FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not 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**
Type: **10KSB** | Act: **34** | File No.: **000-25846** | Film No.: **99575062**
SIC: **6035** Savings institution, federally chartered

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7704788881

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 For the fiscal year ended December 31, 1998,

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 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. [ ]

State issuer's revenues for its most recent fiscal year. $13.4 million

As of March 8, 1999 there were issued and outstanding 890,085 shares of the registrant's common stock.

The registrant's voting stock trades on the SmallCap market of The Nasdaq Stock 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 March 22, 1999, was $11.8 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 December 31, 1998. (Part II)

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

CCF Holding Company (the "Company") may from time to time make written or oral "forward- looking statements", including statements contained in the

Company's filings with the Securities and Exchange Commission (including this annual report on Form 10-KSB and the exhibits thereto), in its reports to stockholders and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations, estimates and intentions, that are subject to change based on various important factors (some of which are beyond the Company's control). The following factors, among others, could cause the Company's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economies in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System, inflation, interest rate, market and monetary fluctuations; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services; the willingness of users to substitute competitors' products and services for the Company's products and services; the success of the Company in gaining regulatory approval of its products and services, when required; the impact of changes in financial services' laws and regulations (including laws concerning taxes, banking, securities and insurance); technological changes, acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing the risks involved in the foregoing.

The Company cautions that the foregoing list of important factors is not exclusive. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

PART I

Item 1. Description of Business

General

The Company is a Georgia-chartered 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. In February 1997, the Association changed its name to Heritage Bank (the "Bank"). The Company is a bank holding company and the Bank is a commercial bank chartered by the State of Georgia. Prior to September 1, 1998, the Company was a savings and loan holding company and the Bank was a federally chartered savings bank. The Company is not an operating company and has not engaged in any significant business to date. As such, references herein to the Bank include the Company unless the context otherwise indicates.

The Bank, through its predecessors, commenced business in 1955. Prior to 1997, the Bank operated 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. Since the early part of 1997, the Bank has begun

to expand its loan and deposit activities in an attempt to position itself to offer more of the products and services of a commercial bank and compete on a broader scale in the highly competitive financial services industry. During the fiscal year ended December 31, 1998, the Bank continued to significantly expand the size of its commercial (primarily real estate mortgages) and construction (primarily residential) lending portfolios as well as the amount of the deposits it holds.

The Bank is subject to examination and comprehensive regulation by the Georgia Department of Banking and Finance (the "GDBF") and the Federal Deposit Insurance Corporation ("FDIC") and its deposits are insured by the Savings Association Insurance Fund ("SAIF") of the FDIC. The principal sources of funds for the Bank's lending activities are deposits and the amortization, repayment, and maturity of loans and investment securities. The Bank does not rely on brokered deposits. Principal sources of income are interest on loans and investment securities. The Bank's principal expense is interest paid on deposits.

Market Area and Competition

The Bank operates five offices within its primary market area in Clayton, Fayette and Henry Counties, Georgia. This market area is part of the Atlanta, Georgia metropolitan statistical area and home to a portion of Atlanta's Hartsfield International Airport. To a much lesser extent, the Bank also makes loans in the adjacent Georgia counties.

The Bank 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.

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

Lending Activities

General. The principal lending activity of the Bank has been the origination for its portfolio of adjustable-rate and fixed-rate loans secured by various forms of collateral.

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

<TABLE>
<CAPTION>

	At December 31,			
	1998		1997	
	Amount	Percent	Amount	Percent
	(Dollars in Thousands)			
<S>	<C>	<C>	<C>	<C>
Loan Category				
Residential (1-4 family) mortgage..........	$ 37,638	30.51%	$49,031	49.50%
Commercial, primarily real estate mortgage................................	45,378	36.78	31,111	31.41
Real estate construction...................	26,187	21.22	16,231	16.39
Consumer and other installment.............	14,154	11.49	2,680	2.70
Total loans receivable.................	123,357	100.00%	99,053	100.00%
Less:				
Undisbursed proceeds on loans in process.......................	--		(206)	
Unamortized loan fees and costs, net............................	(587)		(636)	
Allowance for loan losses................	(943)		(670)	
Total loans, net.......................	$121,827		$97,541	

</TABLE>

Loan Maturity Tables. The following table sets forth the maturity of the Bank's loan portfolio at December 31, 1998. The table does not include prepayments. Prepayments and scheduled principal repayments on loans totalled $73.8 million and $28.1 million for the years ended December 31, 1998 and December 31, 1997, respectively. Adjustable-rate mortgage loans ("ARMs") are shown as maturing based on repricing dates.

<TABLE>
<CAPTION>

	December 31, 1998			
	Within One Year	One to Five Years	After Five Years	Total
	(In Thousands)			
<S>	<C>	<C>	<C>	<C>

Residential (1-4 family) mortgage	$ 133	$ 1,885	$35,620	$ 37,638
Commercial, primarily real estate mortgage	7,726	23,481	14,171	45,378
Real estate construction	24,402	1,785	--	26,187
Consumer and other installment	1,588	4,958	7,608	14,154
Total	$33,849	$32,109	$57,399	$123,357

</TABLE>

The following table sets forth the dollar amount of all loans due after December 31, 1999, which have fixed interest rates and which have floating or adjustable interest rates.

<TABLE>
<CAPTION>

	Fixed Rate		Adjustable Rate		
	Amount	Percent	Amount	Percent	Total
			(Dollars in Thousands)		
<S>	<C>	<C>	<C>	<C>	<C>
Residential (1-4 family) mortgage	$26,434	21.42%	$11,071	8.97%	$37,505
Commercial, primarily real estate mortgage	20,616	16.71	17,036	13.81	37,652
Real estate construction	136	0.11	1,649	1.33	1,785
Consumer and other installment	12,366	10.02	200	.16	12,566
Total	$59,552	48.26%	$29,956	24.27%	$89,508

</TABLE>

One- to Four-Family Residential Mortgage Loans. The Bank's residential real estate lending activity consists of the origination of one- to four-family, owner-occupied, residential mortgage loans secured by property located in the Bank's primary market area. The Bank originates both adjustable-rate and fixed-rate residential mortgage loans.

The Bank offers ARMs that adjust every year and have terms of up to 30 years. Generally, on loans made prior to 1998, the interest rate adjustments on ARMs were 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 made after January 1, 1998 are based on the 1 year treasury index. ARMs may be made at up to 95% of the loan to value ratio. The Bank does not originate ARMs with negative amortization.

The Bank 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 or released by the Bank.

The Bank 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 Bank. The rate on such loans is adjustable monthly.

The Bank's lending policies generally limit the maximum loan-to-value ratio to 80% of the appraised value of the property, based on an independent appraisal. When the Bank 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 Bank reflect the policy of making loans generally below the maximum limits permitted under applicable regulations. The Bank 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 Bank.

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 Bank's loan portfolio contain due-on-sale clauses providing that the Bank may declare the unpaid amount due and payable upon the sale of the property securing the loan. The Bank 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 Bank 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 Bank's construction loan properties are located in the Bank's market area and nearby counties.

Construction loans are made to builders on a speculative and pre-sale 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 80% 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 75% and also have a 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 a Bank representative. At December 31, 1998, the Bank had $24.9 million in construction loans outstanding secured by unsold properties.

Construction loans to owner/borrowers have either fixed or adjustable rates and are underwritten in accordance with the same terms and requirements as the Bank's permanent mortgages on existing properties, except that the builder must qualify as an approved contractor by the Bank, 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 Bank against mechanics' liens or whose credit, financial statements, and experience have been approved by the Bank. Borrowers are typically required to pay accrued interest on the outstanding balance monthly during the construction phase. At December 31, 1998, there was $1.3 million outstanding in construction loans to owner/borrowers. The Bank originated $62.9 million and $24.9 million in construction loans on one- to four-family properties during the fiscal years ended December 31, 1998 and December 31, 1997, respectively.

Commercial Loans. The Bank originates commercial loans, which represent a growing portion of the Bank's lending activities. At December 31, 1998, outstanding commercial loans amounted to $45.3 million. At December 31, 1998, the largest commercial loan had a balance of $3.1 million (reduced to $1.6 million because of the participation in loan funding by other lenders) and was secured by a condominium complex.

Most of the bank's commercial lending activities are in loans secured by commercial properties. Such loans consist primarily of permanent loans secured by small office buildings, apartment buildings, churches, and shopping centers. Commercial 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 Bank. Commercial 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 Installment Loans. Consumer loans consist of savings account loans, personal secured and unsecured loans, automobile loans, watercraft loans, recreational vehicle loans, and home improvement loans. Substantially all of the Bank's consumer loans have fixed rates of interest.

Loan Underwriting Risks. 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 Bank to advance funds beyond the amount originally committed to permit completion of the construction. If the estimate of value proves to be inaccurate, the Bank 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 Bank is forced to foreclose on a property prior to or at completion due to a default, there can be no assurance that the Bank 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 Bank has sought to lessen this risk by limiting construction lending to qualified borrowers in the Bank's market area and by limiting the number of construction loans outstanding at any time.

Loans secured by commercial 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 commercial real estate is typically dependent upon the successful operation or management of the related project or company. If the cash flow from the project or company is reduced, the borrower's ability to repay the loan may be impaired. The Bank 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 Bank 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.

The retention of ARMs in the Bank's portfolio helps to reduce the Bank'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 Bank 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 Bank has no assurance that yields on ARM loans will be sufficient to offset increases in the Bank's cost of funds.

Loan Purchases and Sales. Generally, if the Bank determines that loan sales are desirable for interest rate risk management or other purposes, the Bank may sell its 15 to 30 year conventional loans. The Bank uses standard Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") documentation for its conventional loans. The Bank sells loans directly to FNMA. Loans are generally sold with servicing retained and without recourse. The portion of the fixed rate mortgage loan portfolio that was eligible for sale was sold to the secondary market. Loans that will be sold in future periods will be loans that are originated in the future (new production) rather than loans in the existing portfolio.

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

	Year Ended December 31,	
	1998	1997
	(In Thousands)	
Total gross loans receivable at beginning of period....	$ 98,847	$56,330
Loans originated:		
Residential (1 to 4 family) mortgage................	14,515	15,554
Commercial, primarily real estate mortgage...........	23,641	30,333
Real estate construction............................	62,910	23,688
Consumer and other installment......................	14,071	2,235
Total loans originated................................	115,137	71,810
Loans sold:		
Residential (1 to 4 family).........................	17,177	1,854

Loans purchased	370	750
Other loan activity:		
Loan principal repayments	73,820	28,189
Total gross loans receivable at end of period	$123,357	$98,847

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 December 31, 1998	At December 31, 1997
	(Dollars in Thousands)	
Nonperforming loans:		
Restructured	$ --	$ --
Nonaccrual (more than 90 days past due)	112	366
Total nonperforming loans	$ 112	$ 366
Ratio of nonperforming loans as a percentage of total loans, net	.09%	0.38%
Ratio of nonperforming loans as a percentage of total assets	.07%	0.29%

During the years ended December 31, 1998 and December 31, 1997, gross interest income of $3,540 and $30,000, 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 December 31, 1998 and December 31, 1997 was approximately $98,000 and $14,000, respectively.

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

	Year ended December 31, 1998	Year ended December 31, 1997
	(Dollars in Thousands)	
Total average loans outstanding	$114,457	$82,973
Allowance balance (at beginning of period)	$ 670	$ 547
Provisions for loan losses	275	127
Charge-offs:		
Real estate	--	--
Consumer	3	4
Recoveries:		
Consumer	1	--
Allowance balance (at end of period)	$ 943	$ 670
Allowance for loan losses as a percent of net loans receivable at end of period	.77%	0.7%
Net loans charged off as a percent of average loans outstanding	.001%	.004%
Ratio of allowance for loan losses to total loans delinquent 90 days or more at end of period	842%	183%

	1998	1997
Ratio of allowance for loan losses to total loans delinquent 90 days or more and other nonperforming assets at end of period...........	842%	183%

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.

Real Estate Owned. Real estate acquired by the Bank 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 Bank had no real estate owned at December 31, 1998.

Investment Securities Activities

The Bank invests in specified short term securities, mortgage backed securities, certain other investments and the common stock of the Federal Home Loan Bank of Atlanta. The Bank's mortgage backed securities portfolio consists of participation certificates issued by FHLMC and FNMA and secured by interests in pools of conventional mortgages originated by other financial institutions. The Bank's equity investment in the Federal Home Loan Bank of Atlanta is a requirement of membership and allows the bank to borrow at favorable overnight and longer term rates.

During the years ended December 31, 1998 and 1997 the Company sold $3.0 million and $9.0 million, respectively, of available for sale investment securities. The table sets forth certain information relating to the Company's investment securities portfolio at the dates indicated. All of the Company's securities are classified as available for sale.

<TABLE>
<CAPTION>

	At December 31,			
	1998		1997	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<S>	<C>	<C>	<C>	<C>
Securities available for sale:				
U.S. Treasury and U.S. government agency obligations	$29,138	$29,122	$ 7,984	$ 7,983
Equity security	64	134	1,244	1,580
Municipal securities	--	--	158	159
Total	29,202	29,256	9,386	9,722
Mortgage-backed securities:				
FHLMC	--	--	235	234
FNMA	196	201	1,597	1,604
GNMA	--	--	--	--
Total	196	201	1,832	1,838
Total investment and mortgage-backed securities portfolio	$29,398	$29,457	$11,218	$11,560

</TABLE>

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 December 31, 1998. 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>

	At December 31, 1998										
	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)										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Securities available for sale:											
U.S. Treasury and U.S. government agency obligations	$7,954	4.99%	$20,674	5.70%	$510	5.93%	$ --	--%	$29,138	5.32%	$29,122
Mortgage-backed securities	--	--	--	--	--	--	196	7.2	196	7.2	201
Equity security	--	--	--	--	--	--	--	--	--	--	--
Municipal securities(1)	--	--	--	--	--	--	64	--	64	--	134
Total investment and mortgage-backed securities portfolio	$7,954	4.99%	$20,674	5.70%	$510	5.93%	$ 260	7.2%	$29,398	5.51%	$29,457

</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 Bank'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 Bank also has access to advances from the FHLB of Atlanta.

Deposits. Customer deposits are attracted principally from within the Bank's primary market area through the offering of a broad selection of deposit instruments including demand deposit accounts, checking accounts, 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 following table indicates the amount of the Bank's time deposits of $100,000 or more by time remaining until maturity at December 31, 1998.

