CCF Holding Company

And Its Wholly Owned Subsidiary

Heritage BANK

2012 Annual Report

CCF Holding Company

101 North Main Street • Jonesboro, Georgia 30236

Dear Shareholders;

In a recent letter to depositors and friends, we mentioned there was more positive activity going on in the market. We are seeing signs that would indicate the anemic economic recovery is beginning to gain a little momentum being fueled by a more confident consumer and a slow rebound in housing values. We also mentioned the dramatic increase in demand for residential building lots in our markets and a revitalized new housing market that could really kick start the lagging unemployment challenges we have faced the last five years. It is our hope this will not be the false start to a recovery we have seen the last three springs.

CCF Holding Company and its subsidiary, Heritage Bank, have experienced some very real challenges over the past few years. Each year we look at the past twelve months and try to highlight the positive aspects of the year and at the same time provide a forecast of upcoming challenges. Those of you who have been investors for more than four years can remember the upbeat tone of our letters and the general feeling business activity was strong and diversified. Over the past few years, we have seen segments of the economy that have shown improvements but the overall sentiment was negative. This year as we look back the positives now outweigh the negatives and the Consolidated Statement of Earnings is again awash in “black ink”. To further encourage us as we look forward, sentiment has turned to positive leaning. This should not be confused with the vibrancy of the past as we still feel things are fragile but strengthening. So, our outlook now shifts from cautiously optimistic to slightly bullish.

The enclosed financial report should be read completely including the notes, but we would like to point out a few key areas. On the Consolidated Balance Sheet, the company continues to maintain a strong cash position with over $28.0 million in cash. The investment portfolio has remained stable in size, but we did make efforts in 2012 to shorten the duration of the portfolio in preparation for increasing interest rates. We were pleased to see positive loan growth as we ended the year almost $4.0 million higher than the previous year. Foreclosed assets, also known as Other Real Estate Owned, increased year over year by $2.0 million even though we sold or liquidated more than $2.8 million during 2012. Total assets were relatively flat with the prior year showing a very modest $6.0 million decline.

The really good news comes on the other side of the ledger where we saw total deposits remain very stable and strong while seeing non-interest bearing demand deposits increased by almost $10.0 million. This created more opportunities for us to expand our outreach to new customers and helped drive down our cost of funding loans. Last, but certainly not least, we saw Shareholders’ Equity grow by more than $3.0 million; the major contributor to this was positive net earnings of $1.9 million or $0.54 per share of outstanding stock.

Looking deeper into the 2012 Consolidated Statements of Earnings, it is important to note provision for loan losses declined by more than $2.3 million year over year and losses on sale and write down of foreclosed assets declined by $4.8 million. This combined is a reduction of these expenses of over $7.0 million and accounts for most of our improvement. We hope this indicates a return to a more normal operating environment.

To provide a better understanding of the trends we are seeing with the Bank, we would like to mention some key ratios. Leverage capital ended the year at 3.80% for 2011 versus 5.13% for 2012; net loan losses for 2012 were $1.5 million or 0.58% of loans outstanding (this compares to $4.8 million, or 1.86% for 2011.) The well-publicized "Texas Ratio" for year ending 2011 was 171% versus year ending 2012, 155%. Transaction accounts as a percentage of total deposits increased from 47.7% in 2011 to 59.0% in 2012. The Bank's return on average assets went from (0.32%) in 2011 to 0.68% in 2012 along with the return on average equity of 12.68% in 2012. All of these ratio's show positive trends for 2012 and we hope this continues into 2013 and beyond.

There is no doubt Heritage Bank still has a lot of work to do to fully cleanse the financial statements and to continue to build capital, but with the trends cited above we feel very good about the coming months. As mentioned in the recent letter to all stakeholders, we can't over emphasize the foundation of loyalty the bank is built upon. The officers and employees of the bank have remained remarkably loyal to our bank and our mission even in times when monetary rewards have been hard to come by. The board of directors has stood steadfast with management and the employees not once pointing a finger of blame, but always extending a hand of assistance. The customers of the bank didn't flee to the "Too-Big-to-Fail" institutions propped up by our government. You remained with our local community bank as we continued to try and cope with the extreme conditions created by many of those same "Too-Big-to-Fail" banks. We are not sure if you realize Heritage Bank is the only bank in Clayton and Henry counties that either did not receive government assistance or continues to receive aid from the FDIC; and we are one of three banks in Fayette County that can say this. This is not to say government assistance is a bad thing or TARP was a bad thing. It does point out the customers, employees and board of Heritage Bank had no choice but to go it alone; and, in the end, it is even more than satisfying to find our way back to success.

On behalf of the employees and board of directors of Heritage Bank and CCF Holding Company, we thank you for your continued support. We take pride in knowing you have entrusted us with your investment and, in most cases, your banking relationship. We look forward to continued progress in 2013.

Sincerely,

David B. Turner
President & CEO
CCF Holding Company

Leonard A. Moreland
President & CEO
Heritage Bank

CCF HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

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THIGPEN, JONES, SEATON & CO. PC
CERTIFIED PUBLIC ACCOUNTANTS

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CCF Holding Company and Subsidiary

We have audited the accompanying consolidated balance sheets of CCF Holding Company and Subsidiary, as of December 31, 2012 and 2011, and the related consolidated statements of earnings, comprehensive income / loss, changes in shareholders' equity, and cash flows for the years ended December 31, 2012 and 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for the years ended December 31, 2012 and 2011, in conformity with accounting principles generally accepted in the United States of America.

Thigpen, Jones, Seaton + Co., PC

March 13, 2013
Dublin, Georgia

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CCF HOLDING COMPANY AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2012	***2011***
Assets		
Cash and due from banks	$ 28,668,532	$ 35,271,962
Federal funds sold	-	80,500
Total cash and cash equivalents	28,668,532	35,352,462
Certificates of deposits in other institutions	3,234,000	9,094,000
Securities available for sale, at fair value	25,826,634	41,324,330
Securities held to maturity, at cost	13,558,119	-
Federal Home Loan Bank stock, restricted, at cost	550,700	1,193,200
Loans, net of unearned income	246,603,017	242,767,369
Less - allowance for loan losses	(4,316,493)	(5,379,141)
Loans, net	242,286,524	237,388,228
Bank premises and equipment, net	7,681,048	6,152,097
Foreclosed assets	27,539,700	25,435,488
Cash surrender value of life insurance	7,350,629	7,030,122
Accrued interest receivable	552,661	830,426
Other assets	1,382,366	836,089
Total Assets	$ 358,630,913	$ 364,636,442
Liabilities and Shareholders' Equity		
Deposits:		
Non-interest bearing demand deposits	$ 45,594,977	$ 35,761,284
Interest bearing demand deposits	146,486,900	121,324,196
Savings	5,727,013	4,859,540
Time deposits less than $100,000	60,102,198	87,031,915
Time deposits greater than $100,000	67,876,980	80,021,582
Total deposits	325,788,068	328,998,517
Securities sold under repurchase agreements	11,587,256	15,926,671
Junior subordinated debentures	8,765,000	8,765,000
Accrued interest payable	160,739	270,622
Accrued expenses and other liabilities	3,097,068	4,656,638
Total liabilities	349,398,131	358,617,448
Shareholders' Equity:		
Preferred stock, no par value; 1,000,000 shares authorized; no shares issued or outstanding as of December 31, 2012 and 2011	-	-
Common stock, $.10 par value, 50,000,000 shares authorized as of December 31, 2012 and 2011, respectively; 3,604,316 shares issued and outstanding as of December 31, 2012 and 2011	360,432	360,432
Paid-in capital surplus	9,075,553	9,075,553
Accumulated deficit	(251,666)	(3,942,025)
Accumulated other comprehensive income	48,463	525,034
Total shareholders' equity	9,232,782	6,018,994
Total Liabilities and Shareholders' Equity	$ 358,630,913	$ 364,636,442

See Accompanying Notes to Consolidated Financial Statements

CCF HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF EARNINGS

	Years Ended December 31, 2012	Years Ended December 31, 2011
Interest and Dividend Income:		
Interest and fees on loans	$ 13,149,507	$ 14,033,369
Interest on securities:		
Taxable income	933,201	1,172,083
Non-taxable income	37,797	45,200
Income on federal funds sold	42,801	42,856
Income on interest-bearing deposits in other banks	1,804	2,419
Total interest and dividend income	14,165,110	15,295,927
Interest Expense:		
Deposits	2,420,897	3,778,898
Other interest expense	377,325	499,572
Total interest expense	2,798,222	4,278,470
Net interest income before provision for loan losses	11,366,888	11,017,457
Less - provision for loan losses	375,000	2,700,000
Net interest income after provision for loan losses	10,991,888	8,317,457
Noninterest Income:		
Service charges	1,130,966	1,059,166
Gain on sale of loans	512,648	1,282,158
Gain on sale of investments	766,677	332,011
Increase in value of life insurance asset	320,507	313,968
Other income	584,646	940,113
Total noninterest income	3,315,444	3,927,416
Noninterest Expense:		
Salaries and employee benefits	5,135,735	4,976,603
Occupancy expenses	1,496,342	1,476,376
Loss on disposal of fixed assets	-	4,454
Loss on sale and writedown of foreclosed assets	738,043	5,583,795
Expenses on foreclosed assets held	958,640	752,005
FDIC insurance premiums	1,127,838	1,432,939
Other expenses	2,896,825	2,923,422
Total noninterest expense	12,353,423	17,149,594
Income (Loss) Before Income Taxes	1,953,909	(4,904,721)
Provision for (benefit of) income taxes	-	-
Net Income (Loss)	$ 1,953,909	$ (4,904,721)
Earnings (loss) per common share:		
Basic	$ 0.54	$ (1.36)
Diluted	$ 0.54	$ (1.36)

See Accompanying Notes to Consolidated Financial Statements

CCF HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME / LOSS

	Years Ended December 31,	
	2012	**2011**
Net Income (Loss)	$ 1,953,909	$ (4,904,721)
Other comprehensive income (loss):		
Unrealized holding gains on investment securities held for sale	290,106	829,339
Reclassification adjustment for (gains) losses realized in income	(766,677)	(332,011)
Net unrealized gains (losses)	(476,571)	497,328
Tax effect	-	-
Total other comprehensive income (loss), net of tax	(476,571)	497,328
Total comprehensive income (loss)	$ 1,477,338	$ (4,407,393)

