

HOMETOWN BANKSHARES CORPORATION

	CPP Disbursement Date 09/18/2009	RSSD (Holding Company) 3848342	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev	
Assets	\$338	\$353	4.5%	
Loans	\$253	\$264	4.5%	
Construction & development	\$46	\$37	-20.7%	
Closed-end 1-4 family residential	\$38	\$48	27.8%	
Home equity	\$16	\$20	25.6%	
Credit card	\$0	\$0		
Other consumer	\$1	\$2	3.6%	
Commercial & Industrial	\$35	\$35	0.4%	
Commercial real estate	\$102	\$110	7.1%	
Unused commitments	\$37	\$37	-0.6%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$25	\$26	5.1%	
Asset-backed securities	\$0	\$0		
Other securities	\$21	\$25	18.6%	
Cash & balances due	\$7	\$4	-36.5%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$0		
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$309	\$326	5.4%	
Deposits	\$277	\$303	9.4%	
Total other borrowings	\$31	\$22	-30.0%	
FHLB advances	\$30	\$21	-29.3%	
Equity				
Equity capital at quarter end	\$29	\$27	-4.5%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$5	\$3	NA	
Performance Ratios				
Tier 1 leverage ratio	8.8%	7.8%	--	
Tier 1 risk based capital ratio	11.0%	10.4%	--	
Total risk based capital ratio	12.1%	11.7%	--	
Return on equity ¹	2.7%	-24.5%	--	
Return on assets ¹	0.2%	-2.0%	--	
Net interest margin ¹	3.2%	3.4%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	64.0%	141.9%	--	
Loss provision to net charge-offs (qtr)	434.6%	178.7%	--	
Net charge-offs to average loans and leases ¹	0.1%	2.0%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010
Construction & development	6.2%	6.5%	0.0%	3.7%
Closed-end 1-4 family residential	0.5%	1.8%	0.0%	0.0%
Home equity	0.0%	0.0%	0.0%	0.2%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	9.2%	0.0%	1.8%	0.0%
Commercial & Industrial	0.1%	0.0%	0.0%	0.0%
Commercial real estate	1.2%	0.4%	0.0%	0.0%
Total loans	1.8%	1.4%	0.0%	0.5%