



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Peoples Bancorporation, Inc.

Person to be contacted regarding this report:	Robert E. Dye Jr., SVP, CFO	RSSD: (For Bank Holding Companies)	1974443
UST Sequence Number:	921	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	12,660,000	FDIC Certificate Number: (For Depository Institutions)	
CPP Funds Repaid to Date:	0	City:	Easley
Date Funded (first funding):	Apr 24, 2009	State:	South Carolina
Date Repaid <sup>1</sup> :	N/A		

<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.	The additional capital has enabled us to continue lending, while some of our competitors without CPP capital have informed their customers that they are no longer lending funds to anyone for any purpose at this time.
<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 have continued to make loans to small and medium-sized businesses, as well as loans to consumers.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	We have purchased a number of securities, primarily secured by pools of residential mortgages.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	We have made substantial provisions bolstering our loan loss reserves, allowing us to deal with higher levels of non-performing assets.
<input checked="" type="checkbox"/>	Reduce borrowings	We have decreased substantially our reliance on non-traditional funding sources, including borrowings from the Federal Home Loan Bank.
<input checked="" type="checkbox"/>	Increase charge-offs	The capital infusion from the CPP funds has allowed the banks to take an aggressive stance in charging problem assets off the books.
<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	With the increase in non-performing assets and the corresponding increase in loan loss reserves, the CPP funds have enabled the banks to maintain capital at or above regulatory minimums for well capitalized banks.

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

With the infusion of capital from the CPP funds, we avoided contracting the bank and virtually eliminating our capacity to provide loans to creditworthy borrowers. With these funds, we were not forced to attempt to raise capital at a time when capital markets have almost completely abandoned companies our size.

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

The capital infusion from the CPP funds has enabled our three subsidiary banks to remain well capitalized. As such, we have been able to aggressively address loan quality issues while continuing to provide essential credit to the communities that we serve.

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.