SECURITIES AND EXCHANGE COMMISSION

FORM 10KSB40

Annual and transition reports of small business issuers [Section 13 or 15(d), S-B Item 405]

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FILER

CCF HOLDING CO

CIK:**943033**| IRS No.: **582173616** | State of Incorp.:**GA** | Fiscal Year End: **1231**
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SIC: **6035** Savings institution, federally chartered

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-KSB

(Mark One):

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] For the fiscal year ended September 30, 1996,

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] For the transition period from _________________________ to _________________________.

Commission File No. 0-25846

CCF HOLDING COMPANY

(Name of Small Business Issuer in Its Charter)

Georgia	58-2173616
(State or Other Jurisdiction of Incorporation or Organization)	I.R.S. Employer Identification No.
101 North Main Street, Jonesboro, Georgia	30236
(Address of Principal Executive Offices	(Zip Code)

Issuer's Telephone Number, Including Area Code: (770) 478-8881

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value $0.10 per share

(Title of Class)

Check whether the issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO____.

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

State issuer's revenues for its most recent fiscal year. $5,987,580

As of December 13, 1996 there were issued and outstanding 915,900 shares of the registrant's Common Stock.

The registrant's voting stock trades on the Nasdaq SmallCap Market under the symbol "CCFH." The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the average bid and asked price of the registrant's Common Stock on December 13, 1996, was $10.9 million.

Transition Small Business Disclosure Format (check one)
YES_______ NO X

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the Annual Report to Stockholders for the fiscal year ended September 30, 1996 (Part II)

2. Portions of the Proxy Statement for the Annual Meeting of Stockholders. (Part III)

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PART I

Item 1. Description of Business

General

CCF Holding Company (the "Company") is a Georgia corporation which was organized in March 1995 at the direction of Clayton County Federal Savings and Loan Association (the "Association") in connection with the Association's conversion from a mutual to stock form of organization (the "Conversion"). On July 11, 1995, the Association completed its conversion and became a wholly owned subsidiary of the Company. The Company is a unitary savings and loan holding company which, under existing laws, generally is not restricted in the types of business activities in which it may engage provided the Association retains a specified amount of its assets in housing-related investments. The Company is not an operating company and has not engaged in any significant business to date. As such, references herein to the Association include the Company unless the context otherwise indicates.

The Association is a federally chartered stock savings and loan association which originally commenced business in 1955. The Association operates a traditional savings and loan business, attracting deposit accounts from the general public and using these deposits, together with other funds, primarily to originate and invest in long-term conventional loans secured by single-family residential real estate. The Association is subject to examination and comprehensive regulation by the Office of Thrift Supervision ("OTS") and its deposits are insured by the Savings Association Insurance Fund ("SAIF") and have been insured by the SAIF and its predecessor, the Federal Savings and Loan Insurance Corporation, since 1955. The principal sources of funds for the Association's lending activities are deposits and the amortization, repayment, and maturity of loans and investment securities. The Association does not rely on brokered deposits. Principal sources of income are interest on loans and investment securities. The Association's principal expense is interest paid on deposits.

Market Area and Competition

The Association's primary market area is Clayton County, Georgia, where the Association operates three offices. Clayton County is part of the Atlanta, Georgia metropolitan statistical area and home to a portion of Atlanta's Hartsfield International Airport. The Association also solicits deposits and makes loans in the adjacent market area of Fayette and Henry counties in Georgia. To a much lesser extent, the Association also makes loans in Coweta, Rockdale, Spalding, and Lamar counties, Georgia.

The Association competes for deposits with financial institutions located in metropolitan Atlanta, super-regional banks, and several fairly new local financial institutions. Loan competition comes from the same sources and mortgage companies. The Association is the only savings association headquartered in any of the three counties of Clayton, Henry, or Fayette.

Due to their size, many of the Association's competitors possess greater financial and marketing resources. The Association competes for savings accounts by offering depositors competitive interest rates and a high level of personal service. The Association competes for loans primarily through the interest rates and loan fees it charges and the efficiency and quality of services it provides borrowers, real estate brokers, and contractors.

Lending Activities

General. The principal lending activity of the Association is the origination for its portfolio of adjustable-rate and fixed-rate loans secured by one- to four-family residential real estate. Many of these loans conform to secondary market guidelines. The Association also originates some nonconforming first mortgage loans to serve community needs. To a much lesser extent, the Association also originates construction loans and provides financing for nonresidential real estate and consumer loans.

Analysis of Loan Portfolio. The following table sets forth information concerning the composition of the Association's loan portfolio in dollar amounts and in percentages of the loan portfolio as of the dates indicated.

	At September 30,	
	1996	1995

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	Amount	Percent	Amount	Percent
	(Dollars in Thousands)			
Mortgage Loans:				
Residential (1-4 family)....	$45,510	80.79%	$42,754	89.12%
Construction................	7,056	12.53	2,777	5.79
Nonresidential..............	2,698	4.79	1,720	3.59
Consumer Loans:				
Secured personal............	566	1.01	415	0.86
Automobile..................	306	0.54	200	0.42
Other.......................	194	0.34	109	0.22
Total loans receivable....	56,330	100.00%	47,975	100.00%
Less:				
Undisbursed proceeds on loans in process..........	(3,790)		(1,937)	
Unamortized loan origination fees and costs, net.......	(500)		(433)	
Allowance for loan losses...	(540)		(409)	
Total loans, net..........	$51,500		$45,196	

Loan Maturity Tables. The following table sets forth the maturity of the Association's loan portfolio at September 30, 1996. The table does not include prepayments. Prepayments and scheduled principal repayments on loans totalled $15.2 million and $8.0 million for the years ended September 30, 1996 and 1995, respectively. Adjustable-rate mortgage loans are shown as maturing based on repricing dates.

	September 30, 1996			
	Within One Year	One to Five Years	After Five Years	Total
	(In Thousands)			
Residential real estate mortgage	$24,067	$1,521	$19,922	$45,510
Real estate construction.....	7,056	--	--	7,056
Other mortgage..............	2,698	--	--	2,698
Consumer and other installment	759	307	--	1,066
Total.....................	$34,580	$1,828	$19,922	$56,330

The following table sets forth the dollar amount of all loans due after September 30, 1997, which have fixed interest rates and which have floating or adjustable interest rates. Adjustable-rate mortgage- loans ("ARMs") are shown based on repricing dates.

<TABLE>
<CAPTION>

	Fixed Rate		Adjustable Rate		
	Amount	Percent	Amount	Percent	Total
	(Dollars in Thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Residential real estate mortgage.	$20,417	36.25%	$1,026	1.82%	$21,443
Consumer and other installment...	307	0.55	--	--	307
Total.........................	$20,724	36.80%	$1,026	1.82%	$21,750

</TABLE>

One- to Four-Family Residential Loans. The Association's primary lending

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activity consists of the origination of one- to four-family, owner-occupied, residential mortgage loans secured by property located in the Association's primary market area. The Association originates both adjustable-rate and fixed-rate residential mortgage loans.

The Association offers ARMs that adjust every year and have terms of up to 30 years. Generally, the interest rate adjustments on ARMs are based on the National Average Contract Rate for the Purchase of Previously Occupied Homes as announced by the Federal Home Loan Bank ("FHLB") of Atlanta. ARMs have interest rate floors of one-half percentage point below the initial interest rate and carry an interest rate ceiling of 5% above the initial rate of the loans. The maximum change on any adjustment date is 2%. The Association considers the market factors and competition's rate on loans as well as its own cost of funds when determining the rates on the loans that it offers.

ARMs may be made at up to 95% of the loan to value ratio. The Association does not originate ARMs with negative amortization.

The Association also offers conventional fixed-rate mortgage loans with terms of up to 30 years. The fixed-rate mortgages may be sold in the secondary mortgage market with servicing retained by the Association.

The Association offers home equity lines of credit, which are revolving lines of credit secured by a first or second mortgage on an owner occupied property, and which are accessible to the customers by either writing a check or requesting an advance at a branch office of the Association. The rate on such loans is adjustable monthly, based on the highest prime rate published in The Wall Street Journal plus 2%, with a ceiling of 18%.

Regulations limit the amount which a savings association may lend in relationship to the appraised value of the real estate securing the loan, as determined by an appraisal at the time of loan origination. Such regulations permit a maximum loan-to-value ratio of 100% for residential property and 90% for all other real estate loans. The Association's lending policies, however, generally limit the maximum loan-to-value ratio to 80% of the appraised value of the property, based on an independent appraisal. When the Association makes a loan in excess of 80% of the appraised value or purchase price, private mortgage insurance is required for at least the amount of the loan in excess of 80% of the appraised value.

The loan-to-value ratio, maturity, and other provisions of the residential real estate loans made by the Association reflect the policy of making loans generally below the maximum limits permitted under applicable regulations. The Association requires an independent appraisal, title insurance or an attorney's opinion, flood hazard insurance (if applicable), and fire and casualty insurance on all properties securing real estate loans made by the Association. The Association reserves the right to approve the selection of which title insurance companies' policies are acceptable to insure the real estate in the loan transactions.

While one- to four-family residential real estate loans are normally originated with 15 to 30 year terms, such loans typically remain outstanding for substantially shorter periods. This is because borrowers often prepay their loans in full upon sale of the property pledged as security or upon refinancing the original loan. In addition, substantially all of the fixed-rate residential mortgage loans in the Association's loan portfolio contain due-on-sale clauses providing that the Association may declare the unpaid amount due and payable upon the sale of the property securing the loan. The Association enforces these due-on-sale clauses to the extent permitted by law. Thus, average loan maturity is a function of, among other factors, the level of purchase and sale activity in the real estate market, prevailing interest rates, and the interest rates payable on outstanding loans.

Construction Lending. The Association engages in construction lending involving loans to qualified borrowers for construction of one- to four-family residential properties and on a limited basis, for commercial properties. Almost all of the Association's construction loan properties are located in the Association's market area and nearby counties.

Construction loans are made to builders on a speculative basis and to owners for construction of their primary residence. Loans for speculative housing construction are made to area builders after a background check has been made. Construction loans on one- to four-family properties are limited to a maximum loan-to-value ratio of 90% and have a maximum maturity of 12 months after which the loan can be converted to a permanent mortgage loan. Whether or not the construction of the property is complete or the property securing the loan has been sold, construction loans on nonresidential properties are generally limited to a maximum loan-to-value ratio of 70% and also have a

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maximum maturity of 12 months after which the loan can be converted to a permanent mortgage loan.

Construction loan proceeds are disbursed in increments as construction progresses and only after a physical inspection of the project is made by an Association representative. Accrued interest on loan disbursements is paid monthly. At September 30, 1996, the Association had $4.5 million in construction loans outstanding secured by unsold properties, with $2.5 million in loans in process (funds being held for construction progress) outstanding and attributed to these loans.

Construction loans to owner/borrowers have either fixed or adjustable rates and are underwritten in accordance with the same terms and requirements as the Association's permanent mortgages on existing properties, except that the builder must qualify as an approved contractor by the Association, and the loans generally provide for disbursement of loan proceeds in stages during the construction period. An approved contractor is one who has been approved by a title insurance company that will insure the Association against mechanics' liens or whose credit, financial statements, and experience have been approved by the Association. Borrowers are typically required to pay accrued interest on the outstanding balance monthly during the construction phase. At September 30, 1996, there was $2.5 million outstanding in construction loans to owner/borrowers with $1.3 million outstanding in loans in process

allocated to these projects. The Association originated $9.2 million and $1.3 million in construction loans on one- to four-family properties during the fiscal years ended September 30, 1996 and 1995, respectively.

Nonresidential Real Estate Loans. The Association originates nonresidential real estate loans, which represent a small but growing portion of the Association's lending activities. At September 30, 1996, outstanding nonresidential real estate loans amounted to $2.7 million. At September 30, 1996, the largest nonresidential real estate loan had a balance of $900,000 and was secured by a day care center and was performing.

Nonresidential real estate loans consist of permanent loans secured by small office buildings, churches, shopping centers, and other nonresidential buildings. Nonresidential real estate secured loans are generally originated in amounts up to 70% of the appraised value of the property. Such appraised value is determined by an independent appraiser which has been previously approved by the Association. Nonresidential real estate loans are generally originated on an adjustable-rate basis with the interest rate adjusting annually and have terms of up to 20 years.

Consumer and Other Loans. Regulations permit federally chartered savings associations to make secured and unsecured consumer loans up to 35% of the Association's assets. In addition, the Association has lending authority above the 35% limit for certain consumer loans, such as home improvement loans and loans secured by savings accounts. The Association offers consumer loans in order to provide its customers a wider range of products and to reduce its interest rate risk.

Consumer loans consist of savings account loans, personal secured and unsecured loans, automobile loans, and home improvement loans. As of September 30, 1996, these consumer loans totaled $1.1 million, or 1.89% of the Association's total loan portfolio. Substantially all of the Association's consumer loans have fixed rates of interest.

The underwriting standards employed by the Association for consumer loans include a determination of the applicant's payment history on other debts and an assessment of ability to meet existing obligations and payments on the proposed loan. In addition, the stability of the applicant's monthly income from primary employment is considered during the underwriting process. Creditworthiness of the applicant is of primary consideration; however, the underwriting process also includes a comparison of the value of the security, if any, in relation to the proposed loan amount.

Loan Underwriting Risks. The retention of ARMs in the Association's portfolio helps to reduce the Association's exposure to changes in interest rates. However, there are unquantifiable credit risks that could result from potential increased payments to the borrower as a result of the repricing of ARMs. It is possible that during periods of rapidly rising interest rates, the risk of default on ARMs may increase due to the upward adjustment of interest cost to the borrower. In addition, although ARMs allow the Association to increase the sensitivity of its asset base to changes in the interest rates, the extent of this interest rate sensitivity is limited by the periodic and lifetime interest rate adjustment limits. Because of these considerations, the Association has no assurance that yields on ARM loans will be sufficient to

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offset increases in the Association's cost of funds.

Construction financing is generally considered to involve a higher degree of risk of loss than long-term financing on improved, occupied real estate. Risk of loss on a construction loan is dependent largely upon the accuracy of the initial estimate of the property's value at completion of construction or development and the estimated cost (including interest) of construction. During the construction phase, a number of factors could result in delays and cost overruns. If the estimate of construction cost proves

to be inaccurate, it may be necessary for the Association to advance funds beyond the amount originally committed to permit completion of the construction. If the estimate of value proves to be inaccurate, the Association may be confronted, at or prior to the maturity of the loan, with collateral having a value which is insufficient to assure full repayment. As a result of the foregoing, construction lending often involves the disbursement of substantial funds with repayment dependent, in part, on the success of the project. If the Association is forced to foreclose on a property prior to or at completion due to a default, there can be no assurance that the Association will be able to recover all of the unpaid balance of, and accrued interest on, the loan as well as related foreclosure and holding costs. The Association has sought to lessen this risk by limiting construction lending to qualified borrowers in the Association's market area and by limiting the number of construction loans outstanding at any time.

Loans secured by nonresidential real estate generally involve a greater degree of risk than one- to four-family mortgage loans and carry larger loan balances. This increased credit risk is a result of several factors, including the concentration of principal in a limited number of loans and borrowers, the effects of general economic conditions on income producing properties, and the increased difficulty of evaluating and monitoring these types of loans. Furthermore, the repayment of loans secured by nonresidential real estate is typically dependent upon the successful operation or management of the related real estate project. If the cash flow from the project is reduced, the borrower's ability to repay the loan may be impaired. The Association seeks to reduce these risks in a variety of ways, including limiting the size of such loans and analyzing the financial condition of the borrower, the quality of the collateral, and the management of the property securing the loan. The Association also obtains personal guarantees and appraisals on each property.

Consumer loans entail greater credit risk than do residential mortgage loans, particularly in the case of consumer loans that are unsecured or secured by assets that depreciate rapidly. In such cases, repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment for the outstanding loan and the remaining deficiency often does not warrant further substantial collection efforts against the borrower. In particular, amounts realizable on the sale of repossessed automobiles may be significantly reduced based upon the condition of the collateral and the lack of demand for used automobiles.

Loan Purchases and Sales. Generally, if the Association determines that loan sales are desirable for interest rate risk management or other purposes, the Association may sell its 15 to 30 year, fixed-rate 80% or more loan-to-value conventional loans. The Association uses standard Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") documentation for its conventional loans. The Association sells loans directly to FHLMC and FNMA. Loans are generally sold with servicing retained and without recourse.

During the past five fiscal years, the Association has not purchased loans.

The table below indicates the Association's origination and sales of loans during the periods indicated.

	Year Ended September 30,	
	1996	1995
	(In Thousands)	

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Total gross loans receivable at beginning of period...	47,975	$46,284
Loans originated:		
Residential (1 to 4 family)	11,645	7,608
Construction loans	9,221	1,287
Consumer loans	1,675	371
Other	3,443	409
Total loans originated	25,984	9,675
Loans sold:		
Residential (1 to 4 family)	2,455	--
Loans purchased	--	--
Other loan activity:		
Loan principal repayments	15,174	7,984
Total gross loans receivable at end of period	$56,330	$47,975

Loan Processing and Servicing Fees. In addition to interest earned on loans, the Association recognizes fees and service charges that consist primarily of fees charged for loan originations and loans serviced for others and late charges. The Association recognized loan servicing fees of $55,000 and $24,000 for the years ended September 30, 1996 and 1995, respectively. As of September 30, 1996, the Association had $500,000 of unamortized net loan origination fees deferred under Generally Accepted Accounting Principles ("GAAP"). As of September 30, 1996, loans serviced for FHLMC and FNMA totalled $7.9 million. At September 30, 1996, the Association was servicing $387,000 of loans for Habitat for Humanity for which it does not charge loan servicing fees.

Loans to One Borrower. Savings associations are subject to the same loans-to-one borrower limits as those applicable to national banks, which under federal law and OTS regulations, generally limit loans-to-one borrower to the greater of $500,000 or an amount equal to 15% of unimpaired capital and unimpaired surplus on an unsecured basis and an additional amount equal to 10% of unimpaired capital and unimpaired surplus if the loan is secured by readily marketable collateral (generally, financial instruments, not real estate). The largest amount outstanding to one borrower at September 30, 1996 was approximately $1.8 million.

