

GOLD BANC CORP INC  
Form 10-Q/A  
May 15, 2003

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q/A**

Amendment No. 1

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2002

**TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF  
THE EXCHANGE ACT**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-28936

**GOLD BANC CORPORATION, INC.**

(Exact name of registrant as specified in its charter)

**Kansas**

(State or other jurisdiction  
of incorporation or organization)

**48-1008593**

(I.R.S. Employer  
Identification No.)

**11301 Nall Avenue, Leawood, Kansas**

(Address of principal executive office)

**66211**

(Zip code)

**(913) 451-8050**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for past 90 days. Yes  No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Class	Outstanding at April 30, 2002
Common Stock, \$1.00 par value	33,986,992

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**PERIOD ENDED MARCH 31, 2002**

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**EXPLANATORY NOTE**

We are filing this Amendment No. 1 to our Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2002 solely for the purpose of amending Items 1 and 2 of Part I and Item 6 of Part II of that Quarterly Report due to the recent developments described below.

On March 14, 2003, we issued a press release and filed a Current Report on Form 8-K announcing that Malcolm M. Aslin would replace Michael W. Gullion as our Chief Executive Officer and as President and Chief Executive Officer of our subsidiary, Gold Bank-Kansas, effective March 17, 2003. Mr. Gullion was replaced due to improper conduct discovered during an internal investigation that was conducted in close cooperation with bank regulatory authorities as part of their regularly scheduled examination of Gold Bank-Kansas.

Our Audit Committee led an internal investigation with assistance from its independent legal counsel, forensic accountants and our internal audit department, which was outsourced in March 2003 to Deloitte & Touche. The scope of the internal investigation was extensive and included transactions, accounts, assets, loans and other matters involving Mr. Gullion, his family members or related entities that were identified as possibly suspicious during the investigation or otherwise by Gold Bank-Kansas personnel or regulatory officials. The internal investigation is complete. A report on the results of the internal investigation was issued on March 31, 2003 and was supplemented on April 9, 2003. The internal investigation generally covered the period commencing January 1, 1998 through April 12, 2003. However, the underlying documentation for some transactions in 1998 and early 1999 was incomplete. See Item 1. Business Summary of Recent Events and Restatement of Financial Statements and Item 13 Certain Relationships and Related Transactions in our Annual Report on Form 10-K/A for 2002 (the 2002 Annual Report ) for additional information related to the investigation.

As a result of the investigation, we determined that it was necessary to restate our financial statements for the years ended December 31, 2001 and 2000. The financial statements reflecting this restatement were included in our 2002 Annual Report. See Item 6 Selected Consolidated Financial Data and the restatement of our consolidated financial statements and the notes thereto contained in Item 8 Financial Statements and Supplementary Data , including Note 2 Restatement and Impact on Earnings and Note 23 Summary of Operating Results by Quarter Unaudited in the 2002 Annual Report. Based on discussions with the staff of the SEC, we are also restating our quarterly financial statements for 2002 and 2001. This report includes the restatement of the financial statements for the first quarter of 2002 and 2001. This report includes all of the adjustments relating to the restatement for such prior periods including those required by Staff Accounting Bulletin No. 99 ( SAB 99 ). In addition, this report also includes adjustments relating to the reclassification of expenses related to Mr. Gullion s misconduct and other minor adjustments. See Note 2 to the consolidated financial statements included elsewhere in this report. Except as described in this paragraph, we are not modifying our previous disclosures (which were made based upon the information that was then available) to address or account for events that have occurred subsequent to the date our original Form 10-Q was filed. In the near future, we will file Form 10-Q/As with the SEC for the second and third quarters of 2002 containing restated financial statements for the second and third quarters of 2002 and 2001.

## PART I

## FINANCIAL INFORMATION

## GOLD BANC CORPORATION, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

(In thousands)

(unaudited)

	Mar. 31, 2002 (Restated)	Dec. 31, 2001 (Restated)
<b>Assets</b>		
Cash and due from banks	\$ 66,784	\$ 73,675
Federal funds sold and interest-bearing deposits	56,393	98
Total cash and cash equivalents	123,177	73,773
Investment securities:		
Available-for-sale	546,554	567,746
Held-to-maturity	23,466	14,364
Trading	2,772	6,668
Total investment securities	572,792	588,778
Mortgage loans held for sale, net	39,500	11,335
Loans, net	2,277,301	2,124,973
Premises and equipment, net	67,542	57,738
Goodwill, net	35,184	35,184
Intangible assets	3,957	3,984
Cash surrender value of bank owned life insurance	54,141	53,038
Accrued interest and other assets	59,923	66,152
Total assets	\$ 3,233,517	\$ 3,014,955
<b>Liabilities and Stockholders Equity</b>		
<b>Liabilities:</b>		
Deposits	\$ 2,380,331	\$ 2,163,866
Securities sold under agreements to repurchase	104,498	103,672
Federal funds purchased and other short-term borrowings	1,083	30,908
Guaranteed preferred beneficial interests in Company's debentures	111,749	111,749
Long-term borrowings	447,626	416,413
Accrued interest and other liabilities	26,027	23,807
Total liabilities	3,071,314	2,850,415
<b>Stockholders equity:</b>		
Preferred stock, no par value; 50,000,000 shares authorized, no shares issued		
Common stock, \$1.00 par value, 50,000,000 shares authorized 38,404,002 issued at March 31, 2002 and 38,352,074 issued at December 31, 2001	38,404	38,352
Additional paid-in capital	76,640	76,584
Retained earnings	89,273	83,987
Accumulated other comprehensive income (loss), net	(204)	(8)

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Unearned compensation	(8,790)	(3,440)
	195,323	195,475
Less treasury stock 4,721,510 shares at March 31, 2002 and 4,417,010 shares at December 31, 2001	(33,120)	(30,935)
Total stockholders' equity	162,203	164,540
Total liabilities and stockholders' equity	\$ 3,233,517	\$ 3,014,955

See accompanying notes to consolidated financial statements.

## GOLD BANC CORPORATION, INC. AND SUBSIDIARIES

## Consolidated Statements of Earnings

For The Three Months Ended

(In thousands, except per share data)

(unaudited)

	Mar. 31, 2002 (Restated)		Mar. 31, 2001 (Restated)	
Interest Income:				
Loans, including fees	38,866	\$	44,144	
Investment securities	8,337		7,131	
Other	595		1,711	
	47,798		52,986	
Interest Expense:				
Deposits	15,397		24,324	
Borrowings and other	8,441		6,403	
	23,838		30,727	
Net interest income	23,960		22,259	
Provision for loan losses	5,035		2,545	
Net interest income after provision for loan losses	18,925		19,714	
Other income:				
Service fees	3,970		2,595	
Investment trading fees and commissions	1,396		1,467	
Net gains on sale of mortgage loans	695		870	
Net securities gains	600		979	
Information technology services	4,815		1,393	
Other	2,354		2,708	
	13,830		10,012	
Other expense:				
Salaries and employee benefits	11,948		10,605	
Net occupancy expense	1,478		1,464	
Depreciation expense	1,509		1,548	
Goodwill amortization expense			552	
Core deposit intangible amortization	125			
Losses resulting from misapplication of bank funds	25		70	
Information technology services	3,171		795	
Other	6,512		5,427	
	24,768		20,461	
Earnings before income tax	7,987		9,265	
Income tax expense	1,930		3,202	
Net earnings	\$	6,057	\$	6,063

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Net earnings per share-basic and diluted	\$	0.18	\$	0.17
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See accompanying notes to consolidated financial statements



## GOLD BANC CORPORATION, INC. AND SUBSIDIARIES

## Consolidated Statements of Stockholders Equity and Comprehensive Income

For the Three Months Ended March 31, 2002 (Restated) and March 31, 2001 (Restated)

*(Dollars in thousands)*

	Preferred stock	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Unearned compensation	Treasury stock	Total
Balance at December 31, 2000	\$	38,286	76,152	63,534	836	(3,802)	(5,795)	169,211
Net income for the three months ended March 31, 2001				6,063				6,063
Change in unrealized gain on available-for-sale securities					519			519
Total comprehensive income for the three months ended March 31, 2001				6,063	519			6,582
Exercise of 36,887 stock options		37	173					210
Purchase of 874,000 shares of treasury stock							(5,397)	(5,397)
Decrease in unearned compensation								
Dividends paid (\$0.02 per common share)				(735)				(735)
Balance at March 31, 2001	\$	38,323	76,325	68,862	1,355	(3,802)	(11,192)	169,871
Balance at December 31, 2001	\$	38,352	76,584	83,987	(8)	(3,440)	(30,935)	164,540
Net earnings for the three months ended March 31, 2002				6,057				6,057
Change in unrealized gain on available-for-sale securities					(196)			(196)
Total comprehensive income for the three months ended March 31, 2002				6,057	(196)			5,861
Exercise of 51,927 stock options		52	56					108
Purchase of 304,500 shares of treasury stock							(2,185)	(2,185)
Decrease in unearned compensation						(5,350)		(5,350)
Dividends paid (\$0.02 per common share)				(771)				(771)
Balance at March 31, 2002	\$	38,404	76,640	89,273	(204)	(8,790)	(33,120)	162,203

See accompanying notes to consolidated financial statements.



