

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Farmers Enterprises Inc

Point of Contact:	Steve Dobratz, CFO	RSSD: (For Bank Holding Companies)	1055155
UST Sequence Number:	1237	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	12,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	June 19, 2009	City:	Great Bend
Date Repaid ¹ :	N/A	State:	Kansas

¹If 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.

Initially, CPP funds supported loan demand. (\$316 million to \$328 million at year end). Loan demand has stalled with average loans \$306 million for year end 2010 vs \$307 million year end 2009.

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.).

Increased \$14.4 million only as a by product of stalled loan demand.

Empty response area for the selected option.

Make other investments.

Empty response area for the unselected option.

Increase reserves for non-performing assets.

Empty response area for the unselected option.

Reduce borrowings.

Empty response area for the unselected option.

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Increase charge-offs.

Empty response area for 'Increase charge-offs.'

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

Purchased another financial institution in the middle of our trade territory that was under stress. The funds allowed for this transaction to take place without straining our capital ratios at the wrong time.

Empty response area for 'Purchase another financial institution or purchase assets from another financial institution.'

Held as non-leveraged increase to total capital.

Empty response area for 'Held as non-leveraged increase to total capital.'

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

Shrinking the bank to keep capital ratios high to recognize the classified asset increase.

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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 their answer to the question above.

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

We were able to Merge a stressed Institution in the middle of our trade territory that saved jobs and probably small businesses.