



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Titonka Bancshares, Inc.

Person to be contacted regarding this report:	Allan J. Boyken	RSSD: (For Bank Holding Companies)	1209837
CPP Funds Received:	\$2,117,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	17302
Date Funded (first funding):	4/3/2009	City:	Titonka
Date Repaid ¹ :		State:	Iowa

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.

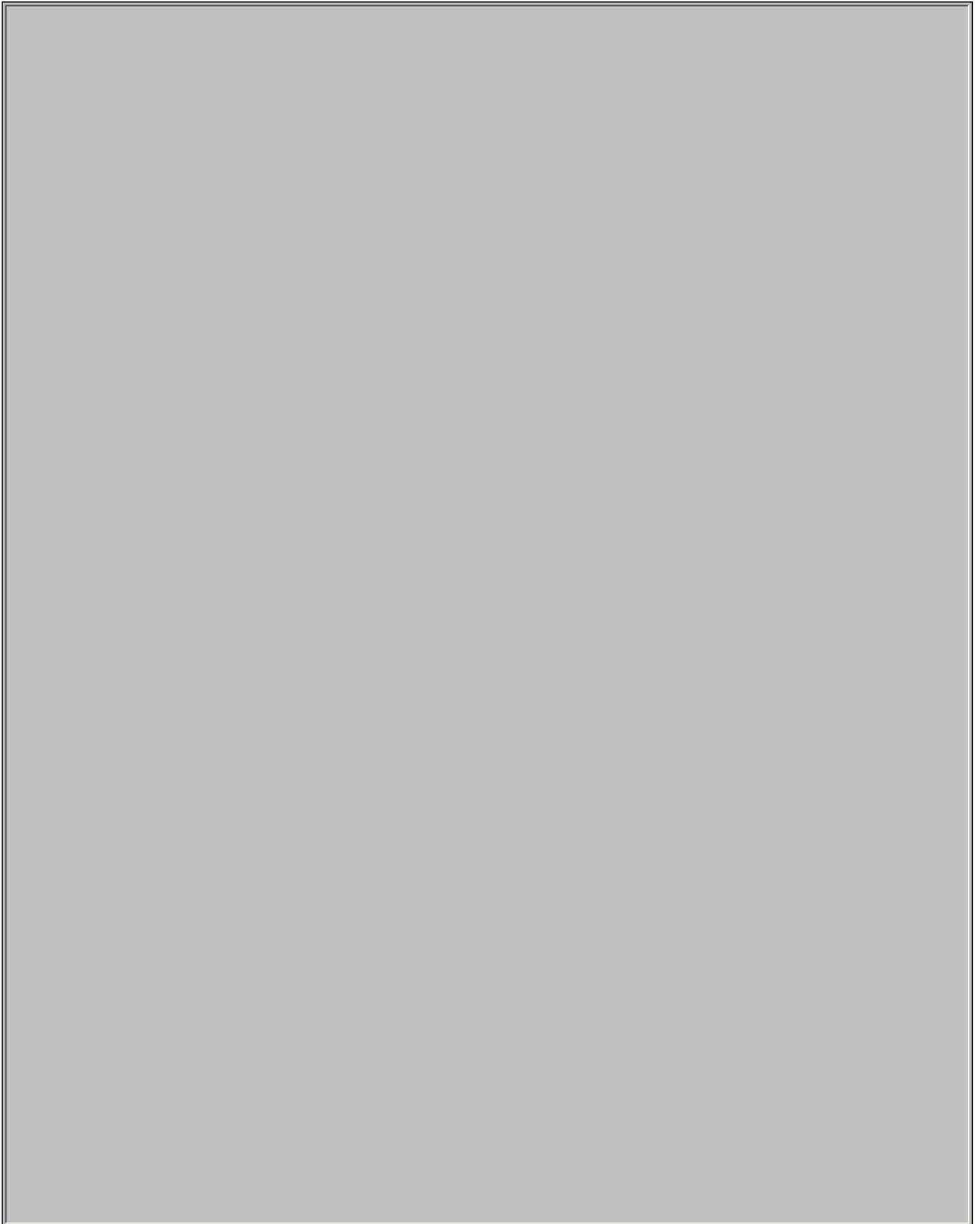
What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The Titonka Savings Bank increased its lending by \$1,809,753.10 in 2009. This increase represents 85.49% of the CPP funds received.
-------------------------------------	---	--