Maturity	Amount
	(In Thousands)
3 months or less........................	$ 4,030
3-6 months..............................	1,828
6-12 months.............................	9,638
Over 12 months..........................	2,945
	$18,441

Borrowings

Deposits are the primary source of funds of the Bank's lending and investment activities and for its general business purposes. The Bank 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 Bank's stock in the FHLB of Atlanta and a portion of the Bank's first mortgage loans and certain other assets. At December 31, 1998, the Bank had $0 in secured FHLB advances.

Subsidiary Activity

The Company has one wholly owned subsidiary, the Bank, which is chartered under the laws of the State of Georgia. At December 31, 1998, the Bank had one wholly owned subsidiary, CCF Financial Services, Inc. CCF Financial Services, Inc., a Georgia-chartered 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 Bank. The Bank's investment in its subsidiary totaled $1,000 at December 31, 1998.

Personnel

As of December 31, 1998, the Bank had 65 full-time and 18 part-time employees. The Company does not have any employees other than officers. None of the Bank'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 Bank. The description does not purport to be complete and is qualified in its entirety by reference to applicable laws and regulations.

General. The Company is a bank holding company registered with the Board of Governors of the Federal Reserve System (the "Federal Reserve") under the Bank Holding Company Act of 1956, as amended (the "BHC Act") and with the Georgia Department of Banking and Finance (the "GDBF") under the Georgia Bank Holding Company Act (the "Georgia BHC Act"). As such, the Company is subject to the supervision, examination, and reporting requirements of the BHC Act and the Georgia BHC Act, in addition to the regulations of the Federal Reserve.

The BHC Act requires every bank holding company to obtain the prior approval of the Federal Reserve before: (i) it may acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, the bank holding company will directly or indirectly own or control more than 5% of the voting shares of the bank; (ii) it or any of its subsidiaries, other than a bank, may acquire all or substantially all of the assets of any bank; or (iii) it may merge or consolidate with any other bank holding company.

The BHC Act further provides that the Federal Reserve may not approve any transaction that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any section of the United States, or the effect of which may be substantially to lessen competition or to tend to create a monopoly in any section of the country, or that in any other manner would be in restraint of trade, unless the anticompetitive effects of the proposed transaction are clearly outweighed by the public interest in meeting the convenience and needs of the community to be served. The Federal Reserve is also required to consider the financial and managerial resources and future prospects of the bank holding companies and banks concerned and the convenience and needs of the community to be served. Consideration of the convenience and needs issues generally focuses on the parties' performance under the Community Reinvestment Act. Consideration of financial resources generally focuses on capital adequacy, which is discussed below.

The BHC Act generally prohibits the Company from engaging in activities other than banking or managing or controlling banks or other permissible subsidiaries and from acquiring or retaining direct or indirect control of any company engaged in any activities other than those activities determined by the Federal Reserve to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. In determining whether a particular activity is permissible, the Federal Reserve must consider whether the performance of such an activity reasonably can be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. For example, factoring accounts receivable, acquiring or servicing loans, leasing personal property, conducting discount securities brokerage activities, performing certain data processing services, acting as agent or broker in selling credit life insurance and certain other types of insurance in connection with credit transactions, and performing certain insurance underwriting activities all have been determined by the Federal Reserve to be permissible activities of bank holding companies. The BHC Act does not place territorial limitations on permissible non-banking activities of bank holding companies. Despite prior approval, the Federal Reserve has the power to order

a holding company or its subsidiaries to terminate any activity or to terminate its ownership or control of any subsidiary when it has reasonable cause to believe that continuation of such activity or such ownership or control constitutes a serious risk to the financial safety, soundness, or stability of any bank subsidiary of that bank holding company.

The FDIC and the GDBF regularly examine the operations of the Bank and are given authority to approve or disapprove mergers, consolidations, the establishment of branches, and similar corporate actions. The FDIC and the GDBF also have the power to prevent the continuance or development of unsafe or unsound banking practices or other violations of law.

Payment of Dividends. The Company is a legal entity separate and distinct from its banking subsidiary. The principal sources of cash flow of the Company, including cash flow to pay dividends to its shareholders, are dividends by the Bank. There are federal and state statutory and regulatory limitations on the payment of dividends by the Bank to the Company as well as by the Company to its shareholders.

The payment of dividends by the Company and the Bank may also be affected or limited by other factors, such as the requirement to maintain adequate capital above regulatory guidelines and the requirement that the Bank maintain capital at least equal to a liquidation account created at the time a predecessor to the Bank converted from mutual to stock form.

Capital Adequacy. The Company and the Bank are required to comply with the substantially identical capital adequacy standards established by the Federal Reserve and the FDIC in the case of the Bank. There are two basic measures of capital adequacy: a risk-based measure and a leverage measure.

The risk-based capital standards are designed to make regulatory capital requirements more sensitive to differences in risk profile among banks and bank holding companies, to account for off-balance-sheet exposure, and to minimize disincentives for holding liquid assets. Assets and off-balance-sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance-sheet items.

The minimum guideline for the ratio (the "Total Risk-Based Capital Ratio") of total capital ("Total Capital") to risk-weighted assets is 8%. At least half of that capital level must consist of common stock, minority interests in the equity accounts of consolidated subsidiaries, noncumulative perpetual preferred stock, and a limited amount of cumulative perpetual preferred stock, less goodwill and certain other intangible assets ("Tier 1 Capital"). The remainder may consist of subordinated debt, other preferred stock, and a limited amount of loan loss reserves ("Tier 2 Capital").

In addition, the Federal Reserve and the FDIC have adopted substantially identical regulations that supplement the risk-based guidelines to include a minimum leverage ratio of 3% of Tier 1 capital to total assets less goodwill (the "leverage ratio"). Depending on the risk profile of the institution and other factors, the regulatory agencies may require a leverage 1% to 2% higher than the minimum 3% level. The guidelines also provide that bank holding companies experiencing internal growth or making acquisitions will be expected to maintain capital positions substantially above the minimum supervisory levels without significant reliance on intangible assets. Furthermore, the Federal Reserve has indicated that it will consider a "tangible Tier 1 Capital Leverage Ratio" (deducting all intangibles) and other indicia of capital strength in evaluating proposals for expansion or new activities.

The Company and the Bank were in compliance with applicable minimum capital requirements as of December 31, 1998.

Failure to meet capital guidelines could subject a bank to a variety of enforcement remedies, including issuance of a capital directive, the termination of deposit insurance by the FDIC, a prohibition on the taking of brokered deposits, and other restrictions on its business.

Support of Subsidiary Institutions. Under Federal Reserve policy, the Company is expected to act as a source of financial strength for, and to commit resources to support, the Bank. This support may be required at times when, absent such Federal Reserve policy, the Company may not be inclined to provide it. In addition, any capital loans by a bank holding company to any of its banking subsidiaries are subordinate in right of payment to deposits and to certain other indebtedness of such banks. In the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a banking subsidiary will be assumed by the bankruptcy trustee and entitled to a priority of payment.

Prompt Corrective Action. Federal banking regulators are required to establish five capital categories (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized) and to take certain mandatory supervisory actions, and are authorized to take other discretionary actions, with respect to institutions in the three undercapitalized categories, the severity of which will depend upon the capital category in which the institution is placed.

The capital levels established for each of the categories are as follows:

Capital Category	Tier 1 Capital	Total Risk-Based Capital	Tier 1 Risk-Based Capital
Well Capitalized	5% or more	10% or more	6% or more
Adequately Capitalized	4% or more	8% or more	4% or more
Undercapitalized	less than 4%	less than 8%	less than 4%
Significantly Undercapitalized	less than 3%	less than 6%	less than 3%
Critically Undercapitalized	2% or less tangible equity	--	--

For purposes of the regulation, the term "tangible equity" includes core capital elements counted as Tier 1 Capital for purposes of the risk-based capital standards, plus the amount of outstanding cumulative perpetual preferred stock (including related surplus), minus all intangible assets with certain exceptions. A depository institution may be deemed to be in a capitalization category that is lower than is indicated by its actual capital position if it receives an unsatisfactory examination rating.

An institution that is categorized as undercapitalized, significantly undercapitalized, or critically undercapitalized is required to submit an acceptable capital restoration plan to its appropriate federal banking agency. A bank holding company must guarantee that a subsidiary depository institution meets its capital restoration plan, subject to certain limitations. The obligation of a controlling holding company

to fund a capital restoration plan is limited to the lesser of 5% of an undercapitalized subsidiary's assets or the amount required to meet regulatory capital requirements. An undercapitalized institution is also generally prohibited from increasing its average total assets, making acquisitions, establishing any branches, or engaging in any new line of business, except in accordance with an accepted capital restoration plan or with the approval of the FDIC.

At December 31, 1998, the Bank had the requisite capital levels to qualify as well capitalized.

Insurance of Deposit Accounts. The deposit accounts held by the Bank 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.

Previously, as a member of the SAIF, the Bank 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. The Bank did not become a member of the BIF in connection with its conversion from a federal thrift to a Georgia-chartered commercial bank. In 1996, the annual insurance premium for most BIF members was lowered to $2,000. The lower 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 Bank of approximately .657% of deposits held on March 31, 1995. Beginning January 1, 1997, the deposit insurance assessment for SAIF members was reduced to .064% of deposits on an annual basis through the end of 1999. During this same period, BIF members will be assessed approximately .013% of deposits. After 1999, assessments for BIF and SAIF members should be the same. It is expected that these continuing assessments for both SAIF and BIF members will be used to repay outstanding Financing Corporation bond obligations.

Proposed Legislation and Regulatory Action. New regulations and statutes are regularly proposed that contain wide-ranging proposals for altering the structures, regulations and competitive relationships of the nation's financial institutions. It cannot be predicted whether or what form any proposed regulation or statute will be adopted or the extent to which the business of the Company may be affected by such regulation or statute.

Item 2. Description of Property

(a) Properties.

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

The Bank obtains rental income through the leasing of space in its main office building. During the fiscal years ended December 31, 1998 and December 31, 1997, such rental income was $21,240 and $43,000, respectively.

(b) Investment Policies.

See "Item 1. Description of Business" above for a general description of the Bank's investment policies and any regulatory or Board of Directors' percentage of assets limitations regarding certain investments. All of the Bank's investment policies are reviewed and approved by the Board of Directors of the Bank, and such policies, subject to regulatory restrictions (if any), can be changed without a vote of stockholders. The Bank'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. Description of Business - Lending Activities," and "Item 2. Description of Property. (a) Properties" above.

(2) Investments in Real Estate Mortgages. See "Item 1. Description of Business - Lending Activities."

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

(c) Description of Real Estate and Operating Data.

Not Applicable.

Item 3. Legal Proceedings

The Company and the Bank, 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 Bank 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 Bank. 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 December 31, 1998.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

The information contained under the section captioned "Stock Market Information" on page 2 of the Company's Annual Report for the fiscal year ended December 31, 1998 (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" 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. These statements are listed under Item 13 of this report. The audit report of the prior independent auditors is provided below.

[KPMG LLP LETTERHEAD]

Independent Auditors' Report

The Board of Directors
CCF Holding Company

We have audited the consolidated balance sheet of CCF Holding Company and subsidiary (the "Company") as of December 31, 1997 and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for the years ended December 31, 1997 and September 30, 1996, and for the three-month period ended December 31, 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 subsidiary as of December 31, 1997, and the results of their operations and their cash flows for the years ended December 31, 1997 and September 30, 1996, and for the three-month period ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

KPMG LLP

Atlanta, Georgia
February 6, 1998

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

On June 11, 1998, the board of directors of the Company determined to engage Porter Keadle Moore, LLP as its independent auditors for the fiscal year ended December 31, 1998. On June 15, 1998, the Company notified KPMG LLP ("KPMG"), its independent auditors for the fiscal years ended December 31, 1997 and September 30, 1996 and the three- month period ended December 31, 1996, of this determination and that KPMG would not be engaged for the fiscal year ending December 31, 1998. On May 7, 1998, the Company had orally advised KPMG that the audit committee of the board of directors of the Company would likely consider this matter during a meeting on June 11, 1998 and would thereafter report on this matter to the board of directors. The determination to replace KPMG was approved by the full board of directors of the Company.

The reports of KPMG for the fiscal years ended December 31, 1997 and September 30, 1996 and the three-month period ended December 31, 1996 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal years ended December 31, 1997 and September 30, 1996 and the three-month period ended December 31, 1996 and during the period from January 1, 1998 to June 15, 1998, there were no disagreements between the Company and KPMG concerning accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement. On December 10, 1996, the Company changed its fiscal year end from September 30th to December 31st.

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 April 27, 1999 (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 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. Report of Certified Public Accountants

2. CCF Holding Company and Subsidiary

   (a) Consolidated Balance Sheets at December 31, 1998 and December 31, 1997
   (b) Consolidated Statements of Earnings for the years ended December 31, 1998 and December 31, 1997, the

three months ended December 31, 1996 and the year ended September 30, 1996

(c) Consolidated Statements of Comprehensive Income for the years ended December 31, 1998 and December 31, 1997, the three months ended December 31, 1996, and the year ended September 30, 1996

(d) Consolidated Statements of Stockholders' Equity for the years ended December 31, 1998 and December 31, 1997, the three months ended December 31, 1996 and the year ended September 30, 1996

(e) Consolidated Statements of Cash Flows for the years ended December 31, 1998 and December 31, 1997, the three months ended December 31, 1996 and the year ended September 30, 1996

(f) 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**

10.1 Management Stock Bonus Plan***

10.2 1995 Stock Option Plan***

10.3 Employment Agreement with David B. Turner

10.4 Employment or Change in Control Agreements with other executive officers

13 Annual Report to Stockholders for the fiscal year ended December 31, 1998

21 Subsidiaries of the Registrant

23.1 Consent of KPMG LLP

23.2 Consent of Porter Keadle Moore, 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 exhibit 3(i) of the Registrant's Quarterly Report on Form 10-QSB for the quarterly period ended September 30, 1998 (File No. 0-25846).

** Incorporated by reference to exhibit 3.2 of the Registrant's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1997 (File No. 0-25846).

*** 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).

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: March 26, 1999 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 indicated on March 26, 1999.

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

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

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

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

By:
Joe B. Mundy
Director

By: /s/ Mary Jo Rogers
Mary Jo Rogers
Senior Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)

EMPLOYMENT AGREEMENT

THIS AGREEMENT entered into this 1st day of January, 1999 ("Effective Date"), by and between Heritage Bank (the "Bank") and David B. Turner (the "Employee").