CCF HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Common Stock		*Paid-in Capital*	*Retained Earnings (Accumulated*	*Accumulated Other Comprehensive*	
	Shares	*Amount*	*Surplus*	*Deficit)*	*Income*	*Total*
Balance, December 31, 2010	3,606,799	$ 360,432	$ 9,075,553	$ 962,696	$ 27,706	$ 10,426,387
Net loss	-	-	-	(4,904,721)	-	(4,904,721)
Valuation allowance adjustment on securities available for sale	-	-	-	-	497,328	497,328
Balance, December 31, 2011	3,606,799	360,432	9,075,553	(3,942,025)	525,034	6,018,994
Net income	-	-	-	1,953,909	-	1,953,909
Effect of pension liability adjustment associated with SERP amendment (see note J)	-	-	-	1,736,450	-	1,736,450
Valuation allowance adjustment on securities available for sale	-	-	-	-	(476,571)	(476,571)
Balance, December 31, 2012	3,606,799	$ 360,432	$ 9,075,553	$ (251,666)	$ 48,463	$ 9,232,782

See Accompanying Notes to Consolidated Financial Statements

CCF HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2012	**2011**
Cash Flows from Operating Activities:		
Net income (loss)	$ 1,953,909	$ (4,904,721)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for loan losses	375,000	2,700,000
Depreciation, amortization and accretion	656,206	665,801
Gain on sales / calls of investment securities	(766,677)	(332,011)
Gain on sale of loans	(512,648)	(1,282,158)
Loss on sales and writedown of foreclosed assets	738,043	5,583,795
Loss on disposal of premises and equipment	-	4,454
Increase in cash surrender value of life insurance	(320,507)	(313,968)
Changes in accrued income and other assets	(268,512)	312,832
Changes in accrued expenses and other liabilities	(134,584)	(415,637)
Net cash provided by operating activities	1,720,230	2,018,387
Cash Flows from Investing Activities:		
Net change in loans to customers	(6,660,130)	10,550,567
Net change in certificates of deposit in other banks	5,860,000	993,000
Purchase of available for sale securities	(37,505,637)	(34,025,804)
Proceeds from sales of available for sale securities	31,284,873	14,679,415
Proceeds from maturities/calls of available for sale securities	21,842,320	39,480,740
Purchase of held to maturity securities	(13,869,704)	-
Proceeds from maturities/calls of held to maturity securities	311,134	-
Proceeds from redemption of Federal Home Loan Bank stock	642,500	538,300
Proceeds from sale of loans	(1,706,421)	3,300,735
Proceeds from sales of foreclosed assets	1,216,124	3,166,532
Capitalized improvements on foreclosed assets	(452,476)	-
Property and equipment expenditures	(1,980,791)	(212,078)
Proceeds from sales of premises and equipment	(37,669)	67,860
Net cash provided by (used in) investing activities	(1,055,877)	38,539,267
Cash Flows from Financing Activities:		
Net change in deposits	(3,210,449)	(10,655,441)
Net change in customer escrow accounts	201,581	74,908
Net change in securities sold under agreements to repurchase	(4,339,415)	4,544,638
Repayment of Federal Home Loan Bank advance	-	(20,000,000)
Net cash used in financing activities	(7,348,283)	(26,035,895)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,683,930)	14,521,759
Cash and Cash Equivalents, Beginning of Year	35,352,462	20,830,703
Cash and Cash Equivalents, End of Year	$ 28,668,532	$ 35,352,462

See Accompanying Notes to Consolidated Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CCF Holding Company (Company) and its subsidiary, Heritage Bank (Bank), conform with accounting principles generally accepted in the United States of America and general practices within the banking industry. The policies that materially affect financial position and the results of operations are summarized as follows:

1. ***Reporting Entity*** - The Company is incorporated in the State of Georgia as a state charted bank holding company whose business is conducted by its wholly owned bank subsidiary. The Company is primarily regulated by the Board of Governors of the Federal Reserve System (Federal Reserve) and Georgia Department of Banking and Finance (DBF), while the Bank is primarily regulated by the Federal Deposit Insurance Corporation (FDIC) and the DBF. Both the Bank and the Company are subject to periodic examinations by these regulatory authorities.

   The Bank provides a full range of banking services to individual and corporate customers through its main office in Jonesboro, Georgia and five other branch offices in Georgia, 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.

2. ***Basis of Presentation and Principles of Consolidation*** - The consolidated financial statements include the accounts of the Company and its wholly owned bank subsidiary. All material intercompany accounts and transactions have been eliminated as a result of consolidation.

3. ***Use of Estimates*** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

   The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

   The Subsidiary's loans are generally secured by specific items of collateral including real property, consumer assets and business assets. Although the Subsidiary has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions.

   While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. In addition, regulatory agencies, as an integral part of their examination process, periodically review the estimated losses on loans. Such agencies may require the Company to recognize additional losses based on their judgments about information available to them at the time of their examination. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

4. ***Cash and Cash Equivalents*** - For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, highly liquid debt instruments purchased with an original maturity of three months or less and federal funds sold. Generally, federal funds are purchased and sold for one-day periods.

5. ***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 shareholders' 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 shareholders' equity until realized. A decline in the market value of any available-for-sale or held-to-maturity investment below cost that is deemed an other than temporary decline is charged to earnings and establishes a new cost basis for the security.

Mortgage-backed securities represent participating interests in pools of long-term first mortgage loans originated and serviced by issuers of the securities. Mortgage-backed securities are carried at unpaid principal balances, adjusted for unamortized premiums and unearned discounts.

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.

The market value of securities is generally based on quoted market prices. If a quoted market price is not available, market value is estimated using quoted market prices for similar securities.

6. ***Federal Home Loan Bank Stock*** - Investment in stock of a Federal Home Loan Bank (FHLB) is required for every federally insured institution that utilizes its services. FHLB stock is considered restricted, as defined in FASB Accounting Standards Codification Topic 320, Investments – Debt and Equity Securities; accordingly, the provisions of ASC Topic 320 are not applicable to this investment. The FHLB stock is reported in the consolidated financial statements at cost. Dividend income is recognized when earned.

7. ***Loans and Interest Income*** – 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 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 generally 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.

8. ***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 principal 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 historical losses experienced within the industry. For individually significant loans deemed to be impaired, a specific allowance is established based on the expected collectability 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.

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 judgment of information available to them at the time of their examination.

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.

Large groups of smaller balance homogenous loans are collectively evaluated for impairment. Accordingly, the Company does not separately identify individual consumer loans for impairment disclosures.

9. ***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. 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.

10. ***Other Real Estate Owned*** - Other real estate owned, acquired principally through foreclosure, is stated at the lower of cost or net realizable value. Loan losses incurred in the acquisition of these properties are charged against the allowance for possible loan losses at the time of foreclosure. Subsequent write-downs of other real estate owned are charged against the current period's expense.

11. ***Securities Sold Under Agreements to Repurchase*** – Securities sold under agreement to repurchase are secured borrowings from customers and are treated as financing activities and are carried at the amounts at which the securities will be subsequently reacquired as specified in the respective agreements.

12. ***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.

The Company adopted FASB Accounting Standards Codification Topic 740-10-25, *Recognition*, as of January 1, 2010. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no effect on the Company's financial statement for the year ending December 31, 2012.

The Company is subject to U.S. federal and Georgia state income tax audit for returns for the tax periods ending December 31, 2012, 2011, and 2010.

13. ***Stock Compensation Plans*** - Accounting for Stock Based Compensation was adopted by the Company on the required effective date, January 1, 2007, using the modified prospective transition method in which the Company receives employee services in exchange for equity instruments of the Company. Accounting for stock based compensation requires the Company to recognize as compensation expense the "grant date fair value" of stock options granted to employees in the statement of earnings using the fair-value-based method. Prior to the adoption of this method, the Company utilized the recognition and measurement principles that were previously permissible under earlier methods, no compensation expense was recognized in the statement of earnings, since the exercise price on the grant date was equal to the market value of the underlying stock.

    The Company did not recognize any stock based compensation expense during the years ended December 31, 2012 and 2011. The Company recognizes compensation expense for stock option grants with graded vesting schedules on a straight-line basis over the requisite service period of the award as required by code references 505 and 718.

14. ***Advertising Costs*** – It is the policy of the Company to expense advertising costs as they are incurred. The Company does not engage in any direct-response advertising and accordingly has no advertising costs reported as assets on its balance sheet. Amounts charged to advertising expense for the years ended December 31, 2012 and 2011 were $88,625 and $37,270, respectively.

15. ***Comprehensive Income*** – GAAP generally requires that recognized revenues, expenses, gains and losses be included in net earnings. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the consolidated balance sheets, such items along with net earnings, are components of comprehensive income. The adoption of FASB Accounting Standards Codification Topic 220, *Comprehensive Income*, had no effect on the Company's net income or shareholders' equity. The Company presents comprehensive income in a separate consolidated statement of comprehensive income.

16. ***Earnings per Common Share*** – 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. The reconciliation of the amounts used in the computation of both "basic earnings per share" and "diluted earnings per share" for each period is presented as follows:

	Years Ended December 31,	
	2012	2011
Net income (loss)	$ 1,953,909	$ (4,904,721)
Less: Preferred stock dividends	-	-
Net income (loss) available to common shareholders	$ 1,953,909	$ (4,904,721)
Average number of common shares outstanding	3,604,316	3,604,316
Effect of dilutive options, warrants, etc.	-	-
Average number of common shares outstanding used to calculate diluted earnings per common share	3,604,316	3,604,316
Earnings (loss) per share - basic	$ 0.54	$ (1.36)
Earnings (loss) per share - diluted	$ 0.54	$ (1.36)

17. ***Changes in Accounting Principles and Effects of New Accounting Pronouncements*** -

ASU No. 2010-20, "Receivables (Topic 830) – Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." ASU 2010-20 requires entities to provide disclosures designed to facilitate financial statement users' evaluation of (i) the nature of credit risk inherent in the entity's portfolio of financing receivables, (ii) how that risk is analyzed and assessed in arriving at the allowance for credit losses and (iii) the changes and reasons for those changes in the allowance for credit losses. Disclosures must be disaggregated by portfolio segment, the level at which an entity develops and documents a systematic method for determining its allowance for credit losses, and class of financing receivable, which is generally a disaggregation of portfolio segment. The required disclosures include, among other things, a roll forward of the allowance for credit losses as well as information about modified, impaired, non-accrual and past due loans and credit quality disclosures required as of the end of a reporting period. For nonpublic companies, the amendments are effective for periods ending on or after December 15, 2011. Disclosures that relate to activity during a reporting period becaome effective for the Company's financial statements for periods beginning on or after January 1, 2011. ASU 2011-01, "Receivables (Topic 310) – Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20," temporarily deferred the effective date for disclosures related to troubled debt restructurings to coincide with the effective date of the then proposed ASU 2011-02, "Receivables (Topic 310) – A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring," which is further discussed below.

