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NASDAQ:PABK



June 2007

Investor Presentation

Financial Data as of March 31, 2007

Market Data as of June 7, 2007

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Forward-Looking Statement Notice

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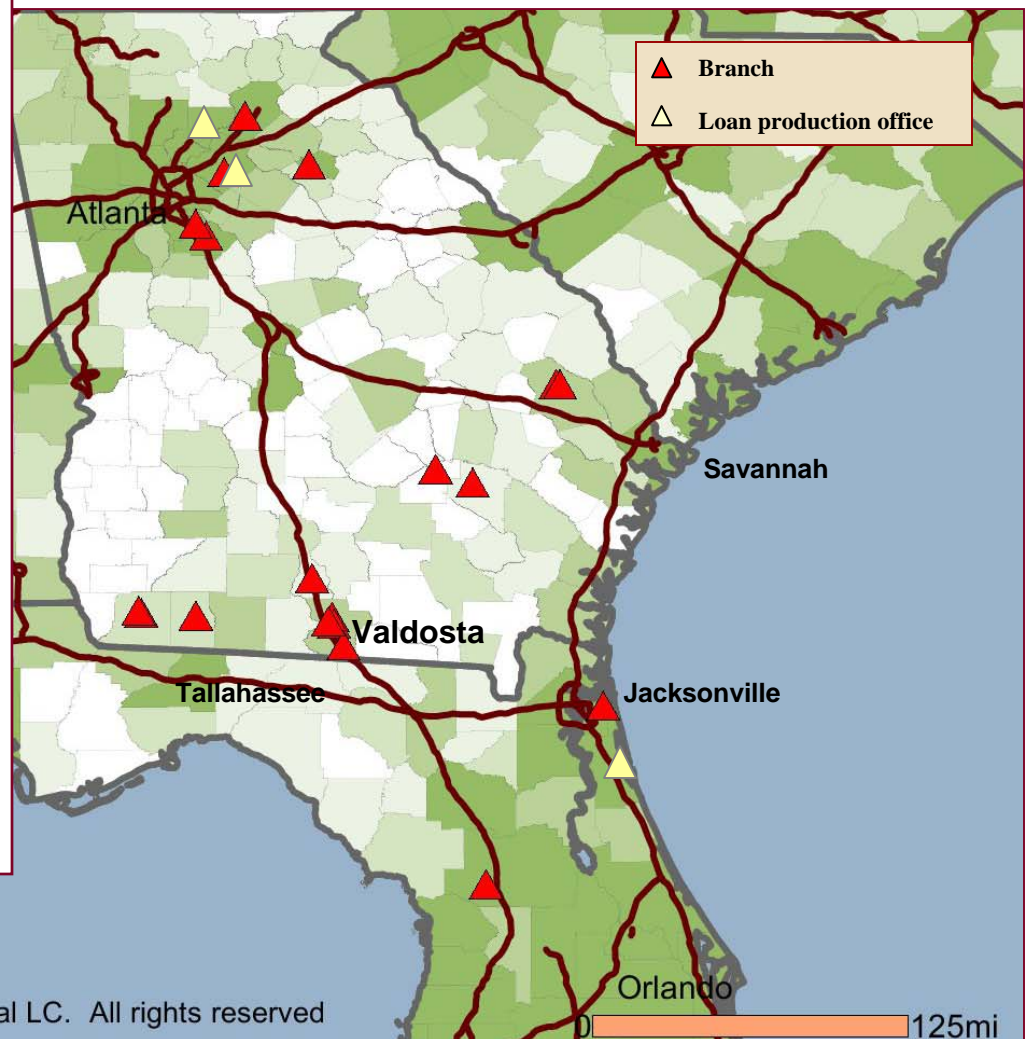
This presentation contains “*forward-looking statements*”, as defined by federal securities laws. Statements regarding the future of the Company, including our outlook on earnings, dividends, stock performance, asset quality, asset or deposit growth, branching and market conditions are forward-looking statements. These forward-looking statements are based on our beliefs and assumptions using data currently available to us and involve numerous risks and uncertainties. Accordingly, a variety of factors could cause our actual results to differ materially from the opinions expressed in these forward-looking statements. A potential list of such factors is outlined in our periodic reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2006 as filed with the Commission on March 16, 2007. A copy of the Form 10-K may be found in the “Investor Relations” section of our corporate website, www.pabankshares.com.

Company Overview

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PABK at a glance:

- \$1.2 billion in total assets
 - 10-year CAGR = 9.3%*
- \$183 million market cap
- Subsidiary Park Avenue Bank founded in 1956
- 20 branches + 3 loan offices in GA & FL
- Began transition to higher-growth markets in 2000 with new management team



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* From 12-31-97 to 3-31-07 (annualized)

Strategic Objectives

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- Grow organically to \$2 billion in total assets within 5 years.
 - Average 12.5% growth per year.
 - Expect 2007 growth to be more cautious – in the 7% - 10% range.
- Open 2-3 new offices (branches &/or LPOs) within footprint per year.
 - Must balance overhead with growth. We expect new offices to reach profitability within 2 years.
- Maintain ROAE in the 13-15% range over 5-year period.
 - Expect 2007 ROAE to be at lower end of range.
- Consider acquisition candidates within footprint when opportunities arise.
- Establish complimentary lines of business to generate additional fee income in branches.
 - Must be profitable and scaleable.



A Tradition of **Community Banking**

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- Started in 1956 by James L. Dewar, Sr. with the desire “to be known as a bank that cares about people.”
- Finding good people and taking care of them is a top priority. We believe that engaged employees attract satisfied (and profitable) customers.
- In our South Georgia markets, we are a traditional community bank. As our communities grow and prosper, so do we. We make significant contributions of time and resources to local civic activities and community interests. This commitment to our communities has resulted in strong market share and a stable core deposit base.
- In our South Georgia markets, we have brand recognition and market share, and we are successful in banking commercial, retail and agricultural customers. Our advertising slogan is:

“Large Enough to Serve Your Needs, Small Enough to Know Your Name”



Continuing *A Tradition of Community Banking*

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- In 2000, we began a strategic plan to deploy our capital and funding into higher growth markets.
- In these higher growth, metropolitan markets, we cannot “bank the masses”. Our focus is primarily on a commercial-oriented, private banking model, with retail banking options available.
 - We focus on small businesses and their principals, builders and developers, business and medical professionals, and other influential business contacts.
 - We want to create a sales- and service-oriented culture and profitably cross-sell products and services to these targeted customers.
 - We have invested in technology and support to offer competitive products (remote deposit capture, online cash management, etc.)
 - We are exploring other nonbanking products and services to further solidify our relationships and generate additional fee income.



Organizational History – South Georgia Franchise

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- In 1956, the Bank was founded as a private bank in a small office on the corner of Park Avenue and Ashley Street in Valdosta, and we became a state-chartered bank in 1971.
- From 1982 to 1999, we acquired 3 banks and 2 thrifts in South Georgia and left them to run as independent subsidiaries with separate boards and management.
- At the end of 1999, we had \$516 million in total deposits and 13 branch locations in 7 counties across South Georgia.
- In 2001, we decided to consolidate all banking charters into one. The boards were reorganized as advisory boards and we have a market president responsible for banking activities in each market.
 - Today, all 13 locations remain open and we have \$607 million in total deposits from our South Georgia markets.