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

WHEREAS, the parties desire by this writing to set forth the continuing employment relationship of the Bank 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 Bank. The Employee shall render such administrative and management services to the Bank 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 Bank and Parent. The Employee's other duties shall be such as the Board of Directors for the Bank (the "Board of Directors" or "Board") may from time to time reasonably direct, including normal duties as an officer of the Bank.

2. Base Compensation. As of the Effective Date, the Bank agrees to pay the Employee during the term of this Agreement a salary at the rate of $110,000 per annum, payable in cash not less frequently than semi-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 Bank 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.

4. (a) Participation in Retirement and Medical Plans. The Employee shall be entitled to participate in any plan of the Bank relating to pension,

profit-sharing, or other retirement benefits and medical coverage or reimbursement plans that the Bank 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 Bank's senior management employees, including by example, participation in any stock option or incentive plans adopted by the Board of Directors of Bank 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 Bank shall reimburse Employee for all reasonable out-of-pocket expenses which Employee shall incur in connection with his service for the Bank.

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. Additionally, not later than 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 Bank 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 Bank 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 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 Bank.

(b) The Employee shall not be entitled to receive any additional compensation from the Bank 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 Bank.

(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 Bank 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 Bank. 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 Bank.

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 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 Bank 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 Bank'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 Bank 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 Bank 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 Bank: (i) by the Georgia Department of Banking and Finance, or their designee, at the time that the Federal Deposit Insurance Corporation ("FDIC") enters into an agreement to provide assistance to or on behalf of the Bank under the authority contained in Section 13(c) of FDIA; or (ii) by the Director of the FDIC, or his or her designee, at the time that the Director of the FDIC, or his or her designee approves a supervisory merger to resolve problems related to operation of the Bank or when the Bank is determined by the Director of the FDIC 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 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 Bank'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 Bank'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 Bank 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 Bank employees. Thereafter, Employee shall be eligible to receive benefits provided by the Bank under the provisions of disability insurance coverage in effect for Bank 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 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 Bank 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 Bank 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 Bank's voting stock, the control of the election of a majority of the Parent's or Bank's directors, or the exercise of a controlling influence over the management or policies of the Parent or Bank 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 Bank 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 Bank or Parent, Employee would be required to report to a person or persons other than the Board of the Bank or Parent; (iii) if the Bank 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 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 Bank; 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 Bank 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 Bank or Parent.

(b) Since the Bank 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 Bank.

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.

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.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and first hereinabove written.

Heritage Bank

ATTEST: By:/s/ Leonard Moreland

/s/ Charles S. Tucker

Secretary

WITNESS:

/s/ Jenny Owen	/s/ David B. Turner
------------------------------	--
	David B. Turner, Employee

EMPLOYMENT AGREEMENT

THIS AGREEMENT entered into this 1st day of January, 1999 ("Effective Date"), by and between Heritage Bank (the "Bank") and Mr. Leonard Moreland (the "Employee").

WHEREAS, the Employee is experienced in all phases of the management and operations of a insured financial institution and is experienced in all phases of the business of the Bank; and

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

NOW, THEREFORE, it is AGREED as follows:

1. Employment. Upon the Effective Date, the Employee shall be employed in the capacity as the Chief Administrative Officer of the Bank reporting directly to the President of the Bank. The Employee shall render such administrative and management services to the Bank and CCF Holding Company ("Parent") as are customarily performed by persons situated in a similar executive capacity. The Employee shall promote to the extent permitted by law the business of the Bank and Parent. The Employee's other duties shall be such as the President or the Board of Directors for the Bank (the "Board of Directors" or "Board") may from time to time reasonably direct, including normal duties as an officer of the Bank.

2. Base Compensation. As of the Effective Date, the Bank agrees to pay the Employee during the term of this Agreement a salary at the rate of $100,000 per annum, payable in cash not less frequently than semi-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 such salary shall be subject to revision from time to time within the sole discretion of the President and the Board upon a determination that the performance of the Employee has met the requirements and standards of the President and the Board, and that such base salary shall be adjusted.

3. Discretionary Bonus. The Employee shall be entitled to participate in an equitable manner with all other senior management employees of the Bank 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.

4. (a) Participation in Retirement and Medical Plans. The Employee shall be entitled to participate in any plan of the Bank relating to pension, profit-sharing, or other retirement benefits and medical coverage or

reimbursement plans that the Bank 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 Bank's senior management employees. The Bank shall reimburse Employee for all reasonable out-of-pocket expenses which Employee shall incur in connection with his service for the Bank.

5. Term. The term of employment of Employee under this Agreement shall be for the period commencing on the Effective Date and ending thirty-six months thereafter. Additionally, not later than on each annual anniversary date from the Effective Date, the term of employment under this Agreement shall be extended for up to an additional one year period beyond the then effective expiration date so that the remaining term of the Agreement shall be for twenty-four months thereafter 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 Bank or Parent.

(b) Nothing contained in this Section 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 Bank 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 President or the Board of Directors shall in its discretion permit, the Employee shall be entitled to absent himself voluntarily from the performance of his employment under this Agreement as follows:

(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 Bank.

(b) The Employee shall not be entitled to receive any additional compensation from the Bank 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 Bank.

(c) 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 Bank.

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 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 Bank shall be obligated to continue to pay the Employee the salary provided pursuant to Section 2 herein in effect as of the date prior to such date of termination of employment for a period of twenty-four months thereafter 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 Bank'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 Bank 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 Bank 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 Bank: (i) by the Georgia Department of Banking and Finance, or his or her designee, at the time that the Federal Deposit Insurance Corporation ("FDIC") enters into an agreement to provide assistance to or on behalf of the Bank under the authority contained in Section 13(c) of FDIA; or (ii) by the Director of the FDIC, or his or her designee, at the time that the Director of the FDIC, or his or her designee approves a supervisory merger to resolve problems related to operation of the Bank or when the Bank is determined by the Director of the FDIC 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 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 Bank'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 Bank'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 Bank may in its discretion (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 receive the compensation and benefits provided under the provisions of disability insurance coverage in effect for Bank 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 Section 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 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 Bank 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 Bank 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 Bank's voting stock, the control of the election of a majority of the Parent's or Bank's directors, or the exercise of a controlling influence over the management or policies of the Parent or Bank 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 Bank 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 Bank or Parent, Employee would be required to report to a person or persons other than the

President or the Board of the Bank or Parent; (iii) if the Bank 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 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 reelected to the Board of Directors of the Bank; 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 Bank 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 Bank or Parent.

(b) Since the Bank 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 Bank.

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.

15. Applicable Law. This agreement shall be governed in 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.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and first hereinabove written.

Heritage Bank

ATTEST:

By:/s/ David B. Turner, President

/s/ Charles S. Tucker

Secretary

WITNESS:

/s/ Jenny Owen

/s/ Leonard Moreland

Leonard Moreland, Employee

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT ("Agreement") entered into this 1st day of January, 1999 ("Effective Date"), by and between Heritage Bank (the "Bank") and Richard P. Florin (the "Employee").

WHEREAS, the Employee is currently employed by the Bank as Senior Vice President and is experienced in all phases of the financial services industry and the business of the Bank; and

WHEREAS, the parties desire by this writing to set forth the rights and responsibilities of the Bank and Employee if the Bank should undergo a change in control (as defined hereinafter in the Agreement) after the Effective Date.

NOW, THEREFORE, it is AGREED as follows:

1. Employment. The Employee is employed in the capacity as the Senior Vice President of the Bank. The Employee shall render such administrative and management services to the Bank and CCF Holding Company ("Parent") as are currently rendered and as are customarily performed by persons situated in a similar executive capacity. The Employee's other duties shall be such as the President or the Board of Directors for the Bank (the "Board of Directors" or "Board") may from time to time reasonably direct, including normal duties as an officer of the Bank and the Parent.

2. Term of Agreement. The term of this Agreement shall be for the period commencing on the Effective Date and ending twenty-four (24) months thereafter ("Term"). Additionally, on, or before, each annual anniversary date from the Effective Date, the Term of this Agreement may be extended for up to 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.

3. Termination of Employment in Connection with or Subsequent to a Change in Control.

(a) Notwithstanding any provision herein to the contrary, in the event of 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 Bank or Parent, Employee shall be paid an amount equal to 100% of the taxable compensation paid to Employee by the Bank for the twelve month period prior to the date of termination of employment (whether said amounts were received or deferred by the Employee) and the costs associated with maintaining coverage under the Bank's medical and dental insurance reimbursement plans similar to that in effect on the date of termination of employment for a period of one year thereafter. 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 minus 100 basis points, or in periodic payments over the next 12 months, and such payments shall be in lieu of any other future payments which the Employee would be otherwise entitled to receive. 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 Bank or the Parent shall be deemed an "excess parachute payment" in accordance with Section 280G of the Internal

Revenue Codes of 1986, as amended (the "Code") and be subject to the excise tax provided at Section 4999(a) of the Code. The term "Change in Control" shall mean: (i) the execution of an agreement for the sale of all, or a material portion, of the assets of the Bank or the Parent; (ii) the execution of an agreement for a merger or recapitalization of the Bank or the Parent or any merger or recapitalization whereby the Bank or the Parent is not the surviving entity; (iii) a change in control of the Bank or the Parent, as otherwise defined or determined by the Office of Thrift Supervision or regulations promulgated by it; or (iv) the acquisition, directly or indirectly, of the beneficial ownership (within the meaning of that term as it is used in Section 13(d) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder) of twenty-five percent (25%) or more of the outstanding voting securities of the Bank or the Parent by any person, trust, entity or group. 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 except as provided at Sections 4(b), 4(c), 4(d), 4(e) and 5, Employee may voluntarily terminate his employment under this Agreement within twenty-four months following a Change in Control of the Bank or Parent, and Employee shall thereupon be entitled to receive the payment and benefits described in Section 3(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 Bank or Parent, Employee would be required to report to a person or persons other than the Executive Vice President and Chief Administrative Officer; (iii) if the Bank or Parent should fail to maintain the Employee's base compensation in effect as of the date of the Change in Control and existing employee benefits plans, including material fringe benefit, stock option and retirement plans, except to the extent that such reduction in benefit programs is part of an overall adjustment in benefits for all employees of the Bank or Parent and does not disproportionately adversely impact the Employee; (iv) if Employee would be assigned duties and responsibilities other than those normally associated with his position as referenced at Section 1, herein; or (v) if Employee's responsibilities or authority have in any way been materially diminished or reduced.

4. Other Changes in Employment Status.

(a) Except as provided for at Section 3, herein, the Board of Directors may terminate the Employee's employment at any time with or without Just Cause within its sole discretion. This Agreement shall not be deemed to give Employee any right to be retained in the employment or service of the Bank, or to interfere with the right of the Bank to terminate the employment of the Employee at any time. The Employee shall have no right to receive compensation or other benefits for any period after termination for 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.

(b) If the Employee is removed and/or permanently prohibited from participating in the conduct of the Bank'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 Bank under this Agreement shall terminate, as of the effective date of the order, but the vested rights of the parties shall not be affected.

(c) If the Bank 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.

(d) 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 Bank: (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 Bank 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 ofthe Bank or when the Bank 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.

(e) 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.

5. Suspension of Employment . If the Employee is suspended and/or temporarily prohibited from participating in the conduct of the Bank'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 Bank'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 Bank may within its discretion (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.

6. Successors and Assigns.

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

(b) The Employee shall be precluded from assigning or delegating his rights or duties hereunder without first obtaining the written consent of the Bank.

7. 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.

8. 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, except to the extent that Federal law shall be deemed to apply.

9. 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.

10. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules then in effect of the district office of the American Arbitration Association ("AAA")nearest to the home office of the Bank, and judgment upon the award rendered may be entered in any court having jurisdiction thereof, except to the extend that the parties may otherwise reach a mutual settlement of such issue. The Bank shall reimburse Employee for all reasonable costs and expenses, including reasonable attorneys' fees, arising from such dispute, proceedings or actions, following the delivery of the decision of the arbitrator finding in favor of the Employee. Further, the settlement of the dispute 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 reasonable costs and expenses, including reasonable attorneys' fees, arising from such dispute, proceedings or actions, or the Board of the Bank or the Parent may authorize such reimbursement of such reasonable costs and expenses by separate action upon a written action and determination of the Board following settlement of the dispute.

11. 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.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and first hereinabove written.

Heritage Bank

ATTEST:

By:/s/ David B. Turner, President

/s/ Charles S. Tucker

Secretary

WITNESS:

/s/ Leonard Moreland

/s/ Richard Florin

Richard P. Florin, Employee

CCF HOLDING COMPANY
and its wholly owned subsidiary
Heritage Bank

ANNUAL REPORT TO STOCKHOLDERS

Year Ended December 31, 1998

CCF HOLDING COMPANY
ANNUAL REPORT

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Dear Fellow Shareholder:

It is with a great deal of pride and pleasure that we report to you the results of operations of CCF Holding Company and its subsidiary, Heritage Bank, for the fiscal year ended December 31, 1998. As you will see when you read the details, the year proved to be successful as market share and earnings grew dramatically.

The banking talent assembled by the Board of Directors has successfully transformed us from our "traditional thrift" roots to a vibrant, full service financial institution capable of competing equally against financial giants and other community institutions. For that we take pride. The results contained in the body of this report will show a strong positive trend in almost all the important areas.

Last year's annual report disclosed our intentions of entering into new markets. By the end of 1998 those new markets have now grown to $54.6 million in deposits and $42.6 million in loans outstanding. We accomplished this substantial growth by focusing on customer service, hiring and maintaining good employees and applying sound banking principals.

Thank you for your continuing support. We are eagerly anticipating 1999.

Very truly yours,

/s/D. B. Turner

D. B. Turner
President & CEO

CCF HOLDING COMPANY

Corporate Profile and Related Information

CCF Holding Company (the "Company") is a bank holding company chartered by the State of Georgia. Heritage Bank (the "Bank") is a commercial bank that is the wholly owned subsidiary of the Company. Prior to September 1, 1998, the Company was a savings and loan holding company and the Bank was a federally chartered savings bank. The Company was organized in 1995 in connection with the conversion from a mutual to stock form of organization (the "Conversion") of a predecessor of the Bank in July 1995. The Bank, through its predecessors, commenced business in 1955.

The Bank operates five offices within its primary market area in Clayton, Fayette and Henry Counties. The market area is part of the Atlanta, Georgia metropolitan statistical area. The Bank is subject to examination and comprehensive regulation by the State of Georgia and the Federal Deposit Insurance Corporation ("FDIC") and its deposits are federally insured by the Savings Association Insurance Fund ("SAIF") of the FDIC. The Bank 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 Company is also subject to state and federal regulation.

