

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



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Community Trust Financial Corporation

Point of Contact:	James K. Kendrick	RSSD: (For Bank Holding Companies)	1885307
UST Sequence Number:	322	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	24,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 09, 2009	City:	Ruston
Date Repaid <sup>1</sup> :	N/A	State:	Louisiana

<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.**

Community Trust Financial Corporation's subsidiary bank actively seeks to make loans to individuals, businesses, and public entities in the communities they serve. Receiving this additional capital in 2009 allowed the corporation to significantly increase its loan portfolio in 2009 and 2010.

**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.).**

The corporation's most significant increase in 2010 was in the Commercial Real Estate Loans. Commercial and Industrial Loans increased appreciably. Residential Loans reflected a moderate increase.

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

The corporation has continued its investment portfolio proportionate to its increase in loan growth to manage the liquidity of the bank.

**Make other investments.**

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

**Reduce borrowings.**

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**Increase charge-offs.**

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

**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?**

Due to the success in gaining market share in the markets where Community Trust Financial Corporation's banks are located, the company has experienced considerable growth. To continue to grow its loans and deposits, and thus continue to service the communities' credit needs, the Corporation needed to increase its capital base. This need came at a time when the availability of capital to community banks had frozen up due to the near economic melt down by the Wall Street institutions. The availability of the Capital Purchase Program capital likely allowed the corporation to avoid having to have a stock offering at a price that would have been highly dilutive to its existing shareholders.

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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?**

The capital infusion of CPP funds allowed the corporation's bank to continue to grow both loans and deposits in 2010. The corporation was able to continue to fund the legitimate credit needs of borrowers in the communities it serves, thus contributing to the local economies.

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

The corporation has maintained its position as a well capitalized financial institution.