Organizational History – North Georgia Franchise

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- In 2000, we began a de novo branching strategy to expand into higher-growth markets. We entered the Henry County market in South Metro Atlanta in the 4th Quarter of 2000.
- From 2000 to present, we have opened 7 commercial loan production offices (“LPOs”) in the Atlanta MSA and in the neighboring Gainesville and Athens MSAs.
 - 3 of these LPOs (Henry County, Hall County, and Athens) were subsequently converted to full-service branches. We have also opened a second branch in the Henry County market, and we have acquired a commercial lot for a potential 3rd branch site in that market.
 - 2 of the LPOs (Gwinnett County and Forsyth County) are presently in operation. A full-service branch was added to support the Gwinnett County LPO in February 2007.
 - 2 of the LPOs (Duluth and Cobb County) were closed due to personnel changes.



Organizational History – Florida Franchise

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- At the end of 2000, we acquired an Ocala bank with \$44 million in deposits and 2 branches to serve as a funding vehicle for our growth. We subsequently closed one of the branches.
 - This acquisition gives us the right to branch statewide in Florida.
 - We now have \$148 million in deposits from the Ocala market.
 - In 2006, we added 2 commercial lenders in Ocala to focus on commercial loan growth from that market.
- In 2003, we opened an LPO in St. Augustine to focus on lending opportunities along the Florida Atlantic Coast from Jacksonville to Daytona.
- In 2006, we opened an LPO in Jacksonville and we have since converted it to a full-service branch.
 - Also in 2006, we acquired a commercial lot in St. Johns County (south of Jacksonville) for a potential future branch site.



Franchise Demographic Data

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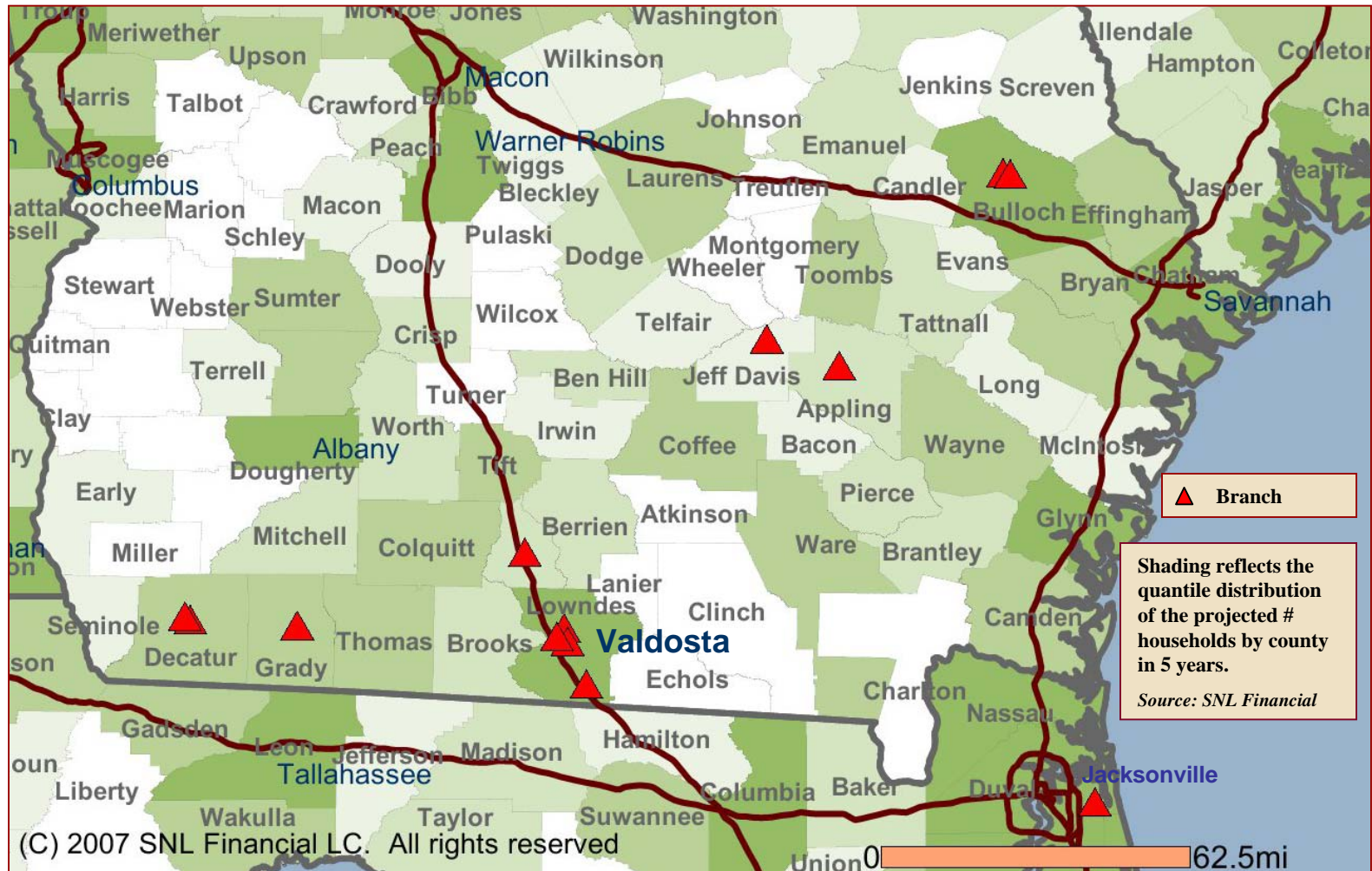
County	MSA	Market Rank	Number of Branches	Company Deposits in Market (\$000)	Deposit Market Share (%)	Percent of Franchise (%)	Total Population 2006 (Actual)	Population Change 2000-2006 (%)	Projected Population Change 2006-2011 (%)	Median HH Income 2006 (\$)	HH Income Change 2000-2006 (%)	Projected HH Income Change 2006-2011 (%)
Lowndes	Valdosta	2	4	282,503	17.4	32.9	101,002	9.7	7.2	39,439	20.9	15.0
Decatur	Non-MSA	1	3	98,914	29.7	11.5	29,791	5.5	1.8	34,315	19.5	14.1
Bulloch	Non-MSA	5	2	67,206	6.9	7.8	64,619	15.4	9.8	35,258	19.9	16.4
Jeff Davis	Non-MSA	2	1	43,100	27.4	5.0	12,919	1.9	0.7	31,426	16.6	13.0
Cook	Non-MSA	2	1	41,091	23.5	4.8	16,800	6.5	2.4	31,879	16.7	12.9
Appling	Non-MSA	4	1	38,371	15.7	4.5	18,242	4.7	0.9	34,945	15.5	12.9
Grady	Non-MSA	5	1	22,293	7.6	2.6	25,506	7.8	5.6	33,795	17.5	12.3
South GA Franchise Totals			13	593,478		69.1	268,879	9.5	6.0	36,169	19.3	14.6
Henry	Atlanta	7	2	96,794	4.8	11.3	191,054	60.1	44.8	69,685	21.6	15.6
Hall	Gainesville	11	1	34,679	1.3	4.0	175,673	26.1	20.1	54,044	20.3	16.6
Gwinnett	Atlanta	37	1	0	0.0	0.0	787,563	33.8	26.5	76,937	27.1	19.6
Oconee	Athens	8	1	0	0.0	0.0	32,923	25.5	20.0	65,652	20.0	16.9
Forsyth	Atlanta	0	0	0	0.0	0.0	148,617	51.0	37.3	87,898	29.3	23.9
North GA Franchise Totals			5	131,473		15.3	1,335,830	38.3	29.3	73,831	25.5	19.0
GA Franchise Totals			18	724,951		84.4	1,604,709	33.5	25.4	67,520	24.5	18.3
Marion	Ocala	8	1	133,996	3.0	15.6	319,547	23.4	20.5	38,133	19.1	13.7
Duval	Jacksonville	25	1	0	0.0	0.0	875,472	12.4	9.6	48,955	20.2	15.9
St. Johns	Jacksonville	0	0	0	0.0	0.0	170,376	38.4	33.7	61,758	23.3	18.4
FL Franchise Totals			2	133,996		15.6	1,365,395	18.2	15.1	48,020	20.3	15.7
PABK Franchise Totals			20	858,947		100.0	2,970,104	26.5	20.7	58,556	22.6	17.1
Entire State of Georgia							9,553,796	16.7	13.8	53,090	24.4	19.8
Entire State of Florida							18,478,309	15.6	12.9	46,736	20.3	16.0
National							303,582,361	7.9	6.7	51,546	22.3	17.8