The Bank attracts deposits from the general public and uses such deposits primarily to invest in and originate commercial, residential and consumer loans and, to a lesser extent, to invest in investment securities. The principal sources of funds for the Bank's lending activities are deposits, Federal Home Loan Bank borrowings and the amortization, repayment, and maturity of loans and investment securities. The Bank does not rely on brokered deposits. Principal sources of income are interest on loans and investment securities. The Bank'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 prices paid on actual transactions as well as dividend information. The quotations reflect inter-dealer prices, and may not include retail mark-up, mark-down, or commission.

<TABLE>
<CAPTION>

Period	High	Low	Dividends Declared	Dividends Paid
<S>	<C>	<C>	<C>	<C>
1997 - First Quarter(1)	$15.00	$13.40	$ ---	$ .45
1997 - Second Quarter(1)	15.23	14.31	.25	---
1997 - Third Quarter(1)	15.45	15.00	---	.25
1997 - Fourth Quarter(1)	21.00	15.56	.27	---
1998 - First Quarter	$22.00	$20.50	$ .16	$ .27
1998 - Second Quarter	24.00	21.50	.16	.16
1998 - Third Quarter	22.00	16.75	.16	.16
1998 - Fourth Quarter	18.00	13.00	.16	.16

</TABLE>

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(1) Dividends declared and Dividends Paid were restated to reflect a 10% stock dividend declared on December 16, 1997.

The number of stockholders of record as of December 31, 1998 was approximately 400, inclusive of the number of persons or entities who held stock in nominee or "street" name through various brokerage firms. At December 31, 1998, there were 895,148 shares outstanding, net of 5,441 shares held as treasury shares. The Company's ability to pay dividends to stockholders is primarily dependent upon the dividends it receives from the Bank and to a lesser extent the amount of cash on hand. The Bank may not declare or pay a cash dividend on any of its stock if the effect thereof would cause the Bank's regulatory capital to be reduced below (1) the amount required for the liquidation account established in connection with the Conversion (up to $6.6 million), or (2) the regulatory capital requirements.

SELECTED FINANCIAL AND OTHER DATA

Financial Condition (Dollars in thousands)	At December 31, 1998	At December 31, 1997	At September 30,(1) 1996	At September 30,(1) 1995	At September 30,(1) 1994
Total Amount of:					
Assets	$169,860	124,956	80,283	79,822	69,080
Loans receivable, net	121,827	97,541	51,500	45,196	44,244
Mortgage-backed securities	201	1,838	10,025	7,896	6,804
Investment securities	29,256	9,722	13,353	15,671	12,795
Liabilities	158,234	113,436	65,843	62,501	62,866
Deposits	154,977	91,201	61,822	61,132	61,598
Securities sold under agreements to repurchase	1,117	2,393	-	-	-
FHLB advances	-	18,510	2,500	-	-
Stockholders' equity	11,626	11,519	14,440	17,322	6,214
Other Data:					
Net income	619	137	473	604	431
Average assets	152,652	99,675	79,348	72,229	70,533
Average equity	10,499	11,934	16,733	8,973	6,061
Full service offices (2)	5	5	1	1	1

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(1) The Company changed its fiscal year end from September 30 to December 31 during December 1996.

(2) During 1997, the Bank opened two new offices and converted two existing customer service facilities into full service offices.

Summary of Operations (Dollars in thousands)	Year Ended December 31, 1998	Year Ended December 31, 1997	Year Ended September 30,(1) 1996	Year Ended September 30,(1) 1995	Year Ended September 30,(1) 1994
Total interest income	$ 12,437	8,090(3)	5,573	5,021	4,872
Total interest expense	6,800	3,921	2,527	2,479	2,245
Net interest income	5,637	4,169	3,046	2,542	2,627
Provision for loan losses	275	126	130	5	69
Net interest income after provision for loan losses	5,362	4,043	2,916	2,537	2,558
Other income	968	909(3)	415	328	346
Other expenses(2)	5,380	4,746	2,715	1,968	1,904
Income before income taxes and cumulative effect of change in accounting principle	950	206	616	897	1,000
Income tax expense	332	69	143	293	363
Income before cumulative effect of change in accounting principle	619	137	473	604	637
Cumulative effect of change in accounting principle	--	--	--	--	206
Net income	$ 619	137	473	604	431

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(1) The Company changed its fiscal year end from September 30 to December 31 during December 1996.

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

(3) Number has been adjusted to include fee income reported in 1997 as other income and now changed to interest income. The fee income in years ended September 30, 1994, 1995 and 1996 was not material to the balances reported. The fees in almost all cases are prepaid interest that is amortized over the life of the loan or taken into income up front to offset loan booking expense per FASB 91.

Key Operating Ratios
<TABLE>
<CAPTION>

Performance Ratios:	At or for the Year Ended December 31, 1998	1997	At or for the Year Ended September 30,(1) 1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Return on average assets (net income divided by average total assets)	0.40%	0.14%	0.60%	0.84%	0.61%
Return on average equity (net income divided by average equity)	5.34%	1.14%	2.83%	6.73%	7.11%
Average interest-earning assets to average interest-bearing liabilities	107.14%	112.88%	122.83%	110.75%	106.50%
Net interest rate spread	3.61%	3.87%	3.15%	3.31%	3.68%
Net yield on average interest-earning assets	3.95%	4.41%	4.04%	3.70%	3.89%
Net interest income after provision for loan losses to total other expenses	99.68%	74.97	107.40%	128.93%	134.38%
Basic earnings per share (2)	$ 0.74	$0.17	$0.45	$0.17	N/A
Diluted earnings per share (2)	$ 0.70	$0.16	$0.43	$0.17	N/A
Dividend payout (3)	86.49%	305.88%	111.11%	N/A	N/A
Capital Ratios					
Book value per share (2)	$12.99	$12.81	$13.35	$13.23	N/A
Average equity to average assets (average equity divided by average total assets)	7.45%	11.97%	21.09%	12.42%	8.59%
Equity-to-assets (End of Period)	6.84%	9.22%	17.99%	21.7%	9.00%
Asset Quality Ratios:					
Non-performing loans to total loans, net	0.09%	0.38%	1.17%	0.39%	0.41%
Non-performing loans to total assets	0.07%	0.29%	0.75%	0.22%	0.26%
Allowance for loan losses to nonperforming loans	865.70%	182.93%	89.90%	233.71%	237.63%

</TABLE>

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(1) The Company changed its fiscal year end from September 30 to December 31 during December 1996.

(2) There were no shares outstanding prior to the consummation of the Company's initial public offering on July 11, 1995. For purposes of presenting net income per share for the year ended September 30, 1995, only post Conversion net income is considered. All per share data has been restated to reflect a 10% stock dividend declared on December 16, 1997 and paid on January 2, 1998.

(3) Dividends declared per share divided by net income per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The earnings of the Company depend primarily on the earnings of the Bank. The largest components of the Bank's net income are net interest income, which is the difference between interest income and loan fees and interest expense, and other income derived primarily from service fees on deposit accounts. Consequently, the Bank'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 Bank'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 Bank 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 Bank'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 Bank 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. After the Conversion from mutual to stock, the Bank was confronted with issues new to its operating strategies. The primary issues were that of managing the excess capital and doing so in a safe and sound long term manner. The ensuing strategy was to repurchase shares, grow market share and increase the dividend payout. The results of this strategy have been the repurchase of more than 30% of the original outstanding shares, a growth of 140% in deposits and the payment of $2.11 per share in dividends since the Conversion. Indications are that shareholder value per share has increased and the Bank continues to exceed all regulatory capital guidelines.

2. Reduction of Interest Rate Risk. The Bank manages its interest rate risk through the origination of adjustable-rate loans when market conditions permit. The emphasis in the loan portfolio continues to be to increase the volume of loans that reprice at least annually, this will match the repricing of its liabilities.

3. Asset Quality. The Bank continues to seek to maintain its asset quality through detailed underwriting and through analysis of its loan requests. At December 31, 1998, the Bank's ratio of nonperforming loans to total loans was .09% and to total assets was .07%.

4. Product and Customer Base. The Bank increased the size of its loan portfolio by approximately $25 million between December 31, 1997 and December 31, 1998. The increase is attributed to a growth in commercial lending (primarily real estate mortgages) of 47%, residential construction

lending of 100%, and consumer lending primarily through indirect lending activities of 235%. This growth more than offset the sale of seasoned residential mortgage loans that caused a 25% reduction in the residential mortgage loan portfolio. The Bank's deposits increased by nearly 70% from $91 million at December 31, 1997 to $155 million at December 31, 1998 as a way to fund this loan growth. The Bank has also repaid all borrowings of funds from the Federal Home Loan Bank. During 1999, it is expected that the Bank's commercial and consumer lending will continue to increase in relation to its residential mortgage lending. The Bank will seek to continue to expand its customer base through advertising, direct mail and one on one personal visits with prospective customers.

The management of the Bank believes that there are opportunities for growth within the Bank's primary market area and adjacent market areas, and the Bank 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. As is discussed below, with this growth comes new risks, and the ability of the Bank to successfully complete the dramatic changes it has begun will in large measure directly impact its financial condition and operating results in future periods. This growth is designed to allow the Bank to become more like a commercial bank and compete on a broader scale in the highly competitive financial services industry.

Asset and Liability Management

Interest Rate Sensitivity. The ability to maximize net interest income is largely dependent on achieving a positive interest rate spread that can be sustained during fluctuations in prevailing interest rates. The Bank, like many other financial institutions, is subject to interest rate risk resulting from 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 many types of loans, increases in interest rates may have an adverse effect on the Bank's earnings. The Bank reduces this exposure by diversifying the loan portfolio to include more loans at primarily variable rates.

The Bank's net interest rate spread was 3.87% for the year ended December 31, 1997 and 3.61% for the year ended December 31, 1998. Results of the Company's cumulative interest sensitivity gap analysis indicate that a fluctuation in interest rates would have only a slight impact on the Bank's net interest rate spread and earnings as the ratio of interest sensitive assets to interest sensitive liabilities in the one year time frame approximates one.

The Bank attempts to manage the interest rates it pays on deposits while maintaining a stable deposit base and providing quality services to its customers. The Bank has continued to rely primarily on deposits as its source of funds. To the extent the Bank is unable to invest these funds in loans originated in the Bank's market area, it will continue to purchase mortgage-backed securities and 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 Bank has instituted certain asset and liability management measures, including the following: 1) reduce the maturities or terms to reprice 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 Bank; 3) increase the amount of less rate-sensitive deposits by actively seeking demand deposit accounts; and 4) encourage long-term depositors to maintain their accounts with the Bank through expanded customer products and services.

Average Balance Sheets. The following table sets forth certain information relating to the Bank'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.

<TABLE>
<CAPTION>

	For the Year Ended December 31,					
	1998			1997		
	Average Balance	Interest Income/ Expense	Yield	Average(4) Balance	Interest Income/ Expense	Yield
	(Dollars in Thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Assets						
Interest-earning assets:						
Loans(1) interest and fees	$114,359	10,778	9.42%	82,973	7,414(5)	8.94%
Mortgage-backed securities	585	34	5.81%	3.483	183	5.25%
Investment securities	25,519	1,463	5.73%	5,679	335	5.90%
FHLB Stock	1,013	75	7.40%	1,013	74	7.31%
Interest-earning deposits in other financial institutions	1,197	87	7.27%	1,309	84	6.42%
Total interest-earning assets	142,673	12,437	8.72%	94,457	8,090	8.56%
Other noninterest-earning assets	9,979			5,218		
Total assets	$152,652			99,675		
Liabilities and stockholders' equity:						
Interest-bearing liabilities:						
Demand deposits	$ 34,346	1,318	3.84%	15,477	473	3.06%
Regular savings	9,590	235	2.45%	10,771	231	2.14%
Time deposits	84,841	5,011	5.91%	48,143	2,721	5.65%
FHLB advances	2,363	135	5.71%	9,154	489	5.34%
Securities sold under agreements to repurchase	2,027	101	4.98%	135	7	5.19%
Total interest-bearing liabilities	133,167	6,800	5.11%	83,680	3,921	4.69%
Non-interest-bearing deposits	7,076			3,758		
Other noninterest-bearing liabilities	1,910			303		
Stockholders' equity	10,499			11,934		
Total liabilities and stockholders' equity	$152,652			99,675		
Excess of interest-earning assets over interest-bearing liabilities	$ 9,506			10,777		
Ratio of interest-earning assets to interest-bearing liabilities	107.14%			112.88%		
Net interest income		5,637			4,169	
Net interest spread(2)			3.61%			3.87%
Net yield on average interest-earning assets(3)			3.95%			4.41%

</TABLE>

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(1) Average balances include nonaccrual loans.
(2) Net interest spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
(3) Net yield on average interest-earning assets represents net interest income as a percentage of average interest-earning assets.
(4) Average balances are derived from month end balances. Management does not believe the use of month end balances rather than average daily balances has caused any material difference in the information presented.
(5) Number has been adjusted to include fee income reported in 1997 separate from interest income.

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 Bank'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 December 31, 1998 and 1997 — 1998 compared to 1997 — Changes due to			Years Ended December 31, 1997 and September 30, 1996 — 1997 compared to 1996 — Changes due to		
	Volume	Rate/ Yield	Total	Volume	Rate/ Yield	Total
	(In Thousands)			(In Thousands)		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest income:						
Loans	$2,966	398	3,364	3,449	80	3,529
Mortgage-backed securities	(169)	20	(149)	(312)	(123)	(435)
Investment securities	1,128	-	1,128	(585)	-	(585)
FHLB Stock	-	1	1	-	-	-
Interest-earning deposits in other financial institutions	14	(11)	3	(31)	(2)	(33)
Total interest income	$3,939	408	4,347	2,521	(45)	2,476
Interest expense:						
Demand deposits	$ 724	121	845	65	172	237
Regular savings	(29)	33	4	(21)	(22)	(43)
Time deposits	2,184	106	2,290	708	12	720
FHLB advances	(388)	34	(354)	467	6	473
Securities sold under agreements to repurchase	94	-	94	7	-	7
Total interest expense	2,585	294	2,879	1,226	168	1,394
Net interest income	$1,354	114	1,468	1,295	(213)	1,082

</TABLE>

Comparison of Financial Condition at December 31, 1998 and December 31, 1997

Total assets increased approximately $45 million between the two dates due to increased lending from funds provided from increased deposits. Stockholders' equity increased by approximately $107,000 to $11.6 million at December 31, 1998 from $11.5 million at December 31, 1997. The increase was attributable to net income of approximately $619,000 that was partially offset by dividends declared of

$534,000 and a reduction of net unrealized holding gains on investment and mortgage backed securities available for sale of approximately $183,000. 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 the Company's portfolio of securities is classified as available for sale, volatility in the fair value of such securities could continue during periods of changing market interest rates. Other items contributing to the change were employee stock ownership plan shares allocated totaling $72,000 and management stock bonus plan compensation expense of $98,659.

