

CPP ANNUAL USE OF CAPITAL SURVEY - 2012

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Midtown Bank & Trust Company

Person to be contacted regarding this report:	Stan Kryder	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	883	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,222,000	FDIC Certificate Number: (For Depository Institutions)	57580
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Atlanta
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.	During 2012 lending in our market increased, and having the added CPP capital increased our concentration limits such that we were able to support additional loan demand.
<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.).	As an approved SBA pooler of 504 loans, during 2012, we were able to originate SBA 504 loans, hold for an appropriate period to accumulate an homogenous pool of saleable loans, and then sell them on the secondary market. SBA loans sold amounted to about \$17 million.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	We were able to hold and then sell SBA floaters as necessary to support liquidity, increase NIM, and then sell these to support short-term growth in our mortgage banking HFS portfolio.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	As in the prior year, we were able to support another \$2 million paydown as non-core FHLB advances matured, bringing to a total of \$8 million since receiving CPP.
<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 was able to make an affirmative decision not to sell the Bank. Prior to 2012, this had been an on-going discussion based upon concern for future earnings levels.

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

2012 was the Bank's best year in its 9 year history. It isn't possible to point to just a single thing that was the biggest contributor of our success in 2012. Having a strong capital base, however, made routine decisions easier, improved our relations with our regulators as we moved through the economic cycle, improved our standing in the market, made access to additional short-term funding sources easier, enhanced our ability to qualify for specialized SBA programs, and overall contributed to our sustained recovery.

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.