



2003

ANNUAL REPORT

PAB BANKSHARES, INC.
CORPORATE OFFICES

AMEX Ticker - PAB
www.pabbankshares.com



“We believe that Park Avenue is a name that is recognized as a symbol of first class service, and one that fits any market we now serve and hope to serve in the future.”

Michael E. Ricketson
President & Chief Executive Officer

During 2003, your Company made considerable progress regaining lost ground due to past credit problems. We now have better credit quality as the amount of loans past due by 30 days or more were 1.04% at December 31, 2003. This ratio had been as high as 4.33% at March 31, 2002. The net charge-offs were \$1.9 Million for 2003 vs. \$6.2 Million for 2002. These changes represent positive trends which we have worked hard to achieve.

As the credit quality improved, so did earnings. Your Company made \$.74 per share diluted for 2003 vs. \$.67 for 2002, a 10.5% increase. We were able to achieve better results by managing our net interest income and non interest expenses. We will continue to work on operating efficiencies and profitable loan growth during 2004.

Your Board of Directors voted to increase the dividend payout commensurate with earnings. It is the desire of the Board to continue to pay a dividend and increase it when possible.

The strategy to expand into high growth markets continued during 2003 as we opened two new loan production offices. We opened an office in St. Augustine, Florida and Athens, Georgia staffed with professional bankers who are quality loan producers. We will continue to evaluate new markets and open offices when we find the right people.

We completed another regulatory examination during the 4th quarter of 2003 and the overall condition of the Company had improved to a level that all regulatory constraints were removed. Not only were the company's financial statistics much better, your Company employees have done an extraordinary job of listening to our customers and serving their needs.

We had a consulting company survey our customers and the results were informative. Over 80% of our customers were very satisfied with our employees knowledge, responsiveness, accuracy, courtesy, & dependability. We intend to survey our customers each year and improve upon those statistics.

The Park Avenue Bank in Valdosta, Georgia, was voted "**Best Bank in South Georgia**" for the second year in a row by readers of the Valdosta Daily Times. This is quite an honor given the fact that the bank competes in a market with 12 other financial institutions.

If you do not bank with The Park Avenue Bank, I extend to you an invitation to become our customer as well as an investor. We offer full service banking with a wide array of products and services for both your business and personal needs. By banking with us, you will help grow "your" company!



I thank you for your support of our Company and its employees. I promise that our focus is and will remain achieving long-term profitability and increasing shareholder value.

A handwritten signature in black ink, appearing to read "Michael E. Ricketson".

Michael E. Ricketson
President & Chief Executive Officer

PAB Bankshares Financial Highlights

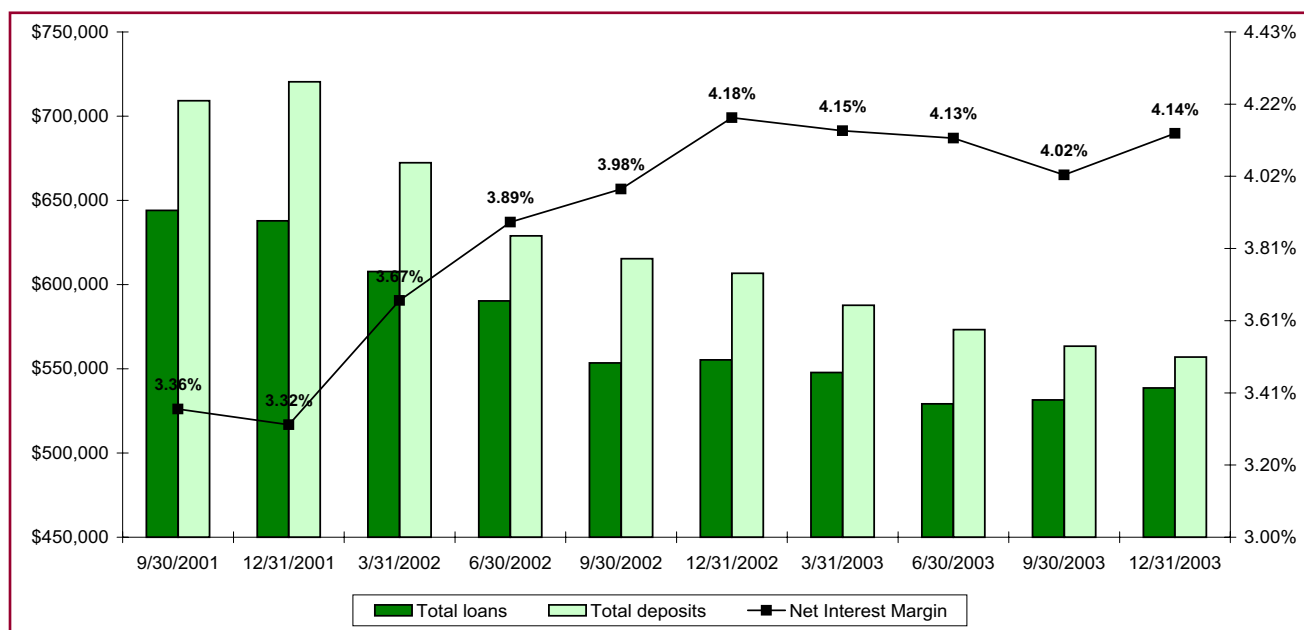
(Dollars in thousands)

