

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Prairie Star Bancshares, Inc./Bank of the Prairie

Point of Contact:	Robert M. Wiley	RSSD: (For Bank Holding Companies)	1058624
UST Sequence Number:	940	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	2,800,000	FDIC Certificate Number: (For Depository Institutions)	4626
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	April 03, 2009	City:	Olathe
Date Repaid ¹ :	N/A	State:	Kansas

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) 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.

Lending has been reduced but less than what otherwise would have occurred had the funds not been utilized. Maintaining adequate capital and reserves for loan losses continue to be priorities.

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.).

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Increase securities purchased (ABS, MBS, etc.).

Empty response area for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Empty response area for 'Make other investments.'

Increase reserves for non-performing assets.

Reserves for non-performing loans were increased substantially over budgeted and historical levels. CPP funds were used for a large portion of the additional reserves.

Empty response area for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Empty response area for 'Reduce borrowings.'

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Increase charge-offs.

CPP funds were used to stabilize capital in the face of increased loan charge-offs.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

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

From 2008 to present, capital markets for community banks have been very tight and access to capital was very limited. Because of the availability of CPP funds, we were able to avoid severely curtailing lending and major balance sheet contraction thus enabling us to continue to provide credit to the community in which we operate.

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

The infusion of the CPP funds helped to stabilize capital and increase reserve for loan losses.

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

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.