



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

BanIndependent, Incorporated / Bank Independent

Person to be contacted regarding this report:	Lori Hall
UST Sequence Number:	409
CPP Funds Received:	21,100,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Mar 13, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1082209
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	16604
City:	Sheffield
State:	Alabama

<sup>1</sup>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). To answer that question, Treasury is seeking responses that describe generally how the CPP 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 investment was deployed or how many CPP 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 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 funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Prior to the receipt of the CPP funds, the bank's Total Risk Based Capital Ratio was just below 11% limiting our capacity to lend. Receiving the CPP funds moved our Total Risk Based Capital Ratio to over 14% freeing up our ability to lend.
<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.).	Bank Independent's Home Equity Real Estate Loans have grown 19% since receipt of the CPP funds.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Bank Independent's Allowance for Loan Losses increased 29% since receipt of the CPP funds.
<input checked="" type="checkbox"/>	Reduce borrowings	Bank Independent had \$15MM of Federal Home Loan Bank Fixed Rate Advances mature since receipt of the CPP funds that were not replaced with additional borrowings.
<input type="checkbox"/>	Increase charge-offs	
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	In August 2009, BI acquired Regions Interstate Billing Service from Regions Bank. The acquisition being accretive to earnings will allow us to build capital & pay back the CPP funds quicker than planned. The CPP funds made this acquisition possible without limiting other growth opportunities.
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	BI's Tier 1 Capital Ratio of 10.09% & Total Risk Based Capital Ratio of 13.55% are well above the Regulatory minimum. Holding the CPP funds as a non-leveraged increase to total capital protects the Bank against unforeseen losses and allows the Bank to take advantage of strategic opportunities.

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

None.

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

Regions Interstate Billing Service acquisition.

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

None.