



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

MidWestOne Financial Group, Inc.

Person to be contacted regarding this report:	Gary J. Ortale
UST Sequence Number:	243
CPP Funds Received:	16,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Feb 6, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Iowa City
State:	Iowa

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.	The funds have been partially used for lending in our general market area which, had this not been done, would have caused our loan balances to fall even further than they did.
<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.).	During 2009, given the low interest rate environment and general economic conditions, our real estate construction and mortgage balances declined. Most of our real estate loans were refinanced into fixed-rate secondary market loans. (See space in last question for further response.)
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The funds were partially used for purchasing additional securities including mortgage-backed securities and municipal bonds. During this time period, we purchased a large number of Iowa and Minnesota municipal bonds.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	The funds were also used to reduce our exposure to borrowings from our regional Federal Home Loan Bank.
<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	In reality, we were eligible to receive \$34 million in CPP funds but accepted only \$16 million. We viewed it as "comfort" capital, a way to shore up our capital position, relatively inexpensively, should the economic downturn we all were experiencing move far beyond what we might have imagined.

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

None

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

None.

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

We did use funds to grow our commercial, financial and agricultural loans. However, loan demand in all categories remains subdued.