



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Guaranty Bancshares, Inc. and First Guaranty Bank

Person to be contacted regarding this report:	Michele E. LoBianco	RSSD: (For Bank Holding Companies)	3589560
CPP Funds Received:	\$20,699,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	14028
Date Funded (first funding):	8/28/2009	City:	Hammond
Date Repaid ¹ :		State:	Louisiana

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.

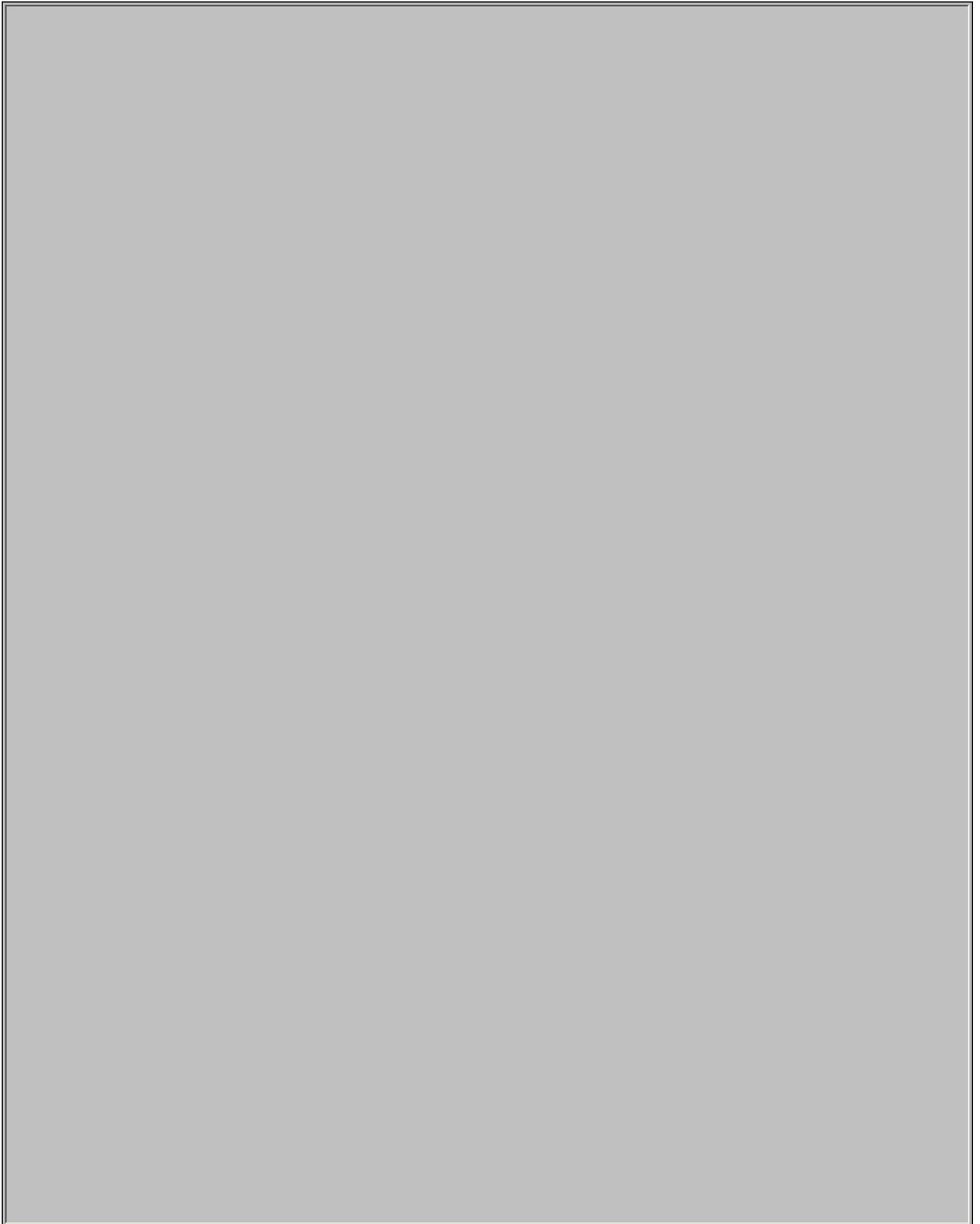
What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	At December 31, 2009, loans, net of unearned income totaled \$589.9 million, a decrease of \$16.5 million, compared to \$135.2 million at December 31, 2008. This decline is due to general economic conditions. The Company continues to lend to the communities in which it serves.
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<input type="checkbox"/>	<p>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.).</p>	
<input checked="" type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	<p>Securities increased \$122.7 million from December 31, 2008 to December 31, 2009. This increase was partially funds by CPP funds. The increase in securities generated additional earnings which ultimately strenghtened capital.</p>
<input checked="" type="checkbox"/>	<p>Make other investments</p>	<p>The Company injected \$10.35 million in First Guaranty Bank. This improved the Bank's capital ratios. At 12/31/08 and 12/31/09, Tier 1 leverage ratios were 7.81% and 9.03%, Tier 1 risked-based capital ratios were 8.96% and 11.16% and total risk-based capital ratios were 9.87% and 12.22%.</p>
<input type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	

<input checked="" type="checkbox"/> Reduce borrowings	During the 4th quarter 2009, the Company paid \$4.7 million of outstanding debt owed to a third party on its line of credit.
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/> Held as non-leveraged increase to total capital	The remaining CPP fund are currently held as cash in the Company.

