

CDCI ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Community Bancshares of Mississippi, Inc.

Point of Contact:	Timothy P Gray	RSSD: (For Bank Holding Companies)	1080595
UST Sequence Number:	956	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	52,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	September 11, 2009	City:	Brandon
Date Repaid ¹ :	N/A	State:	Mississippi

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.
 Increased lending in certain markets by providing additional capital injections into subsidiary banks. Also prevented us from decreasing lending and shrinking the subsidiary bank's balance sheets.

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.).
 Small business, real estate, and poultry loans.

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

Make other investments.

Increase reserves for non-performing assets.

Reduce borrowings.

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Increase charge-offs.

Empty response box for 'Increase charge-offs.'

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

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

Held as non-leveraged increase to total capital.

Used to strengthen our already well-capitalized holding company.

Empty response box 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?

Using other funding sources, primarily holding company credit facilities. The severe shrinking of our banking franchise, as well as a decrease in lending. Continue to avoid fire-sale of selected properties to maximize their real value over 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?

Purchase problem assets from subsidiary banks to clean them up faster. Ability to help borrowers work through problem credits.

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

Allow subsidiary banks to continue to build Tier 1 capital through retention of earnings (with the holding company having another source of funding).