ASU No. 2011-02, "Receivables (Topic 310) – A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring." ASU 2011-02 clarifies which loan modifications constitute troubled debt restructurings and is intended to assist creditors in determining whether a modification of the terms of a receivable meets the criteria to be considered a troubled debt restructuring, both for purposes of recording an impairment loss and for disclosure of troubled debt restructurings. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must separately conclude, under the guidance clarified by ASU 2011-01, that both of the following exist: (a) the restructuring constitutes a concession: and (b) the debtor is experiencing financial difficulties. ASU 2011-02 is effective for the Company for annual periods ending on or after December 15, 2012. Adoption of ASU 2011-02 did not have a significant impact on the Company's financial statements.

ASU No. 2011-03, "Transfers and Servicing (Topic 860) – Reconsideration of Effective Control for Repurchase Agreements." ASU 2011-03 is intended to improve financial reporting of repurchase agreements and other agreements that both entitle and obligate a transferor to repurchase or redeem financial assets before their maturity. ASU 2011-03 removes from the assessment of effective control (i) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (ii) the collateral maintenance guidance related to that criterion. ASU 2011-03 is effective for the Company as of January 1, 2012 and did not have a significant impact on the Company's financial statements.

ASU No. 2011-05, "Comprehensive Income (Topic 220) – Presentation of Comprehensive Income." ASU 2011-05 amends Topic 220, "Comprehensive Income," to require that all non-owner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. Additionally, ASU 2011-05 requires entities to present, on the face of the financial statements, reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement or statements where the components of net income and the components of other comprehensive income are presented. The option to present components of other comprehensive income as part of the statement of changes in stockholders' equity was eliminated. ASU 2011-05 is effective for fiscal years ending after December 15, 2012, and did not have a significant impact on the Company's financial statements.

18. ***Reclassifications*** – Certain accounts in the prior-year financial statements have been reclassified to conform to the presentation of current-year financial statements.

19. ***Annual Disclosure Statement*** – Under 12 CFR 350, all FDIC-insured state-chartered banks that are not members of the Federal Reserve System are required to make available upon request an annual disclosure statement, which may include these audited financial statements and related notes. For the purposes of the annual disclosure statement, this document has not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation.

B. INVESTMENT SECURITIES

Debt and equity securities have been classified in the balance sheet according to management's intent. The following table reflects the amortized cost and estimated market values of investments in debt securities. In addition, gross unrealized gains and gross unrealized losses are disclosed, in accordance FASB Accounting Standards Codification Topic 320, *Investments – Debt and Equity Securities*.

The amortized cost and market values of securities with gross unrealized gains and losses are summarized as follows:

AVAILABLE FOR SALE

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
December 31, 2012				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ 1,999,973	$ 4,100	$ -	$ 2,004,073
State and Political subdivisions	811,132	31,791	-	842,923
Other debt securities	2,000,000	-	(95,625)	1,904,375
Total non-mortgage backed debt securities	4,811,105	35,891	(95,625)	4,751,371
Mortgage backed securities	20,967,066	171,996	(63,799)	21,075,263
Total	$ 25,778,171	$ 207,887	$ (159,424)	$ 25,826,634
December 31, 2011				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ 18,547,085	$ 53,815	$ (4,900)	$ 18,596,000
State and Political subdivisions	1,022,090	25,757	-	1,047,847
Other debt securities	2,000,000	-	(32,500)	1,967,500
Total non-mortgage backed debt securities	21,569,175	79,572	(37,400)	21,611,347
Mortgage backed securities	19,230,121	499,133	(16,271)	19,712,983
Total	$ 40,799,296	$ 578,705	$ (53,671)	$ 41,324,330

HELD TO MATURITY

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Market Value
December 31, 2012				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ -	$ -	$ -	$ -
Mortgage backed securities	13,558,119	62,275	-	13,620,394
Total	$ 13,558,119	$ 62,275	$ -	$ 13,620,394
December 31, 2011				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ -	$ -	$ -	$ -
Mortgage backed securities	-	-	-	-
Total	$ -	$ -	$ -	$ -

The book and market values of securities pledged to secure public funds and securities sold under agreements to repurchase were $24,536,150 and $24,671,779 at December 31, 2012, respectively and $18,618,090 and $18,890,517 at December 31, 2011, respectively.

At December 31, 2012 and 2011, the Company did not hold investment securities of any single issuer, other than obligations of the U. S. Treasury and other U. S. Government agencies, whose aggregate book value exceeded ten percent of shareholders' equity.

The amortized cost and estimated market value of debt securities at December 31, 2012 and 2011, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties.

AVAILABLE FOR SALE

December 31, 2012	Amortized Cost	Estimated Market Value
Non-mortgage backed securities:		
Due in one year or less	$ 2,211,432	$ 2,223,468
Due after one year through five years	599,673	623,528
Due after five years through ten years	2,000,000	1,904,375
Due after ten years	-	-
Total non-mortgage backed securities	4,811,105	4,751,371
Mortgage backed securities	20,967,066	21,075,263
Total	$ 25,778,171	$ 25,826,634

December 31, 2011	Amortized Cost	Estimated Market Value
Non-mortgage backed securities:		
Due in one year or less	$ 16,757,085	$ 16,811,844
Due after one year through five years	2,312,090	2,330,583
Due after five years through ten years	2,500,000	2,468,920
Due after ten years	-	-
Total non-mortgage backed securities	21,569,175	21,611,347
Mortgage backed securities	19,230,121	19,712,983
Total	$ 40,799,296	$ 41,324,330

HELD TO MATURITY

December 31, 2012	Amortized Cost	Estimated Market Value
Non-mortgage backed securities:		
Due in one year or less	$ -	$ -
Due after one year through five years	-	-
Due after five years through ten years	-	-
Due after ten years	-	-
Total non-mortgage backed securities	-	-
Mortgage backed securities	13,558,119	13,620,394
Total	$ 13,558,119	$ 13,620,394

December 31, 2011	Amortized Cost	Estimated Market Value
Non-mortgage backed securities:		
Due in one year or less	$ -	$ -
Due after one year through five years	-	-
Due after five years through ten years	-	-
Due after ten years	-	-
Total non-mortgage backed securities	-	-
Mortgage backed securities	-	-
Total	$ -	$ -

The market value is established by an independent pricing service as of the approximate dates indicated. The differences between the book value and market value reflect current interest rates and represent the potential loss (or gain) had the portfolio been liquidated on that date. Security losses (or gains) are realized only in the event of dispositions prior to maturity.

Information pertaining to securities with gross unrealized losses aggregated by investment category and length of time that individual securities have been in a continuous loss position follows:

AVAILABLE FOR SALE

	Less Than Twelve Months		Twelve Months or More	
	Unrealized Losses	Estimated Market Value	Unrealized Losses	Estimated Market Value
December 31, 2012				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ -	$ -	$ -	$ -
State and Political subdivisions	-	-	-	-
Other debt securities	-	-	95,625	1,904,375
Total non-mortgage backed debt securities	-	-	95,625	1,904,375
Mortgage backed securities	58,839	12,695,888	4,960	1,123,469
Total	$ 58,839	$ 12,695,888	$ 100,585	$ 3,027,844

	Less Than Twelve Months		Twelve Months or More	
	Unrealized Losses	Estimated Market Value	Unrealized Losses	Estimated Market Value
December 31, 2011				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ 3,500	$ 996,500	$ 1,400	$ 1,998,600
State and Political subdivisions	-	-	-	-
Other debt securities	27,500	972,500	5,000	995,000
Total non-mortgage backed debt securities	31,000	1,969,000	6,400	2,993,600
Mortgage backed securities	16,271	4,027,211	-	-
Total	$ 47,271	$ 5,996,211	$ 6,400	$ 2,993,600

HELD TO MATURITY

	Less Than Twelve Months		Twelve Months or More	
	Unrealized Losses	Estimated Market Value	Unrealized Losses	Estimated Market Value
December 31, 2012				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ -	$ -	$ -	$ -
State and Political subdivisions	-	-	-	-
Other debt securities	-	-	-	-
Total non-mortgage backed debt securities	-	-	-	-
Mortgage backed securities	-	-	-	-
Total	$ -	$ -	$ -	$ -

	Less Than Twelve Months		Twelve Months or More	
	Unrealized Losses	Estimated Market Value	Unrealized Losses	Estimated Market Value
December 31, 2011				
Non-mortgage backed debt securities of :				
U.S. Agencies	$ -	$ -	$ -	$ -
State and Political subdivisions	-	-	-	-
Other debt securities	-	-	-	-
Total non-mortgage backed debt securities	-	-	-	-
Mortgage backed securities	-	-	-	-
Total	$ -	$ -	$ -	$ -

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Corporation to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At December 31, 2012, three (3) debt securities had an unrealized loss with a depreciation of 1.15% from the Company's amortized cost basis. At December 31, 2011 six (6) debt securities had an unrealized loss with a depreciation of 0.59% from the Company's amortized cost basis. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and industry analysts' reports. As management has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available for sale, no declines are deemed to be other than temporary.

C. LOANS

The Company engages in a full complement of lending activities, including real estate-related loans, commercial and financial loans and consumer installment loans. The majority of its lending activities are concentrated in real estate loans. While risk of loss in the Company's portfolio is primarily tied to the credit quality of the various borrowers, risk of loss may increase due to factors beyond the Company's control, such as local, regional and/or national economic downturns. General conditions in the real estate market may also impact the relative risk in the real estate portfolio.

Loans are stated at unpaid balances, net of unearned income and deferred loan fees. Balances within the major loans receivable categories are presented in the following table:

	2012	2011
Commercial	$ 200,455,969	$ 197,789,253
Construction	8,404,708	8,465,294
Acquisition and development	10,173,467	11,210,391
Land	5,024,069	5,874,423
Consumer	2,611,326	2,818,726
Residential real estate	19,933,478	16,609,282
Total Loans	246,603,017	242,767,369
Less:		
Allowance for loan losses	(4,316,493)	(5,379,141)
Loans, net	$ 242,286,524	$ 237,388,228

Overdrafts included in loans were $48,188 and $28,949 at December 31, 2012 and 2011, respectively.

Nonaccrual and Past Due Loans

A loan is placed on nonaccrual status when, in management's judgment, the collection of the interest income appears doubtful. Interest receivable that has been accrued and is subsequently determined to have doubtful collectability is charged to interest income. Interest on loans that are classified as non-accrual is recognized when received. Past due loans are loans whose principal or interest is past due 90 days or more. In some cases, where borrowers are experiencing financial difficulties, loans may be restructured to provide terms significantly different from the original contractual terms.

