

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

The Queensborough Company

Point of Contact:	D. Phil Polhill	RSSD: (For Bank Holding Companies)	1130904
UST Sequence Number:	47	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	12,000,000	FDIC Certificate Number: (For Depository Institutions)	2138
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 15, 2009	City:	Louisville
Date Repaid ¹ :	N/A	State:	Georgia

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.

See below for explanation.

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.

See below.

Empty response box for 'Increase reserves for non-performing assets.' with the text 'See below.'

Reduce borrowings.

Empty response box for 'Reduce borrowings.'

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Increase charge-offs.

See below.

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

Held as non-leveraged increase to total capital.

See below.

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

As a result of capital infusion, the company has been able to reduce lending less than otherwise would have occurred. In order to remain well-capitalized, the company had to decrease total assets (lending) to account for capital losses. The company has decreased the lending portfolio approximately \$80 Million over the past year, but has been able to continue to service the core customers, small businesses and farmers. Without the capital infusion of \$12Million, the company would have had to decrease total assets (lending) another \$100 Million, in order to remain well capitalized with normal regulatory requirements. In addition, during 2010, the company entered into a formal agreement with the OCC and capital ratio limits of 8% and 12% were established to be well-capitalized, which again, we are able to meet as a result of the CPP funds. It has been more than beneficial to our company to be able to meet the capital requirements as required by the OCC and continue to meet the needs of our small business customers and farmers . We continue to service these core customers as needed only as a result of the capital infusion, which makes us very appreciative. Our SBA pipeline has been constant and activity has continued to increase. Again, the capital infusion of CPP funds, has assisted our company in remaining competitive and operating efficiently.

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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?

See above.

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

See above.