Loan Delinquencies. Loans past due more than 90 days are placed on nonaccrual and are individually examined for potential losses and the ultimate collectibility of funds due. Loans are deemed to have no loss exposure if the value of the property securing the loan exceeds the receivable balance on the loan or collection is probable. Specific reserves are established to recognize losses on nonaccruing loans on a case-by-case basis.

Nonperforming Loans. The following table sets forth the aggregate amount of restructured loans and loans which were contractually past due more than 90 days as to principal or interest payments as of the dates indicated and which are considered impaired loans.

	At September 30,	
	1996	1995
	(Dollars in Thousands)	
Nonperforming loans:		
Restructured	$ --	$ --
Nonaccrual (more than 90 days past due)............	601	175
Total nonperforming loans	$ 601	$ 175
Ratio of nonperforming loans as a percentage of total loans, net	1.17%	0.39%
Ratio of nonperforming loans as a percentage of total assets	0.75%	0.22%

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During the years ended September 30, 1996 and 1995, gross interest income of $18,000 and $6,000, respectively, would have been recorded on nonperforming loans, under their original terms, if the loans had been current throughout those periods. Interest income recognized on nonperforming loans during the years ended September 30, 1996 and 1995 was approximately $35,000 and $8,000, respectively.

Classified Assets. OTS regulations provide for a classification system for problem assets of insured institutions which covers all problem assets. Under this classification system, problem assets of insured institutions are classified as "substandard," "doubtful," or "loss." An asset is considered substandard if it is inadequately protected by the then current net worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard assets include those characterized by the "distinct possibility" that the insured institution will sustain "some loss" if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard, with the added characteristic that the weaknesses present make "collection or liquidation in full," on the basis of existing facts, conditions, and values, "highly questionable and improbable." Assets classified as loss are those considered "uncollectible" and of such little value that their continuance as assets without the establishment of a specific loss reserve is not warranted. Assets designated "special mention" by management are assets included on the Association's internal watch list because of potential weakness but which do not warrant classification in one of the aforementioned categories.

When an insured institution classifies problem assets as either substandard or doubtful, it may establish general allowances for loan losses in an amount deemed prudent by management. General allowances represent loss allowances which have been established to recognize the inherent risk associated with lending activities, but which, unlike specific allowances, have not been allocated to particular problem assets. When an insured institution classifies problem assets as loss, it is required either to establish a specific allowance for losses equal to 100% of that portion of the asset so classified or to charge off such amount. An institution's determination as to the classification of its assets and the amount of its valuation allowances is subject to review by the OTS, which may recommend the establishment of additional general or specific loss allowances. A portion of general loss allowances established to cover possible losses related to assets classified as substandard or doubtful may be included in determining an

institution's regulatory capital, while specific valuation allowances for credit losses generally do not qualify as regulatory capital. At September 30, 1996 the Association had a general loan loss allowance of $538,000.

At September 30, 1996, the Association had approximately $1.7 million of problem loans, $1.7 million of which were classified as substandard and $2,000 of which were classified as loss. As of September 30, 1996, the Association had $738,000 of loans which were classified as special mention. Substandard and special mention assets consist of 56 residential real estate loans, none of which exceeded $198,000, five consumer loans, and two non-residential loans. The Association believes that its allowance for loan losses is adequate to cover potential losses on loans, however, no assurance can be given that the Association will not be required to increase such allowance in future periods.

Analysis of the Allowance for Loan Losses. The following table sets forth the analysis of the allowance for loan losses for the periods indicated.

<TABLE>
<CAPTION>

	Years ended September 30,	
	1996	1995
	(Dollars in Thousands)	
<S>	<C>	<C>
Total average loans outstanding	$ 47,293	$ 44,322
Allowance balance (at beginning of period)	$ 409	$ 430
Provisions for loan losses	130	5
Charge-offs:		
Real estate	--	(25)
Consumer	--	(1)
Recoveries:		

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Consumer	1	--
Allowance balance (at end of period)	$ 540	$ 409
Allowance for loan losses as a percent of net loans receivable at end of period	1.05%	0.90%
Net loans charged off as a percent of average loans outstanding	--%	0.06%
Ratio of allowance for loan losses to total loans delinquent 90 days or more at end of period	89.90%	233.71%
Ratio of allowance for loan losses to total loans delinquent 90 days or more and other nonperforming assets at end of period	89.90%	162.95%

</TABLE>

The allowance is an amount that management has determined to be adequate, through its allowance for loan losses methodology, to absorb losses inherent in existing loans and commitments to extend credit. The allowance is determined through consideration of such factors as changes in the nature and volume of the portfolio, overall portfolio quality, delinquency trends, adequacy of collateral, loan concentrations, specific problem loans, and economic conditions that may affect the borrowers' ability to pay.

Allocation of Allowance for Loan Losses. The following table sets forth the allocation of the allowance for loan losses by loan category and the percent of loans in each loan category to total loans for the periods indicated.

<TABLE>
<CAPTION>

	At September 30,			
	1996		1995	
	Amount	Percent of Loans in each Category to Total Loans	Amount	Percent of Loans in each Category to Total Loans
	(Dollars in Thousands)			
Balance at end of period applicable to:				
<S>	<C>	<C>	<C>	<C>
Permanent mortgage..................	$316	80.79%	$279	89.12%
Construction........................	52	12.53	21	5.79
Nonresidential......................	155	4.79	94	3.59
Consumer............................	17	1.89	15	1.50
Total	$540	100.00%	$409	100.00%

</TABLE>

Real Estate Owned. Real estate acquired by the Association as a result of foreclosure, judgment, or deed in lieu of foreclosure is classified as real estate owned until it is sold. When property is so acquired it is recorded at the lower of the cost or fair value. The Association had no real estate owned at September 30, 1996.

Investment and Mortgage-backed Securities Activities

Investment Securities. The Association is required under federal regulations to maintain a minimum amount of liquid assets which may be invested in specified short-term securities and certain other investments, such as the common stock of the FHLB of Atlanta. The Association has generally maintained a liquidity portfolio well in excess of regulatory requirements. Liquidity levels may be increased or decreased depending upon the yields on investment alternatives and upon management's judgment as to the attractiveness of the yields then available in relation to other opportunities and its expectation of future yield levels, as well as management's projections as to the short-term demand for funds to be used in the Association's loan origination, deposit withdrawals, and other activities.

Mortgage-backed Securities. The Association's mortgage-backed securities portfolio consists of participation certificates issued by FHLMC, FNMA, and the Government National Mortgage Association ("GNMA") and secured by interests in

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pools of conventional mortgages originated by other financial institutions.

Mortgage-backed securities provide for monthly payments of principal and interest and generally have contractual maturities ranging up to 30 years. However, due to expected repayment terms being significantly less than the underlying mortgage loan pool contractual maturities, the estimated lives of these securities could be significantly shorter.

At September 30, 1996, the Company transferred all mortgaged-backed securities from held to maturity to available for sale. During the years ended September 30, 1996 and 1995, the Company sold $372,000 and $0, respectively, of available for sale mortgage-backed securities.

The following table sets forth certain information relating to the Company's investment and mortgage-backed securities portfolios at the dates indicated.

<TABLE>
<CAPTION>

	At September 30			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In Thousands)			
Securities held to maturity:				
U.S. Treasury and U.S. government				
<S>	<C>	<C>	<C>	<C>
agency obligations.............	$ --	$ --	$ 8,981	$ 8,951
Mortgage-backed securities:				
FHLMC...........................	--	--	2,509	2,576
FNMA............................	--	--	3,447	3,437
GNMA............................	--	--	1,447	1,452
Total...........................	--	--	7,403	7,465
Total securities held to maturity	--	--	16,384	16,416
Securities available for sale:				
U.S. Treasury and U.S. government agency obligations.............	11,405	11,334	6,009	6,000
Equity security..................	783	1,170	644	690
Municipal securities.............	869	849	--	--
Total...........................	13,057	13,353	6,653	6,690
Mortgage-backed securities:				
FHLMC...........................	3,229	3,201	495	493
FNMA............................	5,357	5,239	--	--
GNMA............................	1,665	1,585	--	--
Total...........................	10,251	10,025	495	493
Total securities available for sale	23,308	23,378	7,148	7,183
Total investment and mortgage-backed securities portfolio..........	$23,308	$23,378	$23,532	$23,599

</TABLE>

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Investment and Mortgage-backed Securities Portfolio Maturities. The following table sets forth certain information regarding the amortized cost, weighted average yields, and maturities of the Company's investment and mortgage-backed securities portfolio at September 30, 1996. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<TABLE>
<CAPTION>

	As of September 30, 1996										
	One Year or Less		One to Five Years		Five to Ten Years		More than Ten Years		Total		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Fair Value
	(Dollars in Thousands)										
Securities available for sale:											
U.S. Treasury and U.S government agency											
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
obligations	$1,421	5.3%	$9,984	6.3%	$ --	--%	$ --	--%	$11,405	6.2%	$11,334
Mortgage-backed securities.	566	6.7	1,959	5.8	3,486	6.4	4,240	6.9	10,251	6.6	10,025
Equity security...........	--	--	--	--	--	--	783	--	783	--	1,170
Municipal securities(1)....	--	--	250	4.7	200	4.9	419	6.0	869	5.4	849
Total investment and mortgage-backed securities portfolio	$1,987	5.7%	$12,193	6.2%	$3,686	6.3%	$5,442	5.8%	$23,308	6.1%	$23,378

</TABLE>

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(1) The weighted average yield for municipal securities has not been computed on a tax equivalent basis.

Sources of Funds

General. The major sources of the Association's funds for lending and other investment purposes are deposits, scheduled principal repayments, and prepayment of loans and mortgage-backed securities, maturities of investment securities, and operations. Scheduled loan principal repayments are a relatively stable source of funds, while deposit inflows and outflows and loan prepayments are significantly influenced by general interest rates and market conditions. The Association also has access to advances from the FHLB of Atlanta.

Deposits. Customer deposits are attracted principally from within the Association's primary market area through the offering of a broad selection of deposit instruments including noninterest-bearing demand deposit accounts, negotiable order of withdrawal ("NOW") accounts, passbook savings, money market deposit, term certificate accounts, and individual retirement accounts ("IRAs"). Deposit account terms vary according to the minimum balance required, the time period the funds must remain on deposit and the interest rate.

The interest rates paid by the Association on deposits are set weekly based upon an evaluation of the following factors: (i) the Association's anticipated need for cash and the timing of that desired cash flow; (ii) the interest rates offered by other local financial institutions and the degree of competition the Association wishes to maintain; (iii) the cost of borrowing from other sources versus the cost of acquiring funds through customer deposits; and (iv) the Association's anticipation of future economic conditions and related interest rates.

The following table indicates the amount of the Association's certificates of deposit of $100,000 or more by time remaining until maturity at September 30, 1996.

Maturity	Amount
	(In Thousands)

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3 months or less...........	$ 466
3-6 months.................	722
6-12 months................	561
Over 12 months.............	752
	$ 2,501

Borrowings

Deposits are the primary source of funds of the Association's lending and investment activities and for its general business purposes. The Association may obtain advances from the FHLB of Atlanta to supplement its supply of lendable funds. Advances from the FHLB of Atlanta may be secured by a pledge of the Association's stock in the FHLB of Atlanta and a portion of the Association's first mortgage loans and certain other assets. The Association, if the need arises, may also access the Federal Reserve Bank discount window to supplement its supply of lendable funds and to meet deposit withdrawal requirements. At September 30, 1996, the Association had $2.5 million in unsecured FHLB advances.

Subsidiary Activity

The Company has one wholly owned subsidiary, the Association, which is chartered under the laws of the United States. The Association is permitted to invest up to 2% of its assets in the capital stock of, or secured or unsecured loans to, subsidiary corporations, with an additional investment of 1%

of assets when such additional investment is utilized primarily for community development purposes. At September 30, 1996, the Association had one wholly-owned subsidiary, CCF Financial Services, Inc. CCF Financial Services, Inc., a Georgia corporation, was formed in 1996 to enter into a leasing arrangement with a third party corporation to offer nondeposit investment products to customers of the Association. The Association's investment in its subsidiary totalled $1,000 at September 30, 1996.

Personnel

As of September 30, 1996, the Association had 38 full-time and three part-time employees. The Company does not have any employees other than officers. None of the Association's employees are represented by a collective bargaining group.

Regulation

Set forth below is a brief description of certain laws which relate to the regulation of the Company and the Association. The description does not purport to be complete and is qualified in its entirety by reference to applicable laws and regulations.

Company Regulation

General. The Company is a unitary savings and loan holding company subject to regulatory oversight by the OTS. As such, the Company is required to register and file reports with the OTS and is subject to regulation and examination by the OTS. In addition, the OTS has enforcement authority over the Company and its non-savings association subsidiaries, should such subsidiaries be formed, which also permits the OTS to restrict or prohibit activities that are determined to be a serious risk to the subsidiary savings association. This regulation and oversight is intended primarily for the protection of the depositors of the Association and not for the benefit of stockholders of the Company.

Qualified Thrift Lender Test. As a unitary savings and loan holding company, the Company generally is not subject to activity restrictions, provided the Association satisfies the Qualified Thrift Lender ("QTL") test or meets the definition of a domestic building and loan association as set forth in section 7701 of the Internal Revenue Code of 1986, as amended (the "Code"). If the Company acquires control of another savings association as a separate subsidiary, it would become a multiple savings and loan holding company, and the activities of the Company and any of its subsidiaries (other than the Association or any other SAIF-insured savings association) would become subject to restrictions applicable to bank holding companies unless such other associations each also qualifies as a QTL or domestic building and loan association and were acquired in a supervisory acquisition. See "- Regulation of the Association - Qualified Thrift Lender Test."

Regulation of the Association

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General. As a federally chartered, SAIF-insured savings association, the Association is subject to extensive regulation by the OTS and the Federal Deposit Insurance Corporation ("FDIC"). Lending activities and other investments must comply with various federal statutory and regulatory requirements. The Association is also subject to certain reserve requirements promulgated by the Federal Reserve Board.

The OTS, in conjunction with the FDIC, regularly examines the Association and prepares reports for the consideration of the Association's Board of Directors on any deficiencies that are found in the Association's operations. The Association's relationship with its depositors and borrowers is also regulated to a great extent by federal and state law, especially in such matters as the ownership of savings accounts and the form and content of the Association's mortgage documents.

The Association must file reports with the OTS and the FDIC concerning its activities and financial condition, in addition to obtaining regulatory approvals prior to entering into certain transactions such as mergers with or acquisitions of other savings institutions. This regulation and supervision establishes a comprehensive framework of activities in which an institution can engage and is intended primarily for the protection of the SAIF and depositors. The regulatory structure also gives the regulatory authorities extensive discretion in connection with their supervisory and enforcement activities and examination policies, including policies with respect to the classification of assets and the establishment of adequate loan loss reserves for regulatory purposes. Any change in such regulations, whether by the OTS, the FDIC, or the Congress could have a material adverse impact on the Company, the Association, and their operations.

Insurance of Deposit Accounts. The Association's deposit accounts are insured by the SAIF to a maximum of $100,000 for each insured member (as defined by law and regulation). Insurance of deposits may be terminated by the FDIC upon a finding that the institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC or the institution's primary regulator.

The FDIC charges an annual assessment for the insurance of deposits based on the risk a particular institution poses to its deposit insurance fund. Under this system as of September 30, 1996, SAIF members paid within a range of 23 cents to 31 cents per $100 of domestic deposits, depending upon the institution's risk classification. This risk classification is based on an institution's capital group and supervisory subgroup assignment. Pursuant to the Economic Growth and Paperwork Reduction Act of 1996 (the "Act"), the FDIC imposed a special assessment on SAIF members to capitalize the SAIF at the designated reserve level of 1.25% as of October 1, 1996. Based on the Association's deposits as of March 31, 1995, the date for measuring the amount of the special assessment pursuant to the Act, the assessment for the Association totalled $398,000. The FDIC is expected to lower the premium for deposit insurance to a level necessary to maintain the SAIF at its required reserve level; however, the range of premiums had not been determined as of September 30, 1996.

Pursuant to the Act, the Association will pay, in addition to its normal deposit insurance premium as a member of the SAIF, an amount equal to approximately 6.4 basis points toward the retirement of the Financing Corporation bonds ("Fico Bonds") issued in the 1980's to assist in the recovery of the savings and loan industry. Members of the Bank Insurance Fund ("BIF"), by contrast, will pay, in addition to their normal deposit insurance premium, approximately 1.3 basis points. Based on total deposits as of September 30, 1996, had the Act been in effect, the Association's annual Fico Bond premium would have been approximately $40,000 in addition to its normal deposit insurance premium. Beginning no later than January 1, 2000, the rate paid to retire the Fico Bonds will be equal for members of the BIF and the SAIF. The Act also provides for the merging of the BIF and the SAIF by January 1, 1999 provided there are no financial institutions still chartered as savings associations at that time. Should the insurance funds be merged before January 1, 2000, the rate paid by all members of this new fund to retire the Fico Bonds would be equal.

Regulatory Capital Requirements. OTS capital regulations require savings

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associations to meet three capital standards: (1) a tangible capital requirement of 1.5% of total adjusted assets, (2) a leverage ratio (core capital) requirement of 3% of total adjusted assets and (3) a risk-based capital requirement equal to 8% of total risk-weighted assets.

As shown below, the Association's regulatory capital exceeded all minimum regulatory capital requirements applicable to it as of September 30, 1996:

	Amount	Percent of Adjusted Assets
	(Dollars in Thousands)	
Tangible Capital:		
Regulatory requirement.............	$ 1,176	1.50%
Regulatory capital.................	12,413	15.83
Excess............................	$11,237	14.33%
Core Capital:		
Regulatory requirement.............	$ 2,353	3.00%
Regulatory capital.................	12,413	15.83
Excess............................	$10,060	12.83%
Risk-Based Capital:		
Regulatory requirement.............	$ 2,755	8.00%
Regulatory capital.................	12,951	37.60
Excess............................	$10,196	29.60%

Net Portfolio Value. In recent years, the Association has measured its interest rate sensitivity by computing the "gap" between the assets and liabilities which were expected to mature or reprice within certain periods, based on assumptions regarding loan prepayment and deposit decay rates formerly provided by the OTS. However, the OTS now requires the computation of amounts by which the net present value of an institution's cash flows from assets, liabilities, and off balance sheet items (the institution's net portfolio value, or "NPV") would change in the event of a range of assumed changes in market interest rates. The OTS also requires the computation of estimated changes in net interest income over a four-quarter period. These computations estimate the effect of an institution's NPV and net interest income of instantaneous and permanent 100 to 400 basis point increases and decreases in market interest rates.

