



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CBB Bancorp

Person to be contacted regarding this report:	Richard E. Drews, Jr.
UST Sequence Number:	764
CPP Funds Received:	4,397,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Feb 26, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	3236640
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	35236
City:	Cartersville
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). 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.	CPP helped us reduce lending less. Approx. 22% of our \$80 million in loans matured in 2009, which means that without additional new loans, our total loans would have decreased to \$64 million. After factoring in charge-offs we incurred, loans increased back to \$75million at 12/31/09.
<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 type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Our subsidiary bank contributed \$3,061,000 to its Reserve for Loan Losses in 2009, increasing its net Reserve for Loan Losses by \$384,000 from 12/31/2008 to 12/31/2009, to reflect deterioration in the local economy, and greater stress on our loan portfolio.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Our subsidiary bank charged off only \$982,000 in bad loans during FYE 12/31/2008. As the economy deteriorated further, the bank charged-off an additional \$2,770,000, nearly 3 times that amount in FYE12/31/2009.
<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	Our subsidiary bank's Leverage Ratio improved to 10.67% , Tier 1 capital Ratio to 13.98%, and Total Risk Based Capital to 15.23%. In addition, the company has used a portion of the CPP funds to acquire distressed assets from the bank, freeing up those funds for the bank to make additional loans.

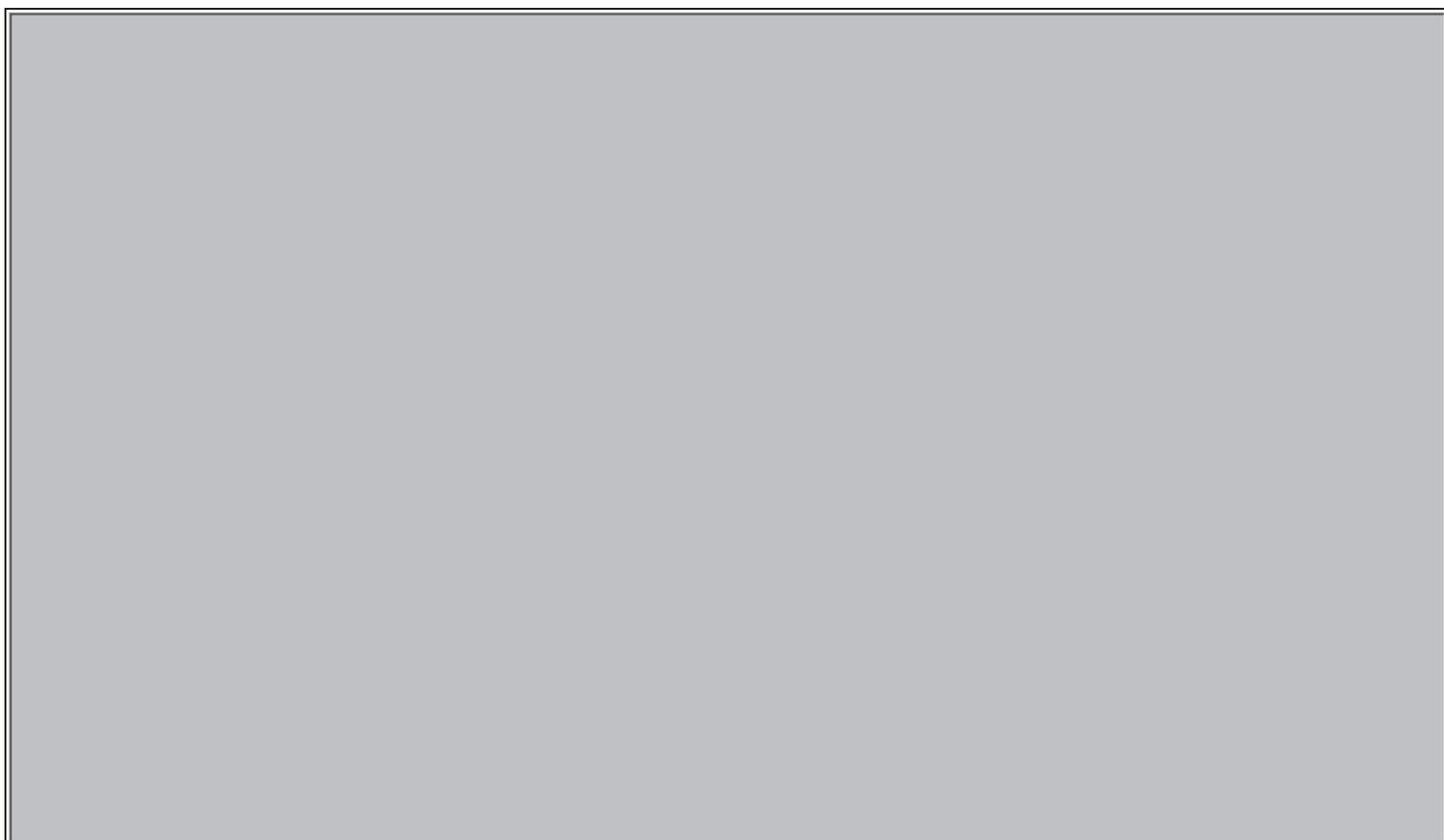
What actions were you able to avoid because of the capital infusion of CPP funds?

The CPP funds provided a cushion to ensure that our subsidiary bank was not forced to shrink the bank due to capital constraints. While net loans did go down from YE2008 to YE2009, we extended additional new and renewed loans in the approximate amount of \$14 million, as described above.

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



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