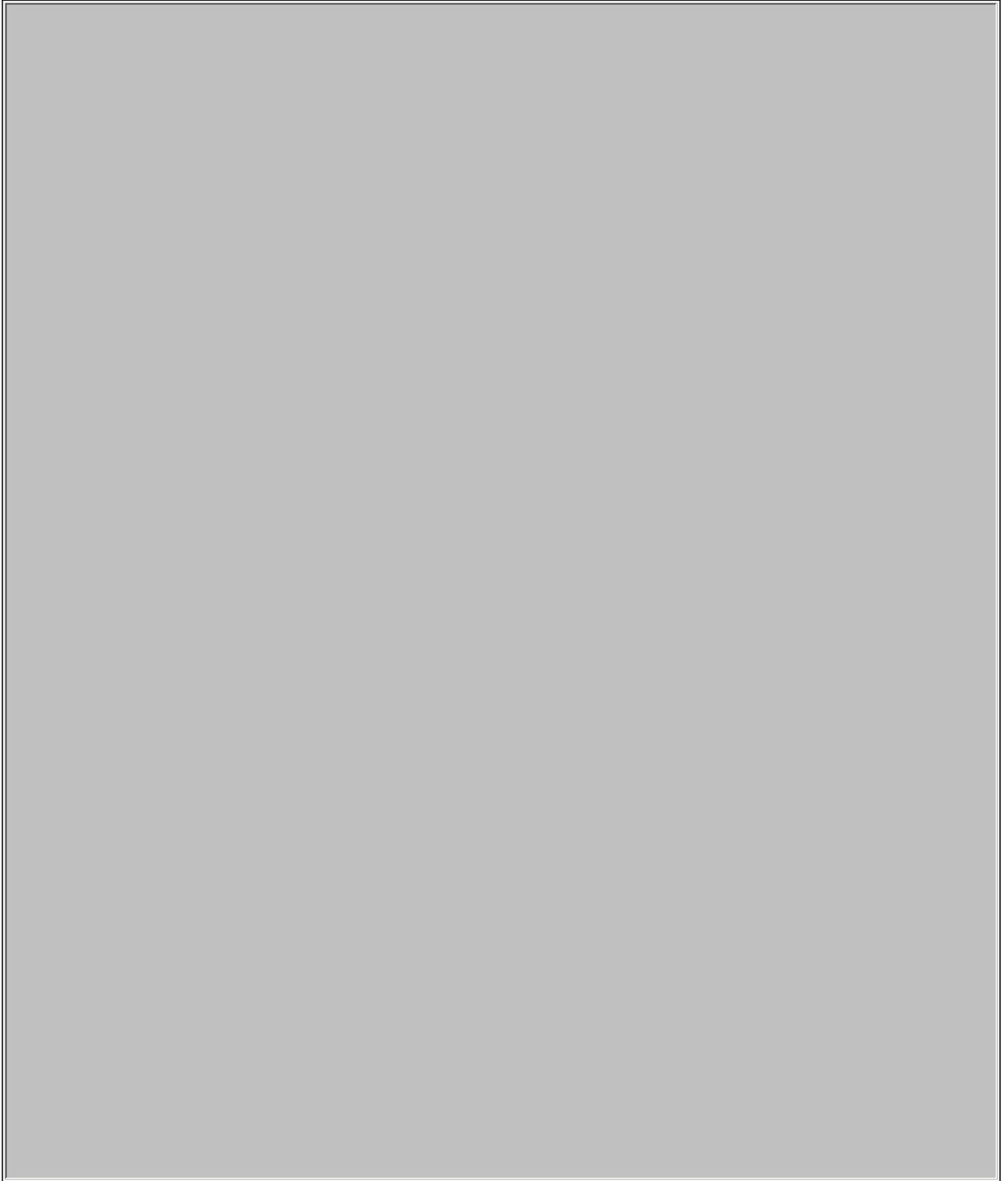
What actions were you able to avoid because of the capital infusion of CPP funds?

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

The Company has been able to evaluate and explore numerous merger and acquisition opportunities.

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



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