	1997	1998	1999	2000	2001	2002	2003
TOTAL ASSETS	\$ 572,172	\$ 620,111	\$ 664,969	\$ 794,907	\$ 859,143	\$ 747,911	\$ 730,741
LOANS, NET OF ALLOWANCE	\$ 404,909	\$ 435,343	\$ 489,380	\$ 572,552	\$ 622,060	\$ 543,141	\$ 528,505
DEPOSITS	\$ 472,556	\$ 504,087	\$ 516,204	\$ 637,180	\$ 720,398	\$ 606,730	\$ 556,917
EQUITY	\$ 59,763	\$ 66,063	\$ 69,611	\$ 70,780	\$ 65,372	\$ 71,265	\$ 76,062
NET INCOME	\$ 7,508	\$ 7,987	\$ 8,693	\$ 5,726	\$ 148	\$ 6,347	\$ 7,126
NET INTEREST MARGIN	4.37%	4.53%	4.63%	4.52%	3.49%	3.92%	4.11%
DILUTED EARNINGS PER SHARE	\$ 0.78	\$ 0.81	\$ 0.89	\$ 0.60	\$ 0.02	\$ 0.67	\$ 0.74
RETURN ON AVERAGE ASSETS	1.35%	1.34%	1.38%	0.82%	0.02%	0.81%	0.97%
RETURN ON AVERAGE EQUITY	12.88%	12.70%	12.75%	8.10%	0.20%	9.34%	9.60%
EFFICIENCY RATIO (Excluding Certain Non-Recurring Items)	55.28%	55.06%	57.12%	60.39%	74.02%	67.04%	68.90%
BOOK VALUE PER SHARE	\$ 6.23	\$ 6.88	\$ 7.24	\$ 7.45	\$ 6.95	\$ 7.56	\$ 8.02

PAB Bankshares Financial Highlights *(continued)*

Since the end of 2001, when our credit problems began to surface, our balance sheet has been in a period of contraction. While part of the decline was due to the work out or charge-off of certain loans, we also lost some business to former lenders and our competitors. In addition, we saw a decline in overall demand for loans with the down turn in the economy. Slight increases in loans outstanding posted in each of the last two quarters of 2003 hopefully signify positive future loan growth trends. The chart below shows our total loans and deposits at the end of each quarter since the end of the third quarter of 2001 as well as our net interest margin for each of those quarters.

