



ANNUAL USE OF CAPITAL SURVEY - 2012

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Monadnock Bancorp, Inc.

Person to be contacted regarding this report:	Karl F. Betz	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	227	Holding Company Docket Number: (For Thrift Holding Companies)	4287
CPP/CDCI Funds Received:	1,834,000	FDIC Certificate Number: (For Depository Institutions)	34167
CPP/CDCI Funds Repaid to Date:	2,148,831	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Dec 19, 2008	City:	Peterborough
Date Repaid ¹ :	Dec 28, 2012	State:	New Hampshire

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).

<input type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	
<input 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.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	
<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/CDCI funds?

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

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

The Purchase and Assumption agreement between GFA Federal Credit Union, Monadnock Community Bank and Monadnock Bancorp, Inc. was completed after the close of business on 12/28/12. As part of the Purchase and Assumption agreement, GFA Federal Credit Union purchased substantially all of the assets of Monadnock Community Bank (except for \$207,000 in assets) and assumed all the liabilities of Monadnock Community Bank on 12/28/12.

Prior to the completion of the aforementioned transaction above, Monadnock Bancorp, Inc. repaid in its entirety the full amount due to the U.S. Treasury totaling \$2,148,831.16 on 12/28/12. The amount repaid consisted of the repayment of \$1,834,000 of Series A Preferred Stock, \$92,000 of Series B Preferred Stock and \$222,831.16 of unpaid interest and dividends on Series A and Series B Preferred Stock.

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.