



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Market Bancorporation, Inc. / New Market Bank

Person to be contacted regarding this report:	Robert Vogel
CPP Funds Received:	\$2,060,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	2/20/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1143904
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	1931
City:	Elko New Market
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 checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Because we had the extra capital it gave us the confidence to keep seeking loans we could make. Had we not had the cushion the CPP capital provided we would probably have been much less likely to seek out new lending relationships
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<input checked="" type="checkbox"/>	<p>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.).</p>	<p>we continued to make consumer loans, but the majority were small business related. We found the SBA programs very helpful.</p>
<input type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	
<input type="checkbox"/>	<p>Make other investments</p>	
<input checked="" type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>We did increase reserves substantially, although we would have done this whether or not the CPP capital had been used. Even though we would have continued to be well capitalized, our ratios are above those which would have existed without CPP, which allows flexibility in lending</p>

<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<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?

We continued to lend, whereas without the CPP funds we probably would have restricted lending because there would have been concern that if economic conditions continued to deteriorate our capital ratios may not have been where we wanted them to be.

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

We felt much more comfortable extending credit because we knew we had enough capital to support it

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

The holding company was able to purchase permanent preferred stock in the subsidiary bank because it had the resources available to do so, this would have been much more difficult in today's capital market environment without the CPP, the additional tier 1 capital allows the bank to keep making loans with much more confidence in our capital position to support them

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.