



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FARMERS CAPITAL BANK CORPORATION

Person to be contacted regarding this report:	Doug Carpenter	RSSD: (For Bank Holding Companies)	1098732
CPP Funds Received:	\$30,000,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	
Date Funded (first funding):	1/9/2009	City:	Frankfort
Date Repaid ¹ :		State:	Kentucky

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 checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The CPP proceeds have allowed more flexibility than otherwise would have been expected. Gross loans are down \$21 million after accounting for \$20 million transferred into Other Real Estate Owned.
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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 checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Investment securities increased \$22 million.
<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	A provision of \$21 million was added to the allowance for loan losses while net charge-offs were \$14 million. The allowance for loan loss ratio to loans increased from 1.28% to 1.84%.

<input checked="" type="checkbox"/> Reduce borrowings	Deposits grew \$39 million while short-term borrowings declined \$30 million and long-term borrowings declined \$19 million.
<input checked="" type="checkbox"/> Increase charge-offs	Net charge-offs increased from \$3 million to \$14 million.
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

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

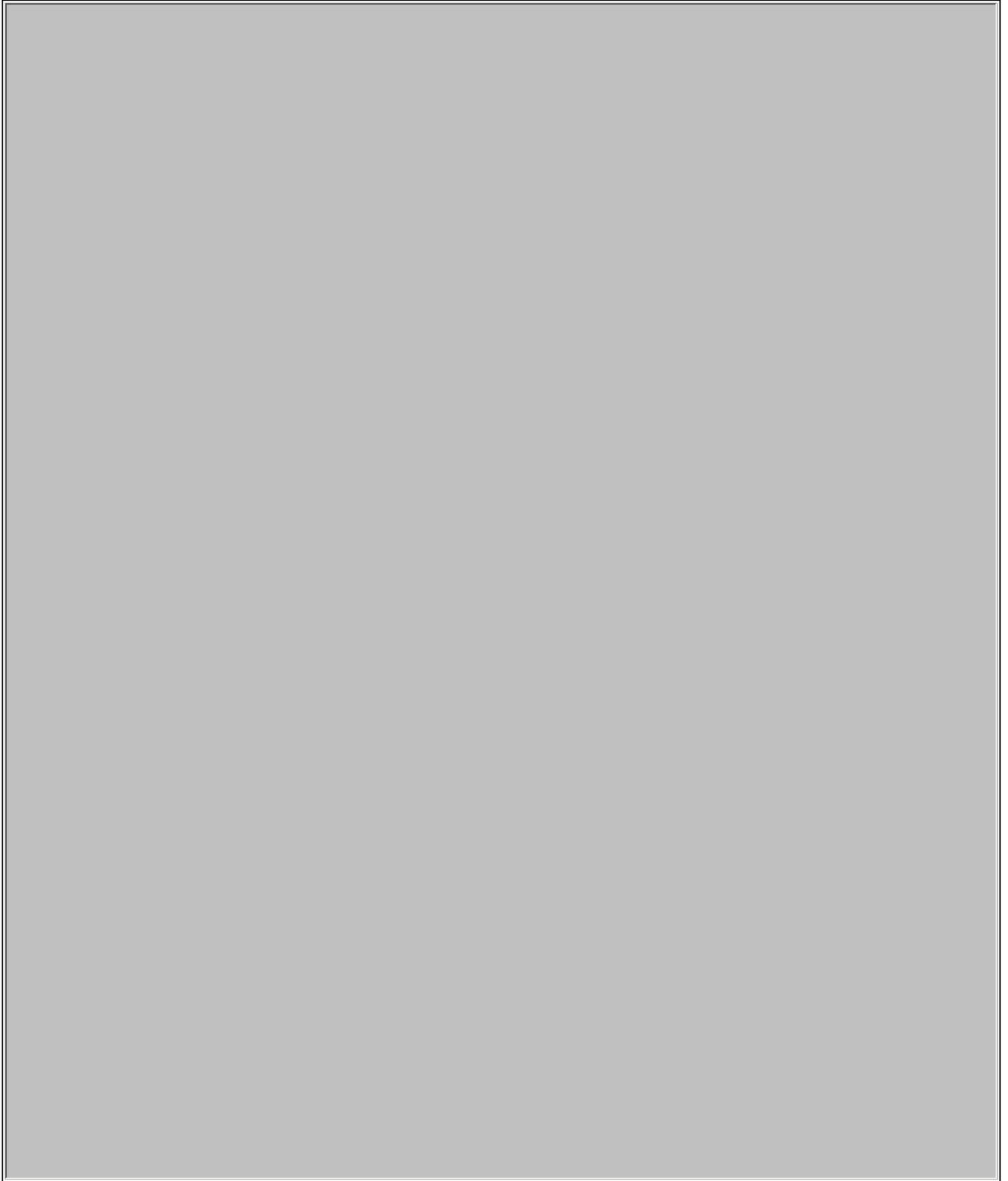
The CPP proceeds provided additional liquidity to the parent company at a time when additional capital needed to be injected to some of the bank subsidiaries. This provided an alternative to issuing new common stock or utilizing other means to raise cash at the parent company level.

The proceeds were initially placed on deposit at one of the subsidiary banks until they were deployed to the banks needing capital. During 2009, dividends from the banks to the parent company were kept to a minimum to further strengthen the banks.

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

Without the CPP funds it would have been necessary to shrink the balance sheet at some of the subsidiary banks in order to maintain capital ratio requirements. Injecting the funds into the subsidiary banks allowed them to continue lending without unnecessary pressure to reduce balances.

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



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.