NPV is the difference between incoming and outgoing discounted cash flows from assets, liabilities, and off-balance sheet contracts. An institution's interest rate risk is measured as the change to its NPV as a result of a hypothetical 200 basis point change in market interest rates. A resulting change in NPV of more than 2% of the estimated market value of its assets will require the institution to deduct from its capital 50% of that excess change. Institutions, such as the Association, with less than $300 million in total assets and a risk-based capital ratio in excess of 12% are exempt from filing information with the OTS and are exempt from making a deduction from capital. Because the Association is not subject to the rule, the following table presents the Association's NPV at September 30, 1996, as

calculated by the Federal Home Loan Bank of Atlanta and based on Federal Home Loan Bank of Atlanta assumptions utilizing raw data voluntarily provided to the Federal Home Loan Bank of Atlanta by the Association.

The Association utilizes the NPV calculations to manage its interest rate risk by establishing a maximum decrease in net interest income and maximum decreases in NPV given these instantaneous changes in interest rates. The greater the change in NPV, positive or negative, the more interest rate risk is assumed to exist with the institution. However, computations of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan prepayments and deposit run-offs, and should not be relied upon as indicative of actual results. Further, the computations do not contemplate any actions the Association may undertake in response to changes in interest rates.

Change Interest Rates (basis points)	Estimated NPV	Amount of Change(1)	Percent of NPV(2)	Percentage Change from Base

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(Dollars in Thousands)

+400	$11,551	(4,754)	93.08%	(29.16)%
+300	12,799	(3,506)	103.13	(21.50)
+200	14,047	(2,258)	113.19	(13.85)
+100	15,176	(1,129)	122.29	(6.92)
--	16,305	--	131.38	--
-100	17,060	755	137.47	4.63
-200	17,815	1,510	143.55	9.26
-300	18,143	1,838	146.20	11.28
-400	18,472	2,167	148.84	13.29

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(1) Represents the excess (deficiency) of the estimated NPV assuming the indicated change in interest rates minus the estimated NPV assuming no change in interest rates.

(2) Calculated as the amount of change in the estimated NPV divided by the estimated NPV assuming no change in interest rates.

The Association is exempt from deducting the interest rate risk component from its risk-based capital due to its asset size and level of risk-based capital. Based on the table, net interest income should decline with instantaneous increases in interest rates while net interest income should increase with instantaneous declines in interest rates.

Dividend and Other Capital Distribution Limitations. OTS regulations require the Association to give the OTS 30 days advance notice of any proposed declaration of dividends to the Company, and the OTS has the authority under its supervisory powers to prohibit the payment of dividends to the Company. In addition, the Association may not declare or pay a cash dividend on its capital stock if the effect thereof would be to reduce the regulatory capital of the Association below the amount required for the liquidation account to be established pursuant to the Association's Plan of Conversion.

OTS regulations impose limitations upon all capital distributions by savings institutions, such as cash dividends, payments to repurchase or otherwise acquire its shares, payments to shareholders of another institution in a cash-out merger and other distributions charged against capital. The rule

establishes three tiers of institutions, based primarily on an institution's capital level. An institution that exceeds all fully phased-in capital requirements before and after a proposed capital distribution ("Tier 1 institution") and has not been advised by the OTS that it is in need of more than the normal supervision can, after prior notice but without the approval of the OTS, make capital distributions during a calendar year equal to the greater of (i) 100% of its net income to date during the calendar year plus the amount that would reduce by one-half its "surplus capital ratio" (the excess capital over its fully phased-in capital requirements) at the beginning of the calendar year, or (ii) 75% of its net income over the most recent four quarter period. Any additional capital distributions require prior regulatory approval. As of September 30, 1996, the Association was a Tier 1 institution. In the event the Association's capital fell below its fully phased-in requirement or the OTS notified it that it was in need of more than normal supervision, the Association's ability to make capital distributions could be restricted. In addition, the OTS could prohibit a proposed capital distribution by any institution, which would otherwise be permitted by the regulation, if the OTS determines that such distribution would constitute an unsafe or unsound practice.

Finally, a savings association is prohibited from making a capital distribution if, after making the distribution, the savings association would be undercapitalized (not meet any one of its minimum regulatory capital requirements).

In contrast, the Company has fewer restrictions on dividends. During the fiscal years ended September 30, 1996 and 1995, the dividend payout ratio (dividends declared per share divided by net income per share) of the Company was 122.22% and 0%, respectively.

Qualified Thrift Lender Test. Savings institutions must meet either the QTL test pursuant to OTS regulations or the definition of a domestic building and loan association in section 7701 of the Code. If the Association maintains an appropriate level of certain specified investments (primarily residential mortgages and related investments, including certain mortgage-related securities) and otherwise qualifies as a QTL or a domestic building and loan association, it will continue to enjoy full borrowing privileges from the FHLB

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of Atlanta. The required percentage of investments under the QTL test is 65% of assets while the Code requires investments of 60% of assets. An association must be in compliance with the QTL test or definition of domestic building and loan association on a monthly basis in nine out of every 12 months. As of September 30, 1996, the Association was in compliance with its QTL requirement and met the definition of a domestic building and loan association.

Federal Reserve System. The Federal Reserve Board requires all depository institutions to maintain non-interest bearing reserves at specified levels against their transaction accounts (primarily checking, NOW, and Super NOW checking accounts) and non-personal time deposits. The balances maintained to meet the reserve requirements imposed by the Federal Reserve Board may be used to satisfy the liquidity requirements that are imposed by the OTS. However, at September 30, 1996, the Association was in compliance with this requirement.

Item 2. Description of Property

(a) Properties.

The Company owns no real property but utilizes the offices of the Association. The Association operates from its main office and two branch offices, all of which are owned by the Association.

The Association obtains rental income through the leasing of space in its main office building and an office building and small house adjacent to its Forest Park Branch. During the fiscal years ended September 30, 1996 and 1995, such rental income was $49,000, and $51,000, respectively.

(b) Investment Policies.

See "Item 1. Business" above for a general description of the Association's investment policies and any regulatory or Board of Directors' percentage of assets limitations regarding certain investments. All of the Association's investment policies are reviewed and approved by the Board of Directors of the Association, and such policies, subject to regulatory restrictions (if any), can be changed without a vote of stockholders. The Association's investments are primarily acquired to produce income, and to a lesser extent, possible capital gain.

(1) Investments in Real Estate or Interests in Real Estate. See "Item 1. Business - Lending Activities," "Item 1. Business - Regulation - Regulation of the Association," and "Item 2. Description of Property. (a) Properties" above.

(2) Investments in Real Estate Mortgages. See "Item 1. Business - Lending Activities" and "Item 1. Business - Regulation - Regulation of the Association."

(3) Investments in Securities of or Interests in Persons Primarily Engaged in Real Estate Activities. See "Item 1. Business - Lending Activities," and "Item 1. Business - Regulation -

Regulation of the Association."

(c) Description of Real Estate and Operating Data.

Not Applicable.

Item 3. Legal Proceedings

The Company and the Association, from time to time, are party to ordinary routine litigation, which arises in the normal course of business, such as claims to enforce liens, condemnation proceedings, on properties in which the Association holds security interests, claims involving the making and servicing of real property loans, and other issues incident to the business of the Company and the Association. In the opinion of management, no material loss is expected from any of such pending claims or lawsuits.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended September 30, 1996.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

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The information contained under the section captioned "Stock Market Information" in the Company's Annual Report for the fiscal year ended September 30, 1996 (the "Annual Report"), is incorporated herein by reference.

Item 6. Management's Discussion and Analysis or Plan of Operation

The information contained in the section captioned "Management's Discussion and Analysis or Plan of Operation" in the Annual Report is incorporated herein by reference.

Item 7. Financial Statements

The Company's consolidated financial statements in the Annual Report are incorporated herein by reference.

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not Applicable.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

The information contained under the section captioned "I - Information with Respect to Nominees for Director, Directors Continuing in Office, and Executive Officers" in the Company's definitive proxy statement for the Company's Annual Meeting of Stockholders to be held on January 23, 1997 (the "Proxy Statement") is incorporated herein by reference.

Item 10. Executive Compensation

The information contained under the section captioned "Director and Executive Officer Compensation" in the Proxy Statement is incorporated herein by reference.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(a) Security Ownership of Certain Beneficial Owners

Information required by this item is incorporated herein by reference to the section captioned "Voting Securities and Principal Holders Thereof" in the Proxy Statement.

(b) Security Ownership of Management

Information required by this item is incorporated herein by reference to the section captioned "I - Information with Respect to Nominees for Director, Directors Continuing in Office, and Executive Officers" in the Proxy Statement.

(c) Management of the Company knows of no arrangements, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Registrant.

Item 12. Certain Relationships and Related Transactions

The information required by this item is incorporated herein by reference

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to the section captioned "Certain Relationships and Related Transactions" and "Voting Securities and Principal Holders Thereof" in the Proxy Statement.

Item 13. Exhibits, List and Reports on Form 8-K

(a)(1) The Consolidated Financial Statements, including the notes thereto, and Independent Auditors' Report included in the Annual Report, listed below, are incorporated herein by reference.

1. Independent Auditors' Report

2. CCF Holding Company and Subsidiaries

(a) Consolidated Balance Sheets at September 30, 1996 and 1995

(b) Consolidated Statements of Income for the years ended September 30, 1996, 1995, and 1994

(c) Consolidated Statements of Stockholders' Equity for the years ended September 30, 1996, 1995, and 1994

(d) Consolidated Statements of Cash Flows for the years ended September 30, 1996, 1995, and 1994

(e) Notes to Consolidated Financial Statements

(a)(2) All schedules have been omitted because the required information is either inapplicable or included in the Notes to Consolidated Financial Statements.

(a)(3) Exhibits are either filed or attached as part of this Report or incorporated herein by reference.

3.1 Articles of Incorporation of CCF Holding Company*

3.2 Bylaws of CCF Holding Company*

3.3 Management Stock Bonus Plan**

10.2 1995 Stock Option Plan**

10.3 Employment Agreement with David B. Turner

13 Annual Report to Stockholders for the fiscal year ended September 30, 1996.

21 Subsidiaries of the Registrant

23 Consent of KPMG Peat Marwick LLP

27 Financial Data Schedule

(b) Reports on Form 8-K.

None.

(c) Exhibits to this Form 10-KSB are attached or incorporated by reference as stated above.

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* Incorporated by reference to the Registrant's Registration Statement on Form S-1 declared effective by the Commission on May 15, 1995 (File No. 33-90612)

** Incorporated by reference to the Registrant's proxy statement for the annual meeting of stockholders held January 23, 1996 as filed with the Commission on December 15, 1995 (File No. 0-25846)

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CCF HOLDING COMPANY

Dated: December 26, 1996

By:/s/ David B. Turner
David B. Turner
President, Chief Executive Officer, and Director (Duly Authorized Representative)

Pursuant to the requirement of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ David B. Turner
David B. Turner
President, Chief Executive Officer, and Director (Principal Executive Officer)

Date: December 26, 1996

By: /s/ John B. Lee, Jr.
John B. Lee, Jr.
Chairman of the Board

Date: December 26, 1996

By: /s/ Edwin S. Kemp, Jr.
Edwin S. Kemp, Jr.
Director

Date: December 26, 1996

By: /s/ Charles S. Tucker
Charles S. Tucker
Treasurer, Secretary, and Director

Date: December 26, 1996

By: /s/ Joe B. Mundy
Joe B. Mundy
Director

Date: December 26, 1996

By: /s/ Thomas L. Sawyer
Thomas L. Sawyer
Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)

Date: December 26, 1996

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EMPLOYMENT AGREEMENT

THIS AGREEMENT entered into this 26th day of January, 1995 ("Effective Date"), by and between Clayton County Federal Savings and Loan Association (the "Association") and David B. Turner (the "Employee").

WHEREAS, the Employee has heretofore been employed by the Association as Chief Executive Officer and is experienced in all phases of the business of the Association; and

WHEREAS, the parties desire by this writing to set forth the continuing employment relationship of the Association and the Employee.

NOW, THEREFORE, it is AGREED as follows:

1. Employment. The Employee is employed in the capacity as the Chief Executive Officer of the Association. The Employee shall render such administrative and management services to the Association and any to-be-formed parent savings and loan holding company ("Parent") as are currently rendered and as are customarily performed by persons situated in a similar executive capacity. The Employee shall also promote, by entertainment or otherwise, as and to the extent permitted by law, the business of the Association and Parent. The Employee's other duties shall be such as the Board of Directors for the Association (the "Board of Directors" or "Board") may from time to time reasonably direct, including normal duties as an officer of the Association.

2. Base Compensation. The Association agrees to pay the Employee during the term of this Agreement a salary at the rate of $75,000 per annum, payable in cash not less frequently than monthly; provided, that the rate of such base salary and total compensation shall be reviewed by the Board of Directors not less often than annually, and Employee shall be entitled to receive annually an increase in base salary at such percentage or in such an amount as the Board of Directors in its sole discretion may decide at such time upon a determination and resolution of the Board of Directors that the performance of the Employee has met the requirements and standards of the Board, and that such base salary shall be increased. .

3. Discretionary Bonus. The Employee shall be entitled to participate in an equitable manner with all other senior management employees of the Association in discretionary bonuses that may be authorized and declared by the Board of Directors to its senior management employees from time to time. No other compensation provided for in this Agreement shall be deemed a substitute for the Employee's right to participate in such discretionary bonuses when and as declared by the Board of Directors.

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4. (a) Participation in Retirement and Medical Plans. The Employee shall be entitled to participate in any plan of the Association relating to pension, profit-sharing, or other retirement benefits and medical coverage or reimbursement plans that the Association may adopt for the benefit of its employees.

(b) Employee Benefits; Expenses. The Employee shall be eligible to participate in any fringe benefits which may be or may become applicable to the Association's senior management employees, including by example, participation in any stock option or incentive plans adopted by the Board of Directors of Association or Parent, club memberships, a reasonable expense account, and any other benefits which are commensurate with the responsibilities and functions to be performed by the Employee under this Agreement. The Association shall reimburse Employee for all reasonable out-of-pocket expenses which Employee shall incur in connection with his service for the Association.

5. Term. The term of employment of Employee under this Agreement shall be for the period commencing on the Effective Date and ending three years thereafter on January 25, 1998. Additionally, on each annual anniversary date from the Effective Date, the term of employment under this Agreement shall be extended for an additional one year period beyond the then effective expiration date upon a determination and resolution of the Board of Directors that the performance of the Employee has met the requirements and standards of the Board, and that the term of such Agreement shall be extended.

6. Loyalty; Noncompetition.

(a) The Employee shall devote his full time and attention to the performance of his employment under this Agreement. During the term of Employee's employment under this Agreement, the Employee shall not engage in any business or activity contrary to the business affairs or interests of the Association or Parent.

(b) Nothing contained in this Paragraph 6 shall be deemed to prevent or limit the right of Employee to invest in the capital stock or other securities of any business dissimilar from that of the Association or Parent, or, solely as a passive or minority investor, in any business.

7. Standards. The Employee shall perform his duties under this Agreement in accordance with such reasonable standards expected of employees with comparable positions in comparable organizations and as may be established from time to time by the Board of Directors.

8. Vacation and Sick Leave. At such reasonable times as the Board of Directors shall in its discretion permit, the Employee shall be entitled, without loss of pay, to absent himself

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voluntarily from the performance of his employment under this Agreement, with all such voluntary absences to count as vacation time; provided that:

(a) The Employee shall be entitled to annual vacation leave in accordance with the policies as are periodically established by the Board of Directors for senior management employees of the Association.

(b) The Employee shall not be entitled to receive any additional compensation from the Association on account of his failure to take vacation leave and Employee shall not be entitled to accumulate unused vacation from one fiscal year to the next, except in either case to the extent authorized by the Board of Directors for senior management employees of the Association.

(c) In addition to the aforesaid paid vacations, the Employee shall be entitled without loss of pay, to absent himself voluntarily from the performance of his employment with the Association for such additional periods of time and for such valid and legitimate reasons as the Board of Directors in its discretion may determine. Further, the Board of Directors shall be entitled to grant to the Employee a leave or leaves of absence with or without pay at such time or times and upon such terms and conditions as the Board of Directors in its discretion may determine.

(d) In addition, the Employee shall be entitled to an annual sick leave benefit as established by the Board of Directors for senior management employees of the Association. In the event that any sick leave benefit shall not have been used during any year, such leave shall accrue to subsequent years only to the extent authorized by the Board of Directors for employees of the Association.

9. Termination and Termination Pay.

The Employee's employment under this Agreement shall be terminated upon any of the following occurrences:

(a) The death of the Employee during the term of this Agreement, in which event the Employee's estate shall be entitled to receive the compensation due the Employee through the last day of the calendar month in which Employee's death shall have occurred.

(b) The Board of Directors may terminate the Employee's employment at any time, but any termination by the Board of Directors other than termination for Just Cause, shall not prejudice the Employee's right to compensation or other benefits under the Agreement. The Employee shall have no right to receive compensation or other benefits for any period after termination for

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Just Cause. Termination for "Just Cause" shall include termination because of the Employee's personal dishonesty, incompetence, willful misconduct, breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or final cease-and-desist order, or material breach of any provision of the Agreement.

(c) Except as provided pursuant to Section 12 herein, in the event Employee's employment under this Agreement is terminated by the Board of Directors without Just Cause, the Association shall be obligated to continue to pay the Employee the salary provided pursuant to Section 2 herein, up to the date of termination of the term (including any renewal term) of this Agreement and the cost of Employee obtaining all health, life, disability, and other benefits which the Employee would be eligible to participate in through such date based upon the benefit levels substantially equal to those being provided Employee at the date of termination of employment.

(d) If the Employee is removed and/or permanently prohibited from participating in the conduct of the Association's affairs by an order issued under Sections 8(e)(4) or 8(g)(1) of the Federal Deposit Insurance Act ("FDIA") (12 U.S.C. 1818(e)(4) and (g)(1)), all obligations of the Association under this Agreement shall terminate, as of the effective date of the order, but the vested rights of the parties shall not be affected.

