8124; or on the Internet at www.amstock.com. This

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procedure will reduce our printing costs and postage fees.

Shareowners who participate in householding will continue to receive separate proxy cards. Also, householding will not in any way affect dividend check mailings.

If you are eligible for householding, but you and other shareowners of record with whom you share an address currently receive multiple copies of our Notice of Annual Meeting, Proxy Statement, and Annual Report, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of each document for your household, please contact our transfer agent as indicated above.

Beneficial owners can request information about householding from their banks, brokers, or other holders of record.

2

CORPORATE GOVERNANCE

GOVERNING PRINCIPLES

We are a financial holding company managed by a core group of officers and governed by a Board of Directors. We are committed to maintaining a business atmosphere where only the highest ethical standards and integrity prevail. An unwavering adherence to high ethical standards provides a strong foundation on which our business and reputation can thrive, and is integral to creating and sustaining a successful, high-caliber company.

INDEPENDENT DIRECTOR MEETINGS IN EXECUTIVE SESSIONS

Our independent directors, as defined under the Nasdaq rules, have established a policy to meet separately from the other directors in regularly scheduled executive sessions at least twice annually, and at such other times as may be deemed appropriate by our independent directors. Any independent director may call an executive session of independent directors at any time. In 2005, the independent directors met in an executive session five times. Cader B. Cox, III serves as the lead independent director.

INDEPENDENT DIRECTORS

Our common stock is listed on the Nasdaq National Market. Nasdaq requires that a majority of our directors be "independent," as defined by Nasdaq's rules. Generally, a director does not qualify as an independent director if the director or a member of a director's immediate family has had in the past three years, certain relationships or affiliations with us, our external or internal auditors, or other companies that do business with us. Our Board has affirmatively determined that a majority of our directors are independent directors under the Nasdaq rules. Included among our independent directors are the following current directors and nominees for director: DuBose Ausley, Frederick Carroll, III, Cader B. Cox, III, J. Everitt Drew, John K. Humphress, Lina S. Knox, Ruth A. Knox, and Henry Lewis III.

SHAREOWNER COMMUNICATIONS

Our Corporate Governance Guidelines provide for a process by which

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shareowners may communicate with the Board, a Board committee, the non-management directors as a group, or individual directors. Shareowners who wish to communicate with the Board, a Board committee or any other directors or individual directors may do so by sending written communications addressed to the Board of Directors of Capital City Bank Group, a Board committee or such group of directors or individual directors:

Capital City Bank Group, Inc.
c/o Corporate Secretary
217 North Monroe Street
Tallahassee, Florida 32301

Communications will be compiled by our Corporate Secretary and submitted to the Board, a committee of the Board or the appropriate group of directors or individual directors, as appropriate, at the next regular meeting of the Board. The Board has requested that the Corporate Secretary submit to the Board all communications received, excluding those items that are not related to board duties and responsibilities, such as: mass mailings; job inquiries and resumes; and advertisements, solicitations, and surveys.

CORPORATE GOVERNANCE GUIDELINES

The Board has adopted Corporate Governance Guidelines that give effect to the Nasdaq corporate governance listing standards and various other corporate governance matters.

3

CODES OF CONDUCT AND ETHICS

The Board has adopted Codes of Conduct applicable to all directors, officers, and associates and a Code of Ethics applicable to our Chief Executive Officer and our financial and accounting officers, all of which are available, without charge, upon written request to:

Capital City Bank Group, Inc.
c/o Corporate Secretary
217 North Monroe Street
Tallahassee, Florida 32301

These codes are designed to comply with Nasdaq and SEC requirements.

BOARD AND COMMITTEE EVALUATIONS

The Corporate Governance Committee uses written questionnaires to evaluate the Board as a whole and its committees. The evaluation process occurs annually. Directors submit completed questionnaires to the Chair of the Corporate Governance Committee, who summarizes the results without attribution. The full Board discusses the summary of the Board evaluation, and each committee discusses the summary of its own evaluation.

DIRECTOR NOMINATING PROCESS

The Nominating Committee annually reviews and makes recommendations to the full Board regarding the composition and size of the Board so that the Board consists of members with the proper expertise, skills, attributes and personal and professional backgrounds needed by the Board, consistent with applicable Nasdaq and regulatory requirements.

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The Nominating Committee believes that all directors, including nominees, should possess the highest personal and professional ethics, integrity, and values, and be committed to representing the long-term interests of our shareowners. The Nominating Committee will consider criteria including the nominee's current or recent experience as a senior executive officer, whether the nominee is independent, as that term is defined in Rule 4200(a)(15) of the National Association of Securities Dealers listing standards, the business experience currently desired on the Board, geography, the nominee's banking industry experience, and the nominee's general ability to enhance the overall composition of the Board.

