ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Georgia Commerce Bancshares, Inc.

Person to be contacted regarding this report:	Mark Tipton	RSSD: (For Bank Holding Companies)	31565311
CPP Funds Received:	$8,700,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	$0	FDIC Certificate Number: (For Depository Institutions)	57521
Date Funded (first funding):	2/6/2009	City:	Atlanta
Date Repaid[1]:		State:	Georgia

[1]If 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).

☒	Increase lending or reduce lending less than otherwise would have occurred.	GCB has: a) made new loans of $32.9mm (plus unfunded commitments of $7.3mm); b) increased\renewed loans of $42.3mm ($7.9mm unfunded) that might not have been renewed\increased without CPP ; and c) increased total loans, after normal course repayments, by $29.0mm

☒	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.).	The largest new loan origination activity was in: a) C&I Loans - $11.7mm; b) first mortgage loans on 1-4 family residential properties - $6.1mm; and c) first mortgage residential loans made directly to individual consumers to finance construction of their residence - $5.0mm.
☒	Increase securities purchased (ABS, MBS, etc.).	GCB increased its investment in MBS securities, principally GNMA, by $11.9mm.
☐	Make other investments	
☐	Increase reserves for non-performing assets	

☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☒	Held as non-leveraged increase to total capital	The parent company retained $1,175m as cash that was deposited at GCB to support the bank's liquidity and lending activities.

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

The CPP capital infusion enabled GCB, unlike many other Atlanta area banks, to avoid:

a) Completely eliminating all forms of real estate lending, even though the bank did substantially tighten credit standards to ensure prudent acceptance of risk;

b) "Slash and burn" workout strategies that emphasize total dollar reductions at the expense of credit worthy borrowers; and

c) Paying inflated interest rates for deposits.

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

The CPP capital infusion enabled GCB to:

a) increase its loan portfolio at a 12.4% annual growth rate;

b) make loans to creditworthy businesses and individuals who could no longer get new loans or, in extreme cases, even renew loans at their existing capital constrained bank;

c) increase in-house lending limits by a small amount so that GCB could provide service to a wider universe of prospects and customers;

d) maintain capital ratios that exceeded well capitalized benchmarks;

d) reduce tracked regulatory real estate lending concentrations; and

c) purchase MBS securities, mostly GMNA, that improved the bank's liquidity position.

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.