



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Tidelands Bancshares, Inc./Tidelands Bank

Person to be contacted regarding this report:	Jim Bedsole, EVP/Chief Risk Officer
UST Sequence Number:	246
CPP Funds Received:	14,448,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 19, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	3185476
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	57594
City:	Mount Pleasant
State:	South Carolina

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.	Total loans at Tidelands were increased by more than \$24 million in 2009, and increase of over 5%. In addition, we had flexibility to work with existing customers to modify loans to make payments more affordable.
<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 continued to make loans across the spectrum of our borrowers and loan products with the exception of speculative real estate lending.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Tidelands increased our loan loss reserves by \$2.4 million in 2009, an increase of 31%.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Charge-offs increased in 2009 as a result of the economy, and we were able to absorb the increased losses while still increasing overall loan loss reserves, reserves as a percentage of total loans, and maintaining well-capitalized capital levels.
<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	Approximately \$3 million remains held at the holding company level as a non-leveraged increase total capital.

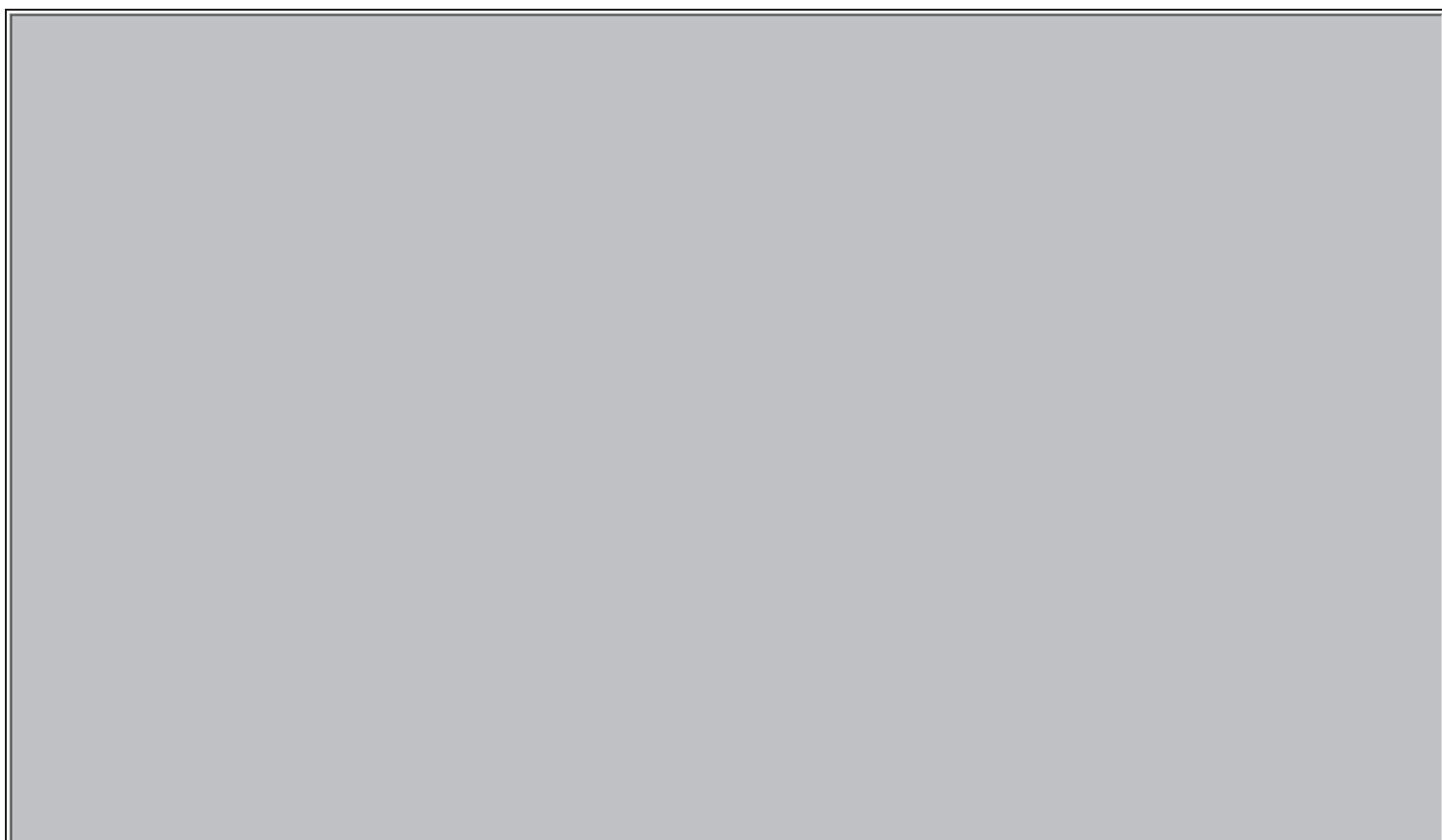
What actions were you able to avoid because of the capital infusion of CPP funds?

We were able to continue to lend and not shut down customer access to loans.

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



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.