Source: SNL Financial. Deposit Data as of June 30, 2006.



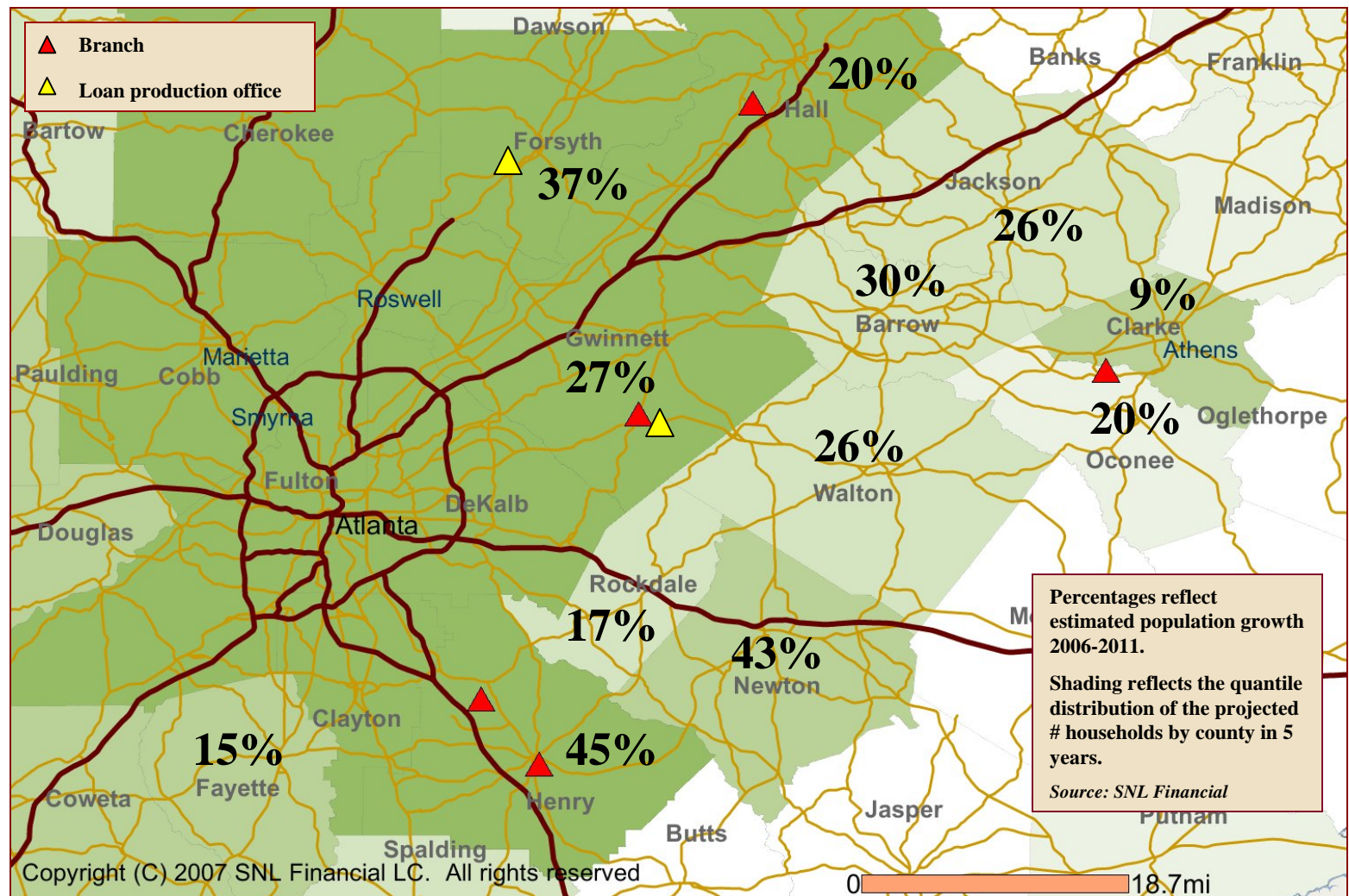
South Georgia Franchise

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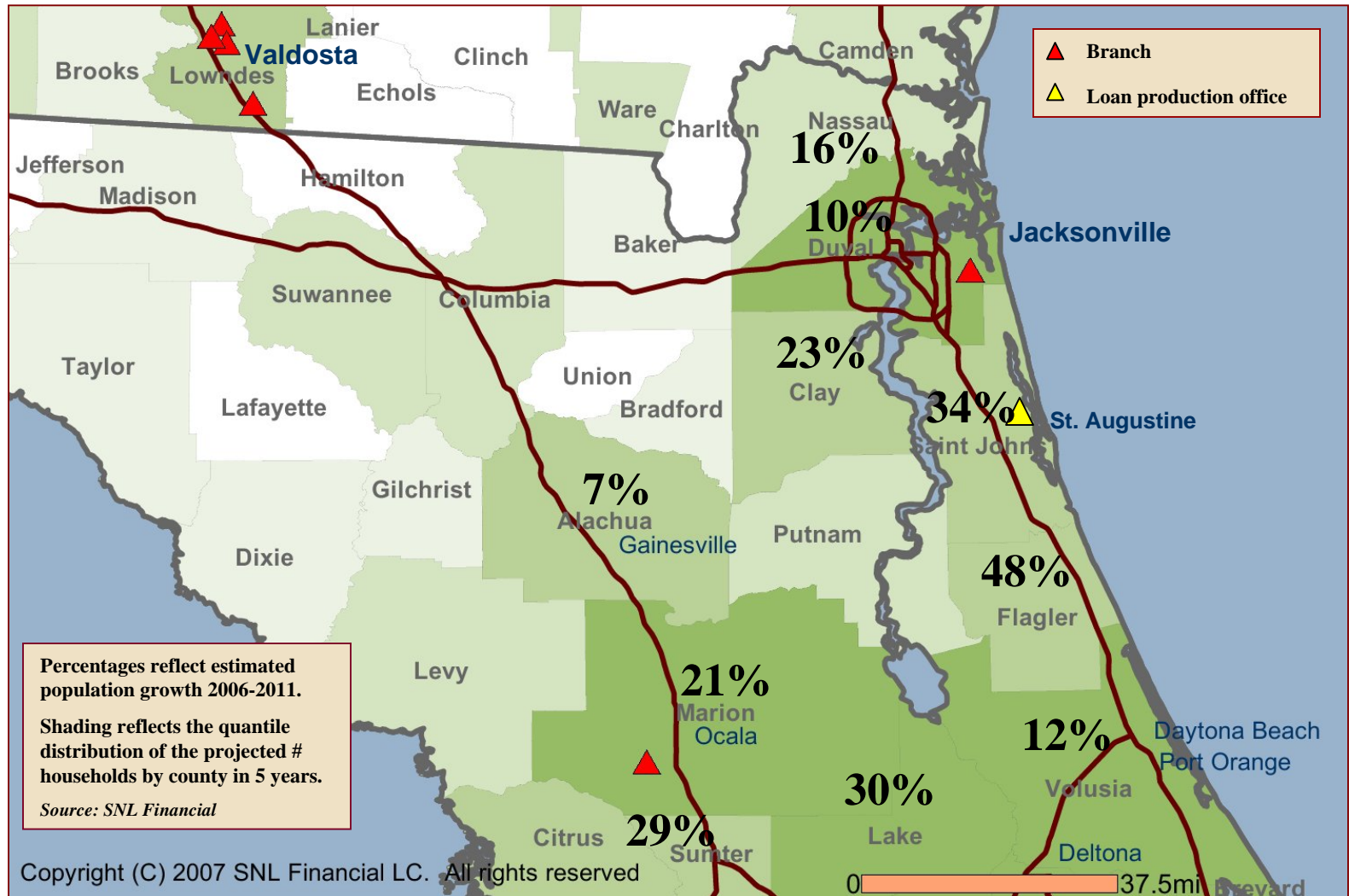
North Georgia Franchise

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Florida Franchise

NASDAQ:PABK



1st Quarter 2007 Financial Highlights

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- Solid quarter, but not comparable to record 2006 results.
 - Slowing loan demand
 - Increased overhead from investments in new offices and personnel
 - Competitive pricing pressures on loans & deposits in markets
 - Inverted yield curve
- Diluted EPS \$0.32 vs. \$0.34 1Q06
- ROAE = 12.75% vs. 15.08% 1Q06