Comparison of Operating Results For The Fiscal Years Ended December 31, 1998 and December 31, 1997

Net Income. The Company's net income increased by $482,000 from $137,000 in 1997 to $619,000 in 1998. The increase was primarily due to the increase in net interest income from $4,169,000 in 1997 to $5,637,000 in 1998. This increase in net interest income was partially offset by an increase in other expenses from $4,746,000 in 1997 to $5,380,000 in 1998. The net interest income increase is primarily due to the increased lending activities and the increase in other expenses is due primarily to the opening and staffing of our permanent branch facility in Henry County.

Net Interest Income. Net interest income (before provision for loan losses) increased from $4.2 million in 1997 to $5.6 million in 1998. This increase was primarily due to an increase in interest and fee income on loans of $3.4 million, more than offsetting the increase in interest expense on deposits and FHLB advances of $2.9 million. Interest income on investment securities and mortgage backed securities also increased by $1.0 million as these portfolios increased in size. The increases in lending were primarily in commercial, residential construction and consumer loans. Commercial loans increased approximately $12 million, construction loans increased approximately $10 million and consumer loans increased approximately $11 million.

Provision For Loan Losses. The Bank increased the provision for loan losses from $127,000 in 1997 to $275,000 in 1998. The increase was due to management's assessment of the risk inherent in the portfolio and the assessment of the risk relative to the changes in the size of the portfolio. The Bank's allowance for loan losses increased from $670,000 at December 31, 1997 to $943,000 at December 31, 1998. The adequacy of the allowance for loan losses is evaluated periodically based on a review of all significant loans, with particular emphasis on impaired, non-accruing, past due and other loans that management believes require special attention. The Bank also utilized an independent loan review process in assessing the overall adequacy of the allowance for loan losses. Management believes that its allowance for loan losses is adequate. Management will continue to monitor and adjust the allowance as necessary in future periods based on growth in the loan portfolio, loss experience and the continued expected changing mix of loans in the loan portfolio. If the size of the loan portfolio continues to increase and the relative proportion in that portfolio of commercial and construction loans increases, it is expected that the provision for loan losses will increase in order to maintain the allowance for loan losses at an adequate level.

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 December 31, 1998		At December 31, 1997	
	Amount	Percent of Loans in each Category to Total Loans	Amount	Percent of Loans in each Category to Total Loans
<S>	<C>	<C>	<C>	<C>
Balance at end of period applicable to:				
Permanent residential mortgage.	$ 70	29.74%	$ 42	49.97%
Construction	337	17.68	288	14.30
Commercial.	390	40.44	294	31.33
Consumer and other.	146	12.14	46	4.40
Total	$943	100%	$670	100%

</TABLE>

Other Income. Other income increased from $909,000 in 1997 to $968,000 in 1998. This increase was attributable primarily to an increase in service charges on deposit accounts of $166,000 which was partially offset by a decrease in gains from sales of investment securities primarily by equity securities in the amount of $107,000. Gains on sale of mortgage loans increased from $25,000 to $63,000. The portion of the fixed rate mortgage loan portfolio of the Bank that was eligible for sale was sold to the secondary market. Loans that will be sold in future periods will be loans that are originated in the future (new production) rather than loans in the existing portfolio.

Other Expenses. Other expenses increased from $4.7 million during 1997 to $5.4 million during 1998, representing an approximate 13.4% increase. Included in this increase is $247,000 in salaries and benefits associated with the continuing expansion of the Bank's product line. Of the $229,000 increase in occupancy expense, almost all was associated with the opening of our permanent Henry County facility and related utilities, furniture, fixtures and equipment depreciation expense. The remainder of the increases in other expenses was associated with increased advertising and upgrades associated with the Bank's technology.

Income Tax Expense. Income tax expense as a percent of income before taxes increased slightly from 33.5% in 1997 to 34.9% in 1998. The increase in the effective rate is due to a reduction of tax free municipal investments held in the investment portfolio.

Liquidity

The Bank is required to maintain minimum levels of liquid assets as defined by the State of Georgia and the FDIC regulations. Short-term liquidity at December 31, 1998 was 20.05%. The Bank 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 Bank 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 Bank has the ability to borrow from the Federal Home Loan Bank of Atlanta and other correspondent banks. These commitments totaled $13.5 million at December 31, 1998 with zero drawn at that time. 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 Bank's liquidity, represented by cash, cash equivalents, and securities available for sale, is a product of its operating, investing, and financing activities.

Year 2000

The Company recognized early in 1997 the need to assess and remedy the effects of the Year 2000 on operations and automated systems. Many computer programs that can only distinguish the final two digits of the year entered (a common programming practice in prior years) are expected to read entries for the Year 2000 as the year 1900 or as zero and incorrectly attempt to compute payment amounts, interest accruals, delinquency and other data. Management has been evaluating both information technology (computer hardware and software systems) and non-information technology (e.g. vault timers, electronic door locks, elevators and heating, ventilation and air conditioning controls) systems. These systems and functions have been divided into two categories, mission critical and non-mission critical. This work has been conducted by a task force organized in 1997 and chaired by a member of the executive management team.

The Year 2000 project is broken down into five phases; Awareness, Assessment, Renovation, Validation and Implementation. The awareness phase was completed at CCF Holding Company prior to September 30, 1997. As each new employee is hired the importance placed on satisfactory compliance is stressed. The assessment phase was completed in early 1998 and included the identification of mission critical items as discussed in the previous paragraph. The renovation phase is approximately 85% complete as of year end 1998. All core processing, ancillary communications and micro-computer software and hardware have been renovated. Those areas lacking renovation at this time include vendors such as power, telephone and data communications and some federal government agencies. The validation, commonly called the "certification" phase, is 85% complete as well. Management has certified, through the internal certification committee, all systems listed as renovated at December 31, 1998. The implementation phase has progressed well with all core system applications and micro computer applications implemented with year 2000 upgrades. The only items certified and not implemented to date are micro-computer hardware already scheduled for replacement in 1999. Non-mission critical items are in various levels of renovation, validation and implementation with all scheduled for completion prior to June 30, 1999.

Costs associated with the Year 2000 project have been negligible and have mostly been absorbed in the expansion expenses taking place over the past 24 months. The new technologies and processing systems installed during that period were certified Y2K compliant at management's insistence, as they were added.

Management has designed contingency and business resumption plans that will allow basic services to be provided to our customers, in the event of unexpected disruptions.

If the Company fails to significantly address the Year 2000 issues of the Bank, the following negative factors, among others, could occur:

(a) utility service companies may be unable to provide the necessary service to drive the Bank's data systems or provide sufficient sanitary conditions for the offices;

(b) the primary software provider could have a major malfunction in its system or their service could be disrupted due to its utility providers, or some combination of the two; or

(c) business may have to be transacted manually.

The Company will attempt to monitor these uncertainties by continuing to request an update on all critical and important vendors throughout the remainder of 1999. If any concerns are identified related to any critical vendor, the contingency plans will be implemented immediately to assure continued service to the Bank's customers.

Successful and timely completion of the Year 2000 project is based on management's best estimates derived from various assumptions of future events, which are inherently uncertain, including the progress and results of testing plans and the readiness of all vendors, suppliers and customers.

Despite the best efforts of management to address this issue, the vast number of external entities that have direct and indirect business relationships with the Company, such as customers, vendors, payment system providers and other financial institution, makes it impossible to assure that a failure to achieve compliance by one or more of these entities would not have material adverse impact on operations.

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 Bank's assets and liabilities are critical to the maintenance of acceptable performance levels.

[PORTER KEADLE MOORE, LLP LETTERHEAD]

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
CCF Holding Company

We have audited the accompanying consolidated balance sheet of CCF Holding Company and subsidiary as of December 31, 1998 and the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows for the year ended December 31, 1998. 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 audit. The consolidated financial statements of CCF Holding Company and subsidiary as of December 31, 1997, the year ended December 31, 1997, the three month period ended December 31, 1996 and the year ended September 30, 1996 were audited by other auditors whose report, dated February 6, 1998, expressed an unqualified opinion on those statements.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the 1998 consolidated financial statements referred to above present fairly, in all material respects, the financial position of CCF Holding Company and subsidiary as of December 31, 1998, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/Porter Keadle Moore, LLP

Porter Keadle Moore, LLP

Atlanta, Georgia
February 12, 1999

CCF HOLDING COMPANY AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 1998 and 1997

Assets

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>
Cash and due from banks, including reserve requirements of $766,000 and $458,000	$ 7,275,835	4,357,626
Interest-bearing deposits in other financial institutions	756,687	4,383,690
Federal funds sold	2,320,000	
Cash and cash equivalents	10,352,522	8,741,316
Investment securities available for sale	29,457,412	11,559,557
Loans, net	121,827,463	97,541,231
Premises and equipment, net	5,422,602	5,112,338
Federal Home Loan Bank stock, at cost	1,013,200	1,013,200
Accrued interest and dividends receivable	1,114,880	784,852
Other assets	671,863	203,550
	$169,859,942	124,956,044

Liabilities and Stockholders' Equity

Deposits:		
Noninterest-bearing deposits	$ 8,501,973	4,895,855
Interest-bearing deposits	44,555,271	21,837,258
Savings accounts	9,089,074	9,962,412
Time deposits less than $100,000	74,388,954	46,072,815
Time deposits greater than $100,000	18,441,449	8,433,000

Total deposits	154,976,721	91,201,340
Securities sold under agreements to repurchase	1,117,264	2,392,579
Federal Home Loan Bank advances	--	18,510,000
Other liabilities	2,139,844	1,332,520
Total liabilities	158,233,829	113,436,439
Commitments		
Stockholders' equity:		
Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding	-	-
Common stock, $.10 par value, 4,000,000 shares authorized; 900,589 shares issued and 895,148 shares outstanding in 1998; 906,710 shares issued and 899,024 shares outstanding in 1997	90,059	90,671
Additional paid-in capital	7,783,384	7,794,459
Retained earnings	4,528,267	4,443,500
Unearned ESOP shares	(468,000)	(540,000)
Unearned compensation	(286,339)	(394,195)
Treasury stock, at cost; 5,441 and 7,686 shares in 1998 and 1997, respectively	(59,777)	(96,800)
Accumulated other comprehensive income	38,519	221,970
Total stockholders' equity	11,626,113	11,519,605
	$169,859,942	124,956,044

</TABLE>
See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARY

Consolidated Statements of Earnings
For the Years Ended December 31, 1998 and 1997,
the Three Months Ended December 31, 1996 and the Year Ended September 30, 1996
<TABLE>
<CAPTION>

<S>	<C> Year ended December 31, 1998	<C> Year ended December 31, 1997	<C> Three months ended December 31, 1996	<C> Year ended September 30, 1996
Interest and dividend income:				
Interest and fees on loans	$10,778,100	7,413,839	1,265,291	3,884,901
Interest-bearing deposits in other financial institutions	87,321	84,196	18,727	116,986
Interest and dividends on taxable investment securities	1,570,866	582,336	288,901	1,600,604
Interest on nontaxable investment securities	600	9,720	7,110	11,152
Total interest and dividend income	12,436,887	8,090,091	1,580,029	5,613,643
Interest expense:				
Deposit accounts	6,563,637	3,424,439	631,824	2,510,350
Other borrowings	235,923	496,458	64,263	16,444
Total interest expense	6,799,560	3,920,897	696,087	2,526,794
Net interest income	5,637,327	4,169,194	883,942	3,086,849
Provision for loan losses	275,000	126,505	6,851	129,831
Net interest income after provision for loan losses	5,362,327	4,042,689	877,091	2,957,018
Other operating income:				
Service charges on deposit accounts	436,886	270,679	64,501	249,067
Net gain on sale of loans	62,628	24,647	--	36,435
Net gain on sale of investment securities	387,282	494,651	1,955	15,119
Other	80,934	118,970	27,613	73,316
Total other operating income	967,730	908,947	94,069	373,937
Other operating expenses:				
Salaries and employee benefits	3,083,362	2,836,395	471,213	1,171,405

Occupancy	1,017,073	788,147	94,939	427,826
Savings Association Insurance Fund assessment	--	--	--	397,568
Other	1,279,157	1,121,442	266,667	718,320
Total other operating expenses	5,379,592	4,745,984	832,819	2,715,119
Earnings before income taxes	950,465	205,652	138,341	615,836
Income tax expense	331,689	69,052	48,760	142,500
Net earnings	618,776	136,600	89,581	473,336
Basic earnings per share	$ 0.74	0.17	0.10	0.45
Diluted earnings per share	$ 0.70	0.16	0.09	0.43

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARY

Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 1998 and 1997,
the Three Months Ended December 31, 1996 and
the Year Ended September 30, 1996

<TABLE>
<CAPTION>

<S>	Year ended December 31, 1998 <C>	Year ended December 31, 1997 <C>	Three months ended December 31, 1996 <C>	Year ended September 30, 1996 <C>
Net earnings	$ 618,776	136,600	89,581	473,336
Other comprehensive income, net of tax: Unrealized gains (losses) on investment securities available for sale:				
Holding gains arising during the period, net of taxes of $34,695, $149,363, $148,901 and $19,293	56,608	243,698	242,943	31,532
Less: Reclassification adjustments for gains included in earnings, net of taxes of $147,223,$187,769, $742 and $5,140	(240,059)	(306,882)	(1,213)	(9,979)
Other comprehensive income (loss)	(183,451)	(63,184)	241,730	21,553
Comprehensive income	$ 435,325	73,416	331,311	494,889

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity

For the Years Ended December 31, 1998 and
1997, the Three Months Ended December 31, 1996 and the Year
Ended September 30, 1996

<TABLE>
<CAPTION>

	Common Stock		Additional		Unearned
<S>	Shares <C>	Amount <C>	Paid-In Capital <C>	Retained Earnings <C>	ESOP Shares <C>
Balance, September 30, 1995	1,190,250	$ 119,025	10,964,983	6,935,879	(720,000)