(e) If the Association is in default (as defined in Section 3(x)(1) of FDIA) all obligations under this Agreement shall terminate as of the date of default, but this paragraph shall not affect any vested rights of the contracting parties.

(f) All obligations under this Agreement shall be terminated, except to the extent determined that continuation of this Agreement is necessary for the continued operation of the Association: (i) by the Director of the Office of Thrift Supervision ("Director of OTS"), or his or her designee, at the time that the Federal Deposit Insurance Corporation ("FDIC") or the Resolution Trust Corporation enters into an agreement to provide assistance to or on behalf of the Association under the authority contained in Section 13(c) of FDIA; or (ii) by the Director of the OTS, or his or her designee, at the time that the Director of the OTS, or his or her designee approves a supervisory merger to resolve problems related to operation of the Association or when the Association is determined by the Director of the OTS to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by such action.

(g) The voluntary termination by the Employee during the term of this Agreement with the delivery of no less than 60 days written notice to the Board

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of Directors, other than pursuant to Section 12(b), in which case the Employee shall be entitled to receive only

the compensation, vested rights, and all employee benefits up to the date of such termination.

(h) Notwithstanding anything herein to the contrary, any payments made to the Employee pursuant to the Agreement, or otherwise, shall be subject to and conditioned upon compliance with 12 USC ss.1828(k) and any regulations promulgated thereunder.

10. Suspension of Employment . If the Employee is suspended and/or temporarily prohibited from participating in the conduct of the Association's affairs by a notice served under Section 8(e)(3) or (g)(1) of the FDIA (12 U.S.C. 1818(e)(3) and (g)(1)), the Association's obligations under the Agreement shall be suspended as of the date of service, unless stayed by appropriate proceedings. If the charges in the notice are dismissed, the Association shall, (i) pay the Employee all or part of the compensation withheld while its contract obligations were suspended and (ii) reinstate any of its obligations which were suspended.

11. Disability. If the Employee shall become disabled or incapacitated to the extent that he is unable to perform his duties hereunder, by reason of medically determinable physical or mental impairment, as determined by a doctor engaged by the Board of Directors, Employee shall nevertheless continue to receive the compensation and benefits provided under the terms of this Agreement as follows: 100% of such compensation and benefits for a period of 12 months, but not exceeding the remaining term of the Agreement, and 65% thereafter for the remainder of the term of the Agreement. Such benefits noted herein shall be reduced by any benefits otherwise provided to the Employee during such period under the provisions of disability insurance coverage in effect for Association employees. Thereafter, Employee shall be eligible to receive benefits provided by the Association under the provisions of disability insurance coverage in effect for Association employees. Upon returning to active full-time employment, the Employee's full compensation as set forth in this Agreement shall be reinstated as of the date of commencement of such activities. In the event that the Employee returns to active employment on other than a full-time basis, then his compensation (as set forth in Paragraph 2 of this Agreement) shall be reduced in proportion to the time spent in said employment, or as shall otherwise be agreed to by the parties.

12. Change in Control.

(a) Notwithstanding any provision herein to the contrary, in the event of

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the involuntary termination of Employee's employment under this Agreement, absent Just Cause, in connection with, or within twelve (12) months after, any change in control of the Association or Parent, Employee shall be paid an amount equal to the product of 2.99 times the Employee's "base amount" as defined in Section 280G(b)(3) of the Internal Revenue Code of 1986, as

amended (the "Code") and regulations promulgated thereunder. Said sum shall be paid, at the option of Employee, either in one (1) lump sum within thirty (30) days of such termination discounted to the present value of such payment using as the discount rate the "prime rate" as published in the Wall Street Journal Eastern Edition as of the date of such payment, or in periodic payments over the next 36 months or the remaining term of this Agreement whichever is less, as if Employee's employment had not been terminated, and such payments shall be in lieu of any other future payments which the Employee would be otherwise entitled to receive under Section 9 of this Agreement. Notwithstanding the forgoing, all sums payable hereunder shall be reduced in such manner and to such extent so that no such payments made hereunder when aggregated with all other payments to be made to the Employee by the Association or the Parent shall be deemed an "excess parachute payment" in accordance with Section 280G of the Code and be subject to the excise tax provided at Section 4999(a) of the Code. The term "control" shall refer to the ownership, holding or power to vote more than 25% of the Parent's or Association's voting stock, the control of the election of a majority of the Parent's or Association's directors, or the exercise of a controlling influence over the management or policies of the Parent or Association by any person or by persons acting as a group within the meaning of Section 13(d) of the Securities Exchange Act of 1934. The term "person" means an individual other than the Employee, or a corporation, partnership, trust, association, joint venture, pool, syndicate, sole proprietorship, unincorporated organization or any other form of entity not specifically listed herein.

(b) Notwithstanding any other provision of this Agreement to the contrary, Employee may voluntary terminate his employment under this Agreement within twelve (12) months following a change in control of the Association or Parent, and Employee shall thereupon be entitled to receive the payment described in Section 12(a) of this Agreement, upon the occurrence, or within ninety (90) days thereafter, of any of the following events, which have not been consented to in advance by the Employee in writing: (i) if Employee would be required to move his personal residence or perform his principal executive functions more than thirty-five (35) miles from the Employee's primary office as of the signing of this Agreement; (ii) if in the organizational structure of the Association or Parent, Employee would be required to report to a person or persons other than the Board of the Association or Parent; (iii) if the Association or Parent should fail to maintain Employee's base compensation in effect as of the date of the Change in Control and the existing employee benefits plans, including

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material fringe benefit, stock option and retirement plans; (iv) if Employee would be assigned duties and responsibilities other than those normally associated with his position as referenced at Section 1, herein; (v) if Employee would not be elected or reelected to the Board of Directors of the Association; or (vi) if Employee's responsibilities or authority have in any way been materially diminished or reduced.

(c) In the event any dispute shall arise between the Employee and the Bank as to the terms or interpretation of this Agreement, including this Section 12, whether instituted by formal legal proceedings or otherwise, including any action taken by Employee to enforce the terms of this Section 12 or in defending against any action taken by the Bank or Parent, the Bank or Parent shall reimburse Employee for all costs and expenses, including reasonable attorneys' fees, arising from such dispute, proceedings or actions following issuance of a legal judgement by a court of competent jurisdiction finding in favor of the Employee or the settlement of the dispute by the parties. Such settlement to be approved by the Board of the Bank or the Parent may include a provision for the reimbursement by the Bank or Parent to the Employee for all costs and expenses, including reasonable attorneys' fees, arising from such dispute, proceedings or actions, or the Board of the Bank or the Parent shall authorize such reimbursement of such costs and expenses by separate action upon a written action and determination of the Board that payment of such costs and expenses is not detrimental to the Bank or the Parent. Such reimbursement shall be paid within ten (10) days of Employee furnishing to the Bank or Parent evidence, which may be in the form, among other things, of a canceled check or receipt, of any costs or expenses incurred by Employee.

13. Successors and Assigns.

(a) This Agreement shall inure to the benefit of and be binding upon any corporate or other successor of the Association or Parent which shall acquire, directly or indirectly, by merger, consolidation, purchase or otherwise, all or substantially all of the assets or stock of the Association or Parent.

(b) Since the Association is contracting for the unique and personal skills of the Employee, the Employee shall be precluded from assigning or delegating his rights or duties hereunder without first obtaining the written consent of the Association.

14. Amendments. No amendments or additions to this Agreement shall be binding upon the parties hereto unless made in writing and signed by both parties, except as herein otherwise specifically provided.

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15. Applicable Law. This agreement shall be governed by all respects whether as to validity, construction, capacity, performance or otherwise, by the laws of the State of Georgia, the extent that Federal law shall be deemed to apply.

16. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

17. Entire Agreement. This Agreement together with any understanding or modifications thereof as agreed to in writing by the parties, shall constitute the entire agreement between the parties hereto.

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CCF HOLDING COMPANY

ANNUAL REPORT
For the Fiscal Year Ended

September 30, 1996

CCF HOLDING COMPANY
ANNUAL REPORT

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[CCF HOLDING COMPANY LOGO]

December 23, 1996

Dear Fellow Stockholders:

We are proud to report that 1996 has been a very successful year for Clayton Federal.

The conversion to a stock company now has us well positioned for tomorrow's

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challenges.

Our stock offering has been, and continues to be, profitable for investors. Extensive planning to increase shareholder value has gone well beyond first year goals. From its initial offering price of $10 per share we have recently reached an all time high of $15.25 and have paid $.55 in regular and special dividends in the past year and we have declared another $.50 of regular and special dividends payable in January 1997. We continue to manage our capital through stock repurchases and fixed asset investments in an effort to increase shareholder value.

Additionally, we have hired new people with extensive commercial banking experience to supplement our already outstanding staff.

The Board of Directors appreciates your continued support and confidence. Through the collective efforts of our loyal management team, and employees, we are pleased to report the financial results that are detailed in the following pages.

We are eagerly looking forward to 1997. Banking has never been brighter at Clayton Federal.

Very truly yours,

/s/ David B. Turner
D.B. Turner
President

CCF HOLDING COMPANY

Corporate Profile and Related Information

CCF Holding Company (the "Company") is a Georgia corporation organized in March 1995 at the direction of Clayton County Federal Savings and Loan Association (the "Association") in connection with the Association's conversion from a mutual to stock form of organization (the "Conversion"). On July 11, 1995, the Association completed the Conversion and became a wholly owned subsidiary of the Company. The Company is a unitary savings and loan holding company which, under existing laws, generally is not restricted in the types of business activities in which it may engage provided the Association retains a specified amount of its assets in housing-related investments.

The Association is a federally chartered stock savings and loan association which originally commenced business in 1955. The Association's primary market area is currently Clayton County, Georgia, where the Association operates three offices. Clayton County is part of the Atlanta, Georgia metropolitan statistical area and home to a portion of Atlanta's Hartsfield International Airport. The Association also solicits deposits and makes loans in the adjacent market area of Fayette and Henry counties in Georgia. To a much lesser extent, the Association also makes loans in Coweta, Rockdale, Spalding, and Lamar counties, Georgia. The Association is subject to examination and comprehensive regulation by the Office of Thrift Supervision ("OTS") and its deposits are federally insured by the Savings Association Insurance Fund ("SAIF") of the Federal Deposit Insurance Corporation ("FDIC"). The Association is a member of and owns capital stock in the Federal Home Loan Bank ("FHLB") of Atlanta, which is one of the 12 regional banks in the FHLB System.

The Association attracts deposits from the general public and uses such deposits primarily to invest in and originate loans secured by first mortgages on owner-occupied, one- to four-family residences in its market area and, to a lesser extent, to invest in investment securities. The principal sources of funds for the Association's lending activities are deposits and the amortization, repayment, and maturity of loans and investment securities. The Association does not rely on brokered deposits. Principal sources of income are interest on loans and investment securities. The Association's principal expense is interest paid on deposits.

Stock Market Information

Since its issuance in July 1995, the Company's common stock ("Common Stock") has been traded on the Nasdaq SmallCap Market under the trading symbol of "CCFH." The daily stock quotation for the Company is published under the symbols "CCF." The following table reflects high and low bid quotations as published by USA Today and The Wall Street Journal as well as dividend information. The quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission, and may not represent actual transactions.

<TABLE>

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Date	High	Low	Dividends Declared	Dividends Paid
July 11, 1995 to September 30, 1995	$11.75	$10.75	$ --	$ --
October 1, 1995 to December 31, 1995	12.75	11.25	.35	--
January 1, 1996 to March 31, 1996	12.75	11.50	--	.35
April 1, 1996 to June 30, 1996	12.50	11.3125	.20	--
July 1, 1996 to September 30, 1996	13.25	11.50	--	.20

</TABLE>

The number of shareholders of record of Common Stock as of the record date of December 13, 1996, was approximately 400. This does not reflect the number of persons or entities who held stock in nominee or "street" name through various brokerage firms. At December 13, 1996, there were 915,900 shares outstanding. The

Company's ability to pay dividends to stockholders is primarily dependent upon the dividends it receives from the Association. The Association may not declare or pay a cash dividend on any of its stock if the effect thereof would cause the Association's regulatory capital to be reduced below (1) the amount required for the liquidation account established in connection with the Conversion, or (2) the regulatory capital requirements imposed by the OTS.

SELECTED FINANCIAL AND OTHER DATA

Financial Condition (Dollars in thousands)
At September 30,

<TABLE>
<CAPTION>

	1996	1995	1994	1993	1992
Total Amount of:					
Assets	$80,283	$79,822	$69,080	$71,115	$72,347
Loans receivable, net	51,500	45,196	44,244	47,255	52,461
Mortgage-backed securities	10,025	7,896	6,804	7,079	6,523
Investment securities	13,353	15,671	12,795	9,528	5,288
Liabilities	65,843	62,501	62,866	65,214	67,185
Deposits	61,822	61,132	61,598	64,050	65,966
FHLB advances	2,500	--	--	--	--
Stockholders' equity	14,440	17,322	6,214	5,901	5,163
Other Data:					
Net income	473	604	431	739	701
Average assets	79,348	72,229	70,533	71,627	73,909
Average equity	16,733	8,973	6,061	5,540	4,785
Total number of customer service facilities(1)	3	4	4	4	4
Full service offices	1	1	1	1	1

</TABLE>

(1) These facilities provide all banking services with the exception of mortgage loans, which are processed only at the main office.

Summary of Operations (Dollars in thousands)
Year Ended September 30,

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<TABLE>
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	1996	1995	1994	1993	1992
Total interest income	$5,573	$5,021	$4,872	$5,248	$6,001
Total interest expense	2,527	2,479	2,245	2,637	3,680
Net interest income	3,046	2,542	2,627	2,611	2,321
Provision for loan losses	130	5	69	98	95
Net interest income after provision for loan losses	2,916	2,537	2,558	2,513	2,226
Other income	415	328	346	362	462
Other expenses(1)	2,715	1,968	1,904	1,750	1,618
Income before income taxes and cumulative effect of change in accounting principle	616	897	1,000	1,125	1,070
Income tax expense	143	293	363	386	369
Income before cumulative effect of change in accounting principle	473	604	637	739	701
Cumulative effect of change in accounting principle	--	--	206	--	--
Net income	$ 473	$ 604	$ 431	$ 739	$ 701

</TABLE>

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(1) For 1996, included a $398,000 one time assessment to recapitalize the Savings Association Insurance Fund ("SAIF") of the FDIC.

Key Operating Ratios
At or for the Year Ended September 30,

<TABLE>
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Performance Ratios:	1996	1995	1994	1993	1992
Return on average assets (net income divided by average total assets)	0.60%	0.84%	0.61%	1.03%	0.95%
Return on average equity (net income divided by average equity)	2.83	6.73	7.11	13.34	14.65
Average interest-earning assets to average interest-bearing liabilities	122.83	110.75	106.50	106.69	103.77
Net interest rate spread	3.27	3.31	3.68	3.52	3.10
Net yield on average interest-earning asset	4.04	3.70	3.89	3.77	3.29
Net interest income after provision for loan losses to total other expenses	107.40	128.93	134.38	143.59	137.58
Earnings per share (1)	$ 0.45	$ 0.19	N/A	N/A	N/A
Capital Ratios:					
Book value per share (1)	$ 14.68	$ 14.55	N/A	N/A	N/A
Average equity to average assets ratios (average equity divided by average total assets)	21.09%	12.42%	8.59%	7.73%	6.47%
Equity-to-assets (End of Period)	17.99	21.70	9.00	8.30	7.14
Asset Quality Ratios:					
Non-performing loans to total loans, net	1.17	0.39	0.41	2.31	1.16
Non-performing loans to total assets	0.75	0.22	0.26	1.53	0.84
Allowance for loan losses to nonperforming loans	89.90	233.71	237.63	33.15	43.26

</TABLE>

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(1) There were no shares outstanding prior to the consummation of the Company's initial public offering on July 11, 1995. The number of shares outstanding as of September 30, 1995 was 1,190,250 and 983,332, net of

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16,668 shares held as treasury shares and in trust for the MSBP as of September 30, 1996, including shares held by the Association's Employee Stock Ownership Plan ("ESOP"). For purposes of presenting net income per share, only post-Conversion net income is considered.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

General

The earnings of the Company depend primarily on the earnings of the Association. The largest components of the Association's net income are net interest income, which is the difference between interest income and interest expense, and other income derived primarily from loan origination and commitment fees. Consequently, the Association's earnings are dependent on its ability to originate loans, net interest income, and the relative amounts of interest-earning assets and interest-bearing liabilities. The Association's net income is also affected by its provision for loan losses and foreclosed real estate as well as the amount of other expenses, such as salaries and employee benefits, occupancy and equipment, and federal deposit insurance premiums. Earnings of the Association also are affected significantly by general economic and competitive conditions, particularly changes in market interest rates, government policies, and actions of regulatory authorities.

Business Strategy

The Association's business strategy is to endeavor to be a flexible, efficient, and financially stable community financial services institution providing a range of real estate lending services, commercial lending, and consumer financial products primarily to the Clayton, Fayette, and Henry County, Georgia areas. The management of the Association has identified and sought to pursue four primary strategic objectives: (1) to maintain an adequate amount of regulatory capital; (2) to reduce interest rate risk; (3) to maintain good asset quality through continued emphasis on well underwritten consumer, commercial, and residential lending; and (4) to broaden our product and customer base to become a more diversified financial institution.

1. Regulatory Capital. Prior to the Conversion, the Association sought to manage its size and asset quality in order to allow its capital ratios to increase in order to comply with and safely exceed the regulatory capital requirements. During this period, management did not price its deposits competitively by increasing interest rates paid, which to a limited extent, allowed the deposit base to shrink. To further this strategy, the Association did not aggressively seek to increase its market share of loans nor to expand the market area for lending. This strategy resulted in the Association increasing its capital ratios, and when combined with the proceeds from the Conversion, the Association's capital was well in excess of all of its risk-based capital requirements. The Association has used some of the proceeds from the Conversion to make one- to four-family mortgage loans, acquire property for future branch expansion and repurchase shares of the Company's stock.

2. Reduction of Interest Rate Risk. The Association has sought to decrease its interest rate risk through the origination of adjustable-rate mortgage loans when market conditions permit. During the past five years, the Association has sold a portion of its fixed-rate mortgage loans in the secondary market. The emphasis in the loan portfolio will be to increase the volume of loans that reprice at least annually.