- ROAA = 1.11% vs. 1.30% 1Q06
- Net Interest Margin = 4.15%
 - down 41bps due to higher cost of funds and inverted yield curve
- Efficiency Ratio = 61.5%
 - up 13% due to investment in new offices & personnel
 - No Provision for Loan Losses – same as 1Q06
 - Increased dividends 16% from 1Q06

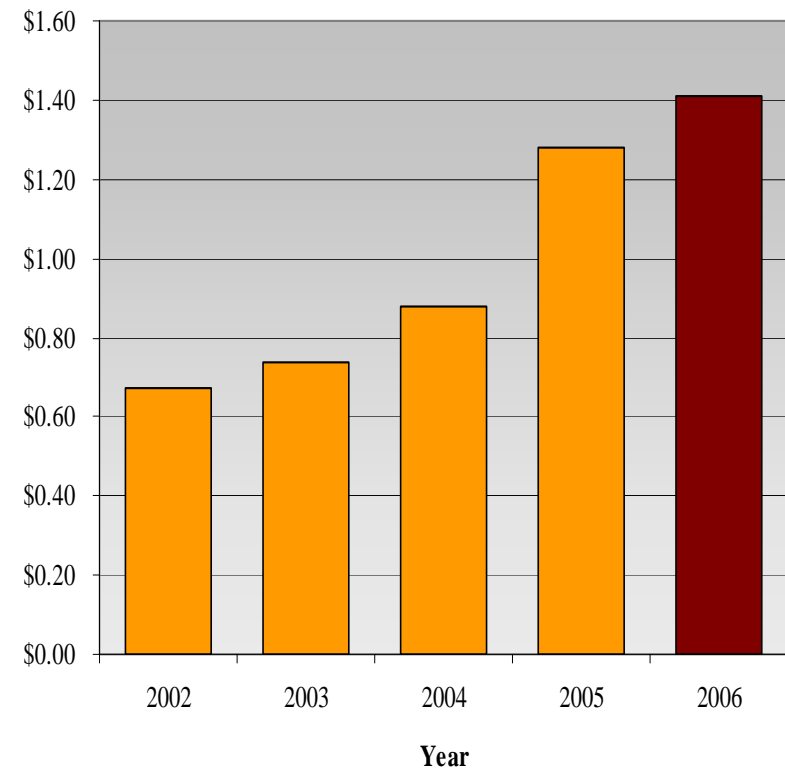


2006 Financial Highlights

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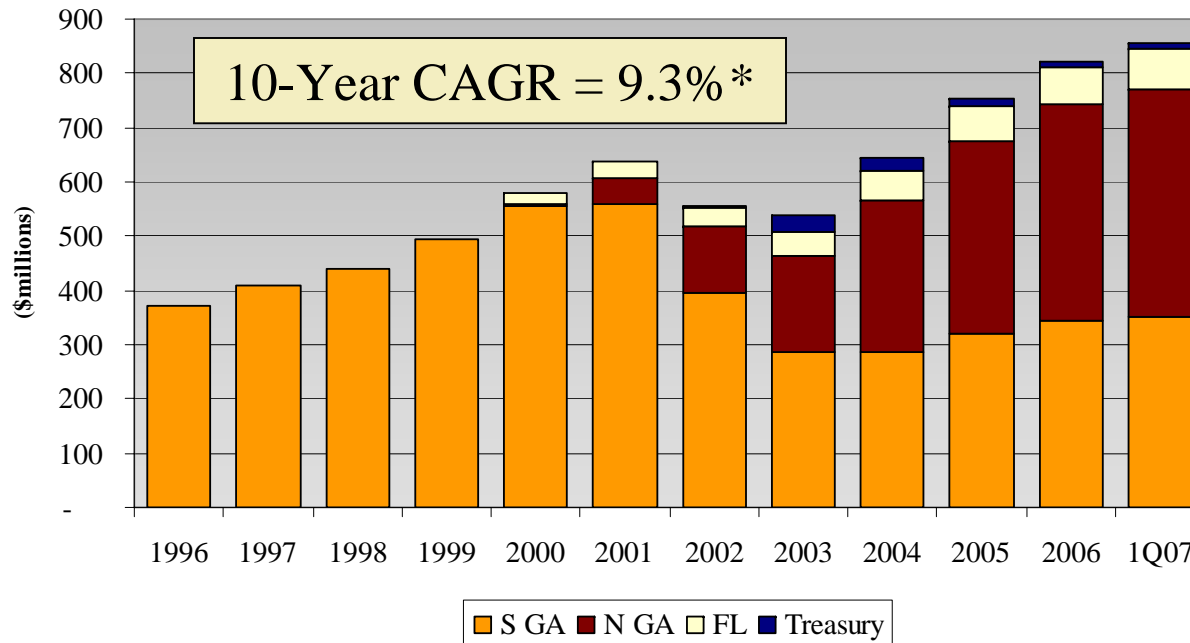
- Record Net Income of \$13.7 million, a 10% increase
- ROAE = 14.99%
- ROAA = 1.29%
- Net Interest Margin = 4.43%
- Efficiency Ratio = 55.9%
- No Provision for Loan Losses
- Dividends increased over 13%
 - \$0.54 per share
 - 37% of earnings

