



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Ridgestone Financial Services, Inc.

Person to be contacted regarding this report:	Jessica Fritz
UST Sequence Number:	655
CPP Funds Received:	10,900,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Feb 27, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	3443774
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	34101
City:	Brookfield
State:	Wisconsin

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.	Ridgestone Bank was able to fund \$122 million in SBA and USDA loans in 2009 compared with \$46 million in 2008.
<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.).	A great majority of the loans were made to small businesses. The Bank originated SBA and USDA loans which were sold on the secondary market. Without the investment from TARP, the Bank would not have had capital and liquidity to originate, package and sell the loans.
<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 reserve for loan losses was increased \$3 million over the 2009 calendar year.
<input checked="" type="checkbox"/>	Reduce borrowings	A portion of the capital was used to pay down borrowings. It was anticipated that the paydown was a temporary plan, but the market stress caused a freeze on the capital line.
<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?

Had the Bank not utilized CPP, there would have been a complete departure from the business model of originating small business loans. The Bank's lending program has resulted in new jobs and saved jobs for at least 2,500 people.

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

The Bank was able to pay down a loan and continue small business lending using SBA and USDA loans.

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.