Our Nominating Committee will identify nominees for directors primarily based upon suggestions from shareowners, current directors, and executives. The Chair of the Nominating Committee and at least one other member of the Nominating Committee will interview director candidates. The full Board will formally nominate candidates for director to be included in the slate of directors presented for shareowner vote based upon the recommendations of the Nominating Committee following this process.

DIRECTOR SERVICE ON OTHER BOARDS

Directors may not serve on more than three other Boards of public companies in addition to our Board.

CHANGE IN DIRECTOR OCCUPATION

When a Director's principal occupation or business association changes substantially during his or her tenure as Director, that Director will tender his or her resignation for consideration by the Nominating Committee. The Nominating Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.

4

BOARD AND COMMITTEE MEMBERSHIP

BOARD OF DIRECTORS

Our Board of Directors oversees our business, property, and affairs pursuant to the Florida Business Corporation Act and our Bylaws. Members of our Board are kept informed of our business through discussions with our senior management team, by reviewing materials provided to them, and by participating in Board and Committee meetings.

Our Board met 12 times in 2005. All of our directors attended at least 75 percent of the total aggregate number of Board and Committee meetings on which they served.

We expect all directors to attend our Annual Meeting. All directors, who were directors at the time of our Annual Meeting in 2005, attended the Annual Meeting.

COMMITTEES OF THE BOARD

Our Board of Directors has five standing committees: Audit, Compensation, Corporate Governance, Executive, and Nominating. Other than the Executive Committee, the Board has adopted written charters for each of its other four

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standing committees. The Nominating and Audit Committee charters are published on the Corporate Governance section of our website at www.ccbg.com and were included as appendices to our proxy statement filed with the SEC on April 1, 2004. The Board has determined that all members of the Audit, Compensation, Corporate Governance, and Nominating Committees are independent as that term is defined in Rule 4200(a)(15) of the National Association of Securities Dealers listing standards.

| Name | Audit | Compensation | Corporate Governance | Executive | Nominating |
|-------------------------|-------|--------------|-------------------------|-----------|------------|
| DuBose Ausley | | | | Chair | |
| Thomas A. Barron | | | | | |
| Frederick Carroll, III* | Chair | | X | X | |
| Cader B. Cox, III | X | Chair | | X | X |
| J. Everitt Drew | X | X | | | |
| John K. Humphress* | | | Chair | X | |
| L. McGrath Keen, Jr. | | | | | |
| Lina S. Knox | | | X | | |
| Ruth A. Knox | X | | X | | Chair |
| Henry Lewis III | | X | | | X |
| William G. Smith, Jr.** | | | | X | |

* Qualifies as a financial expert
 ** Chairman of the Board of Directors

Audit Committee

The Audit Committee met 13 times in 2005. The Audit Committee (a) oversees our auditing, accounting, financial reporting, and internal control functions; (b) monitors and reviews our compliance with Section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991 and reviews regulatory reports; (c) reviews independent auditors' report on our financial statements, significant changes in accounting principles and practices, significant proposed adjustments, and any unresolved disagreements with management concerning accounting or

disclosure matters; and (d) recommends independent auditors and reviews their independence and qualifications, services, fees, and the scope and timing of audits.

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Compensation Committee

The Compensation Committee met seven times in 2005. The Compensation Committee: (a) reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluates the performance of the Chief Executive Officer in light of those goals and objectives, and sets the Chief Executive Officer's base salary, short-term incentive compensation, and long-term incentive compensation based on this evaluation; (b) reviews and approves base salary, short-term incentive compensation, and long-term incentive compensation of our executive officers; (c) reviews the compensation of our senior management team other than our executive officers; (d) reviews and approves benefits, including retirement benefits and perquisites of our executive officers; (e) reviews and approves employment agreements, severance agreements, and change-in-control agreements for executive officers; (f) evaluates and recommends the appropriate level of director compensation, including compensation for service as a member or chair of a Board committee, and ensures that payments, if any, to directors other than in their capacity as directors are proper, and are fully and properly disclosed; and (g) establishes and reviews stock ownership guidelines for directors and executive officers.

None of the members of the Compensation Committee is an executive officer of a public company of which one of our executive officers is a director.

Nominating Committee

The Nominating Committee met three times in 2005. The Nominating Committee (a) develops and reviews background information for candidates for the Board of Directors, including candidates recommended by shareowners, and makes recommendations to the Board of Directors about these candidates; (b) evaluates the performance of current Board members proposed for standing for reelection; (c) recommends to the Board for approval a slate of nominees for election to the Board; (d) reviews all candidates for nomination submitted by shareowners; and (e) develops plans for our managerial succession.

