



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Green Bankshares, Inc.

Person to be contacted regarding this report:	James E. Adams
UST Sequence Number:	180
CPP Funds Received:	72,278,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 23, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	1133277
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	895
City:	Greeneville
State:	Tennessee

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.	Initially when funds were received, we originated in excess of \$62.4 million in new loans within the first 3 months while also continuing to renew existing customer loans. As the recession deepened throughout 2009, loan demand virtually dried-up in our Tennessee markets.
<input 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.).	Initial loan growth was reflected in commercial real estate loans and one-to-four family mortgages.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	To further utilize the remaining proceeds, we invested the remainder of proceeds received in newly issued mortgage backed securities.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Loan loss reserves were increased by approximately \$1.4 million as loan charge-offs totaled \$48.9 million and non-performing assets increased by \$55.9 million from the end of 2008 to the end of 2009.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	As noted above, net loan charge-offs totaled \$48.9 million for calendar year 2009. Without the capital cushion provided by the funds received through the CPP program, our regulatory capital ratios would have declined to a level barely exceeding the well capitalized levels.
<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?

Raising common equity capital during a period of time when the markets were depressed which would have significantly diluted our existing shareholders.

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

The CPP funds received provided us a greater opportunity to work with certain borrowers that were struggling to meet their obligations.

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

Nothing else.