



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Plumas Bancorp and Plumas Bank

Person to be contacted regarding this report:	Clare Churchill	RSSD: (For Bank Holding Companies)	0003098576
UST Sequence Number:	359	Holding Company Docket Number: (For Thrift Holding Companies)	NA
CPP Funds Received:	11,949,000	FDIC Certificate Number: (For Depository Institutions)	23275
CPP Funds Repaid to Date:	0	City:	Quincy
Date Funded (first funding):	Jan 30, 2009	State:	California
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.	Without the CPP, Plumas Bank's lending activity would have been reduced below typical levels, as capital resources would have been strained. As a result of the CPP, Plumas Bank was able to expand our Small Business lending activity.
<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.).	NA
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Plumas Bank increased holdings of U.S. Government Agency Securities by \$45 million in 2009. Plumas Bank also increased investments in Mortgage Backed Securities of U.S. agencies by \$6.7 million to retain liquidity and reinvestment opportunities.

<input type="checkbox"/>	Make other investments	No
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Provisions for loan losses increased by \$9.9 million during 2009, a portion of which was funded through the CPP. Plumas' objective was to supplement capital reserves allowing the absorption of additional loan losses, thus providing opportunities to continue lending in our communities.
<input type="checkbox"/>	Reduce borrowings	No
<input checked="" type="checkbox"/>	Increase charge-offs	Charged off loans for 2009 totaled \$12.5 million, up from \$1.8 million from the previous year. Charged off loans nearly equal the CPP investment of \$11.9 million, allowing Plumas Bank to retain its well-capitalized position.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	No
<input type="checkbox"/>	Held as non-leveraged increase to total capital	No

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

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

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

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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.