



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Blue River Bancshares, Inc.

Person to be contacted regarding this report:	Patrice M Lima
CPP Funds Received:	\$5,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	3/6/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	2684011
Holding Company Docket Number: (For Thrift Holding Companies)	H3082
FDIC Certificate Number: (For Depository Institutions)	29761
City:	Shelbyville
State:	Indiana

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.	On November 5, 2008, Blue River Bancshares, Inc. (the "Company") filed an application with the Office of Thrift Supervision to participate in the TARP Capital Purchase Program (the "TARP CPP"). (Please see additional information in the last section box of this document).
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<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.).	<p>As a community bank, the majority of SCB Bank's loans are to family and individually owned small businesses. The typical customer of SCB Bank is a company with sales or revenue of less than \$7 million. (Please see additional information in the last section box of this document).</p>
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	<p>SCB Bank has purchased \$ 16,368,000 of municipal securities issued in the Bank's home state of Indiana. More importantly, SCB Bank has invested in its local community by making the following loans: (Please see additional information in the last section box of this document).</p>
<input checked="" type="checkbox"/> Make other investments	<p>SCB Bank increased its mortgage origination capacity by hiring, in October, 2009, the employees of W.R. Clouse and Associates, Inc. (Please see additional information in the last section box of this document).</p>
<input checked="" type="checkbox"/> Increase reserves for non-performing assets	<p>Since January 1, 2009, SCB Bank has provided over \$4,500,000 toward its loan loss reserve.</p>

<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Since January 1, 2009, SCB Bank has charged off \$2,604,000.
<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	SCB Bank has increased its Risk Based Capital from 10.28%, on December 31, 2008 to 11.05%, as of March 31, 2010.

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

Based upon certain assumptions of management about the market, capital levels and the local economy, SCB Bank has, as a result of the CPP funds, been able to avoid reducing the volume of commercial and residential loans made as well as having to seek capital through higher cost, private sources. Further, SCB Bank has been able to avoid a general reduction in the level and variety of services provided to the communities which it serves.

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

SCB Bank was able to continue to serve the local community, as many large regional banks were reducing their service to their clients in our market; SCB Bank obtained several quality clients as a result. Further, SCB Bank provided three large loans to local schools and a local sewage works facility, which saved these projects interest cost and provided liquidity when cash was difficult to obtain. Simultaneously, SCB Bank was aggressive in providing loan loss reserves, primarily for its HELOC portfolio and certain commercial credits.

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

(Continuation of Lending information): Based upon initial feedback on the application, the Company and SCB Bank anticipated receiving a positive response to the application and began preparing to deploy the proceeds of the sale of securities in the TARP CPP. Consistent with the application, the Company used the majority of the proceeds of its sale of securities to the U. S. Department of the Treasury to support increased lending activity at SCB Bank. Specifically, SCB Bank has increased its gross loans from \$168,973,680 at September 30, 2008 to \$176,649,998 at December 31, 2009, which represents an increase of approximately \$7.7 million, or 4.5% percent. (Continuation of Loan Type Information): In an effort to satisfy the demands of these clients, SCB Bank offers various types of loan products, including lines of credit, and real estate and equipment term loans. Most of the lines of credit issued by SCB Bank are for the purpose of supporting the cash flow demands of a small business and are secured by the accounts receivable and inventory of the borrower. Such lines of credit are typically priced based upon the prime rate. The term loans issued by SCB Bank for real estate and equipment are amortized based upon their useful lives and priced based upon the Bank's internal cost of funds. In response to a number of factors, including, primarily, the current economic environment, SCB Bank has increased its usage of the various SBA loan products. SCB Bank began using the SBA 504 and 7(A) loan programs five years ago and has increased its lending under these programs annually. In fact, in 2006, SCB Bank was recognized for making the most 504 loans by the Indiana Statewide CDC (the largest in Indiana). SCB Bank's activity in SBA has recently increased with the usage of the ARC loan program. SCB Bank has been selected by the State of Indiana SBA for nomination as the Rural/Community National SBA Bank of the year for 2010. Since January of 2009, SCB Bank has closed 30 SBA loans with an aggregate balance of approximately \$2,347,000. Overall, our current SBA loans are approximately \$4,838,000. In addition to the state honor, SCB Bank ranks in the top ten of all banks regardless of size in the number of SBA loans for the State of Indiana. (Continuation of Securities Purchased Information): • \$2,000,000 to the community of Morristown to increase the capacity of its sewage works plant; • \$2,000,000 to the Northwestern School District to begin work on the School District's new facility; and • \$1,300,000 to the Shelby Eastern School District to allow the School District to cover an unforeseen shortfall in its cash flow. (Continuation of Make Other Investments): Clouse and Associates has been in existence for over 19 years and is highly respected in the industry. The professional reputation of Clouse and Associates is reflected in the Secretary of State of Indiana's use of their services because of their historical performance. The addition of Clouse and Associates to SCB has also created the opportunity for SCB Bank to offer FHA and VA loans for Central Indiana. The end results are SCB Bank's ability to increase the product line and profitability for the Clouse organization. (BEGIN ~ Other Actions we were able to undertake with the capital infusion of CPP funds): SCB Bank has been able to strengthen its financial condition as a result of the infusion of additional capital through the TARP CPP. As a result, SCB Bank has been able to pursue a number of new, quality banking relationships within the Shelby County, Indiana market. Further, the increased strength has made SCB Bank a more attractive employer and enabled it to hire the mortgage origination professionals of Clouse and Associates. In summary, the infusion of capital has permitted SCB Bank to position itself as the premier community bank in Shelby County Indiana.

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.