Diluted Earnings Per Share



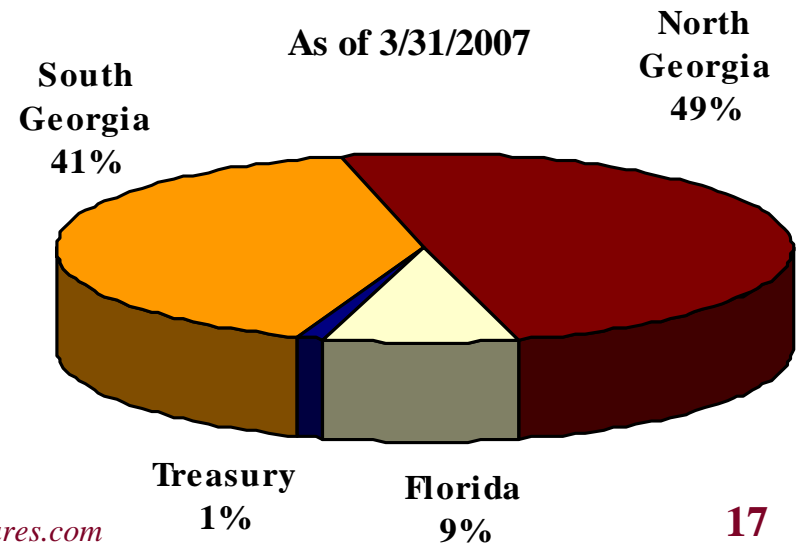
Loans By Region

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- '96-'00 growth included \$212mm in acquisitions
- S. GA loans decreased 49% during '02-'03 clean-up

* From 12-31-97 to 3-31-07 (annualized)



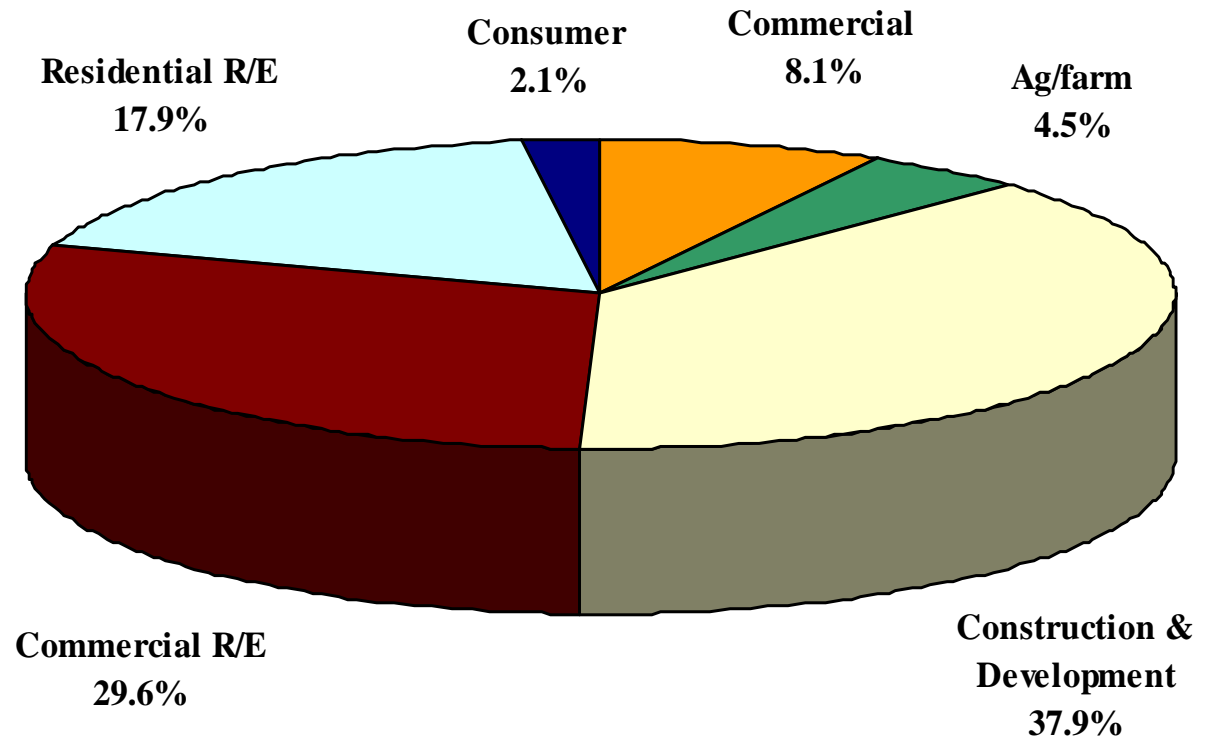
Loan Portfolio Stratification

NASDAQ:PABK

Since 3/31/2006:

- Commercial (C&I) increased \$22mm (47%)
- Residential R/E increased \$29mm (24%)
- Construction & Development increased \$33mm (11%)
- Commercial R/E increased \$23mm (10%)

