



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Florida Business BancGroup, Inc.

Person to be contacted regarding this report:	Marti J. Warren
UST Sequence Number:	815
CPP Funds Received:	9,495,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Feb 20, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	0002805432
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	35066
City:	Tampa
State:	Florida

<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.	CPP allowed us to remain active in lending. Although, net loans decreased slightly from 12/31/08 - 12/31/09, this was largely a result of charge-offs.
<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.).	We are actively reducing our exposure to land and construction. New loan activity is spread across all other sectors.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Upon receipt of CPP, we purchased a block of mortgage backed securities to generate some earnings and offset the cost of the CPP dividend.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Loan loss reserve provision in 2009 was \$14.07 million
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Net loan charge offs against loan loss provision in 2009: \$9.948 Million. Write down of carrying value of OREO in 2009: \$1.7 million
<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?

Avoid deterioration in risk based capital ratios for Bay Cities Bank to less than "well capitalized"

CPP allowed us to remain actively engaged in soliciting new borrowing customers while also being very aggressive with making reserves and charging down problem loans. Effectively, CPP allowed us to avoid going into "capital preservation" mode.

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

Take a more aggressive approach to loan loss provisions and loan charge offs as well as write down carrying value of other real estate owned while maintaining "well capitalized".

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.