

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

BancTrust Financial Group, Inc.

Point of Contact:	Leigh Thompson	RSSD: (For Bank Holding Companies)	1138012
UST Sequence Number:	131	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	50,000,000	FDIC Certificate Number: (For Depository Institutions)	26607
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 19, 2008	City:	Mobile
Date Repaid ¹ :	N/A	State:	Alabama

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) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI 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/CDCI investment was deployed or how many CPP/CDCI 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/CDCI 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/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

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.).

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

BancTrust Financial Group, Inc.

Increase securities purchased (ABS, MBS, etc.).

While some stabilization occurred our markets in 2010 loan demand remained relatively flat. We have maintained our capital contribution in cash by increasing our investment in AFS securities. A significant portion of the increase in investments has been in SBA backed securities.

Make other investments.

Increase reserves for non-performing assets.

We made a substantial increase to our loan loss reserve in mid-2009. We have continued to increase our reserve for non-performing assets and to absorb increased charge-offs without significant impact to our capital ratios as we have worked through problem assets.

Reduce borrowings.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

BancTrust Financial Group, Inc.

Increase charge-offs.

The increased capital, contributed to BankTrust in 2009, has allowed us to continue to increase our reserve for non-performing assets and to absorb increased charge-offs without significant impact to our regulatory capital ratios.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

We contributed \$30 million in capital to our subsidiary bank, BankTrust in 2009. The capital contributed to the Bank has primarily been held as an increase to capital as we work through problem assets.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

BancTrust Financial Group, Inc.

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

Prior to the receipt of CPP Capital, we were contemplating raising capital to repay a bank loan related to an acquisition and to allow us to make a substantial increase to our allowance for loan and lease losses and to incur substantial loan charge-offs with less of a negative effect on our regulatory capital ratios. The capital markets were not favorable for financial institutions, such as BancTrust, to issue equity securities at that time.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

BancTrust Financial Group, Inc.

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

Due, at least in part, to the \$18 million principal reduction in 2008 on a holding company loan, we were able to amend the loan agreement to modify the loan covenants which the Company had been in breach of since March of 2008. The amendment was effective with respect to the Company's covenants commencing as of September 30, 2009, and the Company has remained in compliance with the modified loan covenants.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

BancTrust Financial Group, Inc.

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

None.