The following table presents an analysis of past due loans as of December 31, 2012 and 2011:

	As of December 31, 2012					
	Current	30-89 Days	Greater Than 90 Days Still Accruing	Total Accruing Past Due	Non-accrual	Total Financing Receivables
Commercial	$ 184,198,909	$ 9,967,150	$ -	$ 9,967,150	$ 6,289,910	$ 200,455,969
Construction	7,833,447	571,261	-	571,261	-	8,404,708
Acquisition and development	8,415,214	1,383,519	-	1,383,519	374,734	10,173,467
Land	4,538,840	-	-	-	485,229	5,024,069
Consumer	2,579,635	10,275	-	10,275	21,416	2,611,326
Residential real estate	19,395,722	360,205	-	360,205	177,551	19,933,478
	$ 226,961,767	$ 12,292,410	$ -	$ 12,292,410	$ 7,348,840	$ 246,603,017

	As of December 31, 2011					
	Current	30-89 Days	Greater Than 90 Days Still Accruing	Total Accruing Past Due	Non-accrual	Total Financing Receivables
Commercial	$ 183,475,754	$ 7,975,525	$ -	$ 7,975,525	$ 6,337,974	$ 197,789,253
Construction	8,304,077	161,217	-	161,217	-	8,465,294
Acquisition and development	10,834,959	-	-	-	375,432	11,210,391
Land	5,270,266	109,204	-	109,204	494,953	5,874,423
Consumer	2,635,445	60,118	-	60,118	123,163	2,818,726
Residential real estate	16,000,003	69,994	-	69,994	539,285	16,609,282
	$ 226,520,504	$ 8,376,058	$ -	$ 8,376,058	$ 7,870,807	$ 242,767,369

Impaired Loans

Loans are considered impaired when, based on current information and events, it is probable the Company will be unable to collect all amounts due in accordance with the original contractual terms of the loan agreements. Impaired loans include loans on nonaccrual status and troubled debt restructurings. If a loan is deemed impaired, a specific valuation allowance is allocated, if necessary, so that the loan is reported net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Interest payments on impaired loans are typically applied to principal unless collectability of the principal amount is reasonably assured, in which case interest is recognized on a cash basis.

The following is a summary of information pertaining to impaired loans:

	December 31,	
	2012	2011
Impaired loans without a valuation allowance	$ 21,805,194	$ 23,170,247
Impaired loans with a valuation allowance	18,370,955	5,594,201
Total impaired loans	40,176,149	28,764,448
Valuation allowance related to impaired loans	(1,735,812)	(1,516,069)
Net investment	$ 38,440,337	$ 27,248,379
Total non-accrual loans	$ 7,348,840	$ 7,870,807
Total loans past-due ninety days or more and still accruing	$ -	$ -

The following is a summary on information pertaining to interest relating to impaired loans for the two year period ended December 31, 2012:

	Years Ended December 31,	
	2012	2011
Average investment in impaired loans	$ 32,844,360	$ 18,281,794
Interest income recognized on impaired loans	$ 1,233,188	$ 1,106,835
Interest income recognized on a cash basis on impaired loans	$ 1,243,931	$ 1,131,850

The following table presents an analysis of information pertaining to impaired loans as of December 31, 2012 and 2011:

	As of December 31, 2012					
	Unpaid Total Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Related Allowance	Total Recorded Investment	Average Recorded Investment
Commercial	$ 35,899,074	$ 20,357,338	$ 14,579,946	$ (1,376,962)	$ 33,560,322	$ 30,018,885
Construction	298,521	298,521	-	-	298,521	149,261
Acquisition and development	3,788,967	374,732	3,305,780	(235,201)	3,445,311	1,910,372
Land	1,259,832	774,603	485,229	(123,649)	1,136,183	743,592
Consumer	-	-	-	-	-	-
Residential real estate	-	-	-	-	-	22,250
Total	$ 41,246,394	$ 21,805,194	$ 18,370,955	$ (1,735,812)	$ 38,440,337	$ 32,844,360

	As of December 31, 2011					
	Unpaid Total Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Related Allowance	Total Recorded Investment	Average Recorded Investment
Commercial	$ 29,336,109	$ 22,750,315	$ 4,764,066	$ (1,036,934)	$ 26,477,447	$ 16,683,220
Construction	-	-	-	-	-	-
Acquisition and development	483,886	375,432	-	-	375,432	1,090,668
Land	494,953	-	488,979	(137,979)	351,000	315,078
Consumer	-	-	-	-	-	-
Residential real estate	432,850	44,500	341,156	(341,156)	44,500	192,828
Total	$ 30,747,798	$ 23,170,247	$ 5,594,201	$ (1,516,069)	$ 27,248,379	$ 18,281,794

Credit Quality Indicators

The Company uses a nine category risk grading system to assign a risk grade to each loan in the portfolio. The following is a description of the general characteristics of the grades:

Pass – Represents loans with satisfactory or better borrowing relationships with the Bank. Typically supported by borrowers with established history and adequate cash flow to support the debt or the related collateral is valued so that no significant risk of loss has been identified by the Bank.

Special Mention – Represents loans with potential weaknesses which may, if not identified and corrected, weaken the asset or inadequately protect the Bank's position at some future date.

Substandard – Loans that are inadequately protected by the net worth and cash flow capacity of the borrower or of the collateral pledged against the loan. Credit risk is related to the possibility of some loss of principal or interest if deficiencies are not corrected.

Doubtful – Loans which are inadequately protected by the net worth of the borrower or of the collateral pledged and repayment in full is improbable on the basis of existing facts, values and conditions. A full or partial reserve is recommended.

The following table presents the loan portfolio by risk grade as of December 31, 2012 and 2011:

	As of December 31, 2012				
	Pass	Special Mention	Substandard	Doubtful	Total
Commercial	$ 155,120,109	$ 14,184,494	$ 31,518,938	$ -	$ 200,823,541
Construction	7,072,261	1,045,384	298,521	-	8,416,166
Acquisition and development	5,109,434	-	5,064,033	-	10,173,467
Land	2,910,261	726,912	1,386,896	-	5,024,069
Consumer	2,421,109	32,649	109,380	-	2,563,138
Residential real estate	18,638,415	524,158	770,905	-	19,933,478
Total	$ 191,271,589	$ 16,513,597	$ 39,148,673	$ -	$ 246,933,859
Overdraft, in-process and suspense accounts					(330,842)
Total Loans					$ 246,603,017

	As of December 31, 2011				
	Pass	Special Mention	Substandard	Doubtful	Total
Commercial	$ 145,498,349	$ 11,733,136	$ 40,253,992	$ -	$ 197,485,477
Construction	6,605,367	1,589,138	243,200	-	8,437,705
Acquisition and development	3,789,361	2,107,854	5,313,176	-	11,210,391
Land	4,904,725	427,745	541,953	-	5,874,423
Consumer	2,324,875	238,394	226,508	-	2,789,777
Residential real estate	15,266,613	195,333	819,658	-	16,281,604
Total	$ 178,389,290	$ 16,291,600	$ 47,398,487	$ -	$ 242,079,377
Overdraft, in-process and suspense accounts					687,992
Total Loans					$ 242,767,369

Troubled Debt Restructurings (TDRs)

Loans are considered to have been modified in a TDR when due to a borrower's financial difficulty, the Company makes certain concessions to the borrower that it would not otherwise consider for new debt with similar risk characteristics. Modifications may include interest rate reductions, principal or interest forgiveness, forbearance, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of the collateral. Each potential loan modification is reviewed individually and the terms of the loan are modified to meet the borrower's specific circumstances at a point in time. Not all loan modifications are TDRs. Generally, a non-accrual loan that has been modified in a TDR remains on non-accrual status for a period of 6 months to demonstrate that the borrower is able to meet the terms of the modified loan. However, performance prior to the modification, or significant events that coincide with the modification, are included in assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual status at the time of loan modification or after a shorter performance period. If the borrower's ability to meet the revised payment schedule is uncertain, the loan remains on non-accrual status. Once a loan is modified in a troubled debt restructuring it is accounted for as an impaired loan, regardless of its accrual status, until the loan is paid in full, sold or charged off.

Loan modifications are reviewed and approved by the Company's senior lending staff, who then determine whether the loan meets the criteria for a TDR. Generally, the types of concessions granted to borrowers that are evaluated in determining whether the loan is classified as a TDR include:

- Interest rate reductions – Occur when the stated interest rate is reduced to a nonmarket rate or a rate the borrower would not be able to obtain elsewhere under similar circumstances.
- Amortization or maturity date changes – Result when the amortization period of the loan is extended beyond what is considered a normal amortization period for loans of similar type with similar collateral.
- Principal reductions – These are often the result of commercial real estate loan workouts where two new notes are created. The primary note is underwritten based upon our normal underwriting standards and is structured so that the projected cash flows are sufficient to repay the contractual principal and interest of the newly restructured note. The terms of the secondary note vary by situation and often involve that not being charged-off, or the principal and interest payments being deferred until after the primary note has been repaid. In situations where a portion of the note is charged-off during modification there is often not specific reserve allocated to those loans. This is due to the fact that the amount of the charge-off usually represents the excess of the original loan balance over the collateral value and the Company has determined there is no additional exposure on those loans.

The following table presents the amount of troubled debt restructuring by loan class, classified separately as accrual and non-accrual at December 31, 2012 and 2011.

	December 31, 2012		
	Accruing	Non-Accrual	Total
Commercial	$ 27,080,145	$ 1,860,162	$ 28,940,307
Construction	-	-	-
Acquisition and development	3,305,780	369,132	3,674,912
Land	774,603	-	774,603
Consumer	-	-	-
Residential real estate	43,897	-	43,897
Total TDR's	$ 31,204,425	$ 2,229,294	$ 33,433,719

	December 31, 2011		
	Accruing	Non-Accrual	Total
Commercial	$ 21,195,467	$ 2,574,487	$ 23,769,954
Construction	-	-	-
Acquisition and development	94,137	375,432	469,569
Land	-	-	-
Consumer	-	-	-
Residential real estate	-	44,500	44,500
Total TDR's	$ 21,289,604	$ 2,994,419	$ 24,284,023

The following table presents the amount of troubled debt restructurings by loan class, classified separately as those currently paying under restructured terms and those that have defaulted under restructured terms as December 31, 2012 and 2011. Loans modified in a troubled debt restructuring are considered to be in default once the loan becomes 90 days past due.