## GOLD BANC CORPORATION, INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the Three Months Ended

(In thousands)

(unaudited)

	March 31, 2002 (Restated)	March 31, 2001 (Restated)
Cash flows from operating activities:		
Net earnings	\$ 6,057	\$ 6,063
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities, net of purchase acquisitions:		
Provision for loan losses	5,035	2,545
Gains on sales of securities	(600)	(979)
Amortization of investment securities premiums, net of accretion	(19)	(136)
Depreciation	1,509	1,548
Amortization of intangible assets	125	
Amortization of goodwill		552
Gain on sale of mortgage loans, net	(695)	(870)
Bank owned life insurance	(1,103)	
Net (increase) decrease in trading securities	3,896	1,548
Proceeds from sale of loans held for sale	28,154	58,522
Origination of loans held for sale, net of repayments	(55,623)	(17,862)
Other changes:		
Accrued interest receivable and other assets	6,153	7,034
Accrued interest payable and other liabilities	2,697	(653)
Net cash (used in) provided by operating activities	(4,414)	57,312
Cash flows from investing activities:		
Net increase in loans	(157,363)	(35,642)
Principal collections and proceeds from maturities of held-to-maturity securities	(200)	1,179
Principal collections and proceeds from sales and maturities of available-for-sale securities	232,646	215,424
Purchases of available-for-sale securities	(211,527)	(174,423)
Purchases of held-to-maturity securities	9,306	
Net additions to premises and equipment	(11,313)	(605)
Cash paid, net of cash received, in purchase acquisition		(2,490)
Net cash (used in) provided by investing activities	(156,663)	3,443
Cash flows from financing activities:		
Increase (decrease) in deposits	216,465	(32,345)
Net increase (decrease) in short-term borrowings	(28,999)	36,146
Proceeds From FHLB & long-term borrowings	25,863	
Payment on FHLB & long-term borrowings		(27,298)
Proceeds from issuance of common stock	108	210
Purchase of treasury stock	(2,185)	(5,397)

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Dividends paid	(771)	(735)
Net cash provided by (used in) financing activities	210,481	(29,419)
Increase in cash and cash equivalents	49,404	31,336
Cash and cash equivalents, beginning of period	73,773	118,891
Cash and cash equivalents, end of period	\$ 123,177	\$ 150,227
<b>Supplemental schedule of non-cash activities:</b>		
Non-cash investing activities related to the securitization of loans held for sale:		
Increase in investment securities	\$	27,733
Decrease in mortgage loans held for sale		27,733
Non-cash activities related to purchase acquisitions:		
Increase in land, buildings, and equipment	\$	38
Increase in other assets		1,600
Increase in other liabilities		17
Increase in trading securities		835
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	24,071	31,973
Cash paid for income taxes	1,717	2,734

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Basis of Presentation.**

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The accompanying consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q. The consolidated financial statements should be read in conjunction with the audited financial statements included in the Company's 2002 Annual Report on Form 10-K/A (the 2002 Annual Report).

The consolidated financial statements include the accounts of Gold Banc Corporation, Inc. and its subsidiary banks and companies, collectively referred to as the Company. All significant intercompany balances and transactions have been eliminated.

The consolidated financial statements as of March 31, 2002 and for the three months ended March 31, 2002 and 2001 are unaudited but include all adjustments (consisting only of normal recurring adjustments) which the Company considers necessary for a fair presentation of financial position and results of its operations and its cash flows for those periods. The Consolidated Statement of Earnings for the three months ended March 31, 2002 is not necessarily indicative of the results to be expected for the entire year.

2. **Restatement and Impact on Earnings.**

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As disclosed in our 2002 Annual Report, we have restated our financial statements for the years ended December 31, 2001 and 2000. The 2002 Annual Report included all of the adjustments relating to the restatement for such prior periods including those required by Staff Accounting Bulletin 99. We are also filing amended Form 10-Qs with respect to the first three quarters of 2002 to reflect the restatement of the financial information for such periods. Based on discussions with the staff of the SEC, we do not plan to file amended Form 10-Ks or Form 10-Qs for 2001 and 2000. The accompanying consolidated financial statements restate our financial statements for the three months ended March 31, 2002 and March 31, 2001.

The restatement principally related to certain transactions totaling approximately \$136,000, \$1.1 million and \$1.3 million in 2002, 2001 and 2000, respectively, in which Michael W. Gullion, our former Chief Executive Officer, diverted funds of Gold Bank-Kansas for personal use, as well as the use of his company credit card for personal use and improper reimbursement of personal expenses charged to his personal credit card. The transactions were discovered by an internal investigation conducted by our Audit Committee, with assistance from its independent legal counsel and forensic accountants. For a detailed discussion of the internal investigation and the transactions discovered therefrom, see Item 13 Certain Relationships and Related Transactions in the 2002 Annual Report.

The effect of the restatement is as follows for the periods presented below:

	Pre-Tax	Restatements to Net Earnings as Previously Reported		% Change to Reported
		Tax Effect	After Tax	
(Dollars in thousands)				
<b>Three Months Ended March 31:</b>				
2002	\$ (133)	\$ (183)	\$ 50	0.80%
2001	\$ (39)	\$ (132)	\$ 93	1.50%

The impact of these amounts to reported basic and diluted earnings (loss) per share is as follows:

	Basic Earnings Per Share		Diluted Earnings Per Share	
	As reported	As restated	As reported	As restated
<b>Three Months Ended March 31:</b>				
2002	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
2001	\$ 0.16	\$ 0.17	\$ 0.16	\$ 0.17





3. **Earnings per Common Share.**

Earnings per share are computed in accordance with SFAS No. 128, Earnings per Share. Basic earnings per share is based upon the weighted average number of common shares outstanding during the periods presented. Diluted earnings per share includes the effects of all potentially dilutive common shares outstanding during each period. Employee stock options are the Company's only potential common share equivalent.

The shares used in the calculation of basic and diluted income per share for the three months ended March 31, 2002 and 2001 are shown below (in thousands):

	<b>For the three months ended March 31</b>	
	<b>2002 (Restated)</b>	<b>2001 (Restated)</b>
Weighted average common shares outstanding	33,798	37,000
Unallocated ESOP Shares	(809)	(754)
Total basic weighted average common shares outstanding	32,989	36,246
Stock options	65	38
Total diluted weighted average common shares outstanding	33,054	36,284

#### 4. **Intangible Assets and Goodwill**

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The following table presents information about the Company's intangible assets which are being amortized in accordance with Statement of Financial Accounting Standards (SFAS) No. 142.

	March 31, 2002 (Restated)		March 31, 2001	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
(In thousands)				
Amortized intangible assets:				
Core deposit premium	\$ 4,156	\$ 199	\$	\$
Total	\$ 4,156	\$ 199	\$	\$
Aggregate amortization expense for the three-months ended		\$ 125		\$

Estimated amortization expense for the years ending December 31 (in thousands):

2002	\$ 277
2003	\$ 277
2004	\$ 277
2005	\$ 277
2006	\$ 277

As required by SFAS 142, the Company discontinued recording goodwill amortization expense effective January 1, 2002. The following tables compare results of operations as if no goodwill amortization had been recorded in 2001.

	<b>For the Three Months Ended March 31</b>	
	<b>2002 (Restated)</b>	<b>2001 (Restated)</b>
	<b>(In thousands except per share data)</b>	
<b>Reported net income</b>	\$ 6,057	\$ 6,063
Add back goodwill amortization		552
Adjusted net income	\$ 6,057	\$ 6,615
<b>Basic earnings per share:</b>		
Reported net income	\$ 0.18	\$ 0.17
Add back goodwill amortization		0.01
Adjusted net income	\$ 0.18	\$ 0.18
<b>Diluted earnings per share</b>		
Reported net income	\$ 0.18	\$ 0.17
Add back goodwill amortization		0.01
Adjusted net income	\$ 0.18	\$ 0.18

## 5. Comprehensive Income.

Comprehensive income was \$5.8 million and \$6.6 million for the three months ended March 31, 2002 and 2001, respectively. The difference between comprehensive income and net earnings presented in the Consolidated Statement of Earnings is attributed solely to unrealized gains and losses on available-for-sale securities. During the three months ended March 31, 2002 and 2001, the Company recorded reclassification adjustments of \$342,000 and \$626,000 associated with gains included in net earnings for the periods.

