CPP **ANNUAL USE OF CAPITAL SURVEY - 2010**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Brotherhood Bancshares Inc.

Person to be contacted regarding this report:	Randy L. Wooten	RSSD: (For Bank Holding Companies)	1471960
UST Sequence Number:	776	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	11,000,000	FDIC Certificate Number: (For Depository Institutions)	1874
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Jul. 17, 2009	City:	Kansas City
Date Repaid[1]:	N/A	State:	Kansas

[1]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) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI 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/CDCI investment was deployed or how many CPP/CDCI 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/CDCI 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/CDCI funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	As it pertains to the ITIN product described below.
☒	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 initiated an "ITIN" home loan program to encourage home ownership for individuals without a social security number. Recipients must attend home-buyer education first. A total of Ten million have been allocated to this loan type.
☒	Increase securities purchased (ABS, MBS, etc.).	Brotherhood Bank & Trust (A Subsidiary of Brotherhood Bancshares Inc.) has increased its overall securities investment holdings in excess of $12.5MM - year over year as of May 2011 - This increase has been concentrated in MBS pass through securities and Taxable (Build America - BABS) Bonds

☐	Make other investments	
☒	Increase reserves for non-performing assets	In December 2009, Brotherhood Bank & Trust (A Subsidiary of Brotherhood Bancshares Inc.) increased its Allowance for Loan & Lease Losses by $12.2 MM, again in September 2010, Brotherhood Bank & Trust took an additional $5.4 MM in reserves - anticipating the sale of classified assets
☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☐	Held as non-leveraged increase to total capital	

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

Brotherhood Bancshares Inc. was able to avoid the need of a capital raise targeted at existing or potential shareholders.

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

In September and October 2010, the Bank (Brotherhood Bank & Trust, a subsidiary of Brotherhood Bancshares, Inc.) entered into sales transactions with a third party to sell selected classified assets at current fair market values - This allowed the Bank to reduce its classified loan balances in excess of $15 MM, which resulted in improved regulatory ratios. This action allowed the Bank to show substantial improvement in several ratios which resulted in the Bank being released from its Memorandum of Understanding with FDIC / State Office of Banking Commission - State of Kansas.

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