

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Randolph Bank & Trust Co.

| | | | |
|--------------------------------|-------------------------|--|----------------|
| Point of Contact: | C Michael Whitehead, Jr | RSSD: (For Bank Holding Companies) | 0 |
| UST Sequence Number: | 1339 | Docket Number: (For Thrift Holding Companies) | |
| CPP/CDCI Funds Received: | 6,229,000 | FDIC Certificate Number: (For Depository Institutions) | 22746 |
| CPP/CDCI Funds Repaid to Date: | | Credit Union Charter Number: (For Credit Unions) | |
| Date Funded (first funding): | October 29, 2009 | City: | Asheboro |
| Date Repaid ¹ : | N/A | State: | North Carolina |

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.

The bank reduced lending less than otherwise would have occurred

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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.).

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

\$5.0MM+ purchase of primarily SBA adjustable rate securities.

Make other investments.

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Increase reserves for non-performing assets.

ALLL increased by 10bps over the year

Reduce borrowings.

The bank reduced FHLB borrowings by \$3MM

Increase charge-offs.

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

Held as non-leveraged increase to total capital.

Provides capital cushion for the bank.

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

The bank was able to weather the storm as a stable well-capitalized institution during the questioned viability of our competing community bank (CommunityOne Bank).

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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 was able to grow our loan production in our Greenville, NC LPO even though the bank's overall loan portfolio decreased for the year.

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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.