6. **Mergers, Acquisitions, Dispositions and Consolidations**

*Ott Financial Corporation.* On March 30, 2001, Gold Capital Management, our wholly owned subsidiary, acquired Ott Financial Corporation of Wichita, Kansas for approximately \$2.7 million. Ott was the holding company for Davidson Securities, Inc. and J.O. Davidson and Associates, Inc., which specialized in public finance advisory and underwriting services. At the time of the acquisition, the companies were all merged into Gold Capital Management. The acquisition was accounted for using the purchase method of accounting. The excess of cost over fair value of the underlying net assets acquired was \$1.5 million. Ott had total assets of approximately \$1.3 million at the time of the acquisition. The following schedule reflects the allocation of the purchase price to the various assets and liabilities acquired in the acquisition.

	Historical Basis	Fair Value Adjustments	Adjusted Balances
<b>Cash</b>	\$ 266,000		266,000
<b>Investments</b>	858,000		858,000
<b>Fixed assets</b>	38,000		38,000
<b>Account receivable</b>	51,000		51,000
<b>Other assets</b>	61,000		61,000
<b>Goodwill</b>		1,481,000	1,481,000
	\$ 1,274,000	1,481,000	2,755,000
<b>Other accrued expenses</b>	\$ 17,000		17,000
<b>Stockholders equity</b>	1,257,000	1,481,000	2,738,000
	\$ 1,274,000	1,481,000	2,755,000



*Information Products, Inc.* On April 26, 2001, CompuNet Engineering, a wholly owned subsidiary of our Company, acquired the assets of Information Products for approximately \$1 million. Information Products provides technology services, including LAN, WAN, product support, telecommunication line monitoring, hardware maintenance and systems design and installation across all industry sectors. The asset acquisition was accounted for using the purchase method of accounting. The excess of cost over fair value of the underlying assets acquired was approximately \$822 thousand. The following schedule reflects the allocation of the purchase price to the various assets and liabilities acquired in the acquisition.

	Historical Basis	Fair Value Adjustments	Adjusted Balances
<b>Inventory</b>	\$ 453,000	(19,000)	434,000
<b>Fixed assets</b>	260,000		260,000
<b>Account receivable</b>	557,000	(135,000)	422,000
<b>Goodwill</b>		921,000	921,000
	\$ 1,270,000	767,000	2,037,000
<b>Accounts payable</b>	\$ 642,000	(5,000)	637,000
<b>Other accrued expenses</b>	581,000	(53,000)	528,000
<b>Stockholders equity</b>	47,000	825,000	872,000
	\$ 1,270,000	767,000	2,037,000

*North American Savings Bank.* On July 27, 2001, Gold Bank-Kansas entered into an agreement with North American Savings Bank, F.S.B., Grandview, Missouri, to purchase North American's deposit base of approximately \$51 million and physical assets at 8840 State Line Road, Leawood, Kansas. The excess of cost over fair value of the underlying assets acquired was approximately \$4.2 million. Such amount has been recorded as other intangible assets and is being amortized over ten years on a straight-line basis. The following schedule reflects the allocation of the purchase price to the various assets and liabilities acquired in the acquisition.

	Historical Basis	Fair Value Adjustments	Adjusted Balances
<b>Cash</b>	\$ 239,000		239,000
<b>Loans</b>	34,000		34,000
<b>Fixed assets</b>	1,489,000		1,489,000
<b>Intangible asset</b>		4,156,000	4,156,000
	\$ 1,762,000	4,156,000	5,918,000
<b>Deposits</b>	\$ 51,410,000		51,410,000
<b>Accrued interest</b>	221,000		221,000

<b>Net liabilities</b>	<b>\$</b>	<b>(49,869,000)</b>	<b>4,156,000</b>	<b>(45,713,000)</b>
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*Merger of Provident Savings into Gold Bank-Kansas.* On July 6, 2001, Provident Bank, F.S.B., a federal savings bank and our wholly-owned subsidiary, merged with and into Gold Bank-Kansas. As a result of the merger, Provident Bank's two offices in St. Joseph, Missouri became branch offices of Gold Bank-Kansas. In connection with the Provident merger, the REIT-related subsidiaries of Gold Bank-Kansas and Provident Bank were combined. Gold Bank-Kansas wholly-owned subsidiary, Gold IHC, Inc., a Nevada corporation, merged with and into Provident Bank's wholly-owned subsidiary, Gold IHC-I, LLC, a Delaware limited liability company. Also, Gold RE Holdings, Inc., a Nevada corporation and REIT subsidiary of Gold IHC, Inc., merged with and into Gold RE Holdings-I, Inc., a Delaware limited liability company and REIT subsidiary of Gold IHC-I, LLC. As a result of these two REIT-related mergers, Gold IHC-I, LLC became a wholly-owned subsidiary of Gold Bank-Kansas, and Gold RE Holdings-I, LLC remained a subsidiary of Gold IHC-I, LLC. Gold IHC-I, LLC and Gold RE Holding, LLC now conduct our REIT operations from offices in St. Joseph, Missouri.

*Sales of Rural Branches.* In January 2002, we entered into contracts to sell branches of Gold Bank-Kansas located in rural Kansas. The branch sales closed in the second quarter of 2002. Bank branches in Oberlin, Colby and Norcatur, with deposits of \$27.3, \$12.6, and \$8.9 million, respectively, were sold to one purchaser. The branch in Alma, with deposits of \$23.3 million, was sold to a second purchaser.

## 7. **Treasury Stock**

On March 7, 2001, we announced we were commencing a common stock repurchase program whereby we may acquire up to 1,839,000 shares of common stock or approximately 5% of the shares currently outstanding. We completed the repurchase program in August 2001 at prices ranging from \$6.55 to \$7.85. On September 17, 2001, we announced the approval of another common stock repurchase program whereby we may acquire up to 1,750,336 additional shares of our common stock, or approximately 5% of the outstanding shares. The shares may be purchased from time to time over the next 12 months in the open market at prevailing market prices or in privately negotiated transactions. The extent and timing of any repurchases will depend on market conditions and other factors. At March 31, 2002, we had 373,426 shares available to be purchased under the second common stock repurchase program. At March 31, 2002, we had acquired 3,921,510 shares under these programs at prices ranging from \$6.55 to \$7.85 per share.

8. **Consolidation/Repositioning/Mortgage Subsidiary Closing Expense**

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During 1999 and 2000, the Company consolidated its Kansas and Oklahoma banks into a single statewide organization. The plan for the consolidation was formed with the intention to reposition the Company to improve service to its customers, achieve higher profitability and enhance its visibility in each state.

The plan primarily involved exiting certain duplicate branch banking facilities resulting in asset write-downs to estimated fair value, eliminating duplicate backroom functions, abandoning certain leases and reducing the number of full-time employees. Accordingly, the Company recognized repositioning expenses of \$4,024,000 in the year ended December 31, 2000. Details of the Kansas and Oklahoma repositioning accrual at March 31, 2002 and 2001 are as follows (in thousands):

	Activity for Quarter Ended March 31, 2002		
	Accrual at Dec. 31, 2001	Expense	Paid
	(In thousands)		
Salaries, benefits and severance	\$ 177	\$	107 \$ 70

	Activity for Quarter Ended March 31, 2001		
	Accrual at Dec. 31, 2000	Expense	Paid
	(In thousands)		
Salaries, benefits and severance	\$ 392	\$	74 \$ 318
Lease abandonments	24		17 7
Other repositioning expenses	227		114 113
	\$ 643	\$	205 \$ 438

During the fourth quarter of 2000, the Company announced it would close its separate mortgage banking subsidiary, Gold Banc Mortgage. As a result of this decision, the Company recorded expenses of \$19.3 million in 2000. Details of the Gold Banc Mortgage closing accrual at March 31, 2002 and 2001 are as follows (in thousands):

	Accrual at Dec. 31, 2001	Expense	Paid	Accrual at March 31, 2002
	Activity for Quarter Ended March 31, 2002			
	(In thousands)			
Salaries, benefits and severance	\$ 39			\$ 39

	Accrual at Dec. 31, 2000 (Restated)	Expense	Paid	Accrual at March 31, 2001 (Restated)
	Activity for Quarter Ended March 31, 2001			
	(In thousands)			
Salaries, benefits and severance	\$ 341		\$ 55	\$ 286
Lease abandonments	174		118	56
Other repositioning expenses	1,095		559	536
	\$ 1,610		\$ 732	\$ 878

## 9. Subsequent Events

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On January 2, 2002, the Company announced the completion of purchase and assumption agreements for the sale of four Kansas branch locations. The Company has reached agreement with the Bank of Oberlin, Kansas for the purchase of the Colby, Oberlin, and Norcatur, Kansas branch locations, and also reached agreement with Stockgrowers State Bank of Maple Hill, Kansas for the purchase of the Alma, Kansas branch location. The sales closed in the second quarter 2002.

On April 24, 2002 the Board of Directors declared a \$0.02 cash dividend on common stock to shareholders of record as of May 7, 2002, payable on May 14, 2002.



