



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Centrue Financial Corporation

Person to be contacted regarding this report:	Kurt Stevenson	RSSD: (For Bank Holding Companies)	1206591
UST Sequence Number:	248	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	32,668,000	FDIC Certificate Number: (For Depository Institutions)	3744
CPP Funds Repaid to Date:	0	City:	Clayton
Date Funded (first funding):	Jan 9, 2009	State:	Missouri
Date Repaid <sup>1</sup> :	N/A		

<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.	The Company implemented a capital strategy to reduce balance sheet risk through a reduction of loans. Without CPP funds, all new lending activities would have been significantly reduced, if not completely suspended.
<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.).	CPP funds were immediately deployed to investments securities, primarily U.S. government agency residential mortgage backed securities, until such time funds were needed for more targeted purposes.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	CPP funds allowed the Company to take a conservative stance in evaluating nonperforming assets for impairment and establish appropriate reserves. This has provided the Company with greater flexibility in managing the dramatic downward swings in real estate appraised values.
<input checked="" type="checkbox"/>	Reduce borrowings	The Company used \$8.8MM of CPP funds to pay off senior debt from Bank of America after they notified the Company in later December 2008 of their intentions to reduce concentration and exposure to all financial institutions.
<input checked="" type="checkbox"/>	Increase charge-offs	Allowed the Company to more swiftly and aggressively move through problem credits in an effort to more quickly address deteriorating loans, reduce substandard assets and take the necessary OTTI charges on the Company's trust preferred collateralized debt obligations.
<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?

Preserve liquidity by maintaining eligibility for the brokered deposit market and maintain borrowing relationships with other financial institutions (i.e. Fed Funds line, etc.).

Prevented the Company from more severe curtailment in lending activities.

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

Allowed the Company to work with and restructure consumer and residential loans prior to them reaching a non-performing status and avoiding the liquidation or foreclosure that would have otherwise resulted.

Allowed the Company to adopt a more conservative interpretation of FAS5 in determining the adequacy of the allowance for loan and lease loss.

Allowed us to offset losses incurred in 2009 and the corresponding deferred tax asset that is disallowed for regulatory capital purposes.

Provided the Company the luxury of making loans that we would not have otherwise made.

Allowed the Company to maintain a greater degree of flexibility in assisting troubled borrowers and, in some instances, avoiding complete liquidation. For borrowers unable or unwilling to work with the Bank, the CPP funds have provided the flexibility to swiftly exit these relationships and liquidate the related collateral.

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

As the economy improves, the CPP funds will allow us to return to lending activities quicker.

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.