



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Cecil Bank	Cecil Bancorp, Inc.
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Person to be contacted regarding this report:	Mary B. Halsey
UST Sequence Number:	0192
CPP Funds Received:	11,560,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 23, 2008
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	3135190
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	31121
City:	elkton
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). 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.	Cecil Bank was able to increase outstanding loans by \$30 million dollars with the use of the TARP funds.
<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.).	Cecil Bank was able to provide funding for new loans, particularly in the area of commercial properties. The vast majority of all new loans were done to small businesses and individuals within our immediate market area.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Cecil Bank was able to increase its holding of MBS (FNMA, FHLMC and GNMA) from \$87,000 to \$4.2 million.

<input type="checkbox"/>	Make other investments	n/a
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Cecil Bank increased its Provision for Loan Losses from \$6.3 million at 12/31/08 to \$14.3 million at 12/31/09.
<input checked="" type="checkbox"/>	Reduce borrowings	Cecil Bank was able to reduce its reliance on brokered deposits.
<input checked="" type="checkbox"/>	Increase charge-offs	Cecil Bank had charge-offs of \$3.2 million in 2009, as compared to charge-offs of \$.3 million in 2008.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	n/a
<input type="checkbox"/>	Held as non-leveraged increase to total capital	n/a

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

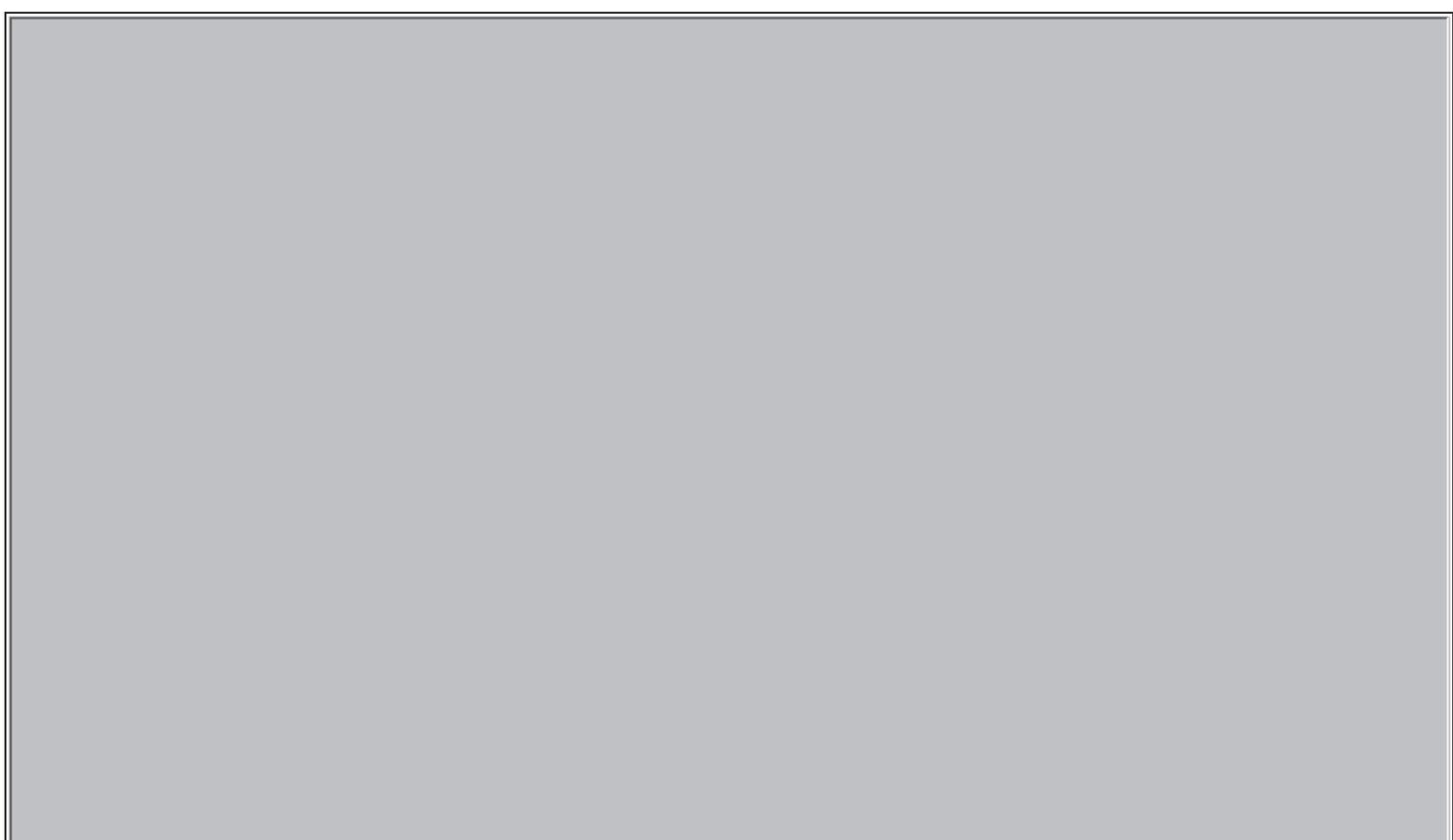
With out the TARP funds, Cecil Bank would not be deemed a "well capitalized" bank. The use of these funds has enabled the bank to survive the extreme down-turn in the economy.

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

Without the capital infusion, Cecil Bank may not have been able to paydown brokered deposits, nor increased its holdings in MBS.



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.