Corporate Governance Committee

The Corporate Governance Committee met four times in 2005. The Corporate Governance Committee: (a) develops, implements and monitors policies and practices relating to corporate governance; (b) coordinates director orientation and appropriate continuing education programs for directors; (c) oversees the annual self-assessment of the Board and Board Committees; and (d) reviews all shareowner proposals.

Executive Committee

The Executive Committee has the delegated authority to exercise the power and authority of the Board of Directors between meetings (except for matters requiring the full Board or the shareowners). The Executive Committee did not meet in 2005.

DIRECTORS' FEES

Only non-employee directors are compensated for board service. In 2005 the pay components were:

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Annual Retainers:

- * \$12,500 for each non-employee member of the Board of Directors
- * \$1,250 additional annual retainer if serving as chairman of a Board committee (except Audit Committee)
- * \$2,500 additional annual retainer if serving as Audit Committee Chairman

Meeting Fees:

- * \$1,000 for each month in which a director attends a Board meeting

Directors were also permitted to purchase shares of common stock at a 10% discount from fair market value under the 2005 Director Stock Purchase Plan. This Plan had 93,750 shares reserved for issuance. During 2005, 6,589 shares were purchased. Purchases under this Plan were not permitted to exceed the annual retainer and meeting fees received. Our shareowners adopted the 2005 Director Stock Purchase Plan at our 2004 Annual Meeting.

Mr. Keen is employed by Capital City Bank. His compensation in 2005 was \$178,200.

2005 NON-MANAGEMENT DIRECTORS' COMPENSATION TABLE

| Name | Annual Board Retainer | Annual Chair Retainer | Meeting Fees | Total |
|------------------------|-----------------------------|-----------------------------|-----------------|-----------|
| DuBose Ausley | \$ 12,500 | \$ 1,250 | \$ 11,000 | \$ 24,750 |
| Frederick Carroll, III | 12,500 | 2,500 | 11,000 | 26,000 |
| Cader B. Cox, III | 12,500 | 1,250 | 12,000 | 25,750 |
| J. Everitt Drew | 12,500 | 0 | 11,000 | 23,500 |
| John K. Humphress | 12,500 | 1,250 | 12,000 | 25,750 |
| Lina S. Knox | 12,500 | 0 | 12,000 | 24,500 |
| Ruth A. Knox | 12,500 | 0* | 11,000 | 23,500 |
| Henry Lewis III | 12,500 | 0 | 12,000 | 24,500 |

* Ms. Knox was appointed as Chair of the Nominating Committee in February 2006 replacing John R. Lewis who retired from the Board of Directors.

STOCK OWNERSHIP EXPECTATIONS

We maintain stock ownership expectations for all non-management directors. Under our current guidelines, all non-management directors are expected to own our common stock equal in value to 10 times their annual director compensation. Directors have 10 years from the date they are first appointed or elected to our Board to meet the stock ownership expectations.

NOMINEES FOR ELECTION AS DIRECTORS

ELECTION OF DIRECTORS (PROXY ITEM NO. 1)

The Board of Directors is divided into three classes, designated Class I, Class II, and Class III. The directors in each class are elected for terms of three years or until their successors are duly elected and qualified.

At the meeting, the shareowners will elect four Class III directors. The affirmative vote of a plurality of shares present and entitled to vote is required for the election of directors. The Board of Directors proposes the following four nominees for election as directors at the Annual Meeting. The individuals named on the enclosed proxy card will vote, unless instructed otherwise, each properly delivered proxy for the election of the following nominees as directors.

If a nominee is unable to serve, the shares represented by all valid proxies that have not been revoked will be voted for the election of a substitute as the Board of Directors may recommend, or the Board of Directors may by resolution reduce the size of the Board of Directors to eliminate the resulting vacancy. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve.

The Board of Directors has been set at 13 members. If all four director nominees are elected, the Board of Directors will have two vacancies. There is no requirement for the Nominating Committee to nominate directors to fill these vacancies. As of the date the Proxy Statement went to print, the Nominating Committee has not determined replacements. Although two vacancies exist, proxies cannot be voted for a greater number of persons than the nominees named.

NOMINEES TO SERVE FOR A THREE-YEAR TERM EXPIRING IN 2009

DuBOSE AUSLEY

[photograph of DuBose Ausley]

Mr. Ausley, 68, has been a director since 1982. He is employed by the law firm of Ausley & McMullen and was Chairman of this firm and its predecessor for more than 20 years. Since 1992, he has served as a director of TECO Energy, Inc. In addition, Mr. Ausley has served as a director of Huron Consulting Group, Inc. since 2004.