Quarterly Trend



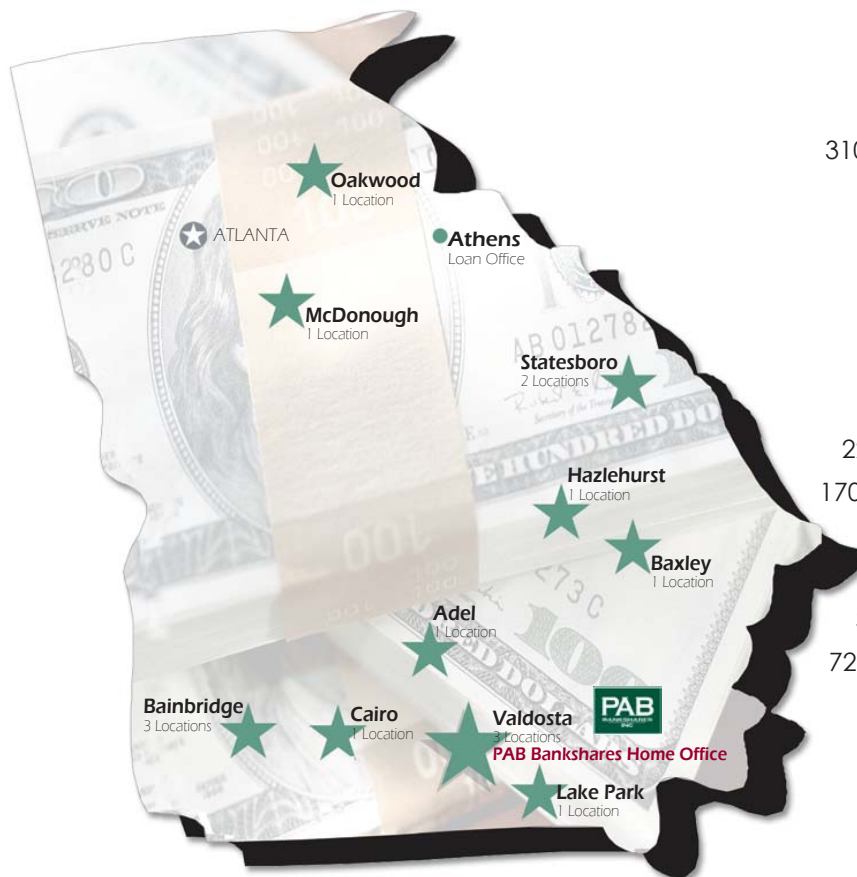
Although our loan portfolio has declined and interest rates have dropped another 200 basis points over the past ten quarters, we have been able to improve our net interest margin primarily through reductions in interest expense.

A summary of loans outstanding from each market at December 31, 2003 is presented in the following table.

<i>(Dollars in Thousands)</i>	South Georgia Market	North Georgia Market	Florida Market	Treasury	TOTAL
Commercial and Financial	\$ 36,019	\$ 13,310	\$ 4,444	\$ 76	\$ 53,849
Agricultural <i>(Including loans secured by farmland)</i>	22,454	1,258	-	359	24,071
Real Estate - Construction	15,709	71,597	5,045	7,799	100,150
Real Estate - Mortgage <i>(Commercial and residential)</i>	189,834	92,388	32,638	17,144	332,004
Installment loans to individuals and others	22,555	1,307	400	5,104	29,366
	286,571	179,860	42,527	30,482	539,440
Deferred loan fees & unearned interest, net	(162)	(80)	(537)	(17)	(796)
	286,409	179,780	41,990	30,465	538,644
Allowance for Loan Losses	(6,584)	(2,375)	(749)	(431)	(10,139)
LOANS, NET	<u>\$ 279,825</u>	<u>\$ 177,405</u>	<u>\$ 41,241</u>	<u>\$ 30,034</u>	<u>\$ 528,505</u>

In addition to the geographic concentrations noted in the tables above, we had approximately \$7.6 million in loans secured by real estate in the Florida panhandle to our South Georgia market customers.