10. **Legal proceedings**

### Regional Holding Litigation

The following legal proceedings all relate to our acquisition of Regional Holding Company, Inc. in 1999. We purchased all of the capital stock of Regional Holding from Brad D. Ives, David W. Murrill and Robert E. McGannon on August 2, 1999, for a purchase price of approximately \$13.2 million, pursuant to a Stock Purchase Agreement, dated July 1, 1999, between us, Regional Holding and Ives, Murrill and McGannon (the Regional Acquisition ).

**The First Regional Arbitration.** We prosecuted a claim against Ives, Murrill and McGannon, which was filed before the American Arbitration Association ( AAA ) in June 2000. We asserted a claim for breach of the representations and warranties made in the Stock Purchase Agreement. Ives, Murrill and McGannon asserted a counterclaim for breach of certain promissory notes issued by us to them as part of the acquisition, seeking a principal amount of \$4.08 million, plus interest. Ives, Murrill and McGannon also counter-claimed for declaratory judgment related to our set-off of our claim against the notes, and for fraud in connection with amendments to the notes, Ives and McGannon s employment agreements and the Stock Purchase Agreement.

We also gave Ives, Murrill and McGannon notice invoking an alternative dispute resolution ( ADR ) provision of the Stock Purchase Agreement over the application of generally accepted accounting principles to the financial statements of Regional Holding. The accounting dispute affects the contract formula for calculating the purchase price. We demanded that Ives, Murrill and McGannon join in submitting the dispute to Ernst & Young, LLP, as set forth in the

Stock Purchase Agreement. Ives, Murrill and McGannon disputed the timeliness of the demand, and asked the AAA Panel to declare that we had not timely invoked the procedure.

We obtained an award in our favor after an arbitration hearing held July 16-24, 2001. A three-person AAA panel made an award in our favor canceling the \$4.08 million promissory notes from us to Ives, Murrill and McGannon, and awarding us additional damages of \$489,000 against Ives, Murrill and McGannon. In addition, the AAA panel ruled in our favor on all of Ives', Murrill's and McGannon's counter-claims. The AAA panel denied a request for costs and fees, and denied a motion to reallocate or amend the award. As a result of the AAA panel's ruling, we recorded the cancellation of the notes payable and the monetary award as a reduction of other expense in the third quarter of 2001. With respect to the accounting dispute, the AAA panel ruled in our favor, ordering the parties to submit the matter in accordance with the contract procedures. As of May 15, 2002, it had not yet been submitted to Ernst & Young, LLP for decision.

**Civil Court Challenges of First Arbitration Award.** On November 9, 2001, Ives and Murrill filed a Petition to Vacate or Modify Arbitration Award in Jackson County, Missouri District Court. On November 13, 2001, McGannon, who now is represented by separate counsel from Ives and Murrill, filed a virtually identical Petition to Vacate or Modify Arbitration Award, also in Jackson County. The petitions seek to have the court set aside the AAA panel's award on the grounds that the panel exceeded its authority and/or violated the Ives', Murrill's and McGannon's due process rights in making the award. We answered the petitions and asserted counterclaims on December 3, 2001. Our counterclaim seeks confirmation of the arbitration award, interest on the award from August 31, 2001 until the final judgment and its fees and costs incurred in defending this challenge. Ives and Murrill replied to our counterclaim on December 10, 2001. McGannon filed his reply on December 28, 2001. We filed motions for summary judgment on January 8, 2002. Ives and Murrill opposed our motion and filed a cross motion for summary judgment on March 11, 2002. McGannon opposed our motion and filed a cross motion for summary judgment on March 21, 2002. In April 2002, we responded to these pleadings and participated in a hearing to (i) discuss the status of summary judgment briefing and (ii) schedule a tentative trial date in June 2002.

**Civil Fraud and Employment Claims Suit.** Ives, Murrill and McGannon filed a civil case on September 5, 2000 against Gold Banc Mortgage, Inc., Michael Gullion and Jerry Bengtson ( Defendants ) in the Circuit Court of Jackson County, Missouri. As subsequently amended, Ives, Murrill and McGannon in the Jackson County case allege three counts:

**that (similar to their fraud claim in the arbitration proceeding) in December 1999, Defendants fraudulently induced Ives, Murrill and McGannon to renegotiate and amend their employment agreements and promissory notes, seeking damages in excess of \$25,000 each plus punitive damages;**

**that McGannon is entitled to declaratory judgment that his placement on administrative leave for a period of time during the arbitration was a constructive termination under his employment agreement entitling him to certain rights; and**

**that Gold Banc Mortgage breached Ives employment agreement when it changed his termination to for cause in 2001 based on evidence acquired subsequent to his original termination in 2000 without cause, allegedly entitling Ives to payment of employment payments and benefits he otherwise would have received.**

We have answered, denying the claims against us and asserting affirmative defenses.

**Second Regional Arbitration.** We filed a second arbitration claim against Ives, Murrill and McGannon before the American Arbitration Association on January 10, 2002. We have asserted:

**a contractual claim against Ives, Murrill and McGannon for additional breaches of the representations and warranties made in the Stock Purchase Agreement related to the acquisition of Regional Holding and**

**an indemnification claim for litigation expenses and other specified damages incurred by us after the closing date of the acquisition of Regional Holding related to acts, or omissions, that occurred prior to the closing date of the acquisition.**

These breaches of representations and warranties and claims for indemnification arose, or were discovered, after the first arbitration was filed, and were not litigated or decided in the first arbitration. We seek damages in the amount of \$616,594.25 and our attorneys' fees. On February 8, 2002, McGannon responded to our claim with a general denial of the allegations. Ives and Murrill also responded on February 8, 2002 with a general denial of the allegations, a counterclaim alleging that we willfully breached the Stock Purchase Agreement and our duties thereunder, and a prayer for a declaratory judgment and compensatory and punitive damages. We have responded with a denial of all Ives' and Murrill's counterclaims.

#### **CUNA Trademark Lawsuit**

We filed suit against the Credit Union National Association, Inc. ( CUNA ) on July 26, 2001, in the United States District Court for the District of Kansas to defend our MORE THAN MONEY service mark. Suit was filed to protect our rights against infringement by CUNA and other infringers. The lawsuit alleges CUNA has infringed our service mark MORE THAN MONEY by using the service mark WHERE PEOPLE ARE WORTH MORE THAN MONEY in its national brand campaign promoting credit unions throughout the country. The Complaint includes claims for (i) trademark infringement and unfair competition under federal and common law, and (ii) trademark dilution under federal and state law. Several types of relief are requested in the suit, including entry of a permanent injunction prohibiting CUNA and credit unions from using the service mark WHERE PEOPLE ARE WORTH MORE THAN MONEY, an order that CUNA's two registrations for its mark be cancelled, and money damages, including a sum to compensate us for corrective advertising. CUNA filed its Answer to the Complaint on September 17, 2001. At the conclusion of discovery in March 2002, we participated in a court ordered mediation but were unable to reach a resolution. We have agreed to revisit the possibility of settlement at a later date following additional discovery. As of May 15, 2002, the matter has been set for a final pretrial conference in September 2002 and has been placed on the January 2003 trial docket of the presiding judge. We cannot predict with certainty the outcome of this litigation.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

The following financial review presents management's discussion and analysis of the consolidated financial condition and results of operations of the Company. This review highlights the major factors affecting results of operations and any significant changes in financial condition for the three month period ended March 31, 2002. This review should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this report as well as the Company's 2001 Annual Report on Form 10-K and the Company's 2002 Annual Report on Form 10-K/A (the 2002 Annual Report). Results of operations for the three month period ended March 31, 2002 are not necessarily indicative of results to be attained for any other period.

**SUMMARY**

Consolidated net earnings for the first three months of 2002 was \$6.1 million; a \$6 thousand decrease over the first three months of 2001. Diluted earnings per share was \$0.18 for the first three months of 2002 compared to \$0.17 per share for the first three months of 2001. The return on average assets and equity was 0.78% and 14.59%, respectively, for the three months ended March 31, 2002 compared to 0.90% and 14.36%, respectively, for the three months ended March 31, 2001. The stockholders' equity to total assets ratio was 5.05% and 5.46% at March 31, 2002 and March 31, 2001, respectively. The dividend to net income ratio for the three months ended March 31, 2002 and March 31, 2001, respectively, was 11.15% and 12.37%.

**Recent Events and Restatement**

As disclosed in our 2002 Annual Report, we have restated our financial statements for the years ended December 31, 2001 and 2000. The 2002 Annual Report included all of the adjustments relating to the restatement for such prior periods including those required by Staff Accounting Bulletin 99. We are also filing amended Form 10-Qs with respect to the first three quarters of 2002 to reflect the restatement of the financial information for such periods. Based on discussions with the staff of the SEC, we do not plan to file amended Form 10-Ks or Form 10-Qs for 2001 and 2000. The consolidated financial statements included elsewhere in this report restate our financial statements for the three months ended March 31, 2002 and March 31, 2001.

