

CPP ANNUAL USE OF CAPITAL SURVEY - 2012

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

U. S. Century Bank

Person to be contacted regarding this report:	David McCombie	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	782	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	50,236,000	FDIC Certificate Number: (For Depository Institutions)	57369
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Aug 7, 2009	City:	Miami
Date Repaid ¹ :	N/A	State:	Florida

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.	The bank's capital declined \$11 million in 2012 which reduced the bank's ability to fund loans. Gross loans decreased approximately \$388 million which included \$45 million in charge-offs. CPP funds mitigated the decline in capital.
<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 2012 loans to foreign banks recovered by approximately \$20 million.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	Federal Home Loan Bank borrowings decreased \$486,000 and brokered CDs decreased about \$48 million during 2012.
<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 avoid closing branches in 2012 and was able to avoid larger staff reductions than actually occurred.

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

The bank was able to resolve more problem assets because it had the ability to take small losses due in part to the additional capital the CPP funds provided. The bank has been able to sell problem assets over time at better prices without being forced to dump them at bargain prices which could have resulted in much greater losses for the bank. This also allowed the local real estate market to recover.

The bank was able to retain and restructure some loans that would probably have left without the capital support provided by the CPP program.

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

CPP funds made it possible for U. S. Century Bank to maintain higher capital ratios than it would have had without that support. Indirectly this has enabled the bank to continue its support to the local community in a variety of ways. These include providing funding and servicing for small businesses, conducting financial literacy training in economically disadvantaged areas and fund raising for charities.

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.