

**CPP ANNUAL USE OF CAPITAL SURVEY - 2010**



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Atlantic Bancshares, Inc.

Point of Contact:	Robert P. Trask	RSSD: (For Bank Holding Companies)	3393794
UST Sequence Number:	1171	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	2,000,000	FDIC Certificate Number: (For Depository Institutions)	58075
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 29, 2009	City:	Bluffton
Date Repaid <sup>1</sup> :	N/A	State:	South Carolina

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

**Increase lending or reduce lending less than otherwise would have occurred.**

\$600,000 CPP was down-streamed to the bank subsidiary on March 31, 2010 in order to preserve existing loan relationships which were adversely impacted by the bank's decreased lending limit.

**To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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**Increase securities purchased (ABS, MBS, etc.).**

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

**Make other investments.**

Empty response box for 'Make other investments.'

**Increase reserves for non-performing assets.**

Empty response box for 'Increase reserves for non-performing assets.'

**Reduce borrowings.**

Empty response box for 'Reduce borrowings.'

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**Increase charge-offs.**

The first quarter 2010 CPP injection augmented capital during a period of increased loan loss provision expense related to charge-offs sustained in 2010 as a result of depressed real estate values in the bank's market.

**Purchase another financial institution or purchase assets from another financial institution.**

**Held as non-leveraged increase to total capital.**

Approximately, \$1.1 million CPP remained at the holding company as of December 31, 2010 as a non-leveraged increase to total capital. In the future, we plan to continue to use this capital to prudently support credit needs in our market and to strengthen bank capital.

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**What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?**

A large, empty rectangular box with a black border, intended for the respondent to provide their answer to the question above.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed answer to the question above. The box is currently blank.

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**Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.**

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.