

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Guaranty Bank and Trust Company (Guaranty Capital Corporation)

Point of Contact:	Jake Bellipanni	RSSD: (For Bank Holding Companies)	1096952
UST Sequence Number:	1233	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	14,000,000	FDIC Certificate Number: (For Depository Institutions)	15953
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	September 25, 2009	City:	Belzoni
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).

Increase lending or reduce lending less than otherwise would have occurred.

CDCI funds have allowed Guaranty Bank to continue to serve the communities in our market area. Loans generated by the bank increased by \$14.6 million (4.3%) between December 2010 and December 2011.

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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.).

The funds have allowed Guaranty Bank to increase lending in residential mortgages by \$6.5 million and commercial business loans by \$7.5 million. Other loan categories have remained stable or show marginal growth from 2010 to 2011.

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

Our focus is on high quality securities in both the public and governmental areas. Our investment portfolio increased by \$20.7 million during 2011.

Make other investments.

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Increase reserves for non-performing assets.

The CDCI funds have allowed Guaranty Bank to increase reserves for all non-performing assets but especially for Trust Preferred Securities. This has allowed the Bank to take the necessary OTTI charges and still remain a well capitalized institution.

Reduce borrowings.

Increase charge-offs.

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

Empty response area for the first question.

Held as non-leveraged increase to total capital.

Empty response area for the second question.

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

The addition of the CDCI funds have allowed Guaranty Bank to more effectively serve the communities we call home. We have been able to increase the deposit base by \$32.4 million between 2010 and 2011 in an economic time where consumers and businesses are looking for the safety of a community bank. This growth has allowed our bank to increase lending and portfolio investments while maintaining an above average capital base.

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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?

We have been able to increase loans, investments and deposits which have benefitted the communities we serve. We have increased investments in municipal securities by approximately \$6.0 million which has produced benefits to the counties and towns which issued these securities in Mississippi.

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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.