3. Asset Quality. The Association continues to seek to maintain its asset quality through emphasizing residential lending activity in its lending market. At September 30, 1996, 93.3% of the Association's gross loan portfolio consisted of one- to four-family residential mortgages. At September 30, 1996, the Association's ratio of nonperforming loans to total assets was 0.75%.

4. Product and Customer Base. The Association will seek to expand its customer base through the development of more extensive commercial, consumer and non-deposit related products.

The Association intends to maintain profitability and manage interest rate risk principally through continued emphasis on adjustable-rate loan production when market conditions permit. The management of the Association believes that there are opportunities for growth within the Association's primary market area and adjacent market areas, and the Association intends to manage the growth of deposits and loans in a manner that will ensure its ability to comply with current and future capital requirements as well as manage interest rate risk.

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Asset and Liability Management

Interest Rate Sensitivity. The ability to maximize net interest income is largely dependent upon achieving a positive interest rate spread that can be sustained during fluctuations in prevailing interest rates. The Association, like many other thrift institutions, is subject to interest rate risk as a result of the difference in the maturity of interest-bearing liabilities (including deposits) and interest-earning assets (including loans) and the volatility of interest rates. Because most deposit accounts, given their shorter terms to maturity, react more quickly to market

interest rate movements than do traditional mortgage loans, increases in interest rates may have a substantial adverse effect on the Association's earnings. Conversely, this same mismatch will generally benefit the Association's earnings during periods of declining or stable interest rates.

The Association's net interest rate spread was 3.68% for the year ended September 30, 1994, decreased to 3.31% at September 30, 1995, and decreased to 3.27% at September 30, 1996. If rates increase, there may be a negative impact on the Association's net interest rate spread and earnings as deposits reprice faster than loans.

The Association attempts to manage the interest rates it pays on deposits while maintaining a stable deposit base and providing quality services to its customers. The Association has continued to rely primarily upon deposits as its source of funds. To the extent the Association is unable to invest these funds in loans originated in the Association's market area, it will continue to purchase (i) mortgage-backed securities and (ii) high quality investment securities.

In an effort to manage interest rate risk and protect it from the negative effect of increases in interest rates, the Association has instituted certain asset and liability management measures, including the following: 1) reduce the maturities or terms to repricing of interest-earning assets by emphasizing the origination of adjustable rate loans and the purchase of relatively short-term interest-earning investments and mortgage-backed securities; 2) lengthen the maturities of interest-bearing liabilities by encouraging depositors to invest in longer term deposit products offered by the Association; 3) increase the amount of less rate-sensitive deposits by actively seeking NOW (checking) accounts; 4) encourage long-term depositors to maintain their accounts with the Association through expanded customer products and services; and 5) leverage the excess capital of the Association.

Average Balance Sheets. The following table sets forth certain information relating to the Association's average balance sheets and reflects the average yield on assets and average cost of liabilities for the periods indicated. Such yields and costs are derived by dividing income or expense by the average balance of assets or liabilities, respectively, for the periods presented. Average balances are derived from month-end balances. Management does not believe that the use of month-end balances instead of daily average balances has caused any material differences in the information presented.

<TABLE>
<CAPTION>

	At September 30, 1996		For the Years Ended September 30, 1996			1995		
	Historical Balance	Weighted Average Rates	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
			(Dollars in Thousands)					
Assets								
Interest-earning assets:								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Loans(1)	$51,500	7.76%	$47,293	$ 3,844	8.13%	$44,322	$ 3,578	8.07%
Mortgage-backed securities..............	10,025	6.90	9,526	618	6.49	6,595	428	6.49

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Investment securities	13,353	6.22	15,597	920	5.90	12,976	723	5.57
FHLB Stock	1,013	7.40	1,013	74	7.31	1,013	74	7.31
Interest-earning deposits in other financial institutions	513	7.02	1,986	117	5.89	3,789	218	5.75
Total interest-earning assets..........	76,404	7.37	75,415	5,573	7.39	68,695	5,021	7.31
Other noninterest-earning assets...........	3,879		3,933			3,534		
Total assets	$80,283		$79,348			$72,229		
Liabilities and stockholders' equity:								
Interest-bearing liabilities:								
Demand deposits(2)	$14,094	1.65	$13,016	236	1.81	$12,551	271	2.16
Passbook savings	11,659	2.03	11,817	274	2.32	13,770	367	2.67
Time deposits	36,069	5.49	36,140	2,001	5.54	35,707	1,841	5.16
FHLB advances	2,500	6.05	423	16	3.78	--	--	--
Total interest-bearing liabilities.....	64,322	4.04	61,396	2,527	4.12	62,028	2,479	4.00
Other noninterest-bearing liabilities.......	1,521		1,219			1,228		
Stockholders' equity	14,440		16,733			8,973		
Total liabilities and stockholders' equity.................	$80,283		$79,348			$72,229		
Excess of interest-earning assets over interest-bearing liabilities..........	$12,082		$14,019			$ 6,667		
Ratio of interest-earning assets to interest-bearing liabilities............	118.78%		122.83%			110.75%		
Net interest income				$ 3,046			$2,542	
Net interest spread(3)					3.27%			3.31%
Net yield on average interest-earning assets(4)					4.04%			3.70%

</TABLE>

----
(1) Average balances include nonaccrual loans.
(2) Includes noninterest-bearing demand accounts which are not material.
(3) Net interest spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(4) Net yield on average interest-earning assets represents net interest income as a percentage of average interest-earning assets.

Rate/Volume Analysis. The following table describes the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities have affected the Association's interest income and expense during the periods indicated. For each category of interest-earning asset and interest-bearing liability, information is provided as to changes in volume (change in volume multiplied by old rate) and changes in rates (change in rate multiplied by old volume). The net change attributable to changes in both volume and rate has been allocated proportionately to the change due to volume and the change due to rate.

<TABLE>
<CAPTION>

	Years Ended September 30,					
	1996 compared to 1995			1995 compared to 1994		
	Changes due to			Changes due to		
	Volume	Rate/ Yield	Total	Volume	Rate/ Yield	Total
	(In Thousands)					
Interest income:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>

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Loans	$ 240	$ 26	$ 266	$(101)	$ (4)	$(105)
Mortgage-backed securities	190	--	190	(21)	11	(10)
Investment securities	146	51	197	86	35	121
FHLB Stock	--	--	--	--	21	21
Interest-earning deposits in other financial institutions	(104)	3	(101)	56	66	122
Total interest income	$ 472	$ 80	$ 552	$ 20	$ 129	$ 149
Interest expense:						
Demand deposits	$ 10	$ (45)	$ (35)	$ (33)	$ (4)	$ (37)
Passbook savings	(52)	(41)	(93)	(12)	(12)	(24)
Time deposits	21	139	160	26	269	295
FHLB advances	16	--	16	--	--	--
Total interest expense	$ (5)	$ 53	$ 48	$ (19)	$ 253	$ 234
Net interest income			$ 504			$ (85)

</TABLE>

Comparison of Financial Condition at September 30, 1996 and September 30, 1995

Total assets increased $767,000 between the two dates due to increased lending from funds provided from increased deposits and use of FHLB advances. Stockholders' equity decreased by $2.9 million to $14.4 million at September 30, 1996 from $17.3 million at September 30, 1995. The decrease was attributable to repurchases of Common Stock totalling $2.3 million, the $579,000 purchase of the 1995 management stock bonus plan ("MSBP") shares and dividends totalling $600,000, that were only partially offset by net income of $473,000, employee stock ownership plan shares allocated totalling $101,000 and unrealized gains on the fair value of securities available for sale of $22,000. The Company carries at fair value its securities available for sale, with unrealized gains and losses, net of income tax effects, recorded as a separate component of stockholders' equity in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115. Because of the Company's portfolio of securities classified as available for sale, the Company could continue to experience volatility in the fair value of such securities during periods of changing market interest rates. During fiscal year 1996, the Company decided to transfer approximately $9.3 million of investment securities and $8.3 million of mortgage backed securities from held to maturity to available for sale. Management decided to make this transfer in order to provide additional liquidity for the purpose of funding its new commercial loan product line.

Deposits of the Association are insured by the SAIF as administered by the Federal Deposit Insurance Corporation ("FDIC"). As a member of the SAIF, the Association paid an insurance premium to the FDIC equal to a minimum of 0.23% of its total deposits. The FDIC also maintains another insurance fund, the Bank Insurance Fund ("BIF"), which primarily insures commercial bank deposits. Effective September 30, 1995, the FDIC lowered the insurance premium on BIF insured deposits to a range of between 0.04% and 0.31% of deposits, with the result that most commercial banks would pay the lowest rate of 0.04%. Effective January 1, 1996, the annual insurance premium for most BIF members was lowered to $2,000. These reductions in insurance premiums for BIF members placed SAIF members at a competitive disadvantage to BIF members.

Effective September 30, 1996, federal law was revised to mandate a one-time special assessment on SAIF members such as the Association of approximately .657% of deposits held on March 31, 1995. The Association recorded a $398,000 pre-tax expense for this assessment at September 30, 1996. Beginning January 1, 1997, deposit insurance assessments for SAIF members are expected to be reduced to approximately .064% of deposits on an annual basis through the end of 1999. During this same period, BIF members are expected to be assessed approximately .013% of deposits. Thereafter, assessments for BIF and SAIF members should be the same and SAIF and BIF may be merged. It is expected that these continuing assessments for both SAIF and BIF members will be used to repay outstanding Financing Corporation bond obligations. Assuming these changes occur, beginning January 1, 1997, the rate of deposit insurance assessed the Association will decline by approximately 70%.

The continuing disparity in insurance premiums between those required for the Association and BIF members could allow BIF members to attract and retain deposits at higher interest rates and at a lower effective cost than the

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Association. This could put competitive pressure on the Association to raise its interest rates paid on deposits, thus increasing its cost of funds and possibly reducing net interest income. Although the Association has other sources of funds, these other sources may have higher costs than those of deposits.

Comparison of Operating Results For The Years Ended September 30, 1996 and 1995

Net Income. The Company's net income decreased by $130,000 from $603,000 in fiscal 1995 to $473,000 in fiscal 1996. This decrease was primarily due to the one time FDIC SAIF assessment of $398,000.

Net Interest Income. Net interest income (before provision for loan losses) increased from $2.5 million in 1995 to $3.0 million in 1996. This increase was primarily due to an increase in interest income on loans of $266,000, more than offsetting the increase in interest expense on deposits and FHLB advances of $48,000. These changes were due primarily to the average rates earned on the Association's loans increasing more significantly than the average rate paid on deposits during 1996 and the higher volume of average loan balances during 1996.

Provision For Loan Losses. The Association increased the provision for loan losses from $5,000 in 1995 to $130,000 in 1996. The increase was due to management's assessment of the slowing local economy, the trends of increasing consumer debt and higher bankruptcies, and the Company's increase in lending activities. The Association's allowance for loan losses increased from $409,000 at September 30, 1995, to $540,000 at September 30, 1996. Management believes that its allowance for loan losses is adequate, however, additional provisions for loan losses have been re-established, due to the growth of the loan portfolio.

Other Income. Other income increased from $327,000 in 1995 to $415,000 in 1996. This increase was attributable primarily to non recurring income from sales of loans and investment securities.

Other Expenses. Other expenses increased from $1.97 million during fiscal 1995 to $2.72 million during fiscal 1996, representing an approximate 38.0% increase. The increase is primarily due to the $398,000 SAIF assessment in 1996. Net directors' fees and salaries increased $157,000 or 15.3%. Employee benefits expenses, as a result of the Employee Stock Ownership Plan ("ESOP") and MSBP, increased by $103,000. The increase in employee benefits expense was also affected by the reversal of $84,000 of accrued pension costs due to the Association's termination of the pension plan during 1995. Group insurance expenses decreased by $20,000. Occupancy expenses increased by $26,000 due to expense related to partial redecorating of the Association's main office and a technology upgrade in computers.

Income Tax Expense. Income tax expense as a percent of income before taxes decreased from 32.7% in 1995 to 23.1% in 1996. This decrease is due in part to costs associated with an attempt in 1995 at establishing a mutual holding company and investment income on tax exempt municipal investments.

Liquidity Resources

The Association is required to maintain minimum levels of liquid assets as defined by the OTS regulations. The OTS minimum required liquidity ratio is 5% and the minimum short-term liquidity ratio is 1%. Short-term liquidity at September 30, 1996 was 40.2%. The Association adjusts its liquidity levels in order to meet funding needs for deposit outflows, payment of real estate taxes from escrow accounts on mortgage loans, loan funding commitments, and repayment of borrowings, when applicable. The Association adjusts its liquidity level as appropriate to meets it asset/liability objectives. The primary source of funds are deposits, amortization and prepayments of loans and mortgage-backed securities, maturity of investments, and funds provided from operations. As an alternative to supplement liquidity needs, the Association has the ability to borrow from the Federal Home Loan Bank of Atlanta. Scheduled

loan amortization and maturing investment securities are a relatively predictable source of funds, however, deposit flow and loan prepayments are greatly influenced by, among other things, market interest rates, economic conditions, and competition. The Association's liquidity, represented by cash, cash equivalents, and securities available for sale, is a product of its

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operating, investing, and financing activities.

Impact of Inflation and Changing Prices

The financial statements and related data have been prepared in accordance with generally accepted accounting principles which require the measurement of financial position and operating results in terms of historical dollars, without consideration for changes in the relative purchasing power of money over time caused by inflation.

Unlike industrial companies, nearly all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates have a more significant impact on a financial institution's performance than general levels of inflation. Interest rates do not necessarily move in the same direction or in the same magnitude as the price of goods and services, since such goods and services are affected by inflation. In the current interest rate environment, liquidity and the maturity structure of the Association's assets and liabilities are critical to the maintenance of acceptable performance levels.

[KPMG Peat Marwick LLP Letterhead]

303 Peachtree Street, N.E.   Telephone 404 222 3000   Telefax 404 222 3050
Suite 2000
Atlanta, GA 30308

Independent Auditors' Report

The Board of Directors and Stockholders
CCF Holding Company and Subsidiaries
Jonesboro, Georgia:

We have audited the accompanying consolidated balance sheets of CCF Holding Company and subsidiaries (the "Company") as of September 30, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended September 30, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CCF Holding Company and subsidiaries as of September 30, 1996 and 1995, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 1996, in conformity with generally accepted accounting principles.

As discussed in notes 1 and 9, the Company changed its method of accounting for income taxes as of October 1, 1993 to adopt the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." As discussed in note 1, the Company changed its method of accounting for investments and mortgage-backed securities to adopt the provisions of the Financial Accounting Standards Board's SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," at September 30, 1994.

/s/KPMG Peat Marwick LLP

November 15, 1996, except for note 18
which is as of December 9, 1996

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CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 1996 and 1995

<TABLE>
<CAPTION>

Assets	1996	1995
<S>	<C>	<C>
Cash and due from banks (note 15)	$ 2,133,135	1,972,853
Interest-bearing deposits in other financial institutions	512,610	6,474,593
Investment securities available for sale (note 2)	13,353,381	6,690,463
Investment securities held to maturity (fair value of $8,950,938 at September 30, 1995 (note 2))	-	8,980,890
Mortgage-backed securities available for sale (note 3)	10,024,936	493,130
Mortgage-backed securities held to maturity (fair value of $7,465,003 at September 30, 1995 (note 3))	-	7,402,944
Federal Home Loan Bank stock, at cost (note 7)	1,013,200	1,013,200
Loans receivable, net (note 4)	51,499,574	45,196,343
Accrued interest and dividends receivable (note 5)	511,072	524,848
Premises and equipment, net (note 6)	1,119,628	865,816
Real estate owned	-	75,626
Other assets	115,004	131,662
Total assets	$ 80,282,540	79,822,368

</TABLE>

See accompanying notes to consolidated financial statements.