Net earnings	-	-	-	473,336	-
Dividends declared ($.50 per share)	-	-	-	(600,161)	-
Treasury stock purchased	-	-	-	-	-
ESOP shares allocated	-	-	11,372	-	90,000
Unrealized gains on investment securities available for sale, net of tax effect	-	-	-	-	-
Purchase of treasury stock and award of shares under management stock bonus plan	-	-	(4,641)	-	-
Balance, September 30, 1996	1,190,250	119,025	10,971,714	6,809,054	(630,000)
Net earnings	-	-	-	89,581	-
Dividends declared ($.45 per share)	-	-	-	(422,850)	-
Treasury stock purchased	-	-	-		-
Retirement of treasury stock	(274,350)	(27,435)	(3,500,796)	-	-
ESOP shares allocated	-	-	-	-	18,000
Unrealized gains on investment securities available for sale, net of tax effect	-	-	-	-	-
Balance, December 31, 1996	915,900	$ 91,590	7,470,918	6,475,785	(612,000)

</TABLE>

SECOND HALF OF TABLE CONTINUED BELOW

<TABLE>
<CAPTION>

	Unearned Compensation	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Income	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance, September 30, 1995	-	-	$ -	21,871	17,321,758
Net earnings	-	-	-	-	473,336
Dividends declared ($.50 per share)	-	-	-	-	(600,161)
Treasury stock purchased	-	190,250	(2,299,490)	-	(2,299,490)
ESOP shares allocated	-	-	-	-	101,372
Unrealized gains on investment securities available for sale, net of tax effect	-	-	-	21,553	21,553
Purchase of treasury stock and award of shares under management stock bonus plan	(371,304)	16,668	(202,519)	-	(578,464)
Balance, September 30, 1996	(371,304)	206,918	(2,502,009)	43,424	14,439,904
Net earnings	-	-	-	-	89,581
Dividends declared ($.45 per share)	-	-	-	-	(422,850)
Treasury stock purchased	-	84,100	(1,228,741)	-	(1,228,741)
Retirement of treasury stock	-	(274,350)	3,528,231	-	-
ESOP shares allocated	-	-	-	-	18,000
Unrealized gains on investment securities available for sale, net of tax effect	-	-	-	241,730	241,730
Balance, December 31, 1996	(371,304)	16,668	$ (202,519)	285,154	13,137,624

</TABLE>

CCF HOLDING COMPANY AND SUBSIDIARY
Consolidated Statements of Stockholders' Equity, continued

For the Years Ended December 31, 1998 and 1997, the Three Months Ended December 31, 1996 and the Year Ended September 30, 1996

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Unearned ESOP Shares
<S>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1996	915,900	$ 91,590	7,470,918	6,475,785	(612,000)
Net earnings	-	-	-	136,600	-
Dividends declared ($.52 per share)	-	-	-	(438,485)	-
Treasury stock purchased	-	-	-	-	-
Retirement of treasury stock	(91,590)	(9,159)	(1,447,894)	-	-

ESOP shares allocated	-	-	51,153	-	72,000
Award of shares under management stock bonus plan	-	-	(1,878)	-	-
Earned compensation under management stock bonus plan	-	-	-	-	-
Unrealized losses on investment securities available for sale, net of tax effect	-	-	-	-	-
10% stock dividend declared on December 16, 1997	82,400	8,240	1,722,160	(1,730,400)	-
Balance, December 31, 1997	906,710	90,671	7,794,459	4,443,500	(540,000)
Net earnings	-	-	-	618,776	-
Dividends declared ($.64 per share)	-	-	-	(534,009)	-
Retirement of treasury stock	(6,121)	(612)	(105,953)		
ESOP shares allocated	-	-	94,878	-	72,000
Forfeited awards of shares under management stock bonus plan	-	-	-	-	-
Award of shares under management stock bonus plan	-	-	-	-	-
Earned compensation under management stock bonus plan	-	-	-	-	-
Treasury stock purchased	-	-	-	-	-
Unrealized losses on investment securities available for sale, net of tax effect	-	-	-	-	-
Balance, December 31, 1998	900,589	$ 90,059	7,783,384	4,528,267	(468,000)

</TABLE>

[SECOND HALF OF TABLE CONTINUED ON FOLLOWING PAGE]

[SECOND HALF OF TABLE CONTINUED BELOW]

<TABLE>
<CAPTION>

<S>	Unearned Compensation <C>	Treasury Stock Shares <C>	Treasury Stock Amount <C>	Accumulated Other Comprehensive Income <C>	Total <C>
Balance, December 31, 1996	(371,304)	16,668	$(202,519)	285,154	13,137,624
Net earnings	-	-	-	-	136,600
Dividends declared ($.52 per share)	-	-	-	-	(438,485)
Treasury stock purchased	-	2,820	(46,159)	-	(46,159)
Retirement of treasury stock	-	-	-	-	(1,457,053)
ESOP shares allocated	-	-	-	-	123,153
Award of shares under management stock bonus plan	(150,000)	(12,500)	151,878	-	-
Earned compensation under management stock bonus plan	127,109	-	-	-	127,109
Unrealized losses on investment securities available for sale, net of tax effect	-	-	-	(63,184)	(63,184)
10% stock dividend declared on December 16, 1997	-	698	-	-	-
Balance, December 31, 1997	(394,195)	7,686	(96,800)	221,970	11,519,605
Net earnings	-	-	-	-	618,776
Dividends declared ($.64 per share)	-	-	-	-	(534,009)
Retirement of treasury stock		(6,121)	106,565	-	-
ESOP shares allocated	-	-	-	-	166,878
Forfeited awards of shares under management stock bonus plan	25,692	2,357	(25,692)	-	-
Award of shares under management stock bonus plan	(16,495)	(1,500)	16,495	-	-
Earned compensation under management stock bonus plan	98,659	-	-	-	98,659
Treasury stock purchased	-	3,019	(60,345)	-	(60,345)
Unrealized losses on investment securities available for sale, net of tax effect	-	-	-	(183,451)	(183,451)
Balance, December 31, 1998	(286,339)	5,441	$ (59,777)	38,519	11,626,113

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARY
Consolidated Statements of Cash Flows
For the Years Ended December 31, 1998 and 1997,
the Three Months Ended December 31, 1996 and
the Year Ended September 30, 1996

<TABLE>
<CAPTION>

<S>	Year ended December 31, 1998 <C>	Year ended December 31, 1997 <C>	Three months ended December 31, 1996 <C>	Year ended September 30, 1996 <C>
Cash flows from operating activities:				
Net earnings	$ 618,776	136,600	89,581	473,336
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:				
Provision for loan losses	275,000	126,505	6,851	129,831
Depreciation, amortization and accretion	311,766	196,538	14,329	14,768
ESOP shares allocated	166,878	123,153	18,000	101,372
Compensation expense related to MSBP	98,659	127,109	22,555	37,591
Net gain on sale of investment securities available for sale	(387,282)	(494,651)	(1,955)	(15,119)
Deferred income tax expense (benefit)	(131,348)	61,418	94,939	(308,683)
Net gain on sale of loans	(62,628)	(24,647)	-	(36,435)
Net loss (gain) on sale of equipment	452	(36,898)	-	-
(Increase) decrease in accrued interest and dividends receivable	(330,028)	(346,852)	73,072	13,776
Decrease (increase) in other assets	(468,313)	78,924	(163,803)	16,658
(Decrease) increase in Savings Association Insurance Fund assessment payable	-	-	(397,568)	397,568
Increase (decrease) in other liabilities	1,091,540	381,228	(327,338)	144,083
Net cash provided by (used in) operating activities	1,183,472	328,427	(571,337)	968,746
Cash flows from investing activities:				
Proceeds from maturities and called investment securities available for sale	29,328,303	2,568,034	1,005,458	1,781,760
Proceeds from sales of investment securities available for sale	3,021,729	8,998,129	6,967,872	3,372,017
Proceeds from maturities and called investment securities held to maturity	-	-	-	5,739,276
Purchases of investment securities available for sale	(50,012,878)	(6,958,537)	-	(3,455,874)
Purchases of investment securities held to maturity	-	-	-	(7,216,111)
Net increase in loans	(41,676,028)	(34,977,793)	(12,847,320)	(8,735,992)
Proceeds from sale of loans	17,177,424	1,854,185	-	2,455,221
Purchases of premises and equipment	(754,597)	(3,669,458)	(791,386)	(366,169)
Proceeds from sale of equipment	2,155	120,906	-	-
Sale of real estate owned	-	-	-	75,626
Net cash used in investing activities	(42,913,892)	(32,064,534)	(5,665,376)	(6,350,746)

</TABLE>

CCF HOLDING COMPANY AND SUBSIDIARY

Consolidated Statements of Cash Flows, continued

For the Years Ended December 31, 1998 and
1997, the Three Months Ended December 31, 1996 and the Year
Ended September 30, 1996

<TABLE>
<CAPTION>

	Year ended December 31,	Year ended December 31,	Three months ended December 31,	Year ended September 30,

<S>	1998 <C>	1997 <C>	1996 <C>	1996 <C>
Cash flows from financing activities:				
Net increase in demand and savings deposits	$ 25,450,793	8,967,499	2,029,967	1,317,457
Net increase (decrease) in time deposits	38,324,588	15,467,001	2,915,199	(627,298)
Net increase (decrease) in securities sold under agreements to repurchase	(1,275,315)	2,392,579	-	-
Increase (decrease) in advance payments by borrowers for property taxes and insurance	38,830	(11,023)	(377,971)	(131,745)
Treasury stock purchased	(60,345)	(1,457,053)	(1,228,741)	(2,299,490)
Federal Home Loan Bank advances	-	13,510,000	5,000,000	2,500,000
Repayment of Federal Home Loan Bank advances	(18,510,000)	(2,500,000)	-	-
Dividends paid	(626,925)	(639,066)	-	(600,161)
Contribution to management stock bonus plan for the purchase of treasury shares	-	-	-	(578,464)
Net cash provided by (used in) financing activities	43,341,626	35,729,937	8,338,454	(419,701)
Increase (decrease) in cash and cash equivalents	1,611,206	3,993,830	2,101,741	(5,801,701)
Cash and cash equivalents at beginning of period	8,741,316	4,747,486	2,645,745	8,447,446
Cash and cash equivalents at end of period	$ 10,352,522	8,741,316	4,747,486	2,645,745
Supplemental disclosure of cash flow information:				
Interest paid	$ 6,533,149	3,806,229	684,795	2,531,331
Income taxes paid	$ 15,000	82,500	165,000	297,368
Supplemental disclosures of noncash investing and financing activities:				
Transfer of investment securities from held to maturity to available for sale	$ -	-	-	17,554,822
Changes in dividends payable	$ (92,916)	(200,581)	429,038	-
Changes in unrealized gains (losses) on investment securities available for sale	$ (183,451)	(63,184)	241,730	21,553
Retirement of treasury stock	$ 106,565	1,457,053	3,528,231	-

</TABLE>

See accompanying notes to consolidated financial statements.

CCF HOLDING COMPANY AND SUBSIDIARY

Notes to Consolidated Financial Statements

(1) Summary of Significant Accounting Policies

Organization

CCF Holding Company (the "Company") is incorporated in the state of Georgia as a state chartered bank holding company whose business is conducted by its wholly owned bank subsidiary, Heritage Bank (the "Bank"). The Company converted its charter effective September 1, 1998 from a federally chartered stock savings and loan association to a state chartered commercial bank. The Company and the Bank are primarily regulated by the State of Georgia Department of Banking and Finance (the "DBF") and the Federal Deposit Insurance Corporation (the "FDIC") and are subject to periodic examinations by these regulatory authorities.

On December 10, 1996, the Company's Board of Directors approved a change in the Company's year-end from September 30 to December 31.

The Bank provides a full range of banking services to individual and corporate customers through its main office in Jonesboro, Georgia and four Georgia branch offices located in Clayton, Fayette, and Henry Counties. The Bank primarily competes with other financial institutions in its market area, which it considers to be South Metropolitan Atlanta.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and the Bank. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain 1997 and 1996 amounts have been reclassified to conform to the 1998 presentation.

The accounting principles followed by the Company and the methods of applying these principles, conform with generally accepted accounting principles ("GAAP") and with general practices within the banking industry. In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ significantly from those estimates. Material estimates common to the banking industry that are particularly susceptible to significant change in the near term include, but are not limited to, the determination of the allowance for loan losses and the valuation of real estate acquired in connection with or in lieu of foreclosure on loans.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Company considers amounts due from banks, interest-bearing deposits in other financial institutions and federal funds sold to be cash equivalents.

Investment Securities

The Company classifies its securities in one of three categories: trading, available for sale, or held to maturity. Trading securities are bought and held principally for sale in the near term. Held to maturity securities are those securities for which the Company has the ability and intent to hold until maturity. All other securities not included in trading or held to maturity are classified as available for sale. The Company's current investment policy prohibits trading activity.

Held to maturity securities are recorded at cost, adjusted for the amortization or accretion of premiums or discounts. Transfers of securities between categories are recorded at fair value at the date of transfer. Unrealized holding gains or losses associated with transfers of securities from held to maturity to available for sale are recorded as a separate component of stockholders' equity.

Available for sale securities consist of investment securities not classified as trading securities or held to maturity securities and are recorded at fair value. Unrealized holding gains and losses on securities available for sale are excluded from earnings and are reported as a separate component of stockholders' equity until realized.

(1) Summary of Significant Accounting Policies, continued

Investment Securities, continued

A decline in the market value of any available for sale or held to maturity investment below cost that is deemed other than temporary is charged to earnings and establishes a new cost basis for the security.

Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to the yield. Realized gains and losses for securities classified as available for sale and held to maturity are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Federal Home Loan Bank Stock

Investment in Federal Home Loan Bank stock is required of federally insured financial institutions that utilize their services. No ready market exists for the stock and it has no quoted market value.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity are reported at the principal amount outstanding, net of the allowance for loan losses and any deferred fees or costs on originated loans. Interest on all loans is calculated principally by using the simple interest method on the daily balance of the principal amount outstanding.

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 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.

A loan is considered impaired when, based on current information and events, it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. Impaired loans are 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 at the fair value of the collateral of the loan if the loan is collateral dependent. Interest income from impaired loans is recognized using a cash basis method of accounting.

Allowance for Loan Losses

The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collection of principle is unlikely. The Bank has established a loan grading system whose classifications are consistent with those used by the Bank's regulators. Management utilizes this system to evaluate the adequacy of its allowance for loan losses. Allocations of loss are calculated based on expected loss ratios for each loan classification. These ratios have been determined considering the Bank's historical loss rates and consideration of losses experienced by its peer group. For individually significant loans deemed to be impaired, a specific allowance is established based on the expected collectibility considering the borrower's cash flow and the adequacy of the collateral coverage. The results of the Bank's evaluation are compared to the recorded allowance for loan losses and significant deviations are adjusted by increasing or decreasing the provision for loan losses. Additionally, management utilizes the services of an independent third party loan reviewer to validate its internal grading system and to provide additional analysis in determining the adequacy of the allowance.

