

**CPP ANNUAL USE OF CAPITAL SURVEY - 2010**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

MONUMENT BANK
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Person to be contacted regarding this report:	KAREN C. GRAU	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	600	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	4,734,000	FDIC Certificate Number: (For Depository Institutions)	57942
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	BETHESDA
Date Repaid <sup>1</sup> :	N/A	State:	Maryland

<sup>1</sup>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) 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).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Monument Bank increased Total Lending by 18% from Dec 2009 to Dec 2010 with capital ratios continuing in excess of well-capitalized requirements.
<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.).	Closed-end 1-4 Family residential secured loans increased 22%, Commercial and industrial loans increased 18%, and Non-farm non-residential loans increased 28%.
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	Available for sale securities increased 76%, with just over half of the portfolio in mortgage-backed securities.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Monument Bank's charge-offs doubled between Dec 2009 and Dec 2010, but well below our peers at a total of \$716,000 , and without significant increases in the ALLL
<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/CDCI funds?

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

Monument Bank was able to grow Total Assets by 27% during 2010, and expand personnel by almost 70% to open a new branch, establish a mortgage division and enhance operations. In addition, brokered deposits decreased almost 40% and were replaced by core-deposit funding.

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