<TABLE>
<CAPTION>

Liabilities and Stockholders' Equity	1996	1995
Liabilities:		
<S>	<C>	<C>
Deposits (note 8)	$ 61,821,674	61,131,515
Advance payments by borrowers for property taxes and insurance	531,105	662,850
Deferred income taxes (note 9)	206,536	502,166
Federal Home Loan Bank advances (note 10)	2,500,000	-
Savings Association Insurance Fund assessment payable (note 17)	397,568	-
Other liabilities	385,753	204,079
Total liabilities	65,842,636	62,500,610
Stockholders' equity (notes 14 and 15):		
Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding (note 11)	-	-
Common stock, $.10 par value, 4,000,000 shares authorized, 1,190,250 shares issued and outstanding (note 12)	119,025	119,025
Additional paid-in capital	10,971,714	10,964,983
Retained earnings (note 9)	6,809,054	6,935,879
Unearned ESOP shares (note 12)	(630,000)	(720,000)
Unearned compensation (note 12)	(371,304)	-
Treasury stock, at cost; 206,918 shares	(2,502,009)	-
Net unrealized holding gains on investment and mortgage-backed securities available for sale	43,424	21,871
Total stockholders' equity	14,439,904	17,321,758
Commitments and contingencies (notes 4, 12, and 16)		

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Total liabilities and stockholders' equity	$ 80,282,540	79,822,368
	============	==========

</TABLE>

CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Statements of Income

Years ended September 30, 1996, 1995, and 1994

<TABLE>
<CAPTION>

	1996	1995	1994
Interest and dividend income:			
<S>	<C>	<C>	<C>
Loans (including fees)	$3,844,033	3,577,601	3,683,255
Interest-bearing deposits in other financial institutions	116,986	217,758	95,631
Investment securities - taxable	909,504	722,758	602,481
Investment securities - nontaxable	11,152	--	--
Mortgage-backed securities	617,592	428,325	438,002
Dividends on Federal Home Loan Bank stock	73,508	74,399	52,442
Total interest and dividend income	5,572,775	5,020,841	4,871,811
Interest expense:			
Deposit accounts (note 8)	2,510,350	2,478,869	2,244,760
Federal Home Loan Bank advances	16,444	--	--
Total interest expense	2,526,794	2,478,869	2,244,760
Net interest income	3,045,981	2,541,972	2,627,051
Provision for loan losses (note 4)	129,831	5,040	68,665
Net interest income after provision for loan losses	2,916,150	2,536,932	2,558,386
Other income:			
Loan fees and service charges on deposit accounts	268,780	257,688	235,306
Rental income	49,279	51,335	45,890
Gain on sale of loans	36,435	--	52,900
Net gain on sale of investment and mortgage-backed securities	15,119	--	--
Other	45,192	18,256	11,843
Total other income	414,805	327,279	345,939
Other expenses:			
Salaries and employee benefits (note 12)	1,188,265	1,031,018	1,004,118
Occupancy	466,760	440,920	379,671
Federal insurance premiums	146,693	140,858	156,771
Savings Association Insurance Fund assessment (note 17)	397,568	--	--
Other	515,833	354,867	363,296
Total other expenses	2,715,119	1,967,663	1,903,856
Income before income taxes and cumulative effect of change in accounting principle	615,836	896,548	1,000,469
Income tax expense (note 9)	142,500	293,000	363,000
Income before cumulative effect of change in accounting principle, carried forward	$ 473,336	603,548	637,469

</TABLE>

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CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Statements of Income

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Income before cumulative effect of change in accounting principle, brought forward	$ 473,336	603,548	637,469
Cumulative effect of change in accounting principle (note 9)	--	--	206,452
Net income	$ 473,336	603,548	431,017
Net income per share (note 14)	$ .45	.19	--
Weighted average shares outstanding (notes 12 and 14)	1,061,455	1,118,250	--

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

Years ended September 30, 1996, 1995, and 1994

<TABLE>
<CAPTION>

<S>	Preferred stock Shares <C>	Preferred stock Amount <C>	Common stock Shares <C>	Common stock Amount <C>	Additional paid-in capital <C>	Retained earnings <C>	Unearned ESOP shares <C>	Unearned compensation <C>
Balance, September 30, 1993	--	$--	--	$ --	--	$5,901,314	--	--
Net income	--	--	--	--	--	431,017	--	--
Implementation of change in accounting for investment and mortgage-backed securities available for sale, net of tax effect of $71,642	--	--	--	--	--	--	--	--
Balance, September 30, 1994	--	--	--	--	--	6,332,331	--	--
Proceeds from sale of common stock, net of issuance costs (note 14)	--	--	1,190,250	119,025	10,964,983	--	(720,000)	--
Unrealized gains on investment and mortgage-backed securities available for sale, net of tax effect	--	--	--	--	--	--	--	--
Net income	--	--	--	--	--	603,548	--	--
Balance, September 30, 1995	--	--	1,190,250	119,025	10,964,983	6,935,879	(720,000)	--
Treasury stock purchased	--	--	--	--	--	--	--	--
Unrealized gains on investment and mortgage-backed securities available for sale, net of tax effect	--	--	--	--	--	--	--	--
Dividends declared, $0.55 per share	--	--	--	--	--	(600,161)	--	--
ESOP shares allocated	--	--	--	--	11,372	--	90,000	--

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Unearned compensation under management stock bonus plan	--	--	--	--	(4,641)	--	--	(371,304)
Net income	--	--	--	--	--	473,336	--	--
Balance, September 30, 1996	--	$--	1,190,250	$119,025	10,971,714	6,809,054	(630,000)	(371,304)

</TABLE>

<TABLE>
<CAPTION>

	Treasury stock		Net unrealized holding gains (losses) on securities available for sale	Total
	Shares	Amount		
Balance, September 30, 1993	--	$ --	--	5,901,314
Net income	--	--	--	431,017
Implementation of change in accounting for investment and mortgage-backed securities available for sale, net of tax effect of $71,642	--	--	(118,289)	(118,289)
Balance, September 30, 1994	--	--	(118,289)	6,214,042
Proceeds from sale of common stock, net of issuance costs (note 14)	--	--	--	10,364,008
Unrealized gains on investment and mortgage-backed securities available for sale, net of tax effect	--	--	140,160	140,160
Net income	--	--	--	603,548
Balance, September 30, 1995	--	--	21,871	17,321,758
Treasury stock purchased	190,250	(2,299,490)	--	(2,299,490)
Unrealized gains on investment and mortgage-backed securities available for sale, net of tax effect	--	--	21,553	21,553
Dividends declared, $0.55 per share	--	--	--	(600,161)
ESOP shares allocated	--	--	--	101,372
Unearned compensation under management stock bonus plan	16,668	(202,519)	--	(578,464)
Net income	--	--	--	473,336
Balance, September 30, 1996	206,918	$(2,502,009)	43,424	14,439,904

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended September 30, 1996, 1995, and 1994

<TABLE>
<CAPTION>

	1996	1995	1994
Cash flows from operating activities:			
Net income	$ 473,336	603,548	431,017

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Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	129,831	5,040	68,665
Depreciation expense	112,357	109,019	87,709
Accretion of discounts	(18,562)	(18,083)	(27,405)
Amortization of premiums	36,829	32,424	70,481
Amortization of unearned compensation	37,591	--	--
Net gain on sale of investment securities and mortgage-backed securities	(15,119)	--	--
Amortization of deferred loan fees	(115,856)	(83,683)	(107,239)
Deferred income tax (benefit) expense	(308,683)	4,784	(47,819)
Gain on sale of loans	(36,435)	--	(52,900)
Federal Home Loan Bank stock dividends	--	--	(25,000)
Cumulative effect of change in accounting principle	--	--	206,452
Decrease (increase) in accrued interest and dividends receivable	13,776	(38,011)	30
Decrease (increase) in other assets	16,658	(8,388)	20,872
Dividend payable to management stock bonus plan	6,188	--	--
Savings Association Insurance Fund assessment payable	397,568	--	--
Increase (decrease) in other liabilities	137,895	(97,673)	74,023
Net cash provided by operating activities	867,374	508,977	698,886

</TABLE>

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Statements of Cash Flows

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Cash flows from investing activities:			
Proceeds from maturing investment securities available for sale and certificates of deposit	$ 1,576,924	2,000,000	2,496,875
Proceeds from sales of investment securities available for sale	3,000,312	--	--
Proceeds from maturing and called investment securities held to maturity	3,992,875	--	--
Purchases of investment securities available for sale	(1,632,419)	--	--
Purchases of investment securities held to maturity	(4,363,209)	(4,658,756)	(5,951,562)
Principal repayments on mortgage-backed securities available for sale	204,836	96,647	--
Proceeds from sales of mortgage-backed securities available for sale	371,705	--	--
Principal repayments on mortgage-backed securities held to maturity	1,746,401	793,193	2,243,040
Purchases of mortgage-backed securities available for sales	(1,823,455)	--	--
Purchases of mortgage-backed securities held to maturity	(2,853,402)	(1,988,836)	(2,013,734)
Loan (originations) repayments, net	(8,735,992)	(949,176)	383,159
Proceeds from sale of loans	2,455,221	--	2,719,470
Purchases of premises and equipment	(366,169)	(62,848)	(459,588)
Proceeds from disposal of premises and equipment	--	6,770	--
Sale of real estate owned	75,626	--	--
Net cash used in investing activities	(6,350,746)	(4,763,006)	(582,340)
Cash flows from financing activities:			
Net increase (decrease) in savings and demand deposit accounts	1,317,457	(2,908,149)	27,947
Net (decrease) increase in certificates of deposit	(627,298)	2,441,430	(2,480,064)
(Decrease) increase in advance payments by borrowers for property taxes and insurance	(131,745)	109,342	(56,931)
Treasury stock purchased	(2,299,490)	--	--
Federal Home Loan Bank advances	2,500,000	--	--
Proceeds from sale of common stock, net of issuance costs	--	10,364,008	--
Dividends paid	(600,161)	--	--
Contribution to management stock bonus plan	(578,464)	--	--
ESOP shares allocated	101,372	--	--

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Net cash (used in) provided by financing activities	(318,329)	10,006,631	(2,509,048)
(Decrease) increase in cash and cash equivalents	(5,801,701)	5,752,602	(2,392,502)
Cash and cash equivalents at beginning of year	8,447,446	2,694,844	5,087,346
Cash and cash equivalents at end of year	$ 2,645,745	8,447,446	2,694,844

</TABLE>

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Consolidated Statements of Cash Flows

<TABLE>
<CAPTION>

	1996	1995	1994
Supplemental disclosure of cash flow information:			
Interest paid	$ 2,531,331	2,480,389	2,244,760
Income taxes paid	$ 297,368	295,000	389,100
Supplemental disclosures of noncash investing and financing activities:			
Real estate acquired through foreclosure of the loan receivable	$ -	75,626	-
Transfer of investment securities from held to maturity to available for sale upon adoption of SFAS No. 115 (note 1)	$ -	-	7,012,628
Transfer of mortgage-backed securities from held to maturity to available for sale upon adoption of SFAS No. 115 (note 1)	$ -	-	599,436
Transfer of investment securities from held to maturity to available for sale at September 30, 1996 (note 2)	$ 9,270,179	-	-
Transfer of mortgage-backed securities from held to maturity to available for sale at September 30, 1996 (note 3)	$ 8,284,643	-	-

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 1996, 1995, and 1994

(1) Summary of Significant Accounting Policies

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CCF Holding Company (the "Parent"), a federally chartered thrift holding company, is a Georgia corporation organized in March 1995 to acquire all of the common stock of Clayton County Federal Savings and Loan Association (the "Association"). On July 11, 1995, the Parent completed an initial public offering of common stock and raised $10,364,008 in net proceeds through the issuance of 1,190,250 common shares, at $10 per share. Concurrently, the Association completed a conversion from a Federally chartered mutual savings and loan association to a Federally chartered stock savings and loan association. Upon the conversion, the Parent acquired all of the outstanding common stock of the Association for $5,182,004, at which time the Association became a wholly owned subsidiary of the Parent. Since the Parent and the Association were under common control, the transaction was accounted for at historical cost in a manner similar to a pooling-of-interests. The Parent and the Association (the "Company") are primarily regulated by the Office of Thrift Supervision ("OTS") and the Federal Deposit Insurance Corporation ("FDIC"), and undergo periodic examinations by these regulatory authorities.

The Company primarily provides single-family residential first mortgage loans and offers various deposit products to individual customers through its main office in Jonesboro, Georgia and two branch offices located in Clayton County, Georgia. The Company primarily competes with other financial institutions in its market area, which it considers to be South Metropolitan Atlanta. CCF Financial Services, Inc. ("CFS") was incorporated in 1996 as a new, wholly owned service corporation of the Association, created for the purpose of engaging in securities and investment advisory activities. CFS has engaged an unrelated third party to provide securities and investment advisory services to customers of the Association and the general public.

(a) Basis of Presentation

The accounting and reporting policies of the Company conform to generally accepted accounting principles and to prevailing practices within the financial institutions industry. The following is a summary of the significant accounting policies that the Company follows in preparing and presenting its consolidated financial statements.

The consolidated financial statements include the accounts of the Parent, the Association, and CFS. All significant intercompany accounts and transactions are eliminated in preparing the consolidated financial statements.

(continued)

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates. One estimate that is particularly susceptible to a significant change in the near term relates to the determination of the allowance for loan losses. In connection with the determination of the allowance for loan losses, management obtains independent appraisals for significant properties. Management believes that the allowance for loan losses is adequate. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Company's allowance for loan losses. Such agencies may require the Company to recognize additions to the allowance based on their judgment about information available to them at the time of their examination.

(b) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers amounts due from banks and interest-bearing deposits in other financial institutions to be cash equivalents. Generally, interest-bearing deposits in other financial institutions are for one-day periods.

(c) Investment and Mortgage-Backed Securities

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The Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities" at September 30, 1994. Under SFAS No. 115, the Company must classify its investments and mortgage-backed securities in three categories: trading, available for sale, or held to maturity. Trading securities are bought and held principally for the purpose of selling them in the near term. Held to maturity securities are those securities for which the Company has the ability and intent to hold the security until maturity. All other securities not classified as trading or held to maturity are classified as available for sale.

Investment securities held to maturity are carried at cost, adjusted for amortization of premiums and accretion of discounts over the terms of the related securities. Mortgage-backed securities held to maturity are carried at unpaid principal balances adjusted for unamortized premiums and unaccreted discounts.

Available for sale securities are reported at fair value, as determined by independent quotations, with unrealized holding gains or losses, net of the related income taxes, excluded from income and reported as a separate component of stockholders' equity, until realized. Any unrealized holding gains or losses included in the separate component of stockholders' equity relating to securities subsequently transferred from available for sale to held to maturity are maintained and amortized into income over the remaining life of the security as an adjustment to yield in a manner consistent with the amortization or accretion of the premium or discount on the associated security. A decline in the market value below cost of any investment or mortgage-backed security that is deemed other than temporary is charged to income, resulting in the establishment of a new cost basis for the security.

(Continued)

Upon adoption of SFAS No. 115, the Company transferred investment and mortgage-backed securities previously accounted for at amortized cost totaling $7,612,064 to available for sale at September 30, 1994. The estimated fair value of such securities at September 30, 1994 totaled $7,422,133, and the Company reported the effect of the change in the method of accounting for these investment and mortgage-backed securities as a separate component of stockholders' equity. The net unrealized holding losses on securities available for sale at September 30, 1994 amounted to $118,289, net of income taxes of $71,642.

Purchase premiums and discounts are amortized or accreted to interest income over the life of the related security as an adjustment to yield using the effective interest method. For mortgage-backed securities, such amortization and accretion is determined taking into consideration assumed prepayment patterns. Dividend and interest income are recognized when earned. Realized gains and losses for securities sold are included in income on the trade date, and are derived using the specific identification method for determining the cost of securities sold.

(d) Loans

Loans are stated at their unpaid principal balances, less, where applicable, undisbursed proceeds on loans in process, unamortized loan origination fees, and allowance for loan losses.

Loan origination fees collected, net of certain direct loan origination costs, are deferred and recognized into income using the interest method as an adjustment of the yield over the lives of the underlying loans.

The Company extends credit to customers throughout its market area, which includes Clayton, Henry, and Fayette Counties. Most of the Company's loans are secured by real estate in these Georgia counties and a substantial portion of its borrowers' ability to repay such

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loans is dependent upon the economy in the Company's market area.

The allowance for loan losses is adjusted through provisions for loan losses charged to operations. Loans are charged off against the allowance for loan losses when management believes that the collection of the principal is unlikely. Subsequent recoveries are added to the allowance. The allowance is an amount that management has determined to be adequate through its allowance for loan losses methodology to absorb losses inherent in existing loans and commitments to extend credit. The allowance is determined through consideration of such factors as changes in the nature and volume of the portfolio, overall portfolio quality, delinquency trends, adequacy of collateral, loan concentrations, specific problem loans, and economic conditions that may affect the borrowers' ability to pay.

(Continued)

During 1993, the Financial Accounting Standards Board (FASB) issued SFAS No. 114, "Accounting by Creditors for Impairment of a Loan." SFAS No. 114 requires impaired loans to be measured based on the present value of expected future cash flows, discounted at the loan's effective interest rate, or at the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent, beginning in fiscal 1996. Loans that are determined to be impaired require a valuation allowance equivalent to the amount of impairment. The valuation allowance is to be established by a charge to the provision for loan losses. In October 1994, the FASB issued SFAS No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures," which amends the requirements of SFAS No. 114 regarding interest income recognition and related disclosure requirements. The Company adopted SFAS No. 114 and SFAS No. 118 prospectively on October 1, 1995, and based on the level of impaired loans, the effect of adoption was not material.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the note agreement. Cash receipts on impaired loans which are accruing interest are applied to principal and interest under the contractual terms of the loan agreement. Cash receipts on impaired loans which the accrual of interest has been discontinued are applied to reduce the principal amount of such loans until the principal has been recovered and are recognized as interest income thereafter.

Additional funds for lending are provided by selling whole and participating interests in real estate loans. Gains or losses on the sale of such loans are recognized at settlement dates and are computed as the difference between the sales proceeds and the carrying value of the loans. Such gains or losses are adjusted by the amount of any excess servicing fee receivables or payables resulting from the transactions. Such excess servicing fee receivables or payables are amortized using a method approximating a level yield over the estimated remaining life of such loans, taking into account assumed prepayment patterns.

Interest income is recognized using the simple interest method on the balance of the principal amount outstanding. The accrual of interest income is discontinued on loans which become contractually past due by 90 days. Interest previously accrued but not collected is reversed against current period interest income when such loans are placed on nonaccrual status. Interest accruals are recorded on such loans only when they are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest.

(e) Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the related assets.

(Continued)

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CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(f) Real Estate Owned

Real estate acquired through foreclosure, consisting of properties obtained through foreclosure proceedings or acceptance of a deed in lieu of foreclosure, is reported on an individual asset basis at the lower of cost or fair value, less disposal costs. Fair value is determined on the basis of current appraisals, comparable sales, and other estimates of value obtained principally from independent sources. When properties are acquired through foreclosure, any excess of the loan balance at the time of foreclosure over the fair value of the real estate held as collateral is recognized and charged to the allowance for loan losses. Subsequent write-downs are charged to a separate allowance for losses pertaining to real estate owned, established through provisions for estimated losses on real estate owned charged to operations. Based upon management's evaluation of the real estate acquired through foreclosure, additional expense is recorded when necessary in an amount sufficient to restore the allowance to an adequate level. Gains recognized on the disposition of the properties are recorded in other income.

Costs of improvements to real estate are capitalized, while costs associated with holding the real estate are charged to operations.

(g) Income Taxes

Effective October 1, 1993, the Company adopted SFAS No. 109, "Accounting for Income Taxes," by electing to report the cumulative effect of the change in accounting principle, and did not restate any prior periods. The cumulative effect of the change in accounting for income taxes was an increase in the net deferred tax liability of $206,452, which was reported separately in the consolidated statement of income for the year ended September 30, 1994.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

(h) Net Income Per Share

Net income per common share is based on the weighted average number of shares outstanding during each period including consideration of common stock equivalents derived from dilutive stock options. During 1996, the dilutive effect of the stock options was not significant.

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(i) Recent Accounting Pronouncement

In October 1995, the FASB issued SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123 established financial

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accounting and reporting standards for stock-based employee compensation plans. Those plans include all arrangements by which employees receive shares of stock or other equity instruments of the employer or the employer incurs liabilities to employees in amounts based on the price of the employer's stock. Such instruments include stock purchase plans, stock options, restricted stock, and stock appreciation rights. SFAS No. 123 also applies to transactions in which an entity issues its equity instruments to acquire goods or services from nonemployees.