(1) Summary of Significant Accounting Policies, continued

Allowance for Loan Losses, continued

Management believes 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 allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance based on their judgments of information available to them at the time of their examination.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation. Major additions and improvements are charged to the asset accounts while maintenance and repairs that do not improve or extend the useful lives of the assets are expensed currently. When assets are retired or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in earnings for the period. Depreciation is recorded on a straight-line basis over the following estimated useful lives of the related assets:

Building and improvements	5 - 40 years
Furniture and equipment	2 - 10 years

Income Taxes

Deferred tax assets and liabilities are recorded for the future tax consequences attributable to 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 the assets and liabilities are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

In the event the future tax consequences of differences between the financial reporting bases and the tax bases of the Company's assets and liabilities result in deferred tax assets, an evaluation of the probability of being able to realize the future benefits indicated by such asset is required. A valuation allowance is provided for the portion of the deferred tax asset when it is more likely than not that some portion or all of the deferred tax asset will not be realized. In assessing the realizability of the deferred tax assets, management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies.

Net Earnings Per Share

Statement of Financial Accounting Standards No. 128 "Earnings Per Share" (SFAS No. 128) became effective for the Company for the year ended December 31, 1997. This standard specifies the computation, presentation and disclosure requirements for earnings per share and is designed to simplify previous earnings per share standards and to make domestic and international practices more compatible. Basic earnings per share are based on the weighted average number of common shares outstanding during the period while the effects of potential shares outstanding during the period are included in diluted earnings per share.

(1) Summary of Significant Accounting Policies, continued
Net Earnings Per Share, continued

SFAS No. 128 requires the presentation on the face of the statement of earnings of earnings per share with and without the dilutive effects of potential common stock issuances from instruments such as options, convertible securities and warrants. Additionally, the statement requires the reconciliation of the amounts used in the computation of both "basic earnings per share" and "diluted earnings per share" for each period an earnings statement is presented as follows:

<TABLE>
<CAPTION>

For the year ended December 31, 1998	Net Earnings	Common Shares	Per Share Amount
Basic earnings per share	$ 618,776	839,641	$ 0.74
Effect of stock options	-	43,496	
Diluted earnings per share	$ 618,776	883,137	$ 0.70

For the year ended December 31, 1997	Net Earnings	Common Shares	Per Share Amount
Basic earnings per share	$ 136,600	800,299	$ 0.17
Effect of stock options	-	56,363	
Diluted earnings per share	$ 136,600	856,662	$ 0.16

For the three months ended December 31, 1996	Net Earnings	Common Shares	Per Share Amount
Basic earnings per share	$ 89,581	940,671	$ 0.10
Effect of stock options	-	72,275	
Diluted earnings per share	$ 89,581	1,012,946	$ 0.09

For the year ended September 30, 1996	Net Earnings	Common Shares	Per Share Amount

Basic earnings per share	$ 473,336	1,055,402	$ 0.45
Effect of stock options	-	34,036	
Diluted earnings per share	$ 473,336	1,089,438	$ 0.43

</TABLE>

For purposes of computing weighted-average shares outstanding, unallocated shares under the Company's employee stock ownership plan are not considered outstanding until they are committed to be released for allocation.

(1) Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 establishes accounting and reporting standards for hedging activities and for derivative instruments including derivative instruments embedded in other contracts. It requires the fair value recognition of derivatives as assets or liabilities in the financial statements. The accounting for the changes in the fair value of derivatives depends on the intended use of the derivative instruments at inception. Instruments used as fair value hedges account for the change in fair value in the earnings of the period simultaneous with accounting for the fair value change of the item being hedged. Cash flow hedges account for the change in fair value of the effective portion in comprehensive income rather than earnings, and foreign currency hedges are accounted for in comprehensive income as part of the translation adjustment. Derivative instruments that are not intended as a hedge account for the change in fair value in the earnings of the period of the change. SFAS No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999, but initial application of the statement must be made as of the beginning of the quarter. At the date of initial application, an entity may transfer any held to maturity security into the available for sale or trading categories without calling into question the entity's intent to hold other securities to maturity in the future. The Company believes the adoption of SFAS No. 133 will not have a material impact on its financial position, results of operations or liquidity.

(2) Investment Securities

At December 31, 1998 and 1997, investment securities available for sale consisted of the following:

<TABLE>
<CAPTION>

December 31, 1998	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. Government agency obligations	$29,137,872	13,964	29,894	29,121,942
Equity security	64,455	69,545	-	134,000
Mortgage-backed securities	195,825	5,645	-	201,470
	$29,398,152	89,154	29,894	29,457,412

</TABLE>
<TABLE>
<CAPTION>

December 31, 1997	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<S>	<C>	<C>	<C>	<C>
U.S. Treasury and U.S. Government agency obligations	$ 7,984,149	10,251	11,159	7,983,241
Municipal securities	157,990	489	-	158,479
Equity security	1,243,471	336,857	-	1,580,328
Mortgage-backed securities	1,832,454	12,600	7,545	1,837,509

$11,218,064	360,197	18,704	11,559,557
==========	=======	======	==========

</TABLE>

For the years ended December 31, 1998 and 1997, the Company sold certain investment securities available for sale for $3,021,729 and $8,998,129, respectively, and recognized gross gains of $392,479 and gross losses of $5,197 in 1998 and gross gains of $516,041 and gross losses of $21,390 in 1997. For the three months ended December 31, 1996, the Company sold certain investment securities available for sale for $6,967,872 and recognized gross gains of $10,801 and gross losses of $8,846. For the year ended September 30, 1996, the Company sold certain investment securities available for sale for $3,372,017 and recognized gross gains of $11,959 and gross losses of $3,965.

(2) Investment Securities, continued

The amortized cost and fair values of securities available for sale at December 31, 1998 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.

<TABLE>
<CAPTION>

<S>	<C> Amortized Cost	<C> Fair Value
U.S. Treasury and agencies:		
Due within one year	$ 7,954,713	7,952,899
Due after one year through five years	20,673,660	20,660,137
Due after five years	509,499	508,906
	----------	----------
Total securities other than mortgage-backed securities and equity securities	29,137,872	29,121,942
Equity securities	64,455	134,000
Mortgage-backed securities	195,825	201,470
	----------	----------
	$ 29,398,152	29,457,412
	==========	==========

</TABLE>

Investment securities with approximate aggregate carrying amounts of $22,380,000 and $9,979,000 at December 31, 1998 and December 31, 1997, respectively, were pledged to secure public deposits and securities sold under agreements to repurchase.

(3) Loans

Major classifications of loans at December 31, 1998 and 1997 are presented below.

<TABLE>
<CAPTION>

<S>	<C> 1998	<C> 1997
Commercial	$ 14,487,698	2,531,962
Real estate - mortgage	68,527,720	77,403,708
Real estate - construction	26,187,280	16,231,115
Installment and other consumer	14,154,498	2,680,145
	-----------	----------
Total loans	123,357,196	98,846,930
Less: Unearned fees	586,584	636,194
Allowance for loan losses	943,149	669,505
	-----------	----------
Total loans, net	$121,827,463	97,541,231
	===========	==========

</TABLE>

Included in real estate-mortgage at December 31, 1998 and 1997, was approximately $30,890,000 and $28,373,000, respectively, related to commercial real estate lending. The Company extends credit to customers throughout its market area, which includes the Georgia counties of Clayton, Henry, and Fayette. Most of the Company's loans are collateralized by real estate in these Georgia counties and a substantial portion of its borrowers' ability to repay such loans is dependent upon the economy in the Company's market area.

(3) Loans, continued

An analysis of the activity in the allowance for loan losses is presented below:

<TABLE>
<CAPTION>

<S>	<C> Year ended December 31, 1998	<C> Year ended December 31, 1997	<C> Three months ended December 31, 1996	<C> Year ended September 30, 1996
Balance at beginning of period	$ 669,505	547,142	540,291	408,848
Provision for losses on loans	275,000	126,505	6,851	129,831
Loan charge-offs	(2,674)	(4,142)	-	-
Loan recoveries	1,318	-	-	1,612
Balance at end of period	$ 943,149	669,505	547,142	540,291

</TABLE>

As of December 31, 1998 and 1997, the Bank serviced loans for others with approximate outstanding balances of $22,396,000 and $8,459,000, respectively.

(4) Premises and Equipment

A summary of premises and equipment at December 31, 1998 and 1997 is as follows:

	1998	1997
Land	$ 803,927	803,927
Buildings and improvements	3,719,942	2,392,646
Furniture and equipment	2,286,524	2,102,817
Construction in progress	17,400	1,143,739
	6,827,793	6,443,129
Less accumulated depreciation	1,405,191	1,330,791
	$ 5,422,602	5,112,338

Depreciation expense for the years ended December 31, 1998 and 1997 was $441,726 and $344,529, respectively. Depreciation expense for the three months ended December 31, 1996 was $39,597. Depreciation expense for the year ended September 30, 1996 was $112,357.

(5) Deposits

At December 31, 1998, the scheduled maturities of time deposits are as follows:

1999	$ 45,673,595
2000	36,876,025
2001	4,962,887
2002	84,632
2003	5,199,127
2004 and thereafter	34,137
	$ 92,830,403

CCF HOLDING COMPANY AND SUBSIDIARY

Notes to Consolidated Financial Statements, continued

(6) Income Taxes

The components of income tax expense are as follows:

<TABLE>
<CAPTION>

<S>	<C> Year ended December 31, 1998	<C> Year ended December 31, 1997	<C> Three months ended December 31, 1996	<C> Year ended September 30, 1996
Current expense (benefit)	$ 463,037	7,634	(46,179)	451,183
Deferred tax (benefit) expense	(131,348)	61,418	94,939	(308,683)
	$ 331,689	69,052	48,760	142,500

</TABLE>

Income tax expense of the Company differed from the amounts computed by applying the statutory Federal income tax rate to income before income taxes as follows:

<TABLE>
<CAPTION>

<S>	<C> Year ended December 31, 1998	<C> Year ended December 31, 1997	<C> Three months ended December 31, 1996	<C> Year ended September 30, 1996
Tax expense at statutory rate	$ 323,158	69,922	47,036	209,384
Add (deduct):				
State income taxes, net of Federal tax effect	7,781	6,061	9,369	(24,053)
Municipal investments	-	(2,645)	(2,063)	(3,792)
Other, net	750	(4,286)	(5,582)	(39,039)
	$ 331,689	69,052	48,760	142,500

</TABLE>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1998 and 1997 are presented below:

	1998	1997
Deferred tax assets:		
Allowance for loan losses	$ 194,108	8,225
State tax credit carryforwards	58,893	55,164
Employee Stock Ownership Plan accrual	99,147	62,713
Management stock bonus plan	-	23,790
Other	6,720	9,600
Total gross deferred tax assets	358,868	159,492
Deferred tax liabilities:		
Deferred loan fees	366,168	315,183
Net unrealized gains on investment securities available for sale	20,741	119,523
Premises and equipment	23,084	17,963
Federal Home Loan Bank stock dividends	146,165	146,165
Other	28,696	16,774
Total gross deferred tax liabilities	584,854	615,608
Net deferred tax liabilities	$ 225,986	456,116

CCF HOLDING COMPANY AND SUBSIDIARY
Notes to Consolidated Financial Statements, continued

(6) Income Taxes, continued

At December 31, 1998 and 1997, the Company had state gross receipts tax credit carryforwards of approximately $89,000 and $84,000, respectively, which are available to reduce future state income taxes payable, if any, through 2003.

Prior to January 1, 1996, the Company was permitted under the Internal Revenue Code (the "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 December 31, 1998 include approximately $675,000 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.

(7) Commitments

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 standby letters of credit and 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.

Standby letters of credit are conditional commitments issued by the Company guaranteeing the performance of a customer to a third party. These guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The Company holds collateral supporting these commitments, as deemed necessary.

The Company's exposure to credit loss, in the event of nonperformance by the customer for commitments to extend credit and standby letters of 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.

The following summarizes commitments as of December 31, 1998 and 1997:

	Approximate Contract Amount 1998	1997
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 22,209,000	5,606,000
Standby letters of credit	$ 195,000	69,000

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.

The Company has entered into contracts with certain members of management which stipulate a term and annual base salary. The contract includes provisions to terminate the agreement for "just cause" which is defined in the contracts. If such members of management are relieved of their position without just cause, the employee is entitled to a continuation of salary from the termination date through the remaining term of the agreement. Certain of these employment agreements contain 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 distribution equal to 2.99 times the individual's base compensation.

(8) Federal Home Loan Bank Advances

Federal Home Loan Bank advances at December 31, 1997 consisted of a $18,510,000 term loan secured by a blanket lien on residential mortgage loans. Principal was payable at maturity on June 26, 1998 and interest was due monthly based on a floating daily interest rate of 6.50% at December 31, 1997.

(9) Preferred Stock

The Company is authorized to issue 1,000,000 shares of no par value serial preferred stock. At December 31, 1998, 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.

(10) Employee Benefit Plans

(a) 401(k) Profit Sharing Plan

The Company has 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. 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 the years ended December 31, 1998 and 1997 and September 30, 1996 totaled $67,774, $43,200 and $29,116, respectively. Contributions by the Company to the Plan during the three months ended December 31, 1996 totaled $8,792.

(b) Employee Stock Ownership Plan

The Company also has 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 79,200 shares of Company common stock at approximately $9 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 paid 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 December 31, 1998, 27,720 ESOP shares have been allocated to the participating employees. For purposes of computing net earnings per share, the remaining 51,480 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 allocated to participating employees. Compensation expense recognized by the Company during the years ended December 31, 1998 and 1997 and September 30, 1996 totaled $166,878, $123,153 and $83,372, respectively. Compensation expense recognized by the Company during the three months ended December 31, 1996 totaled $18,000. The fair value of the unallocated shares at December 31, 1998 was approximately $753,000.

(10) Employee Benefit Plans, continued

(c) Stock Option Plan

In January 1996, the Company approved a stock option plan (the "Option Plan") whereby 130,928 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 non qualified 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 expire or are terminated unexercised will again be available for issuance. The Option Plan has a term of ten years, unless sooner terminated. The exercise price per share for nonqualified and incentive 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.