The restatement principally related to certain transactions totaling approximately \$136,000, \$1.1 million and \$1.3 million in 2002, 2001 and 2000, respectively, in which Michael W. Gullion, our former Chief Executive Officer, diverted funds of Gold Bank-Kansas for personal use, as well as the use of his company credit card for personal use and improper reimbursement of personal expenses charged to his personal credit card. The transactions were discovered by an internal investigation conducted by our Audit Committee, with assistance from its independent legal counsel and forensic accountants. For a detailed discussion of the internal investigation and the transactions discovered therefrom, see Item 13 Certain Relationships and Related Transactions in the 2002 Annual Report.

The effect of the restatement (as described in Note 2 Restatement and Impact on Earnings of the consolidated financial statements) is as follows for the periods presented below:

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	Pre-Tax	Restatements to Net Earnings as Previously Reported		% Change to Reported
		Tax Effect	After Tax	
<b>Three Months Ended March</b>				
<b>31:</b>				
2002	\$ (133)	\$ (183)	\$ 50	0.80%
2001	\$ (39)	\$ (132)	\$ 93	1.50%

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The impact of these amounts (as described in Note 2 Restatement and Impact on Earnings to the consolidated financial statements) to reported basic and diluted earnings (loss) per share is as follows:

	Basic Earnings Per Share		Diluted Earnings Per Share	
	As reported	As restated	As reported	As restated
<b>Three Months Ended March 31:</b>				
2002	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
2001	\$ 0.16	\$ 0.17	\$ 0.16	\$ 0.17

### RESULTS OF OPERATIONS

#### Net Interest Income

Total interest income for the three months ended March 31, 2002 was \$47.8 million; a \$5.2 million or 9.8% decrease over the three months ended March 31, 2001. The decrease was attributable to a reduction of \$5.2 million in interest income on loans due to interest rate declines compared to the first three months of 2001, which was partially offset by an increase in average loans outstanding during the three months ended March 31, 2002. Interest income on investment securities increased \$1.2 million compared to the first three months of 2001 while other interest income decreased \$1.1 million comparing the same periods. Average loans increased \$337.3 million or 17.7% while average investments and other earning assets increased \$51.3 million or 8.83% compared to the three months ended March 31, 2001.

Total interest expense for the three months ended March 31, 2002 was \$23.8 million; a \$6.9 million or 22.4% decrease over the three months ended March 31, 2001. The decrease was attributable to interest rate declines on interest bearing deposits compared to the first three months of 2001. Average interest bearing deposits increased \$238.6 million or 12.67% and average borrowings increased \$156.2 million or 30.65% compared to the three months ended March 31, 2001.

Net interest income was \$24.0 million for the three months ended March 31, 2002, compared to \$22.3 million for the same period in 2001; an increase of 7.6%. The Company's net interest margin decreased from 3.68% for the three months ended March 31, 2001 to 3.47% for the three months ended March 31, 2002. The increase in net interest income and decrease in net interest margin was the result of a combination of factors. Average interest bearing liabilities increased \$98.2 million more than average interest earning assets. In addition, the Company's interest earning assets reprice more quickly than its interest bearing liabilities. These two factors in the current declining interest rate environment have resulted in both an increase in net interest income and a decrease in net interest margin in the quarter ended March 31, 2002.

#### Provision/Allowance for Loan Losses

The success of a bank depends to a significant extent upon the quality of its assets, particularly loans. This is highlighted by the fact that net loans are 71.6% of the Company's total assets as of March 31, 2002. Credit losses are inherent in the lending business. The risk of loss will vary with general economic conditions, the type of loan being made, the creditworthiness of the borrower over the term of the loan and the quality of the collateral in the case of a collateralized loan, among other things. The allowance for loan losses totaled \$28.1 million and \$26.1 million at



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March 31, 2002 and December 31, 2001, respectively, and represented 1.20% and 1.21% of total loans at each date. The provision for loan losses for the three months ended March 31, 2002, was \$5.0 million compared to \$2.5 million for the three months ended March 31, 2001. The increase in provision for loan loss of \$2.5 million for the quarter ended March 31, 2002 was due primarily to the increase in loan growth by \$183 million during the period. Net charge-offs for the three months ended March 31, 2002 were \$3.0 million compared to \$3.6 million for the three months ended March 31, 2001. The decrease in net charge-offs for the three months ended March 31, 2002 is the direct result of management's continued efforts to upgrade the Company's existing credit standards. Management has continued to review the loan portfolios of the banks, to increase the provision and to charge-off those credits when collection is considered to be doubtful.

The allowance for loan losses is comprised of specific allowances assigned to certain classified loans and a general allowance. We continuously evaluate our allowance for loan losses to maintain an adequate level to absorb loan losses inherent in the loan portfolio. Factors contributing to the determination of specific allowances include the credit worthiness of the borrower, changes in the expected future receipt of principal and interest payments and/or changes in the value of pledged collateral. An allowance is recorded when the carrying amount of the loan exceeds the discounted cash flows using the loan's initial effective interest rate or the fair value of the collateral for certain collateral dependent loans. For purposes of determining the general allowance, the portfolio is segregated by product types to recognize differing risk profiles among categories, and then further segregated by credit grades. Each credit grade is assigned a risk factor, or allowance allocation percentage. These risk factors are multiplied by the outstanding principal balance and risk-weighted by product type to calculate the required allowance.

The allowance allocation percentages assigned to each credit grade have been developed based on an analysis of historical loss rates at our individual banks, adjusted for certain qualitative factors and on our management's experience. Qualitative adjustments for such things as general economic conditions, changes in credit policies and lending standards, and changes in the trend and severity of problem loans, can cause the estimation of future losses to differ from past experience. The unallocated portion of the general allowance serves to compensate for additional areas of uncertainty and considers industry comparable reserve ratios.

The methodology used in the periodic review of allowance adequacy, which is performed at least quarterly, is designed to be responsive to changes in actual credit losses. The changes are reflected in the general allowance and in specific allowances as the collectibility of larger classified loans is continuously recalculated with new information. As our portfolio matures, historical loss ratios are being closely monitored.

The Company actively manages its past due and non-performing loans in each Bank in an effort to minimize credit losses, and monitors asset quality to maintain an adequate loan loss allowance. Although management believes its allowance for loan losses is adequate for each Bank and collectively, there can be no assurance that the allowance will prove sufficient to cover future loan losses. Further, although management uses the best information available to make determinations with respect to the allowance for loan losses, future adjustments may be necessary if economic conditions differ substantially from the assumptions used, or adverse developments arise with respect to non-performing or performing loans. Accordingly, there can be no assurance that the allowance for loan losses will be adequate to cover loan losses or that significant increases to the allowance will not be required in the future if economic conditions should worsen. Material additions to the allowance for loan losses would result in a decrease of the Company's net income and capital and could result in the inability to pay dividends, among other adverse consequences.

The Company considers non-performing assets to include non-accrual loans, other loans past due 90 days or more as to principal and interest, other real estate owned and repossessed assets. Total non-performing loans were \$21.0 million and \$23.0 million at March 31, 2002 and December 31, 2001, respectively. The \$2.0 million reduction in non-performing loans can generally be attributed to loan charge-offs and underlying collateral being transferred to other real estate owned and repossessed assets. Total non-performing loans were 0.89% and 1.06% of gross loans at March 31, 2002 and December 31, 2001, respectively. Total non-performing assets were \$24.9 million and \$27.5 million at March 31, 2002 and December 31, 2001, respectively. The \$2.6 million increase in non-performing assets can generally be attributed to an increase in other real estate owned and repossessed assets resulting from loan charge-offs. Total non-performing assets were 0.77% and 0.91% of total assets at March 31, 2002 and December 31, 2001, respectively.

#### **Other Income**

Other income for the three months ended March 31, 2002 was \$13.8 million; an increase of \$3.8 million, or 38.1% over the same period last year. The increase in other income resulted from an increase in service fees of \$1.4 million compared with the first quarter of 2001 and a \$71 thousand decline in investment trading fees and commissions. Net securities gains from related securities sales declined \$379 thousand. The

an indemnification claim for litigation expenses and other specified damages incurred

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most significant change was an increase in sales from information technology sales which increased from \$1.4 million in the first quarter of 2001 to \$4.8 million in the first quarter of 2002. This increase was the result of increased sales revenue derived from the sales of IPI which was acquired in the second quarter of 2001.

### Other Expense

Other expense for the three months ended March 31, 2002 was \$24.8 million; an increase of \$4.3 million, or 21.0% from the same period last year. Salaries and employee benefits increased from \$10.6 million in the first quarter of 2001 to \$11.9 million in the first quarter of 2002, or an increase of \$1.3 million. Goodwill expense was \$530 thousand during the first quarter of 2001 which was reduced to zero in 2002 due to the adoption of a new accounting standard. The primary increase was a \$2.4 million increase in information technology services which directly related to the cost of sales component of the \$3.4 million increase in information technology service revenues as described in the preceding section. The remaining expenses classified as other expense increased from \$5.5 million to \$6.5 million.

