



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Central Bancorp, Inc / Central Co-operative Bank

Person to be contacted regarding this report:	Paul Feeley 617-629-4229
UST Sequence Number:	133
CPP Funds Received:	10,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 5, 2008
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	2746049
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	For Subsidiary Bank: 26646
City:	Somerville
State:	Massachusets

<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.	Funds were down streamed to subsidiary bank to restore capital level impacted by FNMA/FHLMC actions. By replenishing capital, we were able to continue to lend, both to CRE customers as well as residential customers.
<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 checked="" type="checkbox"/>	Reduce borrowings	We have been able to reduce the level of increase in FHLB advances that would have been required to support lending activities
<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 funds?

When we were forced to write-down GSE preferred stock, our total risk based capital dropped below the level to be considered well capitalized. Before TARP was announced, we were looking into shrinkage by selling loans and stopping making new loans. With the injection of TARP funds, we not only were able to avoid this action, but attempted to leverage the TARP funds, primarily by making residential loans, to bring down the effective cost of TARP.

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

We were able to participate in the jumbo residential market to a level we probably could not have achieved without TARP

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.