



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

GERMANTOWN CAPITAL CORPORATION/FIRST CAPITAL BANK

Person to be contacted regarding this report:	KENT DAVIS	RSSD: (For Bank Holding Companies)	3684746
UST Sequence Number:	683	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	4,967,000	FDIC Certificate Number: (For Depository Institutions)	57552
CPP Funds Repaid to Date:	0	City:	GERMANTOWN
Date Funded (first funding):	Mar 6, 2009	State:	Tennessee
Date Repaid ¹ :	N/A		

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.	First Capital Bank was able to continue to renew, extend and made advances for new loans for the period April thru December 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 CPP program did support First Capital Bank's lending operation during 2009. First Capital Bank's business model is small business commercial lending.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Provision expense increase \$1,208,000 from 3/31/09 to 12/31/09. CPP funds allowed First Capital Bank to maintain ALLL % of loans at 2.13%.
<input checked="" type="checkbox"/>	Reduce borrowings	Total liabilities decreased by \$18.5 million for the period 3/31/09 to 12/31/09. CPP funds allowed reductions in borrowing and allowed capital ratios to be maintained at appropriate levels.
<input checked="" type="checkbox"/>	Increase charge-offs	Increased capital infusion of CPP funds enabled First Capital Bank to be proactive in dealing with non-performing properties, taking appropriate write-downs and reducing overall exposure to commercial real estate.
<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?

Germantown Capital Corporation was not forced to raise private equity at a very depressed value versus tangible book equity.

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

Maintain a pro-active lending position thereby supporting our local community.

Have an adequate capital level commensurate with the bank's current risk profile.

Maintain ALLL levels at adequate levels.

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

Open a second branch bank in East Memphis, Tennessee to better service our customer base. The branch opened in September 2009