

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

F&C Bancorp, Inc.

Point of Contact:	Robert E. Mickey	RSSD: (For Bank Holding Companies)	2168931
UST Sequence Number:	1038	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	2,993,000	FDIC Certificate Number: (For Depository Institutions)	9378
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	May 22, 2009	City:	Holden
Date Repaid ¹ :	N/A	State:	Missouri

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.

With the additional confidence rendered by TARP funds received by F&C Bank the bank has made a concerted effort to to convey its willingness to make loans to both existing loan customers and new loan applicants. Our balance sheet reflects that we are an active lender in our market.

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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.).

While the bank experienced overall weaker loan demand in 2011 than the previous year, F&C Bank remains the most active agricultural lender of the banks in our market area. The boom in ag product exports and high commodity prices has spurred added production by our ag loan clients.

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

Make other investments.

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Increase reserves for non-performing assets.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Having a history of being an active lender, F&C Bank has made use of wholesale funding sources to supplement our primary funding source, customer deposits. We have been able to reduce our reliance on wholesale funding through the liquidity provided by TARP funds.

Empty response box for 'Reduce borrowings.'

Increase charge-offs.

Empty response box for 'Increase charge-offs.'

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

Empty response area for the first question.

Held as non-leveraged increase to total capital.

Empty response area for the second question.

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

F&C Bank was able to avoid seeking other new contingency sources of equity capital that could possibly have been required had the bank experienced unusually high loan losses during the period of extreme economic uncertainty that prevailed from 2008 up to the present. Fortunately, such contingent sources of capital have not yet been required as actual losses generated by loan loss provisions have not been excessive to the point that the bank became undercapitalized. Had loan losses actually been substantial enough to threaten the bank's capital adequacy the bank would quite likely have not had any alternate capital sources other than TARP funds to replenish capital levels because the newly cautious marketplace failed to make new capital sources available to the typical privately-held community bank such as F&C Bank.

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

F&C Bank was able to continue to provide loan funding to its clients without being overly concerned about capital adequacy. Should a capital shortfall have developed the bank potentially could have been required to shrink its balance sheet by discouraging loan renewals and new advances.

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

Not applicable.