A new method of accounting for stock-based compensation arrangements with employees is established by SFAS No. 123. The new method is a fair value based method rather than the intrinsic value based method. However, SFAS No. 123 does not require an entity to adopt the new fair value based method for purposes of preparing its basic financial statements. Entities are allowed (1) to continue to use their existing method or (2) adopt the SFAS No. 123 fair value based method. The selected method would apply to all of an entity's compensation plans and transactions.

SFAS No. 123 requires that an employer's financial statements include certain disclosures about stock-based employee compensation arrangements regardless of the method used to account for them. The accounting requirements of this statement are effective for transactions entered into in fiscal years that begin after December 15, 1995. The disclosure requirements are effective for financial statements for fiscal years beginning after December 15, 1995. The Company has not determined the impact of adopting SFAS No. 123.

(2) Investment Securities

At September 30, 1996 and 1995, investment securities available for sale consisted of the following:

<TABLE>
<CAPTION>

	September 30, 1996			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. Government agency obligations	$ 11,405,631	11,699	83,549	11,333,781
Equity security	782,790	387,335	-	1,170,125
Municipal securities	868,807	-	19,332	849,475
	$ 13,057,228	399,034	102,881	13,353,381

</TABLE>

(Continued)

<TABLE>
<CAPTION>

	September 30, 1995			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. Government agency obligations	$ 6,008,546	12,387	20,470	6,000,463
Equity security	644,550	45,450	-	690,000
	$ 6,653,096	57,837	20,470	6,690,463

</TABLE>

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At September 30, 1996, the Company transferred all investment securities held to maturity to available for sale. At September 30, 1995, investment securities held to maturity consisted of the following:

	September 30, 1995			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury and U.S. Government agency obligations	$ 8,980,890	25,398	55,350	8,950,938

In 1996, the Company sold certain investment securities available for sale for $3,000,312, and recognized a net loss of $1,815. In addition, the Company recognized a gain of $7,125 on an investment security held to maturity and called during 1996 for $492,875. The Company did not sell any investment securities in 1995 or 1994.

The amortized cost and fair values of investments in debt securities at September 30, 1996 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Investments available for sale	
	Amortized cost	Fair value
Due within one year	$ 1,420,936	1,419,877
Due after one year through five years	10,234,695	10,163,904
Due after five years	618,807	599,475
	$ 12,274,438	12,183,256

A U.S. Treasury investment security, with a fair value of $487,650 has been pledged as of September 30, 1996 to secure public deposits. There were no investment securities pledged at September 30, 1995.

Continued)

(3) Mortgage-Backed Securities

At September 30, 1996 and 1995, mortgage-backed securities available for sale consisted of the following:

	September 30, 1996				
	Unpaid principal balance	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Government National Mortgage Association Participation Certificates with interest rates primarily ranging from 6.5% to 10.5%, with scheduled principal maturities at various times through 2024	$ 1,666,901	1,664,651	12,057	92,152	1,584,556
Federal Home Loan Mortgage Corporation Participation Certificates with interest rates ranging from 5.5% to 10.0%, with scheduled					

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principal maturities at various times through 2009	3,259,873	3,229,350	41,309	69,656	3,201,003
Federal National Mortgage Association Participation Certificates, with interest rates ranging from 5.5% to 7.8% with scheduled principal maturities at various times through 2023	5,351,084	5,357,364	2,199	120,186	5,239,377
	$10,277,858	10,251,365	55,565	281,994	10,024,936

</TABLE>

<TABLE>
<CAPTION>

<S>	September 30, 1995 Unpaid principal balance <C>	Amortized cost <C>	Gross unrealized gains	Gross unrealized losses <C>	Fair value <C>
Federal Home Loan Mortgage Corporation Participation Certificates with interest rates ranging from 7% to 8%, with scheduled principal maturities through 1996	$487,610	495,379	-	2,249	493,130

</TABLE>

(Continued)

At September 30, 1996, the Company transferred all mortgage-backed securities held to maturity to available for sale. At September 30, 1995, mortgage-backed securities to be held to maturity consist of the following:

<TABLE>
<CAPTION>

<S>	September 30, 1995 Unpaid principal balance <C>	Amortized cost <C>	Gross unrealized gains <C>	Gross unrealized losses <C>	Fair value <C>
Government National Mortgage Association Participation Certificates with interest rates primarily ranging from 6.5% to 10.5%, with scheduled principal maturities at various times through 2024	$1,424,629	1,447,053	31,597	26,553	1,452,097
Federal Home Loan Mortgage Corporation Participation Certificates with interest rates ranging from 5.5% to 10.0%, with scheduled principal maturities at various times through 2009	2,540,502	2,509,000	76,392	9,435	2,575,957
Federal National Mortgage Association Participation Certificates with interest rates ranging from 5.8% to 7.8% with scheduled principal maturities at various times through 2023	3,424,127	3,446,891	18,486	28,428	3,436,949
	$7,389,258	7,402,944	126,475	64,416	7,465,003

</TABLE>

There were no mortgage-backed securities pledged at September 30, 1996 or 1995.

In 1996, the Company sold for $371,705 certain mortgage-backed securities available for sale and recognized a net gain of $9,809. The Company did not sell any mortgage-backed securities in 1995 or 1994.

(4) Loans Receivable

At September 30, 1996 and 1995, loans receivable consisted of the following:

<TABLE>

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<CAPTION>

<S>	1996 <C>	1995 <C>
First mortgage loans, substantially secured by single family residential dwellings	$ 45,509,936	42,754,387
Real estate construction loans	7,056,182	2,777,026
Other mortgage loans	2,698,314	1,719,961
Consumer and other installment loans	1,065,437	723,555
	56,329,869	47,974,929
Less:		
Undisbursed proceeds on loans in process	3,789,924	1,937,278
Unamortized loan origination fees, net	500,080	432,460
Allowance for loan losses	540,291	408,848
	$ 51,499,574	45,196,343

</TABLE>

(Continued)

At September 30, 1996, the Company had outstanding commitments to originate adjustable rate loans totaling $538,920 and fixed rate loans totaling $298,000 for varying terms.

As of September 30, 1996 and 1995, loan participations sold to, without recourse, and serviced for others amounted to approximately $8,320,000 and $7,060,000, respectively.

The following is a summary of transactions in the allowance for loan losses for the years ended September 30, 1996, 1995, and 1994:

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Balance at beginning of year	$ 408,848	430,103	360,538
Provision for losses on loans	129,831	5,040	68,665
Loan charge-offs	-	(26,295)	-
Loan recoveries	1,612	-	900
Balance at end of year	$ 540,291	408,848	430,103

</TABLE>

As discussed in note 1, the Company adopted the provisions of SFAS No. 114, "Accounting by Creditors for Impairment of a Loan," as amended by SFAS No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures," effective October 1, 1995. Prior periods have not been restated.

Impaired loans at September 30, 1996 totaled $601,000, all of which were classified as non-accrual and valued based on the fair value of the loan's collateral, or loan balance, whichever was less. Impaired loans at September 30, 1996 are summarized as follows:

<TABLE>
<CAPTION>

<S>	Without impairment allowance	With impairment allowance	
	Loan amount <C>	Loan amount <C>	Allowance amount <C>
Residential real estate	$601,000	-	-

</TABLE>

The average balance of impaired loans for the year ended September 30, 1996, was approximately $547,000 with interest income of $18,367 recognized

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during 1996 on such loans.

Loans are made to officers, directors, and their associates in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other persons, and do not involve more than the normal credit risk nor present other unfavorable features. The following is a summary of activity during the year ended September 30, 1996 with respect to such aggregate loans to these individuals and their associates:

Balance at beginning of year	$ 628,407
New loans	114,644
Principal repayments	(264,158)
Balance at end of year	$ 478,893

(Continued)

At September 30, 1996 and 1995, the Company had approximately $601,000 and $175,000, respectively, of nonaccrual loans. Interest income on nonaccrual loans in 1996, 1995, and 1994, which would have been reported on an accrual basis, amounted to approximately $18,000, $6,000, and $7,000, respectively.

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated financial statements. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

The Company's exposure to credit loss, in the event of nonperformance by the customer for commitments to extend credit is represented by the contractual or notional amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for recorded loans.

A summary of the Company's financial instruments with off-balance sheet risk at September 30, 1996 is as follows:

Financial instruments whose contract amounts represent credit risk -- commitments:

Mortgage loans:	
Fixed rate	$ 195,000
Adjustable rate	398,920
Construction loans:	
Fixed rate	103,000
Adjustable rate	140,000
Total commitments	$ 836,920

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the agreement. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the borrower. Collateral consists primarily of residential real estate.

In the origination of mortgage loans, the Company enters into adjustable interest rate contracts with caps and floors written with the intent of managing its interest rate exposure. Interest rate caps and floors enable customers and the Company to transfer, modify, or reduce their interest rate risk. At September 30, 1996, adjustable rate mortgage loans with interest rate caps and floors amounted to approximately $28,069,247.

(Continued)

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CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(5) Accrued Interest and Dividends Receivable

At September 30, 1996 and 1995, accrued interest and dividends receivable consisted of the following:

	1996	1995
Loans	$ 257,252	236,410
Investment securities	180,100	217,410
Mortgage-backed securities	73,720	71,028
	$ 511,072	524,848

(6) Premises and Equipment

A summary of premises and equipment at September 30, 1996 and 1995 is as follows:

	1996	1995
Land	$ 248,273	238,273
Landscaping	32,258	32,258
Office buildings	1,043,487	1,025,979
Furniture and equipment	805,338	558,533
Construction in progress	91,856	-
	2,221,212	1,855,043
Less accumulated depreciation	1,101,584	989,227
	$ 1,119,628	865,816

(7) Required Investment

Investment in stock of a Federal Home Loan Bank is required of federally insured financial institutions who utilize their services. No ready market exists for the stock and it has no quoted market value. In accordance with SFAS No. 115, the investment is carried at cost.

(8) Deposits

At September 30, 1996 and 1995, deposits consisted of the following:

<TABLE>
<CAPTION>

	1996			1995		
	Amount	Range of rates	Weighted average interest rate	Amount	Range of rates	Weighted average interest rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Noninterest-bearing demand deposits	$ 3,139,469	- %	- %	$ 1,735,302	- %	- %
Passbook savings accounts	11,659,255	2.03	2.03	12,020,750	2.75	2.75
Negotiable order of withdrawal accounts	10,954,623	1.67-2.99	2.12	10,679,838	2.25-2.50	2.69
Certificates of deposit	36,068,327	2.03-6.46	5.49	36,695,625	2.75-8.45	5.74
	$61,821,674		3.96%	$61,131,515		4.08%

</TABLE>

(Continued)

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Notes to Consolidated Financial Statements

A summary of certificates of deposit by scheduled maturities as of September 30, 1996 follows:

Maturing in:	
Less than one year	$ 26,248,425
1-2 years	5,979,152
2-3 years	1,240,686
3-4 years	1,427,293
4-5 years	1,172,771
	$ 36,068,327

At September 30, 1996, the Company had approximately $5,375,000 in time deposits that were greater than or equal to $100,000.

Interest expense on deposits for the years ended September 30, 1996, 1995, and 1994 is summarized as follows:

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Passbook savings accounts	$ 274,209	366,507	390,626
Negotiable order of withdrawal accounts	235,225	271,371	308,002
Certificates of deposit	2,000,916	1,840,991	1,546,132
	$ 2,510,350	2,478,869	2,244,760

</TABLE>

(9) Income Taxes

As discussed in note 1, the Company adopted SFAS No. 109, "Accounting for Income Taxes," and recorded the cumulative effect of the change in accounting for income taxes of $206,452 as of October 1, 1993. Prior year financial statements have not been restated to apply the provisions of SFAS No. 109.

The components of income tax expense for the years ended September 30, 1996, 1995, and 1994 are as follows:

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Current expense - Federal	$ 451,183	288,216	410,819
Deferred tax (benefit) expense - Federal	(272,239)	8,365	(70,235)
Deferred tax (benefit) expense - State	(36,444)	(3,581)	22,416
	$ 142,500	293,000	363,000

</TABLE>

The Company has not incurred current state income taxes due to net operating loss and credit carryforwards for state income tax purposes.

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Income tax expense of the Company for the years ended September 30, 1996,

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1995, and 1994 differed from the amounts computed by applying the statutory Federal income tax rate of 34% to income before income taxes and cumulative effect of change in accounting principle as follows:
<TABLE>
<CAPTION>

<S>	<C> 1996	<C> 1995	<C> 1994
Tax expense at statutory rate	$ 209,384	304,826	340,159
Increase (decrease) in tax expense resulting from:			
State income taxes, net of Federal tax benefit	(24,053)	(2,363)	14,795
Municipal investments	(3,792)	-	-
Other, net	(39,039)	(9,463)	8,046
	$ 142,500	293,000	363,000

</TABLE>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at September 30, 1996 and 1995 are presented below:
<TABLE>
<CAPTION>

<S>	<C> 1996	<C> 1995
Deferred tax assets:		
State tax credit carryforwards	$ 51,121	42,744
Savings Association Insurance Fund assessment payable	149,963	-
Employee Stock Ownership Plan accrual	38,261	-
Management stock bonus plan	14,179	-
Other	9,420	7,807
Total gross deferred tax assets	262,944	50,551
Less valuation allowance	-	-
Net deferred tax assets	262,944	50,551
Deferred tax liabilities:		
Loans receivable, due to allowance for loan losses	67,357	114,137
Deferred loan fees	194,926	243,966
Unrealized holding gains on securities available for sale	26,300	13,247
Premises and equipment, primarily due to differences in depreciation	19,660	21,282
Federal Home Loan Bank stock dividends	146,165	146,165
Prepaid expenses	15,072	13,920
Total gross deferred tax liabilities	469,480	552,717
Net deferred tax liabilities	$ 206,536	502,166

</TABLE>

(Continued)

There was no valuation allowance for deferred tax assets as of September 30, 1996 and 1995. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences resulting in the deferred tax assets become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making the

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assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the related temporary differences are deductible, management believes it is more likely than not the Company will realize the benefits of these deductible differences.

At September 30, 1996, the Company has state gross receipts tax credit carryforwards of approximately $77,455 which are available to reduce future state income taxes, if any, through 2000.

Prior to January 1, 1996, the Company was permitted under the Internal Revenue Code ("Code") a special bad debt deduction related to additions to tax bad debt reserves established for the purpose of absorbing losses. The provisions of the Code permitted the Company to deduct from taxable income an allowance for bad debts based on the greater of a percentage of taxable income before such deduction or actual loss experience. Retained earnings at September 30, 1996 include approximately $602,000 for which no deferred Federal income tax liability has been recognized. The amounts represent an allocation of income for bad debt deductions for tax purposes only. Reduction of amounts so allocated for purposes other than tax bad debt losses or adjustments arising from carryback of net operating losses would create income for tax purposes only, which would be subject to the then current corporate income tax rate.

On August 20, 1996, President Clinton signed legislation which will eliminate the percentage of taxable income bad debt deduction for thrift institutions for tax years beginning after December 31, 1995. This new legislation also requires a thrift to generally recapture the excess of its current tax reserves over its 1987 base year reserves, whereas the base year reserves are frozen from taxation. As the Company has previously provided deferred taxes on this amount, no additional financial statement tax expense should result from this new legislation.

(10) Federal Home Loan Bank Advances

Federal Home Loan Bank advances at September 30, 1996 consist of unsecured term loans with principal payable at maturity and interest due monthly based on floating daily interest rates, as follows:

6.05% maturing June 26, 1997	$ 500,000
6.05% maturing July 17, 1997	500,000
6.05% maturing August 15, 1997	500,000
6.05% maturing September 19, 1997	1,000,000
	$ 2,500,000

(Continued)

(11) Preferred Stock

The Company is authorized to issue 1,000,000 shares of no par value serial preferred stock. At September 30, 1996, there were no shares issued and outstanding. The Board of Directors of the Company is authorized to issue serial preferred stock and to fix and state voting powers, designations, preferences, or other special rights of such shares and the qualifications, limitations, and restrictions thereof, subject to regulatory approval but without stockholder approval.

(12) Employee Benefit Plans

(a) 401(k) Profit Sharing Plan

During fiscal 1995, the Company adopted a tax-qualified defined contribution profit sharing plan (the "Plan") for the benefit of its employees. All full-time employees become eligible to participate under the Plan after completing one year of service. Under the Plan, employees may voluntarily elect to defer up to 15% of their compensation, not to exceed applicable limits. The first 5% of employees' savings were matched during 1995 by a Company contribution of $2.00 for each $1.00 of employee contribution. Effective October 1,

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1995, such Company contributions were $1.00 for each $1.00 of employee contribution. Such matching contributions begin to vest after three years at a rate of 20% per year with full vesting after seven years. Additionally, the Company may contribute an annual discretionary contribution to the Plan based upon a number of factors, such as the Company's retained earnings, profits, regulatory capital, and employee performance.

Contributions by the Company to the Plan during 1996 and 1995 totaled $29,116 and $60,247, respectively.

(b) Pension Plan

The Company maintained a noncontributory pension plan which covered substantially all full-time employees of the Company. The benefits were based on years of service and the employee's five highest years of compensation. The Company's philosophy was to fund annually the maximum amount allowable as a deduction for Federal income tax purposes. During fiscal 1995, the Board of Directors of the Company approved the termination of the defined benefit pension plan and the establishment of the 401(k) plan. The defined benefit pension plan went through the process of termination and settlement during 1995, and the plan assets for those participants who were still active employees at time of termination were distributed primarily through deposits into individual retirement plan accounts, with the remainder transferred to the 401(k) plan, or paid in cash. These distributions occurred March 1, 1995. In conjunction with the termination, the Company reversed previously accrued pension cost totaling $84,000, which was recognized as a reduction in salaries and employee benefits expense in 1995.

(Continued)

Pension cost for 1994 was as follows:

Service cost for benefits earned	$ 68,984
Interest cost on projected benefit obligations	30,288
Actual return on plan assets	(20,794)
Net amortization and deferral	(37,622)
Net pension expense	$ 40,856

No pension expense was recorded during 1996 or 1995 as a result of the Company's termination of the Plan.

(c) Employee Stock Ownership Plan

During 1995, the Company also established an employee stock ownership plan (the "ESOP"), for the exclusive benefit of participating employees, who have completed one year of service with the Company and have attained age 21.

