CDCI **ANNUAL USE OF CAPITAL SURVEY - 2013**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Kilmichael Bancorp, Inc.

Person to be contacted regarding this report:	Bertram S. Mortimer	RSSD: (For Bank Holding Companies)	3097850
UST Sequence Number:	1295	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	3,154,000	FDIC Certificate Number: (For Depository Institutions)	09775
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	09/30/2010	City:	Kilmichael
Date Repaid[1]:	N/A	State:	Mississippi

[1]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.	Since the 2012 Use of Capital survey, we have increased our overall loan portfolio by 8%.
☒	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.).	Since the 2012 Use of Capital survey, our Agricultural loans have increased 34%, Mortgage loans have increased 5%, Commercial loans increased 10% and State County Municipal Notes increased 184%.
☒	Increase securities purchased (ABS, MBS, etc.).	Our investment portfolio increased by 11% since the 2012 survey with an increase of Mortgage Backed Securities by 40%, State County Municipal securities increased 24% and CMO's increased 5%

☒	Make other investments	Since the CDCI funding, we have opened two branches which continue to be profitable in servicing our neighboring communities. In 2014, we plan to build a third branch on land that was purchased back in 2011 in hopes of better servicing our local market.
☐	Increase reserves for non-performing assets	
☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☐	Held as non-leveraged increase to total capital	

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

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

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.