Stock option activity is as follows:

	Year ended December 31, 1998	Year ended December 31, 1997	Three months ended December 31, 1996	Year ended September 30, 1996
Options outstanding at beginning of period	106,053	112,599	85,099	-
Options granted	9,000	-	27,500	85,099
Options canceled	(7,854)	(6,546)	-	-
Options outstanding at end of period	107,199	106,053	112,599	85,099
Options exercisable at end of period	40,458	21,211	-	-
Weighted-average option prices per share:				
Options granted during the period	$ 20.44	-	12.18	11.25
Options canceled during the period	$ 11.25	11.25	-	-
Options outstanding at end of period	$ 12.26	11.49	11.48	11.25

The options outstanding at December 31, 1998 had a weighted-average contractual maturity of 7.2 years and exercise prices ranging from $11.02 to $21.00.

(10) Employee Benefit Plans, continued

(c) Stock Option Plan, continued

The Company is encouraged, but not required, to compute the fair value of options at the date of grant and to recognize such costs as compensation expense immediately if there is no vesting period, or ratably over the vesting period of the options. The Company has chosen not to adopt these cost recognition principles and accounts for all options under Accounting Principles Board Opinion No. 25 and its related interpretations. No compensation expense has been recognized related to the Option Plan. Had compensation cost been determined based upon the fair value of the options at the grant dates, the Company's net earnings and net earnings per share would have been reduced to the proforma amounts indicated below:

	Year ended	Year ended	Three months	Years ended

		December 31, 1998	December 31, 1997	December 31, 1996	September 30, 1996
Net earnings	As reported	$ 618,776	136,600	89,581	473,336
	Proforma	$ 554,730	62,324	71,722	431,502
Basic earnings per share	As reported	$ .74	.17	.10	.45
	Proforma	$ .66	.08	.08	.41
Diluted earnings per share	As reported	$ .70	.16	.09	.43
	Proforma	$ .63	.07	.07	.40

The weighted average grant-date fair value of options granted was $1.10, $5.74 and $5.29 for the periods ended December 31, 1998 and 1996 and September 30, 1996, respectively, based on estimates as of the date of grant using the Black Scholes pricing model. The weighted average assumptions used for grants in 1998 and 1996 were as follows: dividend yield of 4.6% and 2.0%, a risk free interest rate of 4.7% and 5.5%, expected volatility of 20% and 42%, respectively, and an expected life of 7 years for both years.

(d) Management Stock Bonus Plan

In January 1996, the Company adopted a Management Stock Bonus Plan (the "MSBP"). Under the terms of the MSBP, a total of 52,371 shares of the Company's common stock is available for the granting of awards during a period of up to ten years. In connection with the adoption of the MSBP, the Company purchased treasury shares in the open market at a total cost of $578,464 to cover the total shares available for grant under the MSBP. Through December 31, 1998, the Company awarded 42,169 of such treasury shares to employees. The market value of the common stock at the date of award is included as a reduction of stockholders' equity in the consolidated balance sheets and is recorded as compensation expense using the straight-line method over the vesting period of the awards. The awards vest pro rata over five years at each anniversary of the award. Compensation expense with respect to the foregoing MSBP awards was $98,659, $131,242, $22,555, and $37,591 for the years ended December 31, 1998 and 1997, the three months ended December 31, 1996, and the year ended September 30, 1996, respectively.

(11) Fair Values of Financial Instruments

SFAS No. 107, "Disclosure 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.

(11) Fair Values of Financial Instruments, 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 cash equivalents

The carrying amounts of cash and cash equivalents approximate fair values.

Investment securities available for sale

Fair values for investment securities available for sale are based on quoted market prices, where available.

Federal Home Loan Bank stock

The carrying amount is considered a reasonable estimate of fair value.

Loans

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.

Deposits

Fair values for fixed-rate time deposits 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.

Securities sold under agreements to repurchase

Fair value approximates carrying value of such liabilities due to their short-term nature.

Federal Home Loan Bank advances

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

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. Because these instruments are primarily variable rate instruments, the contract value is a reasonable estimate of fair value.

(11) Fair Values of Financial Instruments, continued
The estimated fair value of the Company's financial instruments as of December 31, 1998 and December 31, 1997 are as follows:

<TABLE>
<CAPTION>

	December 31, 1998		December 31, 1997	
	Carrying Value	Fair Value	Carrying Value	Fair Value
		(in thousands)		
<S>	<C>	<C>	<C>	<C>
Assets:				
Cash and cash equivalents	$ 10,353	10,353	8,741	8,741
Investment securities available for sale	$ 29,457	29,457	11,560	11,560
Loans, net	$ 121,827	125,517	97,541	95,711
Federal Home Loan Bank stock	$ 1,013	1,013	1,013	1,013
Liabilities:				
Deposits	$ 154,977	157,987	91,201	91,326
Securities sold under agreements to repurchase	$ 1,117	1,117	2,393	2,393
Federal Home Loan Bank advances	$ -	-	18,510	18,510

Unrecognized financial instruments:					
Commitments to extend credit	$	22,209	22,209	-	-
Standby letters of credit	$	195	195	-	-

</TABLE>

(12) Related Party Transactions

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. The following is a summary of activity during the year ended December 31, 1998 with respect to such aggregate loans to these individuals and their associates:

Related party loan balances at beginning of year	$ 1,709,476
New loans	1,152,964
Principal repayments	(819,690)
Related party loan balances at end of year	$ 2,042,750

Deposits from related parties totaled approximately $1,005,000 at December 31, 1998.

(13) Parent Company Financial Information

The following represents condensed financial information of the Parent.

Condensed Balance Sheets

December 31, 1998 and 1997

Assets

	1998	1997
Cash	$ 294,503	347,570
Investment securities available for sale	134,000	1,580,328
Investment in subsidiary	11,480,697	10,353,620
Other assets	10,000	29,284
	$11,919,200	12,310,802

Liabilities and Stockholders' Equity

	1998	1997
Liabilities:		
Deferred income taxes	$ 104,407	117,900
Dividends payable	135,541	228,457
Other liabilities	53,139	444,840
	293,087	791,197
Stockholders' equity	11,626,113	11,519,605
	$11,919,200	12,310,802

Condensed Statements of Earnings

For the Years Ended December 31, 1998 and 1997, Three Months Ended December 31, 1996 and the Year Ended September 30, 1996

<TABLE>
<CAPTION>

	Year ended December 31, 1998	Year ended December 31, 1997	Three months ended December 31, 1996	Year ended September 30, 1996

<S> <C> <C> <C> <C>

Dividends from subsidiary	$ -	$2,000,000	-	-
Interest income from subsidiary	26,196	25,231	10,092	203,450
Gain on sale of investment securities	386,187	477,691	-	-
Other operating income	9,386	12,244	5,750	9,775
Other operating expenses	(64,635)	(54,676)	(33,334)	(14,647)
Income tax (expense) benefit	(125,134)	(160,943)	6,140	(62,047)
Earnings (loss) before equity in undistributed earnings (distributions in excess of earnings) of subsidiary	232,000	2,299,547	(11,352)	136,531
Equity in undistributed earnings (distributions in excess of earnings) of subsidiary	386,776	(2,162,947)	100,933	336,805
Net earnings	$ 618,776	136,600	89,581	473,336

</TABLE>

CCF HOLDING COMPANY AND SUBSIDIARY

Notes to Consolidated Financial Statements, continued

(13) Parent Company Financial Information, continued

Condensed Statements of Cash Flows

For the Years Ended December 31, 1998 and
1997, Three Months Ended December 31, 1996 and the Year
Ended September 30, 1996

<TABLE>
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	Year ended December 31, 1998	Year ended December 31, 1997	Three months ended December 31, 1996	Year ended September 30, 1996
Cash flows from operating activities:				
Net earnings	$ 618,776	136,600	89,581	473,336
Adjustment to reconcile net earnings to net cash provided (used) by operations:				
(Equity in undistributed earnings) distributions in excess of earnings of subsidiary	(386,776)	2,162,947	(100,933)	(336,805)
Compensation expense related to MSBP	98,659	127,109	22,555	37,591
ESOP shares allocated	166,878	123,153	18,000	101,372
Gain on sale of investment security	(386,187)	(477,691)	-	-
Decrease (increase) in other assets	19,284	44,147	53,504	(148,840)
(Decrease) increase in other liabilities	(311,634)	(173,595)	578,464	-
Net cash provided (used) by operating activities	(181,000)	1,942,670	661,171	126,654
Cash flows from investing activities:				
Proceeds from sale of investment security	1,565,203	993,329	-	-
Purchase of investment security	-	(976,321)	-	(138,240)
Capital infusion in subsidiary	(750,000)	-	-	-
Purchase of land	-	-	-	(10,000)
Net change in loan to subsidiary	-	484,011	567,570	3,499,701
Net cash provided by investing activities	815,203	501,019	567,570	3,351,461
Cash flows from financing activities:				
Dividends paid	(626,925)	(639,066)	-	(600,161)
Treasury stock purchased	(60,345)	(1,457,053)	(1,228,741)	(2,299,490)
Contribution to management stock bonus plan	-	-	-	(578,464)
Net cash used in financing activities	(687,270)	(2,096,119)	(1,228,741)	(3,478,115)

Change in cash and cash equivalents	(53,067)	347,570	-	-
Cash and cash equivalents at beginning of period	347,570	-	-	-
Cash and cash equivalents at end of period	$ 294,503	347,570	-	-

</TABLE>

CCF HOLDING COMPANY AND SUBSIDIARY

Notes to Consolidated Financial Statements, continued

(14) Regulatory Matters

Dividends paid by the Bank are the primary source of funds available to the Company. Banking regulations limit the amount of dividends that may be paid without prior approval of the regulatory authorities. These restrictions are based on the level of regulatory classified assets, the prior years' net earnings, and the ratio of equity capital to total assets. The Bank has specific requirements to maintain its ratio of Tier I capital to adjusted assets of 6.22%. At December 31, 1998 the Bank could pay approximately $193,000 in dividends without obtaining prior regulatory approval.

The Company and the Bank are 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 Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios of total and Tier I capital to risk-weighted assets, and of Tier I capital to average assets. Management believes, as of December 31, 1998, that the Company and the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 1998, the most recent notification from the Federal Deposit Insurance Corporation categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank 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 Bank's capital category.

The Bank's actual capital amounts and ratios are also presented in the table below. At December 31, 1998, consolidated amounts do not materially differ from Bank-only capital amounts and ratios.

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	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
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As of December 31, 1998:						
Total capital - risk-based (to risk-weighted assets)	$12,430,531	11%	$9,370,240	>8%	$11,712,800	>10%
Tier I capital - risk-based (to risk-weighted assets)	$11,487,382	10%	$4,685,120	>4%	$ 7,027,680	> 6%
Tier I capital - leverage (to average assets)	$11,487,382	8%	$6,106,077	>4%	$ 7,632,597	> 5%
As of December 31, 1997:						
Total capital - risk-based (to risk-weighted assets)	$11,020,111	13%	$6,676,002	>8%	$ 8,345,003	>10%
Tier I capital - risk-based						

(to risk-weighted assets)	$10,350,606	12%	$3,338,001	>4%	$ 5,007,002	> 6%
Tier I capital - leverage				-		-
(to average assets)	$10,350,606	10%	$4,069,905	>4%	$ 5,087,381	> 5%
				-		-

</TABLE>

(15) 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 was based on SAIF-assessable deposits at March 31, 1995. Based on the Company's level of insured deposits held on March 31, 1995, the Company recorded a charge against earnings for its accrual of the assessment totaling $397,568 at September 30, 1996.

CCF HOLDING COMPANY
101 N. Main Street
Jonesboro, Georgia 30236
(770) 478-8881

HERITAGE BANK

<TABLE>
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<S>	<C>	<C>	<C>	<C>
Main Office	Forest Park Office	Morrow Office	McDonough Office	Fayetteville Office
101 N. Main Street	822 Main Street	2236 Lake Harbin Road	203 Keys Ferry Street	440 N. Jeff Davis Drive
Jonesboro, Georgia	Forest Park, Georgia	Morrow, Georgia	McDonough, Georgia	Fayetteville, Georgia

</TABLE>

Board of Directors of CCF Holding Company
and
Heritage Bank

<TABLE>
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<S>	<C>
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*	John T. Mitchell Adams Mitchell Realty, Inc.*

</TABLE>

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* Director of Bank only

Executive Officers of CCF Holding Company and
Heritage Bank

<TABLE>
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<S>	<C>
David B. Turner President and Chief Executive Officer	Leonard A. Moreland Executive Vice President
Mary Jo Rogers Sr. Vice President and Chief Financial Officer	Edith W. Stevens Sr. Vice President and Chief Operating Officer
Richard P. Florin Senior Vice President	Charles S. Tucker Secretary and Treasurer

</TABLE>

Independent Auditors	Corporate Counsel
Porter Keadle Moore, LLP	Edwin S. Kemp, Jr., Esquire
235 Peachtree Street, N.W.	101 North Main Street
Suite 1800	Suite 203
Atlanta, GA 30303	Jonesboro, Georgia 30236
Transfer Agent and Registrar	Special Counsel
Registrar & Transfer Company	Malizia, Spidi, Sloane & Fisch, P.C.
10 Commerce Drive	One Franklin Square
Cranford, New Jersey 07016	1301 K Street, N.W., Suite 700 East
(908) 272-8511	Washington, D.C. 20005

The Company's Annual Report for the year ended December 31, 1998 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 April 27, 1999 at 4:30 p.m. at the main office.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Incorporation or Organization
Heritage Bank(1)	Georgia

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

[KPMG LLP LETTERHEAD]

Independent Auditors' 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 February 6, 1998, relating to the consolidated balance sheet of CCF Holding Company and subsidiary as of December 31, 1997 and the related consolidated statements of earnings, comprehensive income, stockholders' equity and cash flows for the years ended December 31, 1997 and September 30, 1996, and for the three-month period ended December 31, 1996, which report appears in the December 31, 1998 annual report on Form 10-KSB of CCF Holding Company.

/s/ KPMG LLP
KPMG LLP

Atlanta, Georgia
March 26, 1999

Exhibit 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated February 12, 1999, accompanying the consolidated financial statements included in the Annual Report of CCP Holding Company on Form 10-KSB for the year ended December 31, 1998. We hereby consent to the incorporation by reference of said report in the Registration Statements of CCF Holding Company on Form S-8.

Porter Keadle Moore, LLP
/s/Porter Keadle Moore, LLP

Atlanta, Georgia
March 26, 1999

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION DERIVED FROM THE ANNUAL REPORT ON FORM 10-KSB AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL INFORMATION.
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