



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Centrix Bank & Trust

Person to be contacted regarding this report:	Deborah A. Morin, VP Controller
UST Sequence Number:	573
CPP Funds Received:	7,500,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Feb 6, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	N/A
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	35035
City:	Bedford
State:	New Hampshire

<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.	Without the infusion of the CPP funds, the Bank's 2009 loan growth would have been restricted to 5% over total loans at December 31, 2008, or \$18 million. With CPP funds, the Bank's loan growth during fiscal year 2009 totaled \$67 million, growth of 18% when compared to December 31, 2008.
<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 major loan types impacted, including the dollar amount of growth and percentage of the total 2009 loan growth of \$67 million, are as follows: commercial real estate, \$39 million or 58%; commercial loans, \$13 million or 19%; and, residential mortgage loans held for sale, \$13 million or 19%.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The Bank initially purchased \$15 million in government-sponsored residential mortgage-backed securities and one \$7 million local municipal bond as part of a broader leverage strategy executed to offset the cost of the CPP funds. (See additional response in the second section below.)

<input type="checkbox"/>	Make other investments	N/A
<input type="checkbox"/>	Increase reserves for non-performing assets	N/A
<input type="checkbox"/>	Reduce borrowings	N/A
<input type="checkbox"/>	Increase charge-offs	N/A
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	N/A
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	At December 31, 2009, the Bank maintained approximately \$2.9 million in non-leveraged CPP funds, which it expects to employ to support future loan growth.

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

Centrix Bank & Trust (the "Bank") delivers high-quality financial products and services to small- to medium-sized businesses, professionals, not-for-profits and municipalities. Over its ten-year operating history, the Bank has become an integral part of the communities it serves in southern New Hampshire.

Despite the financial crisis and the weakened economic conditions, the Bank's Board of Directors was committed to supporting the needs of the communities it serves, while ensuring that it continued to operate the Bank in a safe and sound manner. In such, during the fourth quarter 2008, a full assessment of capital needs was undertaken. A three-year financial plan was prepared modeling asset growth with and without additional capital. Assumptions used projected higher than historical loan losses and reserves, resulting from the expectation that there would be continued deterioration in the economy.

Without additional capital, it was determined that loan growth would have to be suppressed to 5% annually. With the addition of \$7.5 million in new capital, the Bank projected that it could support loan growth of between 12% and 15% annually.

The Bank's actual loan growth during the fiscal year 2009 totaled \$67 million or 18% when compared to the fiscal year 2008. Without the infusion of capital, the Bank would have limited its loan growth to \$18 million or 5%, preserving the excess capital to ensure the Bank could continue to operate in a safe and sound manner. Additionally, without the CPP funds, many of the Bank's business customers would have had to find alternative financing, which, given the depth of the financial crisis, may have been difficult.

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

As discussed above, the CPP funds supported the strong growth of the Bank's loan portfolio, thereby allowing the Bank to meaningfully support the communities it serves in Southern New Hampshire.

Additionally, the Bank is dedicated to being an active and supportive member of its communities. The receipt of CPP funds allowed the Bank to maintain its Community Investment Policy. Consequently, in 2009, the Bank was able to support 78 deserving not-for-profits and invested in 4 community service projects.

Additional response to "Increase securities purchased" above:

Over the course of the year, the Bank purchased an additional \$7 million in government-sponsored residential mortgage-backed securities to offset a reduction in loans purchased and held for sale, which was also a component of the leverage strategy.

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

During 2009, the Bank entered into a Loan Purchase Agreement whereby the Bank purchases government-guaranteed residential mortgage loans.