



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Rising Sun Bancorp and NBRFS Financial Bank

Person to be contacted regarding this report:	Teresa Greider	RSSD: (For Bank Holding Companies)	1846232
UST Sequence Number:	313	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	5,983,000	FDIC Certificate Number: (For Depository Institutions)	04862
CPP Funds Repaid to Date:	0	City:	Rising Sun
Date Funded (first funding):	Jan 9, 2009	State:	Maryland
Date Repaid <sup>1</sup> :	N/A		

<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.	Loans increased about \$30 million from 12/31/08 to 12/31/09, a 15% increase.
<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.).	Commercial and residential mortgage 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	ALLL provisions for 2009 totaled \$5 million, up from about \$1 million in 2008.
<input checked="" type="checkbox"/>	Reduce borrowings	Overnight FHLB borrowings were reduced from \$31 million at 12/31/08 to \$9 million at 12/31/09.
<input checked="" type="checkbox"/>	Increase charge-offs	Charge-offs for 2009 totaled about \$3.2 million, up from about \$500,000 in 2008.
<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?

The bank was able to avoid falling below regulatory guidelines of "well-capitalized" as a result of the capital infusion of CPP funds.

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 continue providing loans to credit worthy borrowers during this difficult economic environment. The bank was able to adequately reserve against historical losses and specific problem assets without the need to raise outside capital in order to maintain its well-capitalized status, as well charge off problem assets as appropriate.

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.