As of 3/31/2007

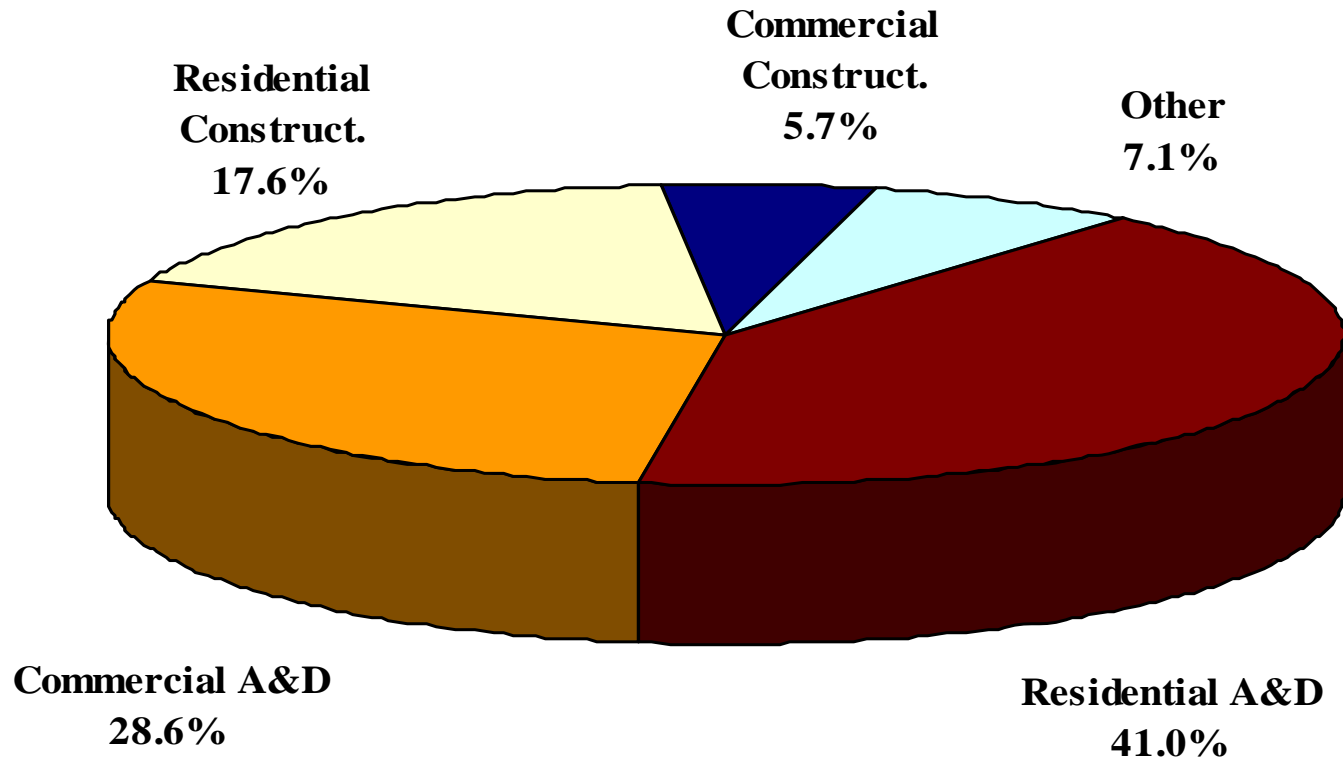


65% of the loan portfolio either matures or reprices within the next 12 months.

Construction & Development Loans

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As of 3/31/2007



- 65% of the residential construction is in spec 1-4 residential properties
- 70% of the commercial construction is in nonowner-occupied properties
- C&D loans represent 285% of the Bank's Total Risk-Based Capital

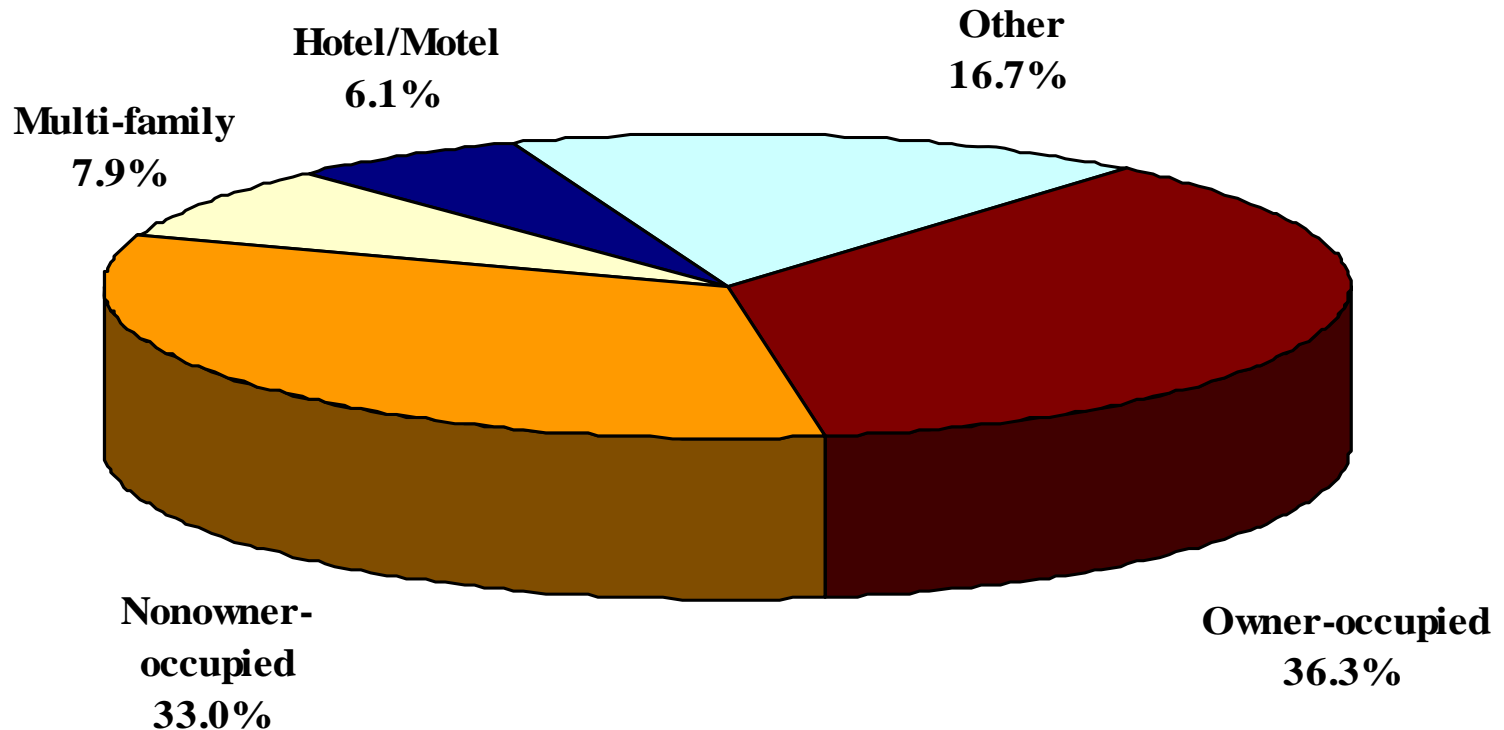
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Commercial Real Estate Loans

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As of 3/31/2007

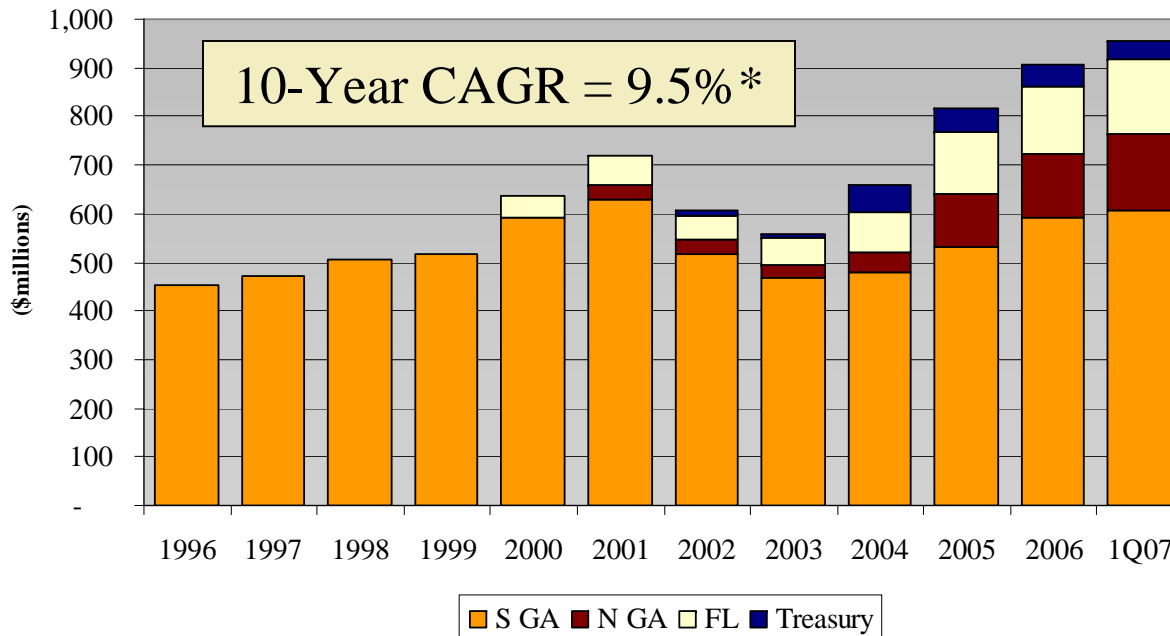


- Owner-occupied CRE: 34% Office, 24% Retail, 42% Mixed-Use/Other
- Nonowner-occupied CRE: 34% Office, 35% Retail, 31% Mixed-Use/Other
- CRE loans represent 224% of the Bank's Total Risk-Based Capital



