



CPP ANNUAL USE OF CAPITAL SURVEY - 2014

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Liberty Bancshares Inc

Person to be contacted regarding this report:	Penny Beauchamp
UST Sequence Number:	1326
CPP/CDCI Funds Received:	6,500,000
CPP/CDCI Funds Repaid to Date:	0
Date Funded (first funding):	Dec 4, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	3716151
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	26457
Credit Union Charter Number: (For Credit Unions)	
City:	Fort Worth
State:	Texas

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.	CPP funds received by the holding company were contributed to the bank subsidiary as a capital contribution. Therefore, the capital contribution increased the bank's legal lending limit to individual borrowers.
<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.).	The bank primarily lends to small to medium size commercial businesses to meet their working capital and fixed asset needs.
<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 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 use of the CPP funds allows the company/bank to support future loan growth as the economy continues to recover. As of December 31, 2014 the company's/bank's capital is strong and well above the "well-capitalized" requirements.

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

Had the Company & the Bank not received the CPP funds the bank would have had to curtail some of its lending efforts. This curtailment would have lowered the lending to the Bank's market customers which primarily are small to medium size business customers. These business customers typically are borrowing funds for capital improvements, financing of inventories, and accounts receivable and/or purchase of owner-occupied business facilities.

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

The company has been successful in enhancing its capital strength and serving its communities by making credit available to small and medium-sized businesses and to individuals.
The productive use of CPP funds is one of the tools that we have found helpful for our accomplishment of these objectives.

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.