### Income Tax Expense

Income tax expense for the three months ended March 31, 2002 and 2001 was \$1.9 million and \$3.2, respectively. The effective tax rate for each time period was 24.2 % and 34.6 %, respectively. The first quarter's effective tax rate for 2002 was lower than 2001 because of savings on state taxes from REIT activities as well as non-taxable income from the bank owned life insurance policies and also due to the cessation of amortization of non-deductible goodwill.

Our effective tax rate is less than the statutory federal rate of 35% due primarily to municipal interest income and income generated from the our investment in bank owned life insurance.

### FINANCIAL CONDITION

From December 31, 2001 to March 31, 2002, total assets grew from \$3.0 billion to \$3.2 billion. Net loans increased from \$2.1 billion to \$2.3 billion. Deposits increased from \$2.2 billion to \$2.4 billion, from December 31, 2001 to March 31, 2002. Investment securities were \$572.8 million at March 31, 2002, compared to \$588.8 million at December 31, 2001; a decrease of \$16.0 million or 2.8%. Mortgage loans held for sale increased from \$11.3 million to \$39.5 million. Net premises and equipment increased from \$57.7 million to \$67.5 million. Cash surrender value of BOLI life insurance increased from \$53.0 million to \$54.1 million. Total liabilities increased from \$2.9 billion to \$3.1 billion. Securities sold under agreements to repurchase increased from \$103.7 million to \$104.5 million. Total long and short-term borrowings increased \$2.2 million, or 0.3%, from December 31, 2001. Accrued interest and other liabilities increased from \$24.2 million to \$26.0 million.

During the first three months of 2002, loans increased \$180.5 million, or 8.45%, over balances at December 31, 2001. The increase was the result of increased loan activity. Mortgage loans held for sale increased \$28.2 million over the balance at December 31, 2001. The increase was due to an increase in fixed rate single-family mortgage loans originated during the three-month period ended March 31, 2002.

Investment securities at March 31, 2002, decreased \$16.0 million compared to the balance at December 31, 2001. Most of the decrease resulted from a \$22.2 million decrease in available for sale securities partially offset by a \$9.1 million increase in held-to-maturity securities. The total investment securities portfolio amounted to \$572.8 million at March 31, 2002, and was comprised mainly of U.S. government and agencies (14.8%), mortgage-backed (60.8%), and other asset-backed (24.4%) investment securities.

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Bank owned life insurance at March 31, 2002, increased \$1.1 million compared to the balance sheet amount at December 31, 2001. The increase in the balance resulted from the earnings recorded on the Company's investment in bank owned life insurance. The Company did not purchase any additional bank owned life insurance during the three months ended March 31, 2002.

Total deposits increased \$216.5 million at March 31, 2002, compared to December 31, 2001, mainly due to an increase of \$172.6 million in long term retail certificates of deposit and \$57.1 million in money market accounts and a \$13.2 million decrease in other deposits.

Compared to 2001 year-end balances, borrowings at March 31, 2002 increased \$2.2 million. The Company's short-term borrowings of federal funds purchased and securities sold under agreements to repurchase vary depending on daily liquidity requirements. These borrowings declined \$29.0 million during the first three months of 2002 to a balance

of \$105.6 million at March 31, 2002. Long term borrowings, consisting mainly of FHLB borrowings and other long term borrowings from LaSalle Bank, increased \$31.2 million to \$447.6 million outstanding at March 31, 2002.

During the first three months of 2002, accrued interest and other liabilities increased \$2.2 million, or 9.3%, due to an increase in accrued income taxes.

### Liquidity and Capital Resources

Liquidity defines the ability of the Company and the Banks to generate funds to support asset growth, satisfy other disbursement needs, meet deposit withdrawals and other fund reductions, maintain reserve requirements and otherwise operate on an ongoing basis. The immediate liquidity needs of the Banks are met primarily by Federal Funds sold, short-term investments, deposits and the generally predictable cash flow (primarily repayments) from each Bank's assets. Intermediate term liquidity is provided by the Banks' investment portfolios. The Banks also have established a credit facility with the FHLB, under which they are eligible for short-term advances and long-term borrowings secured by real estate loans or mortgage-related investments. The Company's liquidity needs and funding are provided through non-affiliated bank borrowing, cash dividends and tax payments from its subsidiary Banks. The Company has a \$25 million line of credit with a correspondent bank with no outstanding borrowings at March 31, 2002. Total loans increased \$180 million compared to December 31, 2001 while total deposits increase \$216 million compared to the same period. Even with this increase in the balance sheet, the basic liquidity ratio for March 31, 2002 was 15.31% compared to our internal policy minimum of 15.00%.

The majority of the Company's deposits consist of time deposits which mature in less than one year. If the Company is unsuccessful in rolling over these deposits, then the Company will have to replace these funds with alternative sources of funding, mainly other short-term borrowings.

Cash and cash equivalents and investment securities totaled \$696.0 million, or 21.5% of total assets at March 31, 2002 compared to \$662.6 million, or 22.0% at December 31, 2001. Cash used by operating activities for the three months ended March 31, 2002 was \$4.3 million, consisting primarily of net earnings and proceeds from the sale of loans. Cash used by investing activities was \$156.7 million, consisting primarily of an increase in loans of \$157.4 million. Cash provided by financing activities was \$210.6 million, consisting primarily of an increase in deposits of \$216.5 million, and an increase in long-term borrowings of \$31.2 million.

The Company and its subsidiaries actively monitor their compliance with regulatory capital requirements. The elements of capital adequacy standards include strict definitions of core capital and total assets, which include off-balance sheet items such as commitments to extend credit. Under the risk-based capital method of capital measurement, the ratio computed is dependent on the amount and composition of assets recorded on the balance sheet and the amount and composition of off-balance sheet items, in addition to the level of capital. Historically, the Banks have increased core capital through retention of earnings or capital infusions. To be well capitalized a company's total risk-based capital ratio, tier 1 risk-based capital ratio and tier 1 leverage ratio would be 10.0%, 6.0% and 5.0% respectively. The Company's total risk-based capital ratio, tier 1 risk-based capital ratio and tier 1 leverage ratio at March 31, 2002 were 10.50%, 7.08% and 5.76%, respectively. These same ratios at December 31, 2001 were 11.35%, 7.76% and 6.20%, respectively. Total loans increased \$183 million compared to December 31, 2001 while total deposits increase \$216 million compared to the same period. Even with this increase in the balance sheet, the Company's ratios exceed the levels to be considered well capitalized. The primary source of funds available to the Company is dividends by the subsidiaries. Each Bank's ability to pay dividends may be limited by regulatory requirements. At March 31, 2002, the subsidiaries could pay \$25.9 million in dividends without prior regulatory approval. At March 31, 2002, Management believes cash generated from its operations and correspondent bank facility will be sufficient to meet its cash requirements for internal growth and general operations in the foreseeable future.

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On March 7, 2001, we announced we were commencing a common stock repurchase program whereby we may acquire up to 1,839,000 shares of common stock or approximately 5% of the shares currently outstanding. We completed the repurchase program in August 2001 at prices ranging from \$6.55 to \$7.85. On September 17, 2001, we announced the approval of another common stock repurchase program whereby we may acquire up to 1,750,336 additional shares of our common stock, or approximately 5% of the outstanding shares. The shares may be purchased from time to time over the next 12 months in the open market at prevailing market prices or in privately negotiated transactions. The extent and timing of any repurchases will depend on market conditions and other factors. At March 31, 2002, we had 373,426 shares

available to be purchased. At March 31, 2002, we had acquired 3,921,510 shares under these programs at prices ranging from \$6.55 to \$7.85 per share.

#### *BOLI Policies*

The Company's Bank subsidiaries have purchased bank-owned life insurance ( BOLI ) policies with death benefits payable to the Banks on the lives of certain officers. These single premium, whole-life policies provide favorable tax benefits, but are illiquid investments. Federal guidelines limit a bank's aggregate investment in BOLI to 25% of the bank's capital and surplus, and its aggregate investment in BOLI policies from a single insurance company to 15% of the Bank's capital and surplus. All of the Banks' BOLI investments comply with federal guidelines. As of March 31, 2002, Gold Bank-Kansas had \$27.6 million of BOLI (equal to 19.8% of its capital and surplus), Gold Bank-Oklahoma had \$15.9 million of BOLI (equal to 21.2% of its capital and surplus) and Gold Bank-Florida had \$10.6 million of BOLI (equal to 27% of its capital and surplus). The Banks monitor the financial condition and credit rating of each of the three life insurance companies that issued the BOLI policies. The Company believes that these BOLI investments will not have any significant impact on the capital or liquidity of the banks subsidiaries.