FREDERICK CARROLL, III

[photograph of Frederick Carroll, III]

Mr. Carroll, 55, has been a director since July 1, 2003. Since 1990, he has been the Managing Partner of Carroll and Company, CPAs, an accounting firm specializing in tax and audit based in Tallahassee, Florida.

JOHN K. HUMPHRESS

[photograph of John K. Humphress]

Mr. Humphress, 57, has been a director since 1994. Since 1973, he has been a shareholder of Wadsworth, Humphress, Hollar, & Konrad, P.A., a public accounting firm.

HENRY LEWIS III

[photograph of Henry Lewis III]

Dr. Lewis, 56, has been a director since July 1, 2003. He is a Professor and Director of the College of Pharmacy and Pharmaceutical Studies at Florida A&M University. Prior to Dr. Lewis's appointment to his position as director in 2004, Dr. Lewis served as Dean of the College of Pharmacy and Pharmaceutical Studies at Florida A&M University since 1994.

The Board of Directors unanimously recommends a vote "FOR" the nominees.

9

CONTINUING DIRECTORS AND EXECUTIVE OFFICERS

CONTINUING CLASS I DIRECTORS (Term expiring in 2007)

CADER B. COX, III

[photograph of Cader B. Cox, III]

Mr. Cox, 56, has been a director since 1994. Since 1976, he has served as President of Riverview Plantation, Inc., a resort and agricultural company.

L. MCGRATH KEEN, JR.

[photograph of L. McGrath Keen, Jr.]

Mr. Keen, 52, has been a director since October 2004. He served as President (since 2000) and director (1980-2004) of Farmers and Merchants Bank, prior to its merger with CCBG. He was a principal shareowner of Farmers and Merchants Bank at the time of the merger. Since October 2004, Mr. Keen has served as an associate of Capital City Bank.

RUTH A. KNOX

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[photograph of Ruth A. Knox]

Ms. Knox, 52, has been a director since 2003. Since 2003, she has served as President of Wesleyan College, Macon, Georgia. Prior to this appointment, she practiced law in Atlanta and Macon, Georgia for 25 years.

WILLIAM G. SMITH, JR.

[photograph of William G. Smith, Jr.]

Mr. Smith, 52, is our Chairman of the Board and has been a director since 1982. In 1995, he was appointed our President and Chief Executive Officer and Chairman of Capital City Bank. In 2003, Mr. Smith was elected our Chairman of the Board of Directors. Mr. Smith was elected as a director of Southern Company in February 2006. Mr. Smith is the first cousin of Lina S. Knox.

10

CONTINUING CLASS II DIRECTORS (Term expiring in 2008)

THOMAS A. BARRON

[photograph of Thomas A. Barron]

Mr. Barron, 53, has been a director since 1982. He is our Treasurer and was appointed President of Capital City Bank in 1995.

J. EVERITT DREW

[photograph of J. Everitt Drew]

Mr. Drew, 50, has been a director since 2003. Since 2000, he has been the President of St. Joe Land Company where his duties include overseeing the sale and development efforts of several thousand acres of St. Joe property in northwest Florida and southwest Georgia.

LINA S. KNOX

[photograph of Lina S. Knox]

Ms. Knox, 61, has been a director since 1998. She is a dedicated community volunteer. Ms. Knox is the first cousin of William G. Smith, Jr.

NON-DIRECTOR EXECUTIVE OFFICER:

J. KIMBROUGH DAVIS

[photograph of J. Kimbrough Davis]

Mr. Davis, 52, was appointed our Executive Vice President and Chief Financial Officer of the Company in 1997. He served as Senior Vice President and Chief Financial Officer from 1991 to 1997. In 1998, he was appointed Executive Vice President and Chief Financial Officer of Capital

City Bank.

11

SHARE OWNERSHIP

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and parties owning beneficially more than 10% of our common stock, to file reports with the Securities and Exchange Commission to reflect their interests in our common stock. Copies of these reports must be furnished to us.

Based solely upon on a review of these reports received by us for fiscal 2005 and any written representations from reporting persons, we believe that during 2005 each required Section 16(a) report for 2005 was filed on time.

SHARE OWNERSHIP TABLE

The following table sets forth information, as of February 28, 2006, with respect to the number of shares of our common stock beneficially owned by our directors, executive officers named in the Summary Compensation Table, and all executive officers and directors as a group. The following table also provides information with respect to each person known by us to beneficially own more than 5% of our common stock.

As of February 28, 2006, there were 18,662,689 shares of our common stock outstanding.

Shares Beneficially
Owned

Percentage of
Outstanding