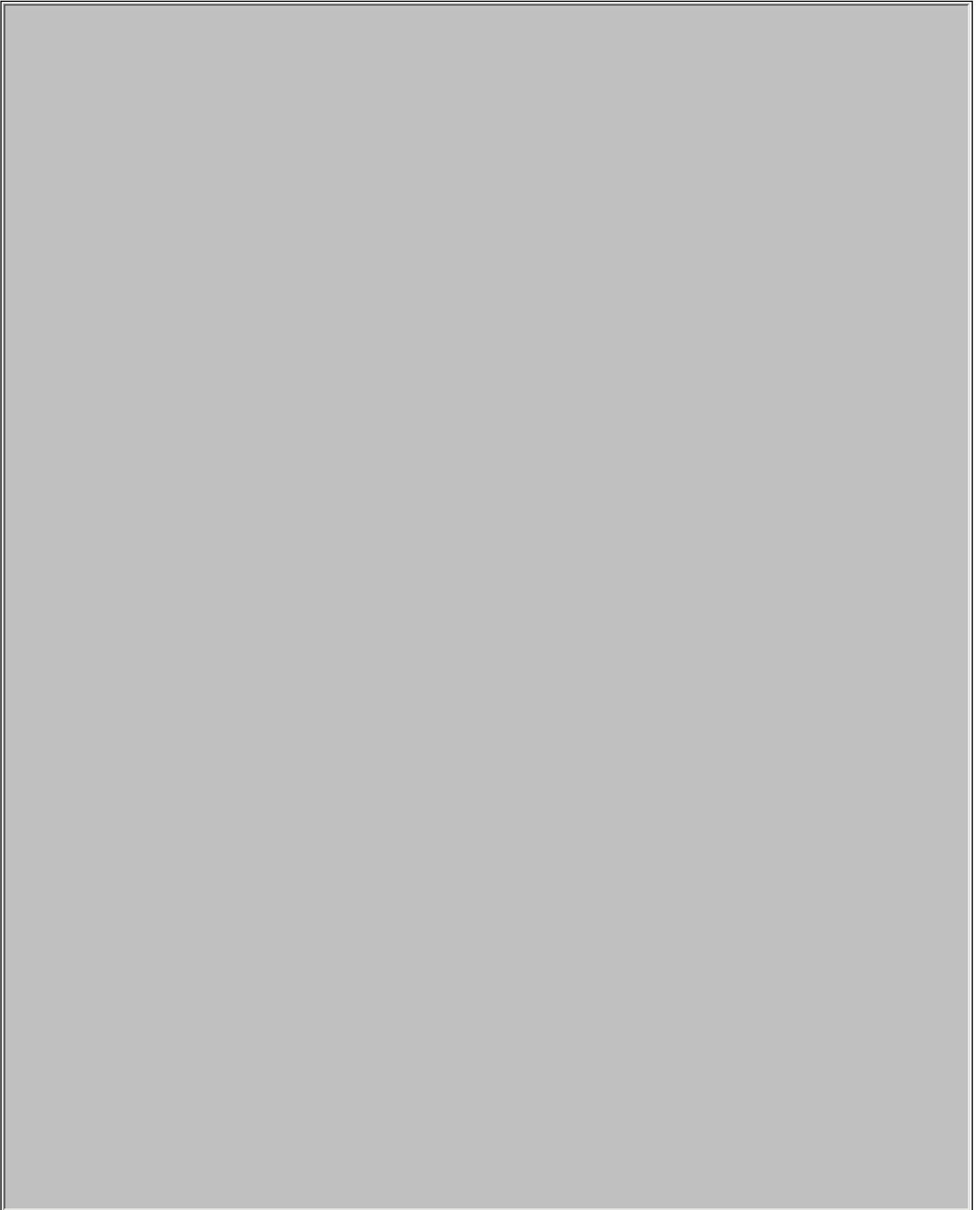
<input checked="" type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Loans to finance Agriculture were the primary source of loan growth for the Titonka Savings Bank in 2009.
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	Titonka Bancshares, Inc. increased its securities (MBS) purchased in 2009.
<input type="checkbox"/> Make other investments	Titonka Bancshares, Inc. has made no other investments in 2009.
<input checked="" type="checkbox"/> Increase reserves for non-performing assets	Titonka Savings Bank has increased its reserves for non-performing loans in 2009.

<input type="checkbox"/>	Reduce borrowings	Titonka Savings Bank has not reduced its borrowings in 2009.
<input checked="" type="checkbox"/>	Increase charge-offs	Titonka Savings Bank has experienced an increase in charge-off's in 2009.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	Titonka Bancshares, Inc. has not purchased another financial institution nor has it purchased assets from another financial institution in 2009.
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Titonka Bancshares, Inc. has held CPP funds as a non-leveraged increase to total capital in 2009.

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

A large, empty rectangular box with a thin black border, intended for a response to the question above. The box is currently blank, suggesting it is a form for text input.

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

A large, empty rectangular box with a thin black border, intended for a response to the question above. The box is currently blank, suggesting that the user has not yet provided an answer.

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

Titonka Savings Bank is a smaller financial institution and is closely held. It does not have ready access to the capital markets. At the time we decided to participate in the CPP, we did not know how deep the recession would be nor did we know how long it would last. We viewed the CPP as an insurance policy should the economy further deteriorate as we may have no other readily available source of additional bank capital should the need arise. Also, the bank is primarily an agricultural bank and while we have had several very good years in agriculture, the future is far from certain. Therefore, having the CPP funds available as a source of additional bank capital is just added insurance that the bank will continue to be well capitalized. Our participation in the CPP was done in an abundance of caution given what were at the time very uncertain economic conditions.

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.