

GREAT SOUTHERN BANCORP INC
Form 10-K