



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Deerfield Financial Corporation / Bank of Deerfield

Person to be contacted regarding this report:	Sigurd A. Bringe
UST Sequence Number:	1104
CPP Funds Received:	2,639,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	May 15, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	0001416738
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	02477
City:	Deerfield
State:	Wisconsin

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.	Bank of Deerfield increased its loan portfolio by 8.4% during the period from May 31, 2009 (the month Bank of Deerfield received CPP funding) to March 31, 2010. Total loans outstanding increased from \$79,021,000 to \$85,688,000 during the period, a \$6,667,000 increase.
<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.).	Residential Mortgage Loans increased 27.2% from \$16,415,000 to \$20,877,000 during the period 5/31/09 through 3/31/10. Commercial mortgage and Small Business loans increased 4.7% from \$36,232,000 to \$37,922,000 in the same period. Consumer loans increased 2.6%.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<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 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?

We were better able to avoid requiring our customers to prepay or reduce their loan outstanding balances in order to reduce credit risk to the Bank. This increased our customers cash reserves and hence their ability to weather the economic downturn.

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

We were able to continue lending when many financial institutions were limiting credit availability to improve capital ratios.

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

We were able to bolster our already "Well Capitalized" capital ratio to a level that gave the Bank and its' customers a greater level of sa