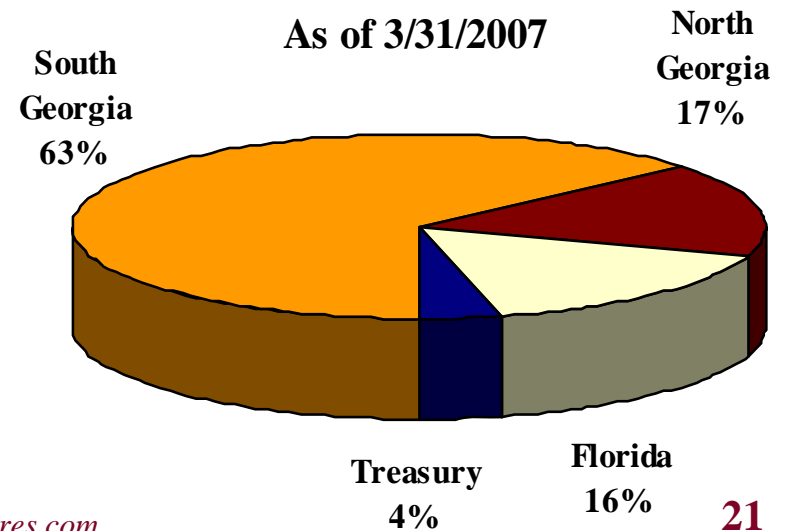
Deposits By Region

NASDAQ:PABK



- '96-'00 growth included \$264mm in acquisitions
- Let 26% of S. GA deposits "roll off" during '02-'03 loan clean-up

* From 12-31-97 to 3-31-07 (annualized)



Deposit Portfolio Stratification

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As of	03/31/07	% of Total	03/31/06	% of Total
(Dollars In Thousands)				
Noninterest-bearing demand	\$ 107,917	11.3%	\$ 107,200	12.5%
Interest-bearing demand and savings	371,484	38.9%	301,663	35.3%
Time < \$100m	287,982	30.2%	259,197	30.3%
Time ≥ \$100m	158,464	16.6%	145,311	17.0%
Brokered Time	28,569	3.0%	41,853	4.9%
Total deposits	\$ 954,416	100.0%	\$ 855,224	100.0%

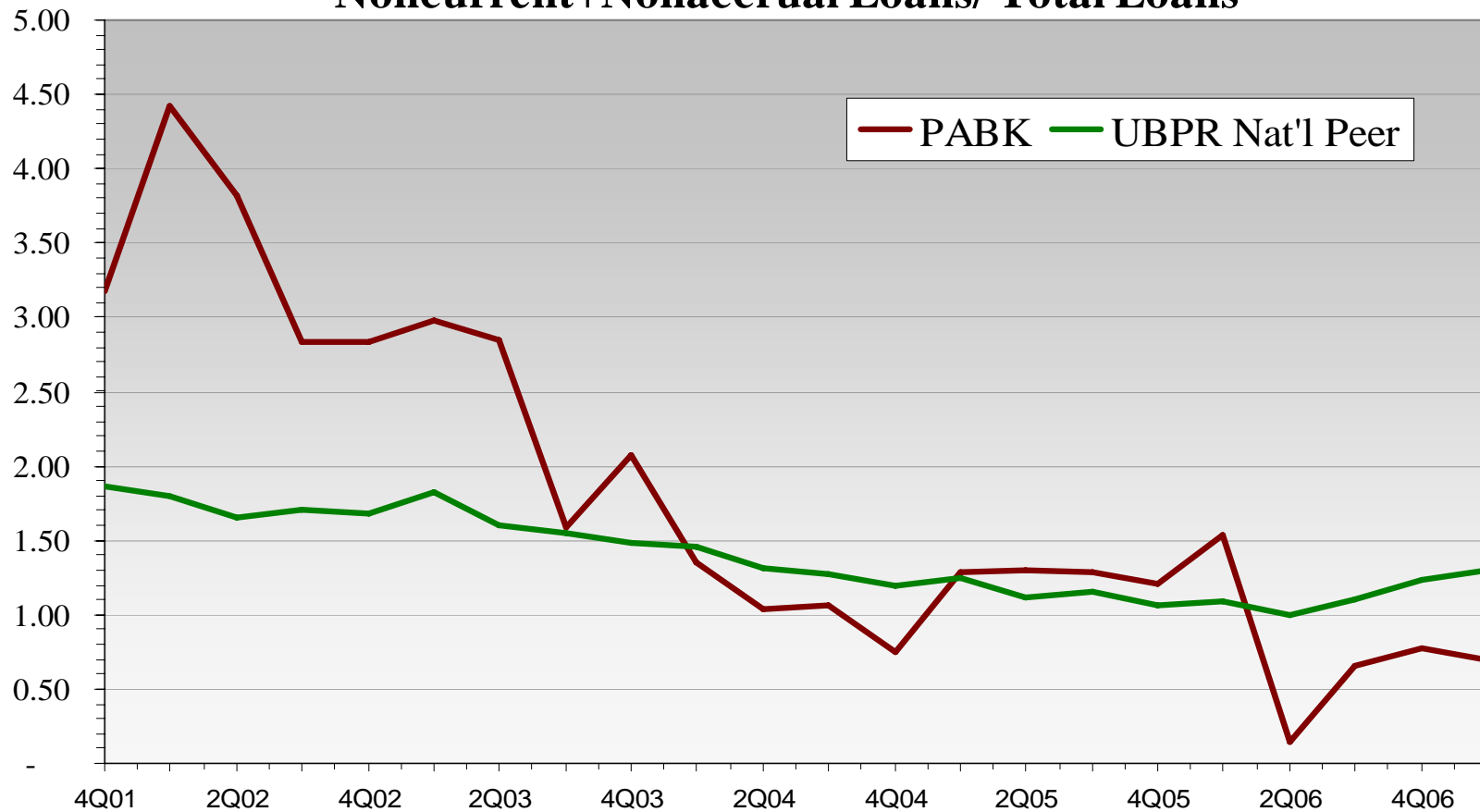
At 3/31/07:

- 70% of all time deposits will mature within the next 12 months.
- 6% of deposits are from public funds.