	December 31, 2012			
	Loans Currently Paying Under Restructured Terms		Loans that have Defaulted Under Restructured Terms	
	#	Balance	#	Balance
Commercial	20	$ 23,136,077	10	$ 5,804,230
Construction	-	-	-	-
Acquisition and development	1	3,305,780	1	369,132
Land	1	774,603	-	-
Consumer	-	-	-	-
Residential real estate	1	43,897	-	-
Total	23	$ 27,260,357	11	$ 6,173,362

	December 31, 2011			
	Loans Currently Paying Under Restructured Terms		Loans that have Defaulted Under Restructured Terms	
	#	Balance	#	Balance
Commercial	16	$ 18,602,929	12	$ 5,167,025
Construction	-	-	-	-
Acquisition and development	1	94,137	1	375,432
Land	-	-	-	-
Consumer	-	-	-	-
Residential real estate	-	-	1	44,500
Total	17	$ 18,697,066	14	$ 5,586,957

The following table presents the amount of troubled debt restructurings by types of concessions made, classified separately as accrual and non-accrual at December 31, 2012 and 2011.

	December 31, 2012			
	Accruing Loans		Non-Accruing Loans	
Type of Concession:	#	Balance	#	Balance
Forbearance of interest	-	$ -	-	$ -
Forgiveness of principal	1	43,897	-	-
Payment modification only	2	390,969	2	74,684
A&B note structure	2	2,360,415	4	308,759
Rate reduction, forbearance of interest	1	2,920,759	-	-
Rate reduction, forbearance of principal	1	3,305,780	-	-
Rate reduction, payment modification	18	22,182,605	3	1,845,851
Total	25	$ 31,204,425	9	$ 2,229,294

	December 31, 2011			
	Accruing Loans		Non-Accruing Loans	
Type of Concession:	#	Balance	#	Balance
Forbearance of interest	-	$ -	-	$ -
Forgiveness of principal	1	236,331	1	44,500
Payment modification only	2	400,738	2	84,854
A&B note structure	2	2,395,849	4	765,782
Rate reduction, forbearance of interest	1	2,942,787	-	-
Rate reduction, forbearance of principal	-	-	-	-
Rate reduction, payment modification	14	15,313,899	4	2,099,283
Total	20	$ 21,289,604	11	$ 2,994,419

As of December 31, 2012 and 2011, the Company had a balance of $33.4 million and $24.3 million, respectively, in troubled debt restructurings. The Company has recorded $1.1 million and $1.2 million in previous charge-offs on such loans as of December 31, 2012 and 2011, respectively. The Company's balance in the allowance for loan losses allocated to such troubled debt restructurings was $712,232 and $807,308 at December 31, 2012 and 2011, respectively. The Company had no unfunded commitments to lend to a customer that has a troubled debt restructured loan as of December 31, 2012.

Allowance for loan losses

The allowance for loan losses represents a reserve for inherent losses in the loan portfolio. The adequacy of the allowance for loan losses is evaluated periodically based on a review of all significant loans; with a particular emphasis on non-accruing, past due and other loans that management believes might be potentially impaired or warrant additional attention. The Company segregates the loan portfolio by type of loan and utilizes this segregation in evaluating exposure to risks within the portfolio. In addition, based on internal reviews and external reviews performed by independent auditors and regulatory authorities, the Company further segregates the loan portfolio by loan grades based on an assessment of risk for a particular loan or group of loans. Certain reviewed loans are assigned specific allowances when a review of relevant data determines that a general allocation is not sufficient or when the review affords management the opportunity to fine tune the amount of exposure in a given credit. In establishing allowances, management considers historical loan loss experience but adjusts this data with a significant emphasis on data such as current loan quality trends, current economic conditions and other factors in the markets where the Company operates. Factors considered include, among others, current and expected economic conditions in the operating area, delinquency trends, adversely rated loans and nonaccrual loans within a specific segment.

The Company has developed a methodology for determining the adequacy of the allowance for loan losses which is monitored by the Company's Senior Management. Procedures provide for the assignment of a risk rating for every loan included in the total loan portfolio, with the exception of credit card receivables and overdraft protection loans which are treated as pools for risk rating purposes. The risk rating schedule provides seven ratings of which four ratings are classified as pass ratings and three ratings are classified as criticized ratings. Each risk rating is assigned a percentage factor to be applied to the loan balance to determine the adequate amount of reserve. Many of the larger loans require an annual review by an independent loan officer or an independent third party loan review firm. As a result of these loan reviews, certain loans may be assigned specific reserve allocations. Other loans that surface as problem loans may also be assigned specific reserves. The calculation of the allowance for loan losses, including underlying data and assumptions, is reviewed regularly by the Company's Loan Committee, senior management and Board of Directors.

Activity in the allowance for loan losses for the two year period ended December 31, 2012 is as follows:

	2012	2011
Beginning Balance	$ 5,379,141	7,442,438
Add - Provision for possible loan losses	375,000	2,700,000
Subtotal	5,754,141	10,142,438
Less:		
Loans charged off	1,667,388	4,883,154
Recoveries on loans previously charged off	(229,740)	(119,857)
Net loans charged off	1,437,648	4,763,297
Balance, end of year	$ 4,316,493	$ 5,379,141

The following table details activity in the allowance for loan losses by portfolio segment for the year ended December 31, 2012 and 2011. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

As of December 31, 2012	Commercial	Construction	Acquisition & Development	Land	Consumer	Residential Real Estate	Unallocated	Total
Allowance for credit losses:								
Beginning Balance	$ 3,460,692	$ 136,568	$ 613,834	$ 476,562	$ 61,550	$ 541,436	$ 88,499	$ 5,379,141
Chargeoffs	(1,392,391)	(9,492)	-	-	(13,086)	(252,419)	-	(1,667,388)
Recoveries	168,925	4,705	-	47,784	4,664	3,662	-	229,740
Provision	658,806	(62,921)	75,772	(226,049)	8,814	22,830	(102,252)	375,000
Ending Balance	$ 2,896,032	$ 68,860	$ 689,606	$ 298,297	$ 61,942	$ 315,509	$ (13,753)	$ 4,316,493
Period-end amount allocated to:								
Loans individually evaluated for impairment	$ 1,376,962	$ -	$ 235,201	$ 123,649	$ -	$ -	$ -	$ 1,735,812
Loans collectively evaluated for impairment	1,519,070	68,860	454,405	174,648	61,942	315,509	(13,753)	2,580,681
Ending balance	$ 2,896,032	$ 68,860	$ 689,606	$ 298,297	$ 61,942	$ 315,509	$ (13,753)	$ 4,316,493
Loans:								
Individually evaluated for impairment	$ 34,937,284	$ 298,521	$ 3,680,512	$ 1,259,832	$ -	$ -	$ -	$ 40,176,149
Collectively evaluated for impairment	165,518,685	8,106,187	6,492,955	3,764,237	2,611,326	19,933,478	-	206,426,868
Ending balance	$ 200,455,969	$ 8,404,708	$ 10,173,467	$ 5,024,069	$ 2,611,326	$ 19,933,478	$ -	$ 246,603,017

As of December 31, 2011	Commercial	Construction	Acquisition & Development	Land	Consumer	Residential Real Estate	Unallocated	Total
Allowance for credit losses:								
Beginning Balance	$ 4,811,684	$ 704,409	$ 1,200,545	$ 409,486	$ 84,098	$ 171,981	$ 60,235	$ 7,442,438
Chargeoffs	(2,316,463)	(86,841)	(1,538,934)	(601,465)	(174,682)	(164,769)	-	(4,883,154)
Recoveries	72,667	-	-	18,784	23,406	5,000	-	119,857
Provision	892,804	(481,000)	952,223	649,757	128,728	529,224	28,264	2,700,000
Ending Balance	$ 3,460,692	$ 136,568	$ 613,834	$ 476,562	$ 61,550	$ 541,436	$ 88,499	$ 5,379,141
Period-end amount allocated to:								
Loans individually evaluated for impairment	$ 1,036,934	$ -	$ -	$ 137,979	$ -	$ 341,156	$ -	$ 1,516,069
Loans collectively evaluated for impairment	2,423,758	136,568	613,834	338,583	61,550	200,280	88,499	3,863,072
Ending balance	$ 3,460,692	$ 136,568	$ 613,834	$ 476,562	$ 61,550	$ 541,436	$ 88,499	$ 5,379,141
Loans:								
Individually evaluated for impairment	$ 27,514,381	$ -	$ 375,432	$ 488,979	$ -	$ 385,656	$ -	$ 28,764,448
Collectively evaluated for impairment	170,274,872	8,465,294	10,834,959	5,385,444	2,818,726	16,223,626	-	214,002,921
Ending balance	$ 197,789,253	$ 8,465,294	$ 11,210,391	$ 5,874,423	$ 2,818,726	$ 16,609,282	$ -	$ 242,767,369

D. BANK PREMISES AND EQUIPMENT

The following is a summary of asset classifications and depreciable lives for the Bank at December 31, 2012 and 2011:

	Useful Lives (Years)	2012	2011
Land		$ 1,074,885	$ 680,195
Buildings and improvements	5-40	5,866,105	4,774,755
Furniture and equipment	2-20	5,950,645	5,823,905
Leasehold improvements	7-25	480,237	476,173
Construction in process		364,814	867
Property held for disposal		1,333,142	1,333,142
Total		15,069,828	13,089,037
Less - accumulated depreciation		(7,388,780)	(6,936,940)
Bank premises and equipment, net		$ 7,681,048	$ 6,152,097

Property held for disposal consists of the building and land formerly held by the Bank as the Towne Center branch in Fayette County. This property is currently held for sale and is being actively marketed.

Depreciation included in operating expenses amounted to $486,329 and $532,701 in 2012 and 2011, respectively.

