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FLAG FINANCIAL CORP  
Form 10-Q  
May 15, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2003

OR

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-24532

FLAG FINANCIAL CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Georgia

58-2094179

-----  
(State of incorporation)

(I.R.S. Employer Identification No.)

3475 Piedmont Road N. E. Suite 550  
Atlanta, Georgia

30305

-----  
(Address of principal executive offices)

(Zip Code)

(404) 760-7700

-----  
(Telephone Number)

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

YES XX NO

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES XX NO

Common stock, par value \$1 per share: 8,464,472 shares  
outstanding as of May 08, 2003

FLAG FINANCIAL CORPORATION AND SUBSIDIARY  
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PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS  
FLAG FINANCIAL CORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS

MARCH 31,            DECEMBER 31,  
2003                            2002

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| ASSETS  | (UNAUDITED)   | (AUDITED)   | (    |
|---|---------------|-------------|------|
| Cash and due from banks . . . . .   | 15,260,779    | 14,006,428  | 1    |
| Interest-bearing deposits in banks . . . . .  | 6,000,000     | 6,000,000   |      |
| Federal funds sold . . . . .  | 48,113,000    | 18,304,000  |      |
| Total cash and cash equivalents . . . . .   | 69,373,779    | 38,310,428  | 1    |
| Interest-bearing deposits . . . . .   | 12,453,149    | 12,411,492  |      |
| Investment securities available-for-sale . . . . .  | 126,777,199   | 138,853,580 | 12   |
| Other investments . . . . .   | 6,795,257     | 6,795,257   |      |
| Mortgage loans held-for-sale . . . . .  | 11,856,927    | 12,606,080  |      |
| Loans, net . . . . .  | 368,653,749   | 374,783,897 | 33   |
| Premises and equipment, net . . . . .   | 20,828,134    | 21,063,278  | 1    |
| Other assets . . . . .  | 31,577,762    | 31,306,554  | 2    |
| Total assets . . . . .  | \$648,315,956 | 636,130,566 | 52   |
| <br>  |               |             |      |
| LIABILITIES   |               |             |      |
| Non interest-bearing deposits . . . . .   | \$ 40,977,116 | 40,039,052  | 4    |
| Interest-bearing demand deposits . . . . .  | 210,567,589   | 170,856,638 | 13   |
| Savings . . . . .   | 25,328,050    | 24,500,243  | 2    |
| Time . . . . .  | 243,688,411   | 274,334,991 | 23   |
| Total deposits . . . . .  | 520,561,166   | 509,730,924 | 43   |
| Advances from Federal Home Loan Bank . . . . .  | 58,000,000    | 58,000,000  | 3    |
| Accrued expenses and other liabilities . . . . .  | 7,780,686     | 7,650,689   |      |
| Total liabilities . . . . .   | 586,341,852   | 575,381,613 | 47   |
| <br>  |               |             |      |
| STOCKHOLDERS' EQUITY  |               |             |      |
| Preferred stock (10,000,000 shares authorized, none issued and outstanding)   | -             | -           |      |
| Common stock (\$1 par value, 20,000,000 shares authorized, 9,664,751, 9,638,501 and 9,393,006 shares issued at March 31, 2003, December 31, 2002 and March 31, 2002, respectively . . . . . | 9,664,751     | 9,638,501   |      |
| Additional paid-in capital . . . . .  | 23,645,117    | 23,463,132  | 2    |
| Retained earnings . . . . .   | 36,226,996    | 35,224,936  | 3    |
| Accumulated other comprehensive income . . . . .  | 2,013,950     | 1,999,094   |      |
| Less: Treasury stock at cost; 1,246,961 shares at March 31, 2003, 1,246,961 shares at December 31, 2002 and 1,236,961 shares at March 31, 2002, respectively . . . . .                      | (9,576,710)   | (9,576,710) | (    |
| Total stockholders' equity . . . . .  | 61,974,104    | 60,748,953  | 5    |
| Total liabilities and stockholders' equity .  | \$648,315,956 | 636,130,566 | \$52 |