

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Cecil Bancorp, Inc (Holding Company) Cecil Bank (Subsidiary)

Point of Contact:	mary beyer halsey	RSSD: (For Bank Holding Companies)	3135190
UST Sequence Number:	192	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	11,560,000	FDIC Certificate Number: (For Depository Institutions)	31121
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 22, 2008	City:	Elkton
Date Repaid ¹ :	N/A	State:	Maryland

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) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI 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/CDCI investment was deployed or how many CPP/CDCI 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/CDCI 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/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

Cecil Bancorp, Inc. has had to reduce lending volumes since receiving CPP funding. This is a direct result of increased pressure on capital levels due to additional charge-offs and funding for loan loss reserves.

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.).

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Increase securities purchased (ABS, MBS, etc.).

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Empty response box for 'Make other investments.'

Increase reserves for non-performing assets.

During the calendar year 2010 an additional \$5,340,000 was added to the loan loss reserve. This was a direct result of increased non-performing assets.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Empty response box for 'Reduce borrowings.'

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Increase charge-offs.

During the calendar year 2010 we had charge-offs of \$4,726,00.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

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

Cecil Bancorp, Inc. and its subsidiary, Cecil Bank maintained "well-capitalized" status. These capital levels were sustained by obtaining the CPP funds in 2008.

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

A large, empty rectangular box with a black border, intended for the respondent to provide their answer to the question above.

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

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.