

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

North Central Bancshares, Inc.

Point of Contact:	David M. Bradley, CEO515-224-9470	RSSD: (For Bank Holding Companies)	2628426
UST Sequence Number:	336	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	10,200,000	FDIC Certificate Number: (For Depository Institutions)	30742
CPP/CDCI Funds Repaid to Date:	10,200,000	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 09, 2009	City:	Fort Dodge
Date Repaid <sup>1</sup> :	12/14/2011	State:	Iowa

<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.**

Increased lending described below.

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**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 stimulus funds had been utilized primarily for the Bank's origination of single-family residential loans. Since receipt of the funds, the Bank has originated over \$223 million of single-family loans.

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

**Make other investments.**

Continued funding of Low Income Housing Tax Credit Investment Commitments - Iowa Fund V for \$500,000 and Greenbridge Equity Partners for \$365,861.

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

Loan Loss Provision for 2011 decreased \$1,956,000 in 2010 to \$2,135,000 compared to \$4,091,000 in 2010.

**X Reduce borrowings.**

Borrowings reduced by \$23,500,000 in 2011.

**X Increase charge-offs.**

Loan charge-offs and REO impairment losses decreased from \$5,594,000 in 2010 to \$2,993,000 in 2011, a reduction of \$2,601,000 or 46.5% in 2011.

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

Held as non-leveraged increase to total capital.

Despite the capital deployment action described above, the total assets of the Company declined in 2011 resulting in stronger capital ratios.

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

The capital infusion of CPP funds allowed our Company to continue its normal operations and further support lending actions and strengthen our capital as described above.

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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 Bank continued to build its systems and personnel infrastructure of the credit administration area to support its commitment to continue to increase lending to small businesses in each of its Iowa markets. The Bank has a loan participation investment of \$1,500,000 for the Phase XV offering of the Neighborhood Finance Corporation, Des Moines, IA. Neighborhood Finance Corp. is a non-profit corporation that assists individuals with purchasing a home or making improvements to their homes. The Bank will participate in the origination of residential mortgages to qualified borrowers to facilitate neighborhood revitalization in Polk County, IA. Their assistance is in the way of a forgivable second mortgage - up to \$12,500. The Bank has two branches in Polk County, IA.

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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.