#### *CompuNet Activities*

CompuNet Engineering, Inc., which was acquired in March 1999, provides information technology, e-commerce services and networking solutions for banks and other businesses. Under current Federal Reserve regulations, the data processing activities of a bank holding company and its subsidiaries must be done primarily for financial companies, and non-financial data processing activities must be limited to 30% of the bank holding company's total consolidated annual data processing revenues. When the Company acquired CompuNet, the aggregate data processing activities of the Company and CompuNet complied with this 30% limitation.

On December 21, 2000, the Federal Reserve published a proposed regulation that would permit a financial holding company to generate up to 80% of its consolidated data processing revenue from non-financial data processing activities. The proposed regulation limits the investment of a financial holding company in such data processing activities to 5% of the financial holding company's tier 1 capital. The comment period on the proposed regulation expired on February 16, 2001.

In 2001, CompuNet acquired the assets of Information Products, Inc., which provides technology services, including LAN, WAN, product support, telecommunication line monitoring, hardware, maintenance and systems design and installation across all industry sectors. This acquisition significantly increased the amount of CompuNet's non-financial data processing activities. For the year ended December 31, 2001 approximately 71% of CompuNet's revenues were non-financial in nature, and thus not in compliance with the Federal Reserve's current 30% limitation. This will require us to take corrective action to bring CompuNet's activities within federal regulatory requirements.

This could be accomplished by increasing CompuNet's revenues from financial data processing activities, decreasing CompuNet's revenues from non-financial data processing activities, converting CompuNet into a merchant banking investment (which may not be available if we are required to divest our merchant banking investments), or selling part or all of CompuNet's business to an unaffiliated third party, or other curative action.



**ACCOUNTING AND FINANCIAL REPORTING**

Effective January 1, 2002, the Company adopted Statement of Accounting Standards No.142, Goodwill and Other Intangible Assets . SFAS 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually. It also requires that intangible assets with estimatable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment. The Statement requires the Company to perform an assessment of whether there is an indication that goodwill is impaired as of January 1, 2002. To accomplish this, the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of January 1, 2002. The Company has identified their reporting units to be at the individual subsidiary basis. The Statement allows until June 30, 2002, to determine the fair value of each reporting unit and compare it to the carrying amount of the reporting unit. To the extent the carrying amount of a reporting unit exceeds the fair value of the reporting unit, an indication exists that the reporting unit goodwill may be impaired and the

Company must perform the second step of the transitional impairment test. In the second step, the Company must compare the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit goodwill, both of which would be measured as of January 1, 2002. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. This second step is required to be completed as soon as possible, but no later than the end of 2002. Any transitional impairment loss must be recognized as the cumulative effect of a change in accounting principle in the Company's 2002 statement of income. Because of the extensive effort needed to comply with adopting Statement 142, it is not practical to reasonably estimate the impact of adopting this Statement on the Company's financial statements at the date of this report, including whether it will be required to recognize any transitional impairment losses as the cumulative effect of a change in accounting principle.

SFAS No. 144 Accounting for the Impairment of Disposal of Long-Lived Assets was adopted by the Company on January 1, 2002. The Statement established a single accounting model for all long-lived assets to be disposed of by sale, which is to measure a long-lived asset classified as held for sale at the lower of its carrying amount or fair value less cost to sell and to cease depreciation. The Statements also establishes criteria to determine when a long-lived asset is held for sale and provides additional guidance on accounting for such specific circumstances. The adoption of the new Statement, did not have a significant effect on earnings or the financial position of the Company.

### **Critical Accounting Policies**

The Company's accounting policies are fundamental to understanding management's discussion and analysis of results of operations and financial condition. Many of the Company's accounting policies require significant judgment regarding valuation of assets and liabilities. A summary of significant accounting policies is listed in the first note to the consolidated financial statements in the Company's 2001 Annual Report on Form 10-K. Critical accounting policies are both most important to the portrayal of the Company's financial condition and results, and require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

#### *Allowance for Loan Losses*

The Company's most critical accounting policy relates to the allowance for loan losses and involves significant management valuation judgments. The Company performs periodic and systematic detailed reviews of its lending portfolio to assess overall collectability. The level of the allowance for loan losses reflects the Company's estimate of the collectability of the loan portfolio. Further discussion of the methodologies used in establishing this reserve is contained in the Provision/Allowance for Loan Losses section of this report.

The Company makes various assumptions and judgments about the collectability of its loan portfolio and provides an allowance for losses based on a number of factors. If the Company's assumptions are wrong, its allowance for loan losses may not be sufficient to cover loan losses. The Company may have to increase the allowance in the future. Material additions to the Company's allowance for loan losses would have a material adverse effect on its net earnings.

#### *Impairment of Goodwill Analysis*

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As required by the provisions of SFAS 142, the Company completed its initial valuation analysis to determine whether the carrying amounts of the Company's reporting units were impaired. The Company's initial impairment review indicated that there was no impairment of goodwill as of December 31, 2001. However, as required by SFAS 142, the Company will be required to review the goodwill for impairment at least annually or more frequently based upon facts and circumstances related to a particular reporting unit.

The fair value of the Company's non-bank financial subsidiaries (Gold Capital Management and CompuNet Engineering) fluctuates significantly based upon, among other factors, the net operating income of these subsidiaries. If these subsidiaries experience a sustained deterioration in their cash flow from operations then the Company may have to record a goodwill impairment charge in the future.

*Deferred Income Taxes*

SFAS 109, *Accounting for Income Taxes*, establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgement is required in assessing the future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Fluctuations in the actual outcome of these future tax consequences could materially impact the Company's financial position or its results of operations.

**Forward-Looking Statements**

This report, including information included or incorporated by reference in this report, contains certain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of our Company and its subsidiaries, including, without limitation:

**statements that are not historical in nature**

**statements preceded by, followed by or that include the words believes, expects, may, will, should, could, anticipates, estimates, intends or similar expressions, and**

**statements regarding the timing of the closing of the branch sales.**

Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the following factors:

**competitive pressures among financial services companies may increase significantly**

**costs or difficulties related to the integration of the business of our Company and its acquisition targets may be greater than expected**

**changes in the interest rate environment may reduce interest margins**

**general economic conditions, either nationally or in our markets, may be less favorable than expected**

**legislative or regulatory changes may adversely affect the business in which our Company and its subsidiaries are engaged**

**technological changes may be more difficult or expensive than anticipated**

**changes may occur in the securities markets**

We have described under **Factors That May Affect Future Results of Operations, Financial Condition or Business** additional factors that could cause actual results to be materially different from those described in the forward-looking statements. Other factors that we have not identified in this report could also have this effect. You are cautioned not to put undue reliance on any forward-looking statement which speaks only as of the date it was made.

**Factors That May Affect Future Results of Operations, Financial Condition or Business**

We are identifying important risks and uncertainties that could affect our Company's results of operations, financial condition or business and that could cause them to differ materially from our Company's historical results of operations, financial condition or business, or those contemplated by forward-looking statements made herein or elsewhere, by, or on behalf of, our Company. Factors that could cause or contribute

to such differences include, but are not limited to, those factors described below.

*There is no assurance we can maintain our growth rate.*

It may be difficult for us to maintain our rapid rate of growth. We have completed several acquisitions in the past few years that have significantly enhanced our rate of growth. We cannot be certain that we will continue to sustain this rate of growth or grow at all. Competition for suitable acquisition candidates is intense. We are targeting acquisition candidates, particularly in the metropolitan and suburban areas, that a variety of larger financial institutions are also interested in acquiring.

We continue to review potential acquisition candidates and hold preliminary discussions with several of these candidates. We cannot assure you that any of these discussions will be successful. We may not be successful in identifying acquisition candidates or be able to acquire banks and financial services businesses on terms we feel are favorable.

The rural market areas we now serve afford limited, if any, opportunities for growth. We believe future growth in our revenues and net earnings will depend on our growth in the metropolitan and suburban market areas where we have locations in addition to acquisitions. The financial institutions in these metropolitan and suburban areas also compete intensely for assets and deposits. This competition may adversely affect our ability to grow our asset and deposit base profitability.

*Loss of key personnel could have an adverse effect.*

The loss of certain key personnel could adversely affect our operations. Our success depends in large part on the retention of a limited number of key persons, including: Michael W. Gullion, our Chairman and Chief Executive Officer; Malcolm M. Aslin, our President and Chief Operating Officer; and Rick J. Tremblay, our Executive Vice President and Chief Financial Officer. We will likely undergo a difficult transition period if we lose the services of any or all of these individuals. In recognition of this risk, we own, and are the beneficiary of, an insurance policy on the life of Mr. Gullion providing death benefits of \$3.5 million and have entered into employment agreements with Messrs. Gullion and Aslin.

We also place great value on the experience of the presidents of our subsidiaries and the branches of our subsidiaries and on their relationships with the communities they serve. The loss of these key persons could negatively impact the affected banking locations. There is no assurance we will be able to retain our current key personnel or attract additional qualified key persons as needed.

