

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Midtown Bank & Trust Company

Point of Contact:	Stan Kryder	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	883	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,222,000	FDIC Certificate Number: (For Depository Institutions)	57580
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Atlanta
Date Repaid ¹ :	N/A	State:	Georgia

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.

As quality loan opportunities became available we were able to capitalize on them.

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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.).

We were able to expand our SBA Division's production and the extra capital supported the growth in both 7a loans as well as now 504 pooling. We received approval as an SBA Pooler in 2011. In addition, we were able to begin to increase our C&I lending.

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

The additional capital helped to spur growth opportunities and we purchased securities to increase our yield on earning assets. Specifically SBA floaters which were an improvement over Fed Funds.

Make other investments.

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X Increase reserves for non-performing assets.

We continued to make reserving for new non-performing assets a priority, while it was much less than in prior years.

X Reduce borrowings.

We were able to reduce borrowings by another \$2 million this year as FHLB advances matured. This brings this to a total of \$6 million since receiving CPP.

X Increase charge-offs.

Our charge-off level declined significantly in 2011, however, having the CPP funding has given us the ability to take these actions when deteriorating loans situations occur.

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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?

We were able to avoid having to sell an interest in the Bank at a loss and significant dilution of original shareholder's stock value.

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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?

We were able to confidently manage the balance sheet, assess opportunities for lending, for capital raises, problem loans, etc. and take action as appropriate rather than being in a purely reactionary mode. It's not that the funding allowed us to do just one thing, but gave us general flexibility to accomplish many things in the course of making good business decisions.

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

This area is a large, empty rectangular box intended for the respondent to provide a detailed description of any other actions undertaken with the capital infusion of CPP/CDCI funds. The box is currently blank.