Park Avenue Bank Offices *(as of March 31, 2004)*



South Georgia Market - Locations

3102 North Oak Street Ext. / Valdosta, GA 31602
 1517 Baytree Road / Valdosta, GA 31602
 124 West Hill Avenue / Valdosta, GA 31601
 1012 Lakes Boulevard / Lake Park, GA 31636
 301 West Fourth Street / Adel, GA 31620
 198 East Parker Street / Baxley, GA 31513
 22 East Jarman Street / Hazlehurst, GA 31539
 226 South Broad Street / Bainbridge, GA 39817
 1705 East Shotwell Street / Bainbridge, GA 39817
 1510 Dothan Road / Bainbridge, GA 39817
 802 North Broad Street / Cairo, GA 39828
 335 South Main Street / Statesboro, GA 30458
 726 Northside Drive East / Statesboro, GA 30458



North Georgia Market - Locations

1400 South Cedar St. / McDonough, GA 30253
 4058 Continental Drive / Oakwood, GA 30566

Loan Production Office

385 Hawthorne Lane, Suite 100
 Athens, Georgia 30606

Florida Market - Locations

8375 S.W. State Road #200
 Ocala, FL 34481

Loan Production Office

3000 N. Ponce DeLeon Blvd., Suite 5
 St. Augustine, Florida 32084



www.parkavebank.com

Member FDIC

Board of Directors:

James L. Dewar, Jr. - Chairman
*Real Estate Developer
Dewar Properties, Inc.*

Kennith D. McLeod
*Self-Employed
Certified Public Accountant*

R. Bradford Burnette
Retired Bank Executive

Paul E. Parker
*Executive/Director
Claxton Bakery, Inc.*

Walter W. Carroll, II
*Vice President of Business Development
The Park Avenue Bank*

Michael E. Ricketson
*Chief Executive Officer/President
PAB Bankshares, Inc.*

Michael H. Godwin
*Real Estate Executive
Ambling Companies, Inc.*

F. Ferrell Scruggs, Sr.
Retired Construction Executive

Bill J. Jones
Retired Bank Executive

John M. Simmons, III
*Executive/Director
Elberta Crate and Box Company*

James B. Lanier, Jr.
*Real Estate Developer
Lanier-Brookins, Inc.*

Joe P. Singletary, Jr.
*Executive/Oil Jobber
Sing Bros. Inc.*

Executive Officers:

Michael E. Ricketson
Chief Executive Officer/President

Donald J. Torbert, Jr.
Executive Vice President/Chief Financial Officer

M. Burke Welsh, Jr.
*Senior Executive Vice President/
Chief Banking Officer*

R. Wesley Fuller
Executive Vice President/Director of Operations



We want our company to be known as one that cares about people and is:

- The financial services provider of choice
- The acquirer of choice
- The employer of choice

We believe that this philosophy will increase shareholder value.

Shareholder Information

Corporate Office

PAB Bankshares, Inc.
3250 North Valdosta Road
P.O. Box 3460
Valdosta, GA 31604-3460
(229) 241-2775
www.pabbankshares.com

General Counsel

Coleman, Talley, Newbern,
Kurrie, Preston & Holland, LLP
P.O. Box 5437
Valdosta, GA 31603-5437

Independent Certified Public Accountants

Mauldin & Jenkins, LLC
P.O. Box 71549
Albany, GA 31708-1549

Transfer Agent

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016-3572
(800) 368-5948

Annual Report Form 10-K

A copy of the Form 10-K Annual Report of the Company filed with the Securities and Exchange Commission is made a part of this 2003 Annual Report by insertion.

Stock Listing

PAB Bankshares' stock is traded and quoted on the American Stock Exchange under the symbol PAB.

Shareholder Information

Shareholders requiring a change of name or address, information about lost certificates, or consolidation of accounts should contact the Transfer Agent.

Dividend Reinvestment Plan

PAB Bankshares offers a Dividend Reinvestment Plan for automatic reinvestment of dividends in Common Stock of the Company. The plan allows shareholders to reinvest quarterly dividends and make cash investments in PAB stock for a minimum of \$50 per quarter and up to \$5,000 per year, with no brokerage commissions or administrative charges. For more information concerning this convenient and economical way to purchase additional Common Stock and to receive an authorization form, contact:

Maryellen Dampier
Investor Relations Contact
PAB Bankshares, Inc.
P.O.Box 3460
Valdosta, GA 31604-3460
(229) 241-2775
Fax (229) 241-2774
ir@pabbankshares.com

- Annual Stockholder's Meeting -

Date and Time: May 25, 2004 at 10:00 a.m.

Location: PAB Bankshares, Inc.

Address: 3250 North Valdosta Road / Valdosta, GA 31602