



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BankFirst Capital Corporation & BankFirst Financial Services, Inc.

Person to be contacted regarding this report:	E. G. Flora, III
UST Sequence Number:	461
CPP Funds Received:	15,500,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	1/23/2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	1247455
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	8870
City:	Macon
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). 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.	Changed position to actively looking for good loans in our market areas from our previous position of limiting or preventing loan growth.
<input 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.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Purchased mortgage based securities other than GNMA's.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Raised our Loan Loss Reserve to \$5,399,000 on 12/31/2009.
<input checked="" type="checkbox"/>	Reduce borrowings	Paid off all Fed Funds Purchased amounts and repaid FHLB Advances that matured. Expect to pay off an additional \$6,000,000 in June. This action was allowed due to improved liquidity position.
<input checked="" type="checkbox"/>	Increase charge-offs	Able to charge off loans in an aggressive manner, while still increasing loan loss reserve. Charge offs now total \$7,555,000 for the year ending 12/31/2009.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Holding approximately \$5,000,000 in CPP capital in holding company.

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

We were able to avoid embarking on a program to actively shrink the size of the bank and to curtail lending due to risk based capital restraints.

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

Due to the receipt of the CPP funds, BankFirst was able to move from a position of not being able to support any loan growth and thus not actively soliciting loans, to a position of actively looking for good loans in our market areas. Prior to receiving CPP funding, we were in a position because of capital constraints to primarily purchase zero risk-based securities; however, because of funding, we have been able to purchase other types of securities and thus allow us to maintain our interest rate margin.

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

BankFirst was able to accomplish all of the above referenced actions, including aggressive charge-offs and Loan Loss Reserve buildup