*Local economic conditions could adversely affect operations.*

Changes in the local economic conditions could adversely affect our loan portfolio. Our success depends to a certain extent upon the general economic conditions of the local markets that we serve. Unlike larger banks that are more geographically diversified, we provide banking and financial services to customers in those markets in Kansas, Oklahoma, Missouri and Florida, including a number of rural markets, where our subsidiary banks operate or are expected to operate. Our commercial, real estate and construction loans, and the ability of the borrowers to repay these loans and the value of the collateral securing these loans, are impacted by the local economic conditions. In the rural markets we serve, the predominant economic sector is agriculture. We cannot assure you that favorable economic conditions will exist in such markets.

*Allowance for loan losses may not be adequate.*

Our allowance for loan losses may not be adequate to cover actual loan losses. As a lender, we are exposed to the risk that our customers will be unable to repay their loans according to their terms and that any collateral securing the payment of their loans may not be sufficient to assure repayment. Credit losses are inherent in the lending business and could have a material adverse effect on our operating results. Our credit risk with respect to our real estate and construction loan portfolio relates principally to the general creditworthiness of individuals and the value of real estate serving as security for the repayment of loans. Our credit risk with respect to our commercial and consumer installment loan portfolio relates principally to the general creditworthiness of businesses and individuals within our local markets.

We make various assumptions and judgments about the collectability of our loan portfolio and provide an allowance for potential losses based on a number of factors. If our assumptions are wrong, our allowance for loan losses



may not be sufficient to cover our loan losses. We may have to increase the allowance in the future. Material additions to our allowance for loan losses would decrease our net earnings.

*Changes in interest rates could adversely affect profitability.*

We may be unable to manage interest rate risk that could reduce our net interest income. Like other financial institutions, our results of operations are impacted principally by net interest income, which is the difference between interest earned on loans and investments and interest expense paid on deposits and other borrowings. We cannot predict or control changes in interest rates. Regional and local economic conditions and the policies of regulatory authorities, including monetary policies of the Federal Reserve, affect interest income and interest expense. Interest rate cuts by the Federal Reserve throughout 2001 have generally reduced our net interest income. While we continually take measures intended to manage the risks from changes in market interest rates, changes in interest rates can still have a material adverse effect on our profitability.

*Technological change may impair our competitiveness.*

We cannot predict how changes in technology will impact our business. The financial services market, including banking services, is increasingly affected by advances in technology including developments in: telecommunications; data processing; automation; Internet-based banking; telebanking; and debit cards and so-called smart cards. Our ability to compete successfully in the future will depend on whether we can anticipate and respond to technological changes. To develop these and other new technologies, we will likely have to make additional capital investments. Although we continually invest in new technology, we cannot assure you that we will have sufficient resources or access to the necessary proprietary technology to remain competitive in the future.

*The banking business is highly competitive.*

We operate in a competitive environment. In the metropolitan and suburban areas in which we compete, other commercial banks, savings and loan associations, credit unions, finance companies, mutual funds, insurance companies, brokerage and investment banking firms and other financial intermediaries offer similar services. We also face competition in our rural markets. Many of these competitors have substantially greater resources and lending limits and may offer certain services our subsidiary banks and businesses do not currently provide. In addition, some of the non-bank competitors are not subject to the same extensive regulations that govern our subsidiary banks and businesses. Our profitability depends upon the ability of our subsidiaries to compete in our primary market areas.

*Effects of regulatory changes cannot be predicted.*

We are subject to extensive regulation. The banking industry is heavily regulated under both federal and state law. These regulations are primarily intended to protect depositors and the Federal Deposit Insurance Corporation, not our creditors or stockholders. Our non-bank subsidiaries are also subject to the supervision of the Federal Reserve Board, in addition to other regulatory and self-regulatory agencies including the Securities and Exchange Commission, the National Association of Securities Dealers, and state securities and insurance regulators. Regulations affecting banks and financial services businesses are undergoing continuous change, and the ultimate effect of such changes cannot

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be predicted. Regulations and laws may be modified at any time, and new legislation may be enacted that affects us, our subsidiary banks or our non-bank subsidiaries. We cannot assure you that such modifications or new laws will not adversely affect us.

*FDIC assessments may adversely affect us and our subsidiary banks.*

Our subsidiary banks may be forced to pay for any losses the Federal Deposit Insurance Corporation incurs if it provides assistance to any of our other subsidiary banks. Federal law contains a cross guarantee provision that could require any of our insured subsidiary banks to pay for losses incurred by the Federal Deposit Insurance Corporation if it provides assistance to another of our insured subsidiary banks or in the event a subsidiary bank fails. If another of our subsidiary banks is assessed for any assistance the Federal Deposit Insurance Corporation may provide, such assessment could materially effect that subsidiary bank's financial condition as well as ours.

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Asset/liability management refers to management's efforts to minimize fluctuations in net interest income caused by interest rate changes. This is accomplished by managing the repricing of interest rate sensitive interest-earning assets and interest-bearing liabilities. An interest rate sensitive balance sheet item is one that is able to reprice quickly, through maturity or otherwise. Controlling the maturity or repricing of an institution's liabilities and assets in order to minimize interest rate risk is commonly referred to as gap management. Close matching of the repricing of assets and liabilities will normally result in little change in net interest income when interest rates change. A mismatched gap position will normally result in changes in net interest income as interest rates change.

Along with internal gap management reports, the Company and the Banks use an asset/liability modeling service to analyze each Bank's current gap position. The system simulates the Banks' asset and liability base and projects future net interest income results under several interest rate assumptions. The Company strives to maintain an aggregate gap position such that each 100 basis point change in interest rates will not affect net interest income by more than 10%. The Company has not engaged in derivative transactions for its own account.

The following table indicates that, at March 31, 2002, in the event of a sudden and sustained increase in prevailing market rates, the Companies net interest income would be expected to increase, while a decrease in rates would indicate a decrease in income.

<b>Changes in Interest Rates</b>	<b>Net Interest Income</b>		<b>Actual Change</b>	<b>Percent Change Actual</b>
200 basis point rise	\$	101,626,000	\$ 2,667,000	2.7%
100 basis point rise	\$	100,755,000	\$ 1,796,000	1.8%
Base Rate Scenario	\$	98,959,000		
100 basis point decline	\$	94,420,000	(\$4,539,000)	(4.6)%
200 basis point decline	\$	91,263,000	(\$7,696,000)	(7.8)%

**PART II****OTHER INFORMATION****ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K**

(a) EXHIBITS REQUIRED TO BE FILED BY ITEM 601 OF REGULATION S-K

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Certification of Chief Executive Officer of Gold Banc Corporation, Inc. dated May 15, 2003, which is accompanying this Quarterly Report on Form 10-Q/A for the three months ended March 31, 2002 and is not treated as filed in reliance on the SEC's Interim Guidance Regarding Filing Procedures.

- 99.2 Certification of Chief Financial Officer of Gold Banc Corporation, Inc. dated May 15, 2003, which is accompanying this Quarterly Report on Form 10-Q/A for the three months ended March 31, 2002 and is not treated as filed in reliance on the SEC's Interim Guidance Regarding Filing Procedures.

### (b) REPORTS ON FORM 8-K

The Company filed the following Current Reports on Form 8-K during the first quarter of 2002:

- (1) Form 8-K filed on January 2, 2002, reporting under Item 5.
- (2) Form 8-K filed on February 26, 2002, reporting under Item 5.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLD BANC CORPORATION, INC.

By: /s/ Rick J. Tremblay  
Rick J. Tremblay  
Executive Vice President and Chief Financial Officer

Date: May 15, 2003

(Authorized officer and principal financial officer of the registrant)

**CERTIFICATION PURSUANT TO  
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

The following certification is being provided in the form mandated by Section 302 of the Sarbanes-Oxley Act of 2002. Certification numbers four, five and six are omitted pursuant to the transition provisions for Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934.

I, Malcolm M. Aslin, Chief Executive Officer of Gold Banc Corporation, Inc. (the registrant ), certify that:

1. I have reviewed the registrant's Amendment No. 1 to its Quarterly Report on Form 10-Q/A for the three months ended March 31, 2002 (this report );
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Dated: May 15, 2003

By: /s/ Malcolm M. Aslin  
Malcolm M. Aslin  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

The following certification is being provided in the form mandated by Section 302 of the Sarbanes-Oxley Act of 2002. Certification numbers four, five and six are omitted pursuant to the transition provisions for Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934.

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I, Rick J. Tremblay, Executive Vice President and Chief Financial Officer of Gold Banc Corporation, Inc. (the registrant ), certify that:

1. I have reviewed the registrant s Amendment No. 1 to its Quarterly Report on Form 10-Q/A for the three months ended March 31, 2002 (this report );
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

Dated: May 15, 2003

By: /s/ Rick J. Tremblay  
Rick J. Tremblay  
Executive Vice President and  
Chief Financial Officer (Principal Accounting Officer)