

CPP ANNUAL USE OF CAPITAL SURVEY - 2010

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BankFirst Capital Corporation and subsidiary BankFirst Financial Services

Person to be contacted regarding this report:	E. Gray Flora, III	RSSD: (For Bank Holding Companies)	1247455
UST Sequence Number:	461	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	15,500,000	FDIC Certificate Number: (For Depository Institutions)	8870
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Jan 23, 2009	City:	Macon
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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The availability of CPP allowed the bank to maintain a healthy capital ratio without intentionally decreasing the amount of loans outstanding.
<input type="checkbox"/>	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.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Due to the decrease in loan demand and the excess liquidity of the bank, the bank, for a time, increased purchases of securities, especially MBS until the end of 2010, when a drop in public funds deposits had the effect of decreasing the bank's overall asset size.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	The holding company paid off an outstanding line of credit at one of our corresponding banks
<input checked="" type="checkbox"/>	Increase charge-offs	The capital cushion provided by CPP allowed the bank to be aggressive to charge off non-performing loans without fear of jeopardizing capital ratios.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The holding company pushed down \$4 million to the bank to increase the bank's tier 1 capital ratio.

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

The bank was able to avoid intentionally decreasing the size of our loan portfolio. The bank was able to aggressively recognize non-performing loans due to the CPP funding.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The bank maintained well-capitalized ratios at all times. The holding company was able to pay off an outstanding line of credit to a correspondent bank, which resulted in annual cost savings to the holding company.

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

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.