



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Community Pride Bank Corporation, Community Pride Bank-subsiary

Person to be contacted regarding this report:	Tanya Crawford
CPP Funds Received:	\$4,400,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	11/13/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	2900083
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	35524
City:	Ham Lake
State:	Minnesota

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 type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	
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<input 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.).	
<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	As we continue to work with customers impacted by this economic environment, we have proactively made provisions for the loan loss reserve for potential future loan losses.

<input checked="" type="checkbox"/>	Reduce borrowings	A portion of the proceeds will be used to service debt, allowing the Bank to retain earnings. As a result, the Bank is stronger financially.
<input checked="" type="checkbox"/>	Increase charge-offs	The Bank charged-off approximately \$1.0 million in loans in fourth quarter of 2009.
<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	We are continuing to evaluate opportunities in the market place, including purchasing loans and other financial institutions, as well as managing asset quality within our loan portfolio. The CPP funds allow us to pursue these opportunities and leverage this capital if the right opportunity is identified.

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

The CPP funds allowed us to infuse \$1.0 million in capital to the Bank at the end of 2009. This capital infusion gave additional financial strength to the Bank, while significant provisions to the loan loss reserve and loan charge-offs were made in 2009. The additional capital gives strength to ratings and ratios used by bank funding sources and customers, creating additional confidence in the financial stability of the Bank. This allows the Bank to manage its net interest margin more effectively, resulting in stronger financial performance.

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

Going forward, adequate capital allows us to continue to provide credit to borrowers that meet the underwriting standards of the Bank.

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

None.

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.