



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Calvert Financial Corporation

Person to be contacted regarding this report:	Ed Vought
CPP Funds Received:	\$1,037,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	1/23/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	2868147
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	13585
City:	Ashland
State:	Missouri

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 type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	
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<input type="checkbox"/>	<p>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.).</p>	
<input type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	
<input type="checkbox"/>	<p>Make other investments</p>	
<input checked="" type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>The bank was able to transfer impaired assets as they arose to the holding company where the funds were held and absorb losses at this level thus maintaining a higher level of ALLL to total loans thus protecting the safety and soundness of the bank.</p>

<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	By maintaining the funds at the holding company level, impairments to assets were absorbed via the use of CPP which reduced pressure on ALLL, charge-offs and earnings at the bank level
<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 funds?

The bank was able to transfer impaired assets requiring liquidation to the holding company for disposition and absorption of any losses as they have arisen. This has enabled us to avoid decreased ALLL coverage of loans and avoid having a higher number of classified or OREO assets at the bank level thus further protecting and enhancing the safety and soundness of the bank.

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

In one instance, with the availability of the Capital Purchase funds, we had the flexibility to develop out a property which we had foreclosed on enabling us to add value both in terms of economic value as well as loss reduction had we been required to liquidate it in its uncompleted state during the bottom of the market.

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

The availability of the Capital Purchase funds which were not injected into the bank, have enabled the holding company to absorb distressed assets while minimizing their impact on the bank, further protecting the safety and soundness of the bank.

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.