

CPP ANNUAL USE OF CAPITAL SURVEY - 2010

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

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Person to be contacted regarding this report:	Victor M Castro	RSSD: (For Bank Holding Companies)	1140659
UST Sequence Number:	593	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	20,000,000	FDIC Certificate Number: (For Depository Institutions)	1479
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Union City
Date Repaid ¹ :	N/A	State:	Tennessee

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.	Increased lending capital and able to maintain similar level of outstanding loans in a weak economy.
<input checked="" 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.).	During the period between March 2010 and March 2011, Commercial loans increased by 6.6% and Agricultural loans increased by 27.3%. The Real Estate loans and Individual loans decreased by 1.1% and 7.5%, respectively.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	If loan demand did not consume funds provided by the CPP, these funds were used to increase Mortgage Back Securities.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Increased capital improved non-performance assets/capital ratios and thus enabled us to manage strategically these loans and ORE.
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

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

The bank avoided reducing limits on loan types that were based on volume/capital ratios. In addition, the bank avoided hasty decisions regarding borrower workout plan and liquidations of some ORE parcels.

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

During the period between March 2010 and March 2011, the company was able to increase the labor force, increase the size of the earning assets and maintain a strong capital for future growth.

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.