



**ANNUAL USE OF CAPITAL SURVEY - 2009**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Brotherhood Bancshares, Inc. and Brotherhood Bank and Trust

Person to be contacted regarding this report:	Brian Rorie
UST Sequence Number:	776
CPP Funds Received:	11,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jul 17, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1051317
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	1874
City:	Kansas City
State:	Kansas

<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.	As it pertains to the ITIN product described 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 initiated an "ITIN" home loan program to encourage home ownership for individuals without a social security number. Recipients must attend home-buyer education first. Four million in CPP funds have been allocated to this loan type.
<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 type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Difference between total received and ITIN program held in short-term investments as aid to liquidity.

What actions were you able to avoid because 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 CPP funding gave the Board of Directors confidence to extend funding to a non-traditional customer base without a historical comparative to anticipate problems that could arise. The ITIN loan program is part of the Bank's Hispanic Banking initiative. It incorporates non-traditional underwriting efforts as credit histories are generally not available or relevant to these individuals. Many of these individuals also qualify for down payment grants from the Federal Home Loan Bank of Topeka.

As of 12/31/09, \$,610,000 was outstanding in 18 loans with an allocation to the program approved by the Board of Directors of \$4,000,000.

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

While not a 2009 event, the Bank intends to close in June, 2010 on a rural Kansas hospital loan of 6,500,000 with the thought of this b