



December 4, 2007

Regulation Comments  
Chief Counsel's Office  
**Office of Thrift Supervision**  
1700 G Street, N.W.  
Washington, DC 20552

Attention: Docket ID OTS - 2007-0023  
Association Docket No. 02449

Ladies and Gentlemen:

Let me begin by establishing that the Office of Thrift Supervision (OTS) charter has served our company well for many years and we continue to believe it to be the premier financial services charter. However, as a company, we have worked diligently to diversify our balance sheet to become more "bank-like" and have experienced difficulty in comparing our financial performance to our community bank peers. Our directors and investors are often confused by industry reports that are misinterpreted because of difficulties in comparing the data. We believe that these difficulties are harmful to our market capitalization and, ultimately, to the true value of our franchise.

We applaud your efforts to adopt the proposed conversion from the quarterly Thrift Financial Report (TFR) to the Consolidated Reports of Condition and Income (Call Report), as this conversion will bring parity in comparing thrift and commercial bank performance. It will bring greater transparency to both consumers and investors and will make the thrift charter an even more competitive charter than it is today. The conversion will serve the mission of the OTS by reducing the costs of compliance with the reporting requirements and by providing the public with comparable performance and financial data on most all of the country's financial institutions. In addition to the benefit of lower compliance reporting costs, I believe that investment analysts, who currently compare bank performance by using the Uniform Bank Performance Report (UBPR), will more easily be able to compare the performance of savings associations to that of commercial banks. Peer group financial analyses will be enhanced due to the larger universe of institutions being compared. Making this information, from which comparisons can be made, available to the public will serve to inform and to protect the public.

Thank you for taking this proactive step for our industry and best of luck for success in this endeavor.

Very truly yours,

**CITIZENS SOUTH BANK**



Kim S. Price  
President and Chief Executive Officer