

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



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Peoples Bancorporation, Inc.

Point of Contact:	Robert E. Dye, Jr., SVP & CFO	RSSD: (For Bank Holding Companies)	1974443
UST Sequence Number:	921	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	12,660,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	April 24, 2009	City:	Easley
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.**

Our subsidiary banks have been able to actively seek lending opportunities, unlike some of our peers.

**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.).**

We continue to lend to small and medium-sized businesses as well as consumers.

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

We have purchased a large amount of investment securities, primarily mortgage-backed securities as well as state and local municipal bonds.

**Make other investments.**

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

We have made significant loan loss provisions, enabling us to maintain reserves at acceptable levels that support our non-performing assets.

**Reduce borrowings.**

We have eliminated our reliance on FHLB borrowings.

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**Increase charge-offs.**

We have aggressively charged down problems assets.

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

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

We have maintained capital at levels that exceed individual minimum capital requirements ("IMCR's") for each of our subsidiary banks.

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

We were able to avoid implementing a strategy of contracting our balance sheet. We avoided having to liquidate certain assets at a time that such actions would be detrimental to our operations. Finally, we were not forced to attempt to raise capital from public markets at a very inopportune time.

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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?**

By remaining well capitalized and complying with IMCR's, our subsidiary banks have been able to aggressively deal with loan quality issues while providing essential credit to the markets we serve, which is consistent with our mission.

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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.