



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

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Person to be contacted regarding this report:	Edward Wright	RSSD: (For Bank Holding Companies)	1048849
UST Sequence Number:	840	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	9439	FDIC Certificate Number: (For Depository Institutions)	8111
CPP Funds Repaid to Date:	0	City:	Newark
Date Funded (first funding):	N/A	State:	New Jersey
Date Repaid ¹ :	N/A		

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). 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.	In 2009, the Bank was able to make \$39,726,000 of new loans of which \$27,574,685 were to Faith Based, Not for Profit, Small Businesses and Community Developments (see below)
<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.).	The Bank was able to provide the majority of its new loans, over \$27 million to the following groups: Faith Based \$8,555,383., Not for Profit \$5,628,000 ; Small Businesses \$4,874,636 and Community Developments \$8,416,000
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The capital received from the US Treasury under the CPP program was also very instrumental in helping the Bank to increase its Allowance for Loan Losses (ALL) for non performing assets which the Bank suffered from in the year 2009.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	The capital also allowed the Bank to recognize losses in its commercial and construction loan portfolio associated with low income housing and faith based organizations which had to be recognized because of significant lower value reflected in new appraisal reports.
<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?

Most importantly, CNB was able to maintain much higher level of capital that it would have been able to do without the CPP funds, a definite much needed help to weather the difficult economic environment and unemployment level of the low and moderate income communities it serves and provides financing to.

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

In addition to the ability to fund some \$39,726M in new loans, the Bank was able to maintain its assets and deposits level fairly stable despite the loss incurred in 2009. In addition, the CPP funds allowed us to maintain a Tier I leverage ratio of 7%, which would not have been possible without the CPP funds. The CPP funds have allowed CNB to continue to provide full banking services to many faith based and not for profit organizations as well as keeping its branch network in low to moderate income communities, not to mention the ability to keep its workforce.

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

We were able to hire some consultants to help with the improvement of policies and procedures toward improving the Bank's ability