E. DEPOSITS

At December 31, 2012, the scheduled maturities of time deposits are as follows:

2013	$ 94,749,495
2014	22,823,082
2015	5,200,658
2016	95,230
2017 and thereafter	5,110,713
Total time deposits	$ 127,979,178

F. INCOME TAXES

The components of income tax expense are as follows:

	Years Ended December 31,	
	2012	2011
Current tax expense (benefit)	$ -	$ -
Deferred tax expense (benefit)	1,345,525	(649,958)
Total provision for (benefit of) income taxes	1,345,525	(649,958)
Change in valuation allowance	(1,345,525)	649,958
Net provision for (benefit of) income taxes	$ -	$ -

The differences between income tax expense and the amount computed by applying the statutory federal income tax rate to earnings before taxes for the years ended December 31, 2012 and 2011 are as follows:

	Years Ended December 31, 2012	2011
Tax on pretax income at statutory rate	$ 662,646	$ (1,667,602)
State income taxes, net of federeal tax benefit	-	-
Tax-exempt interest income	(12,851)	(15,368)
Life insurance income	(108,972)	(106,749)
Effect of over accrual and deferred tax attributed	(984,773)	1,120,427
Other	443,950	669,292
Total	$ -	$ -
Net effective tax rate	0.0%	0.0%

The effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2012 and 2011 are presented below:

	Years Ended December 31, 2012	2011
Deferred Income Tax Assets:		
Provision for loan losses	$ 295,520	$ 831,888
Unrealized gain or loss on securities	24,966	270,472
Deferred compensation	306,855	871,925
Other real estate	4,636,136	4,705,144
Other	257,435	77,914
Total deferred tax assets	5,520,912	6,757,343
Less: valuation allowance	(5,816,269)	(7,364,461)
Net deferred tax assets	(295,357)	(607,118)
Deferred Income Tax Liabilities:		
Deferred loan fees	65,630	432,048
Depreciation	204,195	141,027
Other	25,532	34,043
Total deferred tax liabilities	295,357	607,118
Net deferred tax asset (liability)	$ -	$ -

G. *FEDERAL HOME LOAN BANK ADVANCE AND LINES OF CREDIT*

The Bank had an available credit from the FHLB in the amount of $28,160,000. There were no advanced funds against this line as of December 31, 2012. Available loan collateral at December 31, 2012 totaled $25,196,804. The Bank continues to work to identify loans that can be added to the pool of loans used for pledging at the FHLB.

H. JUNIOR SUBORDINATED DEBENTURES

On January 29, 2002, the Company issued through a Delaware statutory trust subsidiary, CCF Capital Trust I, (the "Trust"), $4,000,000 of trust preferred securities with a maturity of March 31, 2023. The Company owns all of the common securities of Trust I. The proceeds from the issuance of the common securities and the trust preferred securities were used by Trust I to purchase $4,125,000 of junior subordinated debentures of the Company, which carry a floating interest rate adjusted every three months to the Wall Street Journal prime plus 75 basis points. At December 31, 2012, the Wall Street Journal prime rate was 3.25%. Of the proceeds received by the Company from the sale of the junior subordinated debentures to Trust I, $125,000 was used for the common securities of Trust I and $4,000,000 was used for general corporate purposes, primarily to strengthen the capital position of the Bank. The debentures and related accrued interest represent the sole assets of Trust I.

On March 30, 2004, the Company issued through a Delaware statutory trust subsidiary, CCF Capital Trust II ("Trust II"), $4,500,000 of trust preferred securities with a maturity of March 31, 2034. The Company owns all of the common securities of Trust II. The proceeds from the issuance of the trust preferred securities were used by Trust II to purchase $4,640,000 of junior subordinated debentures of the Company, which carry a floating rate of interest adjusted every three months to the Wall Street Journal prime plus 12.5 basis points. Of the proceeds received by the Company from the sale of the junior subordinated debentures to Trust II, $140,000 was used for the common securities of Trust II and $4,500,000 was used for general corporate purposes, primarily to strengthen the capital position of the Bank. The debentures and related accrued interest represent the sole assets of Trust II.

Pursuant to the terms of the junior subordinate debentures held by Trust I and Trust II, the Company has the option to defer distributions on such securities at any time, and from time to time, for a period not to exceed twenty consecutive quarters. During the second quarter of 2009, the Company elected to defer interest payments on its trust preferred securities. Furthermore, pursuant to the Written Agreement entered into with the Federal Reserve Bank of Atlanta, the Company is prohibited from paying interest on its trust preferred securities absent prior written approval from the Federal Reserve Bank of Atlanta.

The Company has entered into contractual arrangement which, taken collectively, fully and unconditionally guarantee payment of accrued and unpaid distributions required to be paid on the trust preferred securities, the redemption price with respect to any trust preferred securities called for redemption by Trust I and Trust II, and payments due upon a voluntary or involuntary dissolution, winding up or liquidation of Trust I or Trust II.

In accordance with ASC 810, Trust I and Trust II (the "Trusts") are not consolidated with the Company. Accordingly, the Company does not report the securities issued by the Trusts as liabilities and instead reports as liabilities the junior subordinated debentures issued by the Company and held by the Trusts, as these are no longer eliminated in consolidation. The trust preferred securities are recorded as junior subordinated debentures on the balance sheets, but subject to certain limitations for Tier 1 regulatory capital purposes.

I. PREFERRED STOCK

As of December 31, 2012 and 2011 there were 1,000,000 shares of preferred stock authorized and no shares outstanding. The Board of Directors of the Company is authorized to issue 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.

J. EMPLOYEE BENEFIT PLANS

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 and part-time employees who work 1,000 hours or more 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. Under normal circumstances the Company matched $1.00 for each $1.00 with the matching contributions vesting after the first year at a rate of 20% per year with full vesting after five 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. The Company's matching contribution totaled $11,626 and $2,332 in 2012 and 2011, respectively.

Stock Option Plan

The Company sponsored a stock option plan (the "1995 Option Plan") whereby 486,067 authorized shares of common stock were 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 constituted 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 be retired. The 1995 Option Plan had a term of ten years. The exercise price per share for non-qualified 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.

In 2000, the Company and shareholders approved a second stock option plan (the "2000 Option Plan") whereby 270,000 shares of common stock (either authorized shares or shares purchased in the market) were available to be granted to officers, directors, and employees of the Company from time to time. Options constitute both incentive stock options and non-qualified stock options. Terms of the 2000 Option Plan are similar to that of the 1995 Option Plan with the exception that all options granted under this plan vest immediately following the date of the grant, but require a six month holding period.

In 2007, the Company and shareholders approved a third stock option plan (the "2007 Option Plan") whereby 400,000 shares of common stock (either authorized shares or shares purchased in the market) were available to be granted to officers, directors, and employees of the Company from time to time. Options constitute both incentive stock options and non-qualified stock options. Terms of the 2007 Option Plan are similar to that of the 2000 Option Plan.

At December 31, 2012 and 2011 there were no shares of common stock available for grant under the 1995 or 2000 Option Plans. There were 279,834 shares available under the 2007 Option Plan.

Stock option activity is as follows:

	2012			
	Shares	*Weighted Average Exercise Price*	*Weighted Average Contractual Term*	*Aggregate Intrinsic Value*
Oustanding at beginning of year	184,780	$ 12.59		
Granted	115,721	0.12		
Exercised	-	-		
Forfeited and expired	(27,290)	8.77		
Outstanding at end of year	273,211	$ 7.69	5.70	$ -
Options exercisable at year-end	273,211	$ 7.69	5.70	$ -
Weighted-average fair value of options granted during year	$ 0.11			

	2011			
	Shares	*Weighted Average Exercise Price*	*Weighted Average Contractual Term*	*Aggregate Intrinsic Value*
Oustanding at beginning of year	224,031	$ 11.22		
Granted	-	-		
Exercised	-	-		
Forfeited and expired	(39,251)	4.77		
Outstanding at end of year	184,780	$ 12.59	4.21	$ -
Options exercisable at year-end	184,780	$ 12.59	4.21	$ -
Weighted-average fair value of options granted during year	$ -			

All options are fully vested and exercisable as of December 31, 2012 and 2011.

Life Insurance Policies

The Company adopted a nonqualified supplemental executive retirement plan (SERP) to provide retirement benefits to certain of the Company's executive officers and to provide death benefits for the designated beneficiaries. Under this plan, single-premium, split-dollar, whole-life insurance contracts were purchased on certain executive officers. For the years ended December 31, 2012 and 2011, the Company incurred expenses of $74,000 and $208,000, respectively, in connection with this plan.

In 2012, the plan agreements relating to the SERP were amended to provide for the distribution of a portion of the retirement benefit in the form of Company stock as opposed to cash based upon a share price of $0.72 per share as of the amendment date. The result of the amendment was the conversion of $1.7 million of the existing accrued deferred compensation obligation payable from cash to stock. The portion of the obligation payable as stock is treated as an equity award as opposed to a liability award under ASC 480-10-25; accordingly, no liability is recorded under ASC 718-20-55 implementation guidance and no expense beyond the conversion value (i.e., the grant date value of the promised stock) is recognized in accordance with equity accounting rules of ASC 718-10-35. The reduction in the previously accrued deferred compensation liability was recorded in 2012 as a credit to retained earnings.

K. *LIMITATION ON DIVIDENDS*

The Board of Directors of any state-chartered bank in Georgia may declare and pay cash dividends on its outstanding capital stock without any request for approval of the Bank's regulatory agency if the following conditions are met:

1) Total classified assets at the most recent examination of the bank do not exceed eighty (80) percent of equity capital.

2) The aggregate amount of dividends declared in the calendar year does not exceed fifty (50) percent of the prior year's net income plus an additional fifty (50) percent of calculated income taxes "as if" the corporation was still a taxable corporation.

3) The ratio of equity capital to adjusted total assets shall not be less than six (6) percent.

As of January 1, 2013, dividends could not be paid without further impairment of capital. In addition, the Bank was placed under a formal agreement dated January 8, 2010 that requires regulatory approval prior to the payment of dividends during the period of the agreement.

L. *FINANCIAL INSTRUMENTS*

The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk 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 those particular 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 other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual notional amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

The Subsidiary does require collateral or other security to support financial instruments with credit risk.

		Contract or Notional Amount
Financial instruments whose contract amount represent credit risk:		
Commitments to extend credit	$	14,577,916
Standby letters of credit		412,620
Total	$	14,990,536

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many 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.

The Company has entered into contracts with certain members of management which stipulate a term and annual base salary. The contracts include provisions to terminate the agreements 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 any change in control of the Company which results in voluntary or involuntary termination of employment within one year, the officer will be paid a lump sum distribution equal to 2.99 times the individual's base compensation.

The Company maintains an overall interest rate risk management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. The goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain assets and liabilities so that the net interest margin is not, on a material basis, adversely affected by certain movements in interest rates. The Company views this strategy as a prudent management of interest rate sensitivity, such that earnings are not exposed to undue risk presented by changes in interest rates.

Derivative instruments are used as part of the Company's interest rate risk-management strategy. By using derivative instruments, the Company is exposed to credit and market risk. If the counterparty fails to perform, credit risk is equal to the extent of the fair-value gain in a derivative. When the fair value of a derivative contract is positive, this generally indicates that the counterparty owes the Company, and therefore, creates a repayment risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty and therefore, it has no repayment risk. The Company minimizes the credit (or repayment) risk in derivative instruments by entering into transactions with high-quality counterparties that are reviewed periodically.

