



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Emclaire Financial Corp./The Farmers National Bank of Emlenton

Person to be contacted regarding this report:	William C. Marsh Chairman, President & CEO
UST Sequence Number:	173
CPP Funds Received:	7,500,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 23, 2008
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1480944
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	7875
City:	Emlenton
State:	Pennsylvania

<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 Bank's gross loan portfolio increased \$28.3 million or 10.6% during 2009 to \$295.8 million at December 31, 2009 from \$267.5 million at December 31, 2008. Much of this loan growth can be attributable to the branch purchase discussed below.
<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.).	Home equity, commercial real estate, commercial business and general consumer loan portfolios all increased during 2009.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The Bank's securities portfolios increased \$34.2 million or 50.1% during 2009 to \$102.5 million at December 31, 2009 from \$68.3 million at December 31, 2008. This growth was attributable to the deployment of deposit funding received through the branch purchase discussed below.

<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	On August 28, 2009, the Bank consummated its purchase of a full service branch office in Titusville, PA from PNC/National City in connection with the required regulatory divestiture of that branch office resulting from PNC's 2008 acquisition of National City.
<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?

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

On August 28, 2009, the Bank consummated its purchase of a full service branch office in Titusville, PA from PNC/National City in connection with the required regulatory divestiture of that branch office resulting from PNC's purchase of National City.

Without TARP CPP funding the Corporation and the Bank may not have had the opportunity to purchase this branch office. TARP CPP funding provided the Bank with the regulatory capital base to purchase the branch office and afforded the Bank the opportunity to provide community banking services to the Titusville, PA market.

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

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.