



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Regents Bancshares, Inc

Person to be contacted regarding this report:	Randy M. Krenelka
UST Sequence Number:	541
CPP Funds Received:	12,700,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Oct 23, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	3030679
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57177
City:	Vancouver
State:	Washington

<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 CPP funds allowed our bank the ability to hire lending personnel displaced from troubled institutions in our market, allowing for incremental growth in commercial loan categories.
<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 bank subsidiary is primarily a business bank, with the loan types containing the most significant balances being C&I loans and owner-occupied loans secured by CRE.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	
<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<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	

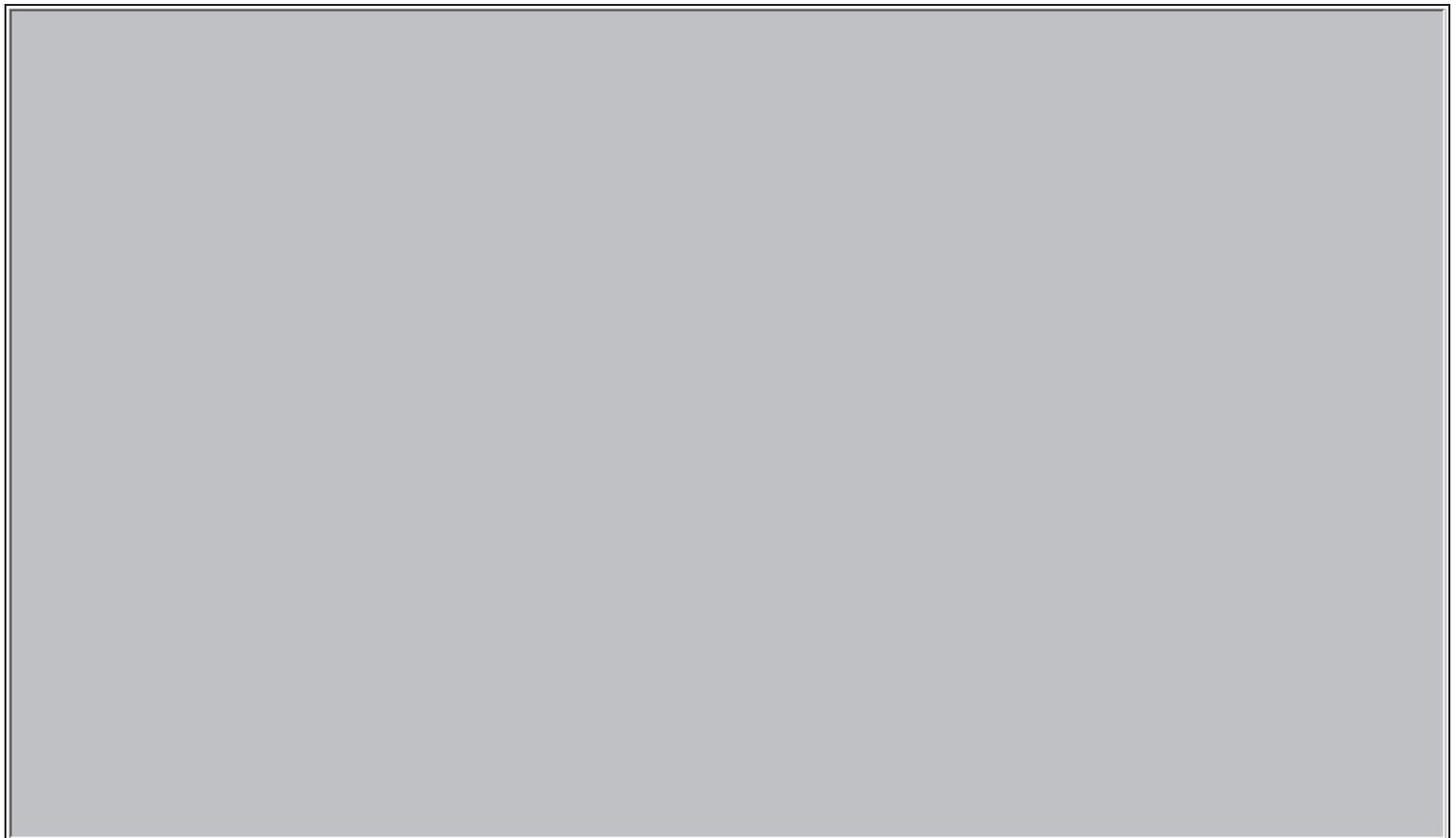
What actions were you able to avoid because of the capital infusion of CPP funds?

The infusion of CPP funds provided further capital strength to our Bank Holding Company. The infusion also allowed the Bank Holding Company to further invest in its bank subsidiary, further strengthening the bank's capital base. Without the surplus capital that the CPP provides, the Company and Bank would have been much more focused on reducing risk assets in order to preserve capital rather than looking for opportunities to grow them. Because of the strengthened capital base that the CPP funds provided, our bank has hired capable, talented and reputable bankers located in our markets that have been displaced by banks that are looking to shrink risk assets due to financial difficulties. This allows the bank to grow and to provide lending services to our communities where many lenders are retreating from making new loans.

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

The bank subsidiary would likely not have hired the new lenders that were discussed previously. The bank subsidiary likely would have been more focused on reducing risk assets to maintain and strengthen capital rather than looking for opportunities to expand lending in our communities during the final two months of 2009. The bank would likely not have moved forward to increase its presence in the El Cajon community of San Diego county, a community that has seen the departure of several long-time lending institutions.

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.