The Company's derivative activities are monitored by its asset-liability management committee as part of that committee's oversight of the Company's asset-liability and treasury functions. The Company's asset-liability committee is responsible for implementing various hedging strategies that are developed through its analysis of data from financial simulation models and other internal and industry sources. The resulting hedging strategies are then incorporated into the overall interest rate risk management.

M. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company, through its subsidiary bank, has direct and indirect loans outstanding to or for the benefit of certain executive officers and directors. These loans were made on substantially the same terms as those prevailing, at the time made, for comparable loans to other persons and did not involve more than the normal risk of collectability or present other unfavorable features.

The following is a summary of activity during 2012 with respect to such loans to these individuals:

Balances at December 31, 2011	$	3,098,205
New loans		798,790
Repayments		(558,177)
Balances at December 31, 2012	$	3,338,818

The Bank subsidiary also had deposits from these related parties of approximately $1,717,785 at December 31, 2012.

N. DISCLOSURES RELATING TO STATEMENT OF CASH FLOWS

Interest and taxes - Cash paid during the period for interest and taxes were as follows:

	2012	2011
Interest on deposits and borrowings	$ 2,908,105	$ 4,362,665
Income taxes, net	$ -	$ -

Other Non-cash Transactions – Non-cash transactions relating to investing and financing activities were as follows:

	2012	2011
Changes in unrealized gain/loss on investments	$ (476,571)	$ 497,328
Transfer of loans to foreclosed assets	$ 5,064,250	$ 6,279,302
Sale of foreclosed assets financed by loans	$ 1,458,347	$ 2,375,490
Reduction in SERP liability due to plan amendment	$ 1,736,450	$ -

O. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the company's various financial instruments. In cases where quoted market prices are not available, fair value is based on discounted cash flows or other valuation techniques. These techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The accounting standard for disclosures about the fair value of financial instruments excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fir value of the Company.

The fair value hierarchy describes three levels of inputs that may be used to measure fair value:

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 – Valuation is based upon observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities.

Following is a description of valuation methodologies used for assets and liabilities which are either recorded or disclosed at fair value.

Cash and Cash Equivalents
For disclosure purposes for cash, due from banks and federal funds sold, the carrying amount is a reasonable estimate of fair value.

Investment Securities Available for Sale
The fair value of securities available for sale is determined by various valuation methodologies. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Level 2 securities include mortgage-backed securities issued by government sponsored enterprises and municipal bonds. The level 2 fair value pricing is provided by an independent third-party and is based upon similar securities in an active market. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include certain residual municipal securities and other less liquid securities.

Federal Home Loan Bank Stock
The fair value of Federal Home Loan Bank stock approximates carrying value, as there is no ready market for such investments.

Other Investments
For disclosure purposes the carrying value of other investments approximates fair value.

Loans Held for Sale
For loans held for sale, the carrying value is a reasonable estimate of fair value given the short-term nature of the loans and similarity to what secondary markets are currently offering for portfolios of loans with similar characteristics. Therefore, the Company records the loans held for sale as nonrecurring Level 2.

Loans
The carrying amount of variable-rate loans that reprice frequently and have no significant change in credit risk approximates fair value. The fair value of fixed-rate loans is estimated based on discounted contractual cash flows, using interest rates currently being offered for loans with similar terms to borrowers with similar credit quality. The fair value of impaired loans is estimated based on discounted expected future cash flows or underlying collateral values, where applicable. A loan is determined to be impaired if the Company believes it is probable that all principal and interest amounts due according to the terms of the loan will not be collected as scheduled. The fair value of impaired loans is determined in accordance with accounting standards and generally results in a specific reserve established through a charge to the provision for loan losses. Losses on impaired loans are charged to the allowance when management believes the uncollectability of a loan is confirmed. Management has determined that the majority of impaired loans are Level 2 assets due to the extensive use of market appraisals. To the extent that market appraisals or other methods do not produce reliable determinations of fair value, these assets are deemed to be Level 3.

Cash Surrender Value of Bank Owned Life Insurance
For disclosure purposes, for cash surrender value of life insurance, the carrying value is a reasonable estimate of fair value.

Other Real Estate and Foreclosed Assets
Other real estate properties are adjusted to fair value upon transfer of the loans to other real estate. Subsequently, other real estate assets are carried at the lower of carrying value or fair value. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral. When the fair value of the collateral is based on an observable market price or a current appraised value, the Bank records the other real estate as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Bank records the other real estate asset as nonrecurring Level 3.

Intangible Assets and Goodwill
Intangible assets consist of core deposit premiums acquired in connection with business combinations and are based on the established value of acquired customer deposits. The cored deposit premium is initially recognized based on a valuation performed as of the consummation date and is amortized over an estimated useful life of three to ten years. Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in a business combination. Goodwill and other intangible assets deemed to have an indefinite useful life are not amortized but instead are subject to an annual review for impairment.

Deposits
For disclosure purposes, the fair value of demand deposits, savings accounts, NOW accounts and money market deposits is the amount payable on demand at the reporting date, while the fair value of fixed maturity certificates of deposit is estimated by discounting the future cash flows using current rates at which comparable certificates would be issued.

Securities Sold under Agreements to Repurchase and Other Borrowings
The carrying amount of variable rate borrowings and securities sold under repurchase agreements approximates fair value. The fair value of fixed rate other borrowings is estimated based on discounted contractual cash flows using the current incremental borrowing rates for similar borrowing arrangements.

Junior Subordinated Debentures
For disclosure purposes, for junior subordinated debentures, the carrying value is a reasonable estimate of fair value.

Short-term borrowings
For disclosure purposes, for short-term borrowings at a fixed rate, the fair value of the borrowing is estimated using discounted cash flows, based on the current incremental borrowing rates for similar types of borrowing arrangements. For short-term borrowings at a variable rate, the carrying value is a reasonable estimate of fair value.

Commitments to Extend Credit and Standby Letters of Credit
Because commitments to extend credit and standby letters of credit are made using variable rates and have short maturities, the carrying value and the fair value are immaterial for disclosure.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The table below presents the recorded amount of assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 and 2011, aggregated by the level in the fair value hierarchy within which those measurements fall.

	As of December 31, 2012			
ASSETS:	Level 1	Level 2	Level 3	Total
Investment securities available for sale:				
U.S. Agencies	$ -	$ 2,004,073	$ -	$ 2,004,073
State and Political subdivisions	-	842,923	-	842,923
Other debt securities	-	1,904,375	-	1,904,375
Mortgage backed securities	-	21,075,263	-	21,075,263
Total investment securities available for sale	$ -	$ 25,826,634	$ -	$ 25,826,634

	As of December 31, 2011			
ASSETS:	Level 1	Level 2	Level 3	Total
Investment securities available for sale:				
U.S. Agencies	$ -	$ 18,596,000	$ -	$ 18,596,000
State and Political subdivisions	-	1,047,847	-	1,047,847
Other debt securities	-	1,967,500	-	1,967,500
Mortgage backed securities	-	19,712,983	-	19,712,983
Total investment securities available for sale	$ -	$ 41,324,330	$ -	$ 41,324,330

Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis

The Company may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with U.S. generally accepted accounting principles. These include assets that are measured at the lower of cost or market that were recognized at fair value below cost at the end of the period. The table below presents the Company's assets and liabilities measured at fair value on a nonrecurring basis as of December 31, 2012 and 2011, aggregated by the level in the fair value hierarchy within which those measurements fall.

	As of December 31, 2012			
ASSETS:	Level 1	Level 2	Level 3	Total
Impaired loans	$ -	$ 38,440,337	$ -	$ 38,440,337
Other real estate and foreclosed assets	-	27,539,700	-	27,539,700
	$ -	$ 65,980,037	$ -	$ 65,980,037

	As of December 31, 2012			
ASSETS:	Level 1	Level 2	Level 3	Total
Impaired loans	$ -	$ 27,248,379	$ -	$ 27,248,379
Other real estate and foreclosed assets	-	25,435,488	-	25,435,488
	$ -	$ 52,683,867	$ -	$ 52,683,867

The carrying amount and estimated fair value of the Company's financial instruments, not shown elsewhere in these financial statements, were as follows:

	2012		2011	
	Amount	**Fair Value**	**Amount**	**Fair Value**
Assets:				
Cash and cash equivalents	$ 28,668,532	$ 28,668,532	$ 35,352,462	$ 35,352,462
CDs in other banks	3,234,000	3,234,000	9,094,000	9,094,000
Loans, net	246,603,017	246,566,883	242,767,369	242,156,536
Liabilities:				
Deposits	325,788,068	325,857,271	328,998,517	329,013,615

P. *CREDIT RISK CONCENTRATION*

The Company's subsidiary grants consumer, commercial and residential loans to its customers. Although the Subsidiary has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on the area's economic stability. The primary trade area for the Subsidiary is generally that area within 50 miles in each direction of the Bank. As of the Bank's most recent regulatory examination a concentration in construction real estate loans was identified.

The distribution of commitments to extend credit approximates the distribution of loans outstanding. Commercial and standby letters of credit were granted primarily to commercial borrowers. The Bank, as a matter of policy, does not extend credit in excess of the legal lending limit to any single borrower or group of related borrowers.

CCF Holding Company and its subsidiary maintain cash balances at various financial institutions. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law and permanently raised the FDIC coverage limit to $250,000. As of December 31, 2012 the Company had funds at other financial institutions in excess of FDIC insurance limits totaling $88,176.

The Company maintains a cash balance in an account held with the Federal Home Loan Bank (FHLB). The FHLB is not a financial institution and as a result funds held are not subject to FDIC insurance coverage. As of December 31, 2012 and 2011 the Company had an outstanding balance of $2,673,333 and $100,000, respectively, which is not covered by FDIC insurance.

The Company also maintains a cash balance in an interest bearing account held with the Federal Reserve Bank. The Federal Reserve Bank is not considered a financial institution and as a result funds held are not subject to FDIC insurance coverage. As of December 31, 2012 and 2011 the Company had an outstanding balance of $21,603,121 and $32,249,409, respectively. While this balance is not covered by FDIC insurance limits, outstanding balances held with the Federal Reserve Bank are backed by the full faith and credit of the United States.

