



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Community Trust Financial Corporation

Person to be contacted regarding this report:	James K. Kendrick	RSSD: (For Bank Holding Companies)	1885307
UST Sequence Number:	322	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	24,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP Funds Repaid to Date:	0	City:	Ruston
Date Funded (first funding):	Jan 9, 2010	State:	Louisiana
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.	Community Trust Financial Corporation's two subsidiary banks actively seek to make loans to individuals, businesses, and public entities in the communities that they serve. Receiving this additional capital allowed the corporation to significantly increase its loan portfolio in 2009.
<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 corporation's most significant increase was in Commercial & Industrial Loans. Commercial Real Estate loans also increased appreciably, although to a much less degree. Residential Mortgage Loans and Home Equity Loans reflected moderate increases.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The corporation more than doubled its investment in municipal securities and had a sizeable increase in mortgage backed securities which represent some 59% of the corporation's total investment portfolio.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	Although not directly related to the receipt of Capital Purchase Program capital, the corporation did acquire First Louisiana Bancshares, Inc. on October 1, 2009. That company had four offices in Shreveport and Bossier City, Louisiana.
<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?

Due to success in gaining market share in the markets where Community Trust Financial Corporation's subsidiary banks are located, the company has experienced considerable growth. To continue to grow its loans and deposits, and thus continue to service the communities' credit needs, the Corporation needed to increase its capital base. This need came at a time when the availability of capital to community banks had frozen up due to the near economic melt down by the Wall Street institutions. The availability of the Capital Purchase Program capital likely allowed the corporation to avoid having to have a stock offering at a price that would have been highly dilutive to its existing shareholders.

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

The capital infusion of CPP funds allowed the corporation's subsidiary banks to continue to grow both loans and deposits in 2009. The corporation was able to continue to fund the legitimate credit needs of borrowers in the communities it serves, thus contributing to the local economies.

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

The corporation has maintained its position as a well capitalized financial institution, allowing it to be rated as having a very strong fir