The ESOP is funded by periodic contributions made by the Company in cash or common stock. Benefits to participants may be paid either in shares of the Company's common stock or in cash. The ESOP was approved to borrow funds from the Company to acquire up to 10% of the common stock of the Company. During 1995, the ESOP borrowed $720,000 from the Company to acquire 72,000 shares of Company common stock at $10 per share. The loan is secured by the shares purchased and earnings of the ESOP assets, and is at an interest rate equal to a published prime rate, adjusted quarterly. The loan is to be repaid over a ten-year period at $72,000 per year. The shares purchased are held in a suspense account for allocation among participants as the loan is repaid.

At September 30, 1996, 18,000 ESOP shares have been allocated to the participating employees. For purposes of computing net income per share, the remaining 54,000 unallocated shares are not considered outstanding until they are committed-to-be-released for allocation. The Company is recognizing as compensation expense the fair market value of the Company's common stock, adjusted at least quarterly, over

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a ten-year period using the straight-line method. Compensation expense recognized during 1996 and 1995 by the Company totaled $83,434 and $18,000, respectively.

(d) Stock Option Plan

In January 1996, the Company approved a stock option plan (the "Option Plan") whereby 119,025 authorized shares are reserved for issuance by the Company upon exercise of stock options granted to officers, directors, and employees of the Company from time to time. Options constitute both incentive stock options and nonincentive stock options. Options awarded to officers and directors are exercisable at a rate of 20% annually with the first 20% exercisable on the one-year anniversary of the date of grant. Any shares subject to an award which expires or is terminated unexercised will again be available for issuance. The Option Plan has a term of ten years, unless sooner terminated. The exercise price for the purchase of shares subject to an incentive stock option may not be less than 100 percent of the fair market value of the common stock on the date of grant of such option. The exercise price per share for nonincentive stock options shall be the price as determined by an option committee, but not less than the fair market value of the common stock on the date of grant.

(Continued)

Information relating to stock options during fiscal 1996 is as follows:

<TABLE>
<CAPTION>

<S>	Number of shares <C>	Option price <C>	Total <C>
Shares under option at Plan inception	-	$ -	-
Granted - January 23, 1996	77,363	12.375	957,367
Exercised	-	-	-
Canceled	-	-	-
Shares under option at September 30, 1996	77,363	$ 12.375	957,367
Shares exercisable at September 30, 1996	-		
Shares available for grant at September 30, 1996	41,662		

</TABLE>

(e) Management Stock Bonus Plan

In January 1996, the Company adopted a Management Stock Bonus Plan ("MSBP"). Under the terms of the MSBP, a total of 47,610 shares of the Company's common stock are available for the granting of awards during a period of up to ten years. In January 1996, certain key employees and directors were awarded a total of 30,942 shares in the form of restricted stock, payable as the recipient's interest in the MSBP vests. At September 30, 1996, none of these shares have vested. Twenty percent of such awards will be vested on January 23, 1997 and 20% annually thereafter.

The Company contributed $578,464 to the MSBP to purchase Company shares in the open market. Unearned compensation of $371,304 for the 30,942 shares granted was recorded at the date of the award based on the market value of the Company's stock. The unearned compensation, which is shown as a separate component of stockholders' equity, is being amortized over the five-year vesting period. Compensation expense was $37,591 for the year ended September 30, 1996. The remainder of the shares purchased and available for future grants is recorded as treasury stock. Dividends paid on the MSBP shares granted are held in arrears and may be distributed upon the vesting of the shares awarded. Dividends payable on the MSBP shares granted at September 30, 1996 totaled $6,188.

(13) Fair Values of Financial Instruments

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SFAS No. 107, "Disclosures About Fair Value of Financial Instruments," requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions would significantly affect the estimates. SFAS No. 107 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements.

(Continued)

Fair value estimates are based on existing on- and off-balance-sheet financial instruments and other recorded assets and liabilities without attempting to estimate the fair value of anticipated future business. In addition, tax ramifications related to the realization of unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of the estimates. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments and certain other assets and liabilities:

Cash and due from banks: The carrying amounts of cash and due from banks approximate those assets' fair values.

Interest-bearing deposits in other financial institutions: The carrying amounts of interest-bearing deposits in other financial institutions approximate their fair value, due to the short-term nature of these instruments.

Investment and mortgage-backed securities: Fair values for investment and mortgage-backed securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Federal Home Loan Bank stock: The carrying amount is considered a reasonable estimate of fair value.

Loans receivable: For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. The fair values for all other loans are estimated based upon a discounted cash flow analysis, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Accrued interest and dividends receivable: The carrying amount approximates fair value, due to the short-term nature of these receivables.

Off-balance-sheet instruments: Fair values for the Company's off-balance-sheet instruments are based on a comparison with terms, including interest rate and commitment period currently prevailing to enter into similar agreements, taking into account credit standings. The fair values of off-balance-sheet instruments at September 30, 1996 were not material.

Deposits: Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow analysis that applies interest rates currently being offered on deposits of similar terms of maturity. The carrying amounts of all other deposits, due to their short-term nature, approximate their fair values.

Federal Home Loan Bank advances: The carrying amounts of the Federal Home Loan Bank advances approximate their fair values as the advances reprice daily based on a floating interest rate.

(Continued)

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CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The estimated fair value of the Company's financial instruments as of September 30, 1996 are as follows:

	Carrying value	Fair value
	(In thousands)	
Assets:		
Cash and due from banks	$ 2,133	2,133
Interest-bearing deposits in other financial institutions	513	513
Investment and mortgage-backed securities	23,685	23,378
Federal Home Loan Bank stock	1,013	1,013
Loans receivable, net	51,500	52,548
Accrued interest receivable	511	511
Liabilities:		
Deposits:		
Noninterest-bearing demand deposits	3,139	3,139
Interest-bearing demand and savings	22,614	22,614
Certificates of deposit	36,068	36,145
Federal Home Loan Bank advances	2,500	2,500

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(14) Parent Company Financial Information

The following represents condensed financial information of the Parent. The Parent's investment in the Association is reported on an equity basis.

Condensed Balance Sheets

September 30, 1996 and 1995

Assets	1996	1995
Investment securities available for sale, at fair value	$ 1,170,125	690,000
Note receivable from Association	1,064,136	4,601,428
Investment in of Association, at equity	12,214,811	12,069,380
Land	10,000	-
Other assets	101,372	-
Total assets	$ 14,560,444	17,360,808
Liabilities and Stockholders' Equity		
Liabilities:		
Deferred income taxes	$ 146,103	17,145
Federal income taxes (receivable) payable	(25,563)	21,905
	120,540	39,050

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Stockholders' equity:		
Common stock	119,025	119,025
Additional paid-in capital	10,971,714	10,964,983
Retained earnings	6,809,054	6,935,879
Unearned ESOP shares	(630,000)	(720,000)
Unearned compensation	(371,304)	-
Treasury stock, at cost, 206,918 shares	(2,502,009)	-
Net unrealized holding gains on investment securities available for sale	43,424	21,871
Total stockholders' equity	14,439,094	17,321,758
Total liabilities and stockholders' equity	$ 14,560,444	17,360,808

</TABLE>

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Condensed Statements of Income

For the Year ended September 30, 1996 and for the Period from March 23, 1995 (date of incorporation) to September 30, 1995

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>
Interest income from Association	$ 203,450	63,974
Other operating income	9,775	-
Other operating expenses	(14,647)	-
Income tax expense	(62,047)	(21,905)
Income before equity in undistributed income of Association	136,531	42,069
Equity in undistributed income of Association	336,805	561,479
Net income	$ 473,336	603,548

</TABLE>

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Condensed Statements of Cash Flows

For the Year ended September 30, 1996 and for the Period from March 23, 1995 (date of incorporation) to September 30, 1995

<TABLE>
<CAPTION>

	1996	1995
Cash flows from operating activities:		
<S>	<C>	<C>

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Net income	$ 473,336	603,548
Adjustment to reconcile net income to net cash (used in) provided by operations:		
Equity in undistributed income of Association	(336,805)	(561,479)
Increase in other assets	(101,372)	-
Federal income taxes (receivable) payable	(47,468)	21,905
Net cash (used in) provided by operating activities	(12,309)	63,974
Cash flows from investing activities:		
Purchase of investment security	(138,240)	(644,550)
Purchase of land	(10,000)	-
Acquisition of Association	-	(5,182,004)
Net change in loan to Association	3,537,292	(4,601,428)
Net cash provided by (used in) investing activities	3,389,052	(10,427,982)
Cash flows from financing activity:		
Proceeds from sale of common stock, net of issuance costs	-	10,364,008
Treasury stock purchased	(2,299,490)	-
Dividends paid	(600,161)	-
Contribution to management stock bonus plan	(578,464)	-
ESOP shares allocated	101,372	-
Net cash used in financing activities	(3,376,743)	10,364,008
Increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of year	$ -	-

</TABLE>

(Continued)

CCF HOLDING COMPANY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

On July 11, 1995, the Parent completed an initial public offering of common stock and raised $10,364,008 in proceeds, net of issuance costs of $818,492. For purposes of presenting net income per share, only postconversion net income is considered.

At the time of conversion, the Association established a "liquidation account" in an amount equal to the regulatory capital of the Association as shown on its latest statement of financial condition contained in the final prospectus used in connection with the conversion. The liquidation account will be maintained for the benefit of depositors, as of the eligibility record date, June 30, 1993, or supplemental eligibility record date, March 31, 1995, who continue to maintain their deposits in the Association after conversion. In the event of a complete liquidation (and only in such an event), each eligible depositor will be entitled to receive a liquidation distribution from the liquidation account, in the proportionate amount of the then current adjusted balance for deposits then held, before any liquidation distribution may be made with respect to the stockholders. Except for the repurchase of stock and payment of dividends by the Association, the existence of the liquidation account will not restrict the use or application of regulatory capital.

The amount of dividends paid to the Parent from the Association is limited by various regulatory agencies. Under the regulations of the Office of Thrift Supervision ("OTS"), the Association is not permitted to pay dividends on its stock after the conversion if its regulatory capital would thereby be reduced below (i) the amount then required for the aforementioned liquidation account or (ii) the Association's regulatory capital requirements. In addition, for a period of three years after conversion, the Association may not without prior approval of the OTS declare or pay a cash dividend on or repurchase any of the stock in an amount in excess of 50% of the greater of (1) the Association's net income for the fiscal year in which the dividend is declared or the repurchase is made or (2) the average of the Association's net income for the current

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fiscal year and no more than two of the immediately preceding fiscal years. As a result of these regulatory limitations, at September 30, 1996, the Parent's investment in the Association was substantially restricted from transfer by the Association to the Parent in the form of cash dividends.

(15) Regulatory Matters

The Company is required to maintain noninterest-bearing cash reserve balances. The aggregate average cash reserve balances to be maintained at September 30, 1996 to satisfy the regulatory requirement was $195,000.

The Association is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory -- and possibly additional discretionary -- actions by regulators that, if undertaken, could have a direct material effect on the Association's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Association must meet specific capital guidelines that involve quantitative measures of the Association's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Association's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

(Continued)

Quantitative measures established by regulation to ensure capital adequacy require the Association to maintain minimum amounts and ratios (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). Management believes, as of September 30, 1996, that the Association meets all capital adequacy requirements to which it is subject.

As of September 30, 1996, the most recent notification from the Office of Thrift Supervision categorized the Association as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Association must maintain minimum total risk- based, Tier I risk-based, and Tier I leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the Association's capital category.

The Association's actual capital amounts and ratios are also presented in the table below.

<TABLE>
<CAPTION>

	Actual		Minimum for capital adequacy purposes		Minimum to be well capitalized under prompt corrective action provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<S>	<C>	<C> <C>		<C>	<C>	<C>
As of September 30, 1996:						
Total capital - risk-based (to risk-weighted assets)	$ 12,951,093	38%	$ 2,755,360	greater than or equal to 8%	$3,444,200	greater than or equal to 10%
Tier I capital - risk-based (to risk-weighted assets)	12,412,619	36	1,377,680	greater than or equal to 4	2,066,520	greater than or equal to 6
Tier I capital - leverage (to average assets)	12,412,619	16	3,136,880	greater than or equal to 4	3,921,100	greater than or equal to 5
As of September 30, 1995:						
Total capital - risk-based (to risk-weighted assets)	12,471,662	39	2,530,320	greater than or equal to 8	3,162,900	greater than or equal to 10
Tier I capital - risk-based (to risk-weighted assets)	12,075,814	38	1,265,160	greater than or equal to 4	1,897,740	greater than or equal to 6
Tier I capital - leverage (to average assets)	12,075,814	15	3,165,708	greater than or equal to 4	3,957,135	greater than or equal to 5

</TABLE>

(16) Commitments and Contingencies

(a) Employment Agreements

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The Company entered into an employment agreement with its president and chief executive officer on January 26, 1995. As renewed, the employment agreement is for a term of four years with a base salary of $100,000. The agreement may be terminated by the Company for "just cause" as defined in the agreement. If the Company terminates without just cause, the president will be entitled to a continuation of salary from the date of termination through the remaining term of the agreement. The employment agreement contains a provision stating that in the event of involuntary termination of employment in connection with, or within one year after, any change in control of the Company, the president will be paid a lump-sum equal to 2.99 times his "base" salary (five-year average). The agreement may be renewed annually by the Board of Directors upon a determination of satisfactory performance within the Board's sole discretion.

(Continued)

The Company entered into an employment agreement with its Chief Administrative Officer on July 15, 1996. The employment agreement is for a term of two years with a base salary of $80,000. The agreement may be terminated by the Company for "just cause" as defined in the agreement. If the Company terminates without just cause, this officer will be entitled to a continuation of salary from the date of termination through the remaining term of the agreement. The employment agreement contains a provision stating that in the event of involuntary termination of employment in connection with, or within one year after, any change in control of the Company, the officer will be paid a lump sum equal to 2.99 times his "base salary" (five-year average). The agreement may be renewed annually by the Board of Directors upon a determination of satisfactory performance within the Board's sole discretion.

(17) Savings Association Insurance Fund Assessment

On September 30, 1996, the Deposit Insurance Funds Act of 1996 was passed which, among other provisions, empowered the Federal Deposit Insurance Corporation to impose a special assessment on Savings Association Insurance Fund ("SAIF") assessable deposits of depository institutions. This special assessment, which is based on SAIF-assessable deposits at March 31, 1995, is intended to recapitalize the SAIF. The special assessment is 65.7 basis points per $100 of insured deposits. Based on the Company's level of insured deposits held on March 31, 1995, the Company has recorded a charge against earnings for its accrual of the assessment totaling $397,568 at September 30, 1996.

(18) Subsequent Events

On December 9, 1996, the Company's board of directors approved a change in the Company's year-end from September 30 to December 31.

During the first quarter of fiscal 1997, the Company acquired tracts of land in both Fayetteville, Georgia and McDonough, Georgia for the purpose of constructing future branch sites. The combined purchase price of the properties totaled approximately $600,000.

CCF HOLDING COMPANY

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Jonesboro, Georgia 30236

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CLAYTON COUNTY FEDERAL SAVINGS AND LOAN ASSOCIATION

Forest Park Branch Office	Main Office	Morrow Branch Office
822 Main Street	101 N. Main Street	2236 Lake Harbin Road
Forest Park, Georgia	Jonesboro, Georgia	Morrow, Georgia

Board of Directors of CCF Holding Company
and
Clayton County Federal Savings and Loan Association

John B. Lee, Jr.
Chairman of the Board
Public Relations Consultant to Spartan Lincoln-Mercury, Inc. and Loewen Group International, Inc.

Edwin S. Kemp, Jr.
Attorney at Law

David B. Turner
President and Chief Executive Officer

Joe B. Mundy
Retired (Former circuit court clerk)

Charles S. Tucker
Retired (former county agent for University of Georgia)

Leonard A. Moreland
Executive Vice President*

----
* Director of Association only

Executive Officers of CCF Holding Company and
Clayton County Federal Savings and Loan Association

David B. Turner
President and Chief Executive Officer

Leonard A. Moreland
Executive Vice President

Thomas L. Sawyer
Vice President and Chief Financial Officer

Edith W. Stevens
Vice President and Chief Operating Officer

Richard P. Florin
Senior Vice President

Charles S. Tucker
Secretary and Treasurer

Corporate Counsel
Edwin S. Kemp, Jr., Esquire
101 North Main Street
Suite 203
Jonesboro, Georgia 30236

Independent Auditors
KPMG Peat Marwick LLP
303 Peachtree Street, N.W.
Suite 2000
Atlanta, Georgia 30308

Special Counsel
Malizia, Spidi, Sloane & Fisch, P.C.
One Franklin Square
1301 K Street, N.W., Suite 700 East
Washington, D.C. 20005

Transfer Agent and Registrar
Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016
(908) 272-8511

The Company's Annual Report for the year ended September 30, 1996 on Form 10-KSB is available without charge upon written request. For a copy of the Form 10-KSB or any other investor information, please write or call David B. Turner, President and Chief Executive Officer at the Company's Office in Jonesboro, Georgia. The Annual Meeting of Stockholders will be held on January 23, 1997 at 4:30 p.m. at the office of the Company.

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SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Incorporation or Organization
Clayton County Federal Savings and Loan Association(1)	United States

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(1) This subsidiary conducts business under this name and has its own subsidiary, CCF Financial Services, Inc., a Georgia corporation.

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KPMG Peat Marwick LLP

303 Peachtree Street, N.E. Telephone 404-222-3000 Telefax 404-222-3050
Suite 2000
Atlanta, GA 30308

Independent Accountants' Consent

The Board of Directors
CCF Holding Company:

We consent to incorporation by reference in the registration statement (No. 333-4194) on Form S-8 of CCF Holding Company of our report dated November 15, 1996, except for note 18, which is as of December 9, 1996, relating to the consolidated balance sheets of CCF Holding Company and subsidiaries as of September 30, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended September 30, 1996, which report appears in the CCF Holding Company Annual Report on Form 10-K for the fiscal year ended September 30, 1996.

Our report refers to a change in the method of accounting for income taxes in 1994 to adopt the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," and a change in the method of accounting for investment securities to adopt the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities," at September 30, 1994.

/s/KPMG Peat Marwick LLP
KPMG PEAT MARWICK LLP

Atlanta, Georgia
December 24, 1996

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