

CPP ANNUAL USE OF CAPITAL SURVEY - 2010

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CBB Bancorp

Person to be contacted regarding this report:	Richard E. Drews, Jr.	RSSD: (For Bank Holding Companies)	2921211
UST Sequence Number:	764	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	4,397,000	FDIC Certificate Number: (For Depository Institutions)	35236
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Feb 26, 2009	City:	Cartersville
Date Repaid ¹ :	N/A	State:	Georgia

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.	Without the CPP, our subsidiary bank's lending capacity would have been considerably curtailed due to the reduction in capital that would have occurred due to the substantial loan charge-offs taken in 2009 and 2010.
<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 type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Our ALLL was also increased partially through the availability of the CPP, which permitted the bank to maintain appropriate reserves for loan losses in spite of substantial and historical charge-offs.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Funds provided by CPP provided additional capital to the subsidiary bank which supported substantial and historical charge-offs due to terrible economic conditions and substantial and rapid reductions in collateral values.
<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	CPP funds have also been utilized to acquire non-performing assets from the subsidiary bank, thereby improving NPA ratios and allowing an orderly liquidation of said asset(s).

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

Although the CPP investment was utilized in a number of different ways, the ultimate result was it provided additional capital to our subsidiary bank to offset the capital loss created by the historical and unprecedented charge-offs that occurred in 2009, and to a lesser extent, 2010. There was no capital available to a community bank during this time. The capital injection assured that even after the charge-offs, we were still able to maintain well-capitalized status with regulators, which allowed us to continue making loans in our community, even when other banks had been forced to stop.

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

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

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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.