Asset Quality

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Noncurrent+Nonaccrual Loans/ Total Loans



- **3-Year Average Net Charge-offs = 0.04% of Average Loans**
- **5-Year Average Net Charge-offs = 0.28% of Average Loans**
- **Allowance for Loan Losses/ Nonperforming Loans = 2.60x**

Capital

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Regulatory Capital Ratios (as of March 31, 2007)

	<u>Consolidated</u>	<u>Bank-Only</u>	<u>Minimum Regulatory Requirement</u>
Total Capital to Risk-Weighted Assets	12.0%	11.9%	8.0%
Tier 1 Capital to Risk-Weighted Assets	10.8%	10.8%	4.0%
Tier 1 Capital to Average Assets (Leverage Ratio)	9.1%	9.1%	4.0%

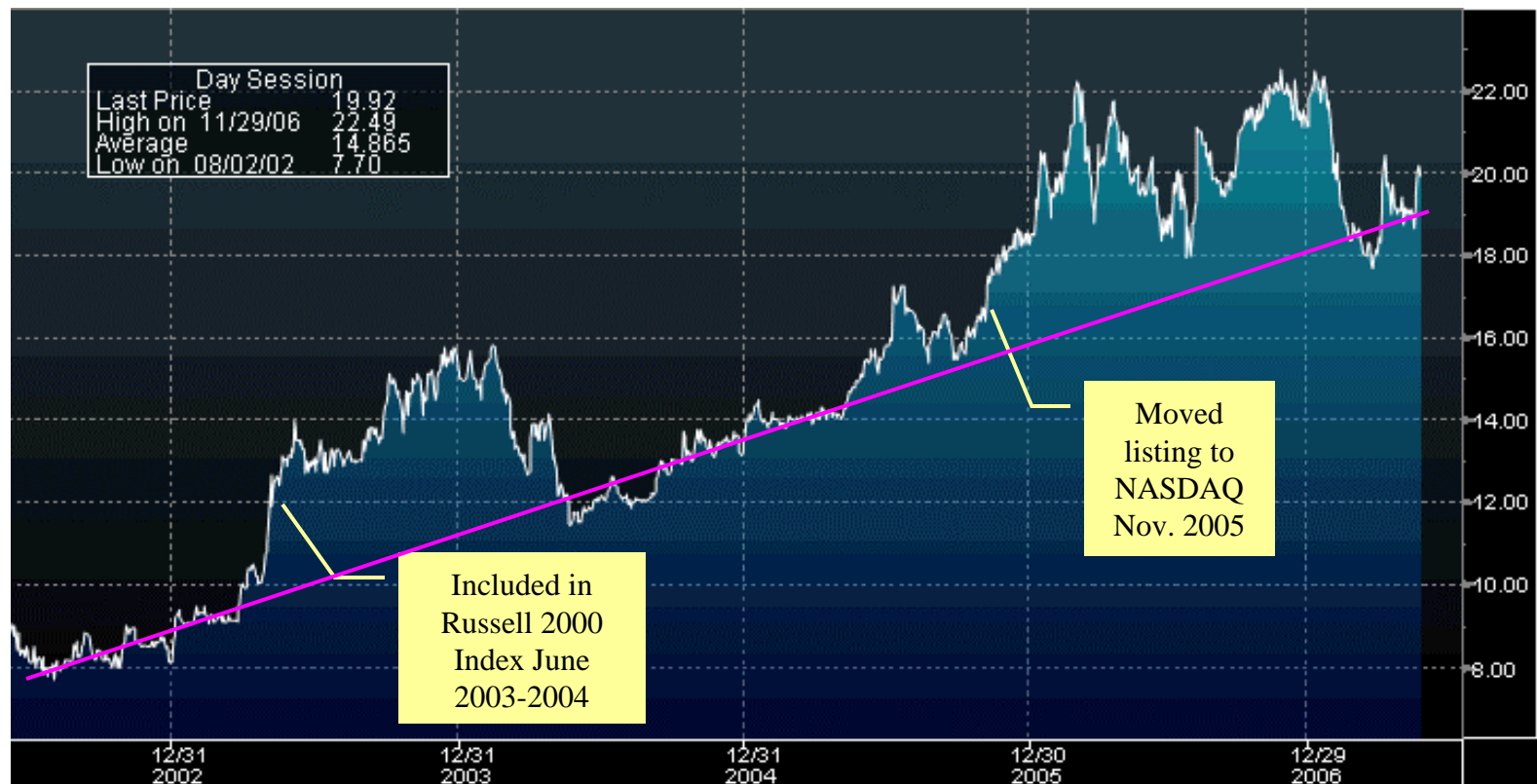
- “Well Capitalized”
- \$10.26 Book Value per share
- 8.7% Avg. Equity to Avg. Assets

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Stock Performance (as of May 31, 2007)

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- 5-Year Return on Investment (w/ dividends reinvested) = 138.0%
- 1-Year Return on Investment (w/ dividends reinvested) = 5.5%



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Stock Valuation Comparisons

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GA & FL \$1-3B Publicly-Traded Banks

(Listed in descending order by asset size)

Company	State	Ticker	Market Value (\$M)	6-7-07 Price (\$)	YTD Price Change (%)	Price/Tang Book (%)	Price/LTMEPS (x)	Current Dividend Yield (%)
Capital City Bank Group Inc.	FL	CCBG	565.4	30.92	(12.41)	272.7	17.5	2.26
Security Bank Corp.	GA	SBKC	376.9	19.65	(13.89)	209.3	14.7	1.78
Seacoast Banking Corp. of FL	FL	SBCF	434.4	22.72	(8.39)	272.7	20.8	2.82
Ameris Bancorp	GA	ABCB	301.7	22.29	(20.90)	246.0	13.5	2.51
GB&T Bancshares Inc.	GA	GBTB	231.8	16.35	(26.25)	161.2	23.4	2.32
Fidelity Southern Corp.	GA	LION	166.4	17.86	(4.03)	171.6	15.3	2.02
TIB Financial Corp.	FL	TIBB	175.0	13.66	(21.90)	185.1	18.5	1.76
Integrity Bancshares Inc.	GA	ITYC	124.9	8.05	(37.84)	143.5	11.5	0.00
Colony Bankcorp Inc.	GA	CBAN	151.1	20.97	18.47	199.5	14.8	1.67
PAB Bankshares Inc.	GA	PABK	182.5	19.18	(10.04)	199.2	13.8	3.02
Southeastern Bank Financial Corp.	GA	SBFC	205.0	37.74	(3.23)	251.3	17.8	1.38
CenterState Banks of Florida	FL	CSFL	206.2	16.60	(20.57)	173.6	22.4	0.84
Weighted Average (based on market cap)					(13.28)	222.9	17.4	2.04

Source: SNL Financial

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Stock Ownership

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- 23.7% Insider Ownership (including vested options)
 - Largest Shareholder (Dewar) controls 15.0%
 - Executive Management controls 1.2%
- 13.5% Institutional Ownership
 - Top 5 Institutional Owners manage 9.5%
 - Top 5 Mutual Fund Investments
 - Hilliard Lyons Senbanc Fund (SENBX)
 - Heartland Value Fund (HRTVX)
 - Bridgeway Ultra-Small Company Market Fund (BRSIX)
 - Legg Mason Partners Small Cap Value Fund (SMCYX)
 - DFA US Micro Cap Portfolio (DFSCX)



Summary

NASDAQ:PABK

- We are managing PABK as a long-term investment
- Growth potential plus an attractive dividend
- Currently trading at a discount to other GA & FL \$1-3B public banks
- Recent above-average financial performance
- Sound asset quality
- Experienced, committed management team
- Conservative loan underwriting philosophy
- Presence in strong growth markets

Thank You for your interest in PABK.