Q. OPERATING INCOME & EXPENSES

Components of other operating income and other operating expenses greater than 1% of total interest income and other income for the periods ended December 31, 2012 and 2011 are:

OTHER OPERATING INCOME:

	2012	2011
Debit card fee collections	$ 332,223	$ 242,719
Miscellaneous operating income	5,968	385,504

OTHER OPERATING EXPENSES:

	2012	2011
Data processing	$ 646,133	$ 645,093
Insurance premiums	167,086	207,285
Directors fees	44,308	172,800
Debit card expense	222,142	153,177
Taxes and licenses	131,149	140,432

R. REGULATORY MATTERS

Effective January 8, 2010, the Bank became subject to a Consent order, a formal written enforcement action with the FDIC and the DBF. The Order requires the Bank to address key areas of improvement, many of which had already been addressed and were being proactively managed, and specifies timeframes to improve the financial performance of the Bank. Other material provisions of the Order require the Bank to: increase the Board's participation in the Bank's affair, including establishing a monitoring program to ensure compliance with the Order; ensure that the Bank has and retains qualified management; achieve and maintain Tier 1 Capital at or above 8% of total assets and total risk-based capital at or above 10% of total risk-weighted assets; charge-off all assets classified as "Loss" and 50% of all assets classified as "Doubtful" in any official Report of Examination from the FDIC or the DBF; formulate a plan to reduce risk exposure for each asset or relationship in excess of $500,000 that is classified "Substandard" or "Doubtful"; reduce the aggregate balance of assets classified as "Substandard" or "Doubtful" in accordance with a schedule provided in the Order; perform a risk segmentation analysis on the Bank's cited concentrations of credit; review the adequacy of the Bank's allowance for loan and lease losses and establish a comprehensive policy to determine the adequacy of the allowance for loan and lease losses; review and, if necessary, revise the Bank's written plan and comprehensive budget for all categories of income and expense; restrict material asset growth or initiating material changes in asset or liability composition without prior notification to the FDIC and the DBF; and file quarterly progress reports with the FDIC and the DBF. In addition, the Bank may not declare or pay dividends or bonuses without prior written approval from the FDIC and the DBF. The Bank also may not accept, renew or rollover brokered deposits without a waiver from the FDIC.

On October 12, 2010, the Company entered into a written agreement with the Federal Reserve Bank of Atlanta and the DBF (the "Agreement"), pursuant to which the Company is prohibited from declaring and paying dividends without prior written consent from the regulators. In addition, pursuant to the Agreement, without the prior written consent from its regulators, the Company is prohibited from taking dividends, or any other form of payment representing a reduction of capital, from the Bank; paying interest, principal or other sums on subordinated debentures or trust preferred securities; increasing or guaranteeing any debt; and redeeming any shares of the Company's common stock. In appointing any new director or any executive officer, the Company is required to notify regulatory authorities and comply with restrictions on indemnification and severance. The Company is also required to submit progress reports within 30 days after the end of each calendar quarter.

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 Company's or 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 (set forth in the table below) of total risk-based and Tier I capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier I capital (as defined) to average assets (as defined). As of December 31, 2012, the most recent notification from the FDIC categorized the Company's capital position as "adequately capitalized."

To be categorized as well capitalized, under the general regulatory framework, the Bank must maintain minimum total risk-based and Tier I leverage ratios as set forth in the table in additions to the conditions in its regulatory agreement. There are no conditions or events since that notification that management believes have changed the institution's category.

The Bank's actual capital amounts and ratios are presented in the following table:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2012						
Total Risk-Based Capital To (Risk-Weighted Assets)	$ 21,471,000	8.27%	$ 20,765,362	≥ 8.0%	$ 25,956,702	≥ 10.0%
Tier I Capital To (Risk-Weighted Assets)	18,213,000	7.02%	10,382,681	≥ 4.0%	15,574,021	≥ 6.0%
Tier I Capital To (Average Assets)	18,213,000	5.13%	14,207,722	≥ 4.0%	17,759,653	≥ 5.0%
As of December 31, 2011						
Total Risk-Based Capital To (Risk-Weighted Assets)	$ 17,404,000	6.75%	$ 20,641,761	≥ 8.0%	$ 25,802,201	≥ 10.0%
Tier I Capital To (Risk-Weighted Assets)	14,153,000	5.49%	10,320,880	≥ 4.0%	15,481,321	≥ 6.0%
Tier I Capital To (Average Assets)	14,153,000	3.80%	14,917,201	≥ 4.0%	18,646,501	≥ 5.0%

S. SEGMENT REPORTING

Reportable segments are strategic business units that offer different products and services. Reportable segments are managed separately because each segment appeals to different markets and, accordingly, require different technology and marketing strategies.

The Company and its subsidiary do not have any separately reportable operating segments. The entire operations of the Company are managed as one operation.

T. SUBSEQUENT EVENTS

The Company performed an evaluation of subsequent events through March 13, 2013, the date upon which the Company's financial statements were available for issue. The Company has not evaluated subsequent events after this date. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

U. CONDENSED FINANCIAL STATEMENTS (PARENT COMPANY ONLY)

Condensed parent company financial information on CCF Holding Company, as of and for the years ended December 31, 2012 and 2011 is as follows:

BALANCE SHEETS

	As of December 31,	
	2012	2011
Assets		
Cash in subsidiary and due from banks	$ 354,975	$ 377,615
Investment in subsidiary, at equity in underlying net assets	18,262,415	14,678,471
Accrued income and other assets	601,282	623,824
Total Assets	$ 19,218,672	$ 15,679,910
Liabilities		
Junior subordinated debentures	$ 8,765,000	$ 8,765,000
Other liabilities	1,220,890	895,916
Total Liabilities	9,985,890	9,660,916
Shareholders' Equity		
Preferred stock, no par value; 1,000,000 shares authorized; no shares issued or outstanding as of December 31, 2012 and 2011	-	-
Common stock, $.10 par value, 50,000,000 shares authorized as of December 31, 2012 and 2011, respectively; 3,604,316 shares issued and outstanding as of December 31, 2012 and 2011	360,432	360,432
Paid-in capital surplus	9,075,553	9,075,553
Accumulated deficit	(251,666)	(3,942,025)
Accumulated other comprehensive income	48,463	525,034
Total shareholders' equity	9,232,782	6,018,994
Total Liabilities and Shareholders' Equity	$ 19,218,672	$ 15,679,910

STATEMENTS OF INCOME AND RETAINED EARNINGS

	Years Ended December 31,	
	2012	2011
Revenues		
Interest income	$ 348	$ 790
Expenses		
Interest expense	324,974	326,274
Other	45,531	78,444
Total expenses	370,505	404,718
Loss Before Taxes and Equity Income (Loss) of Subsidiary	(370,157)	(403,930)
Provision for (benefit of) income taxes	-	-
Loss Before Equity Income (Loss) of Subsidiary	(370,157)	(403,930)
Equity in undistributed income (loss) of subsidiary	2,324,066	(4,500,791)
Net Income (Loss)	1,953,909	(4,904,721)
Retained Earnings (Accumulated Deficit), Beginning	(3,942,025)	962,696
Reduction in SERP liability due to plan amendment	1,736,450	-
Accumulated Deficit, Ending	$ (251,666)	$ (3,942,025)

STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2012	2011
Cash flows from operating activities:		
Net income (loss)	$ 1,953,909	$ (4,904,721)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Equity in undistributed (income) loss of subsidiary	(2,324,066)	4,500,791
Net change in operating assets and liabilities:	347,516	331,539
Net cash used in operating activities	(22,641)	(72,391)
Cash flows from financing activities:		
Retirement of common stock	-	-
Net cash provided by (used in) financing activities	-	-
Net decrease in cash and cash equivalents	(22,641)	(72,391)
Cash and cash equivalents at beginning of year	377,615	450,006
Cash and cash equivalents at end of year	$ 354,974	$ 377,615

Noncash Transactions:		
Change in other comprehensive income	$ (476,571)	$ 497,328
Reduction in SERP liability due to plan amendment	$ 1,736,450	$ -

Directors and Officers
CCF Holding Company and Heritage Bank Board of Directors

John B. Lee, Jr., Chairman	Roy V. Hall	Edwin S. Kemp, Jr., Secretary
John T. Mitchell	Leonard A. Moreland	Charles S. Tucker
David B. Turner, Chief Executive Officer/President		Stephen E. Boswell

Heritage Bank Officers

David B. Turner*	Chairman of the Board
Leonard A. Moreland*	Chief Executive Officer/President

Jack Bowdoin*	Executive Vice President	Diann Blissit	Assistant Vice President
John Westervelt*	Executive Vice President	Dondra Clark	Assistant Vice President
Tommy Segers*	Executive Vice President	Hilda Howington	Assistant Vice President
Dick Florin	Senior Vice President	Jenny Smith	Assistant Vice President
Edith Stevens*	Senior Vice President	Nicole Elkins	Assistant Vice President
Kathy Zovlonsky	Senior Vice President	Robin Gay	Assistant Vice President
Mary Jo Jester*	Senior Vice President	Ron Willard	Assistant Vice President
		Jenny Waits	Banking Officer
Cindy Kelley	Group Vice President	Pamela Cisneros	Banking Officer
Mike Kerr	Group Vice President	Patty Reagin	Banking Officer
Shirley Etheridge	Group Vice President	Sally Shankle	Banking Officer
Ben Freeman	Vice President	Vicki Thomas	Banking Officer
Cathy McDaniel	Vice President	Mark Gilmer	Collections Officer
Christine Standish	Vice President	Kevin Scott	Investment Officer
Dan Vano	Vice President	Brian Eddy	Operations Officer
David Crow	Vice President		
Dawn Ware	Vice President		
Debbie Hudson	Vice President		
Don Mason	Vice President		
Kerry Arnold	Vice President		
Kim Devine	Vice President		
Luann Daniels	Vice President		
Rochelle Hehir	Vice President		
Sheri Dockweiler	Vice President		
Ted Reagan	Vice President		
Wade Atwood	Vice President		

* Executive Officers

General Information and Shareholder Services

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Dublin, Ga. 31021

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Atlanta, GA 30309

Transfer Agent and Registrar
Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

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

The Company's Annual Report for the year ended December, 31, 2012 is available without charge upon written request. For a copy of the Annual Report or 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 25, 2013 at 9:00 a.m. at the Eagles Landing office.

Committed to the future
of the communities we serve
through a Tradition of Excellence.

Branch Locations

Jonesboro Office
101 N. Main St.
Jonesboro GA 30236

Forest Park Office
822 Main St.
Forest Park, GA 30297

Fayetteville Office
440 N. Jeff Davis Dr.
Fayetteville, GA 30214

Heritage Plaza Office
860 Hwy. 20/81 W.
McDonough, GA 30253

McDonough Office
203 Keys Ferry Street
McDonough, GA 30253

Eagle's Landing Office
830 Eagles Landing Parkway, Suite 100
Stockbridge, GA 30281

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770-478-8881

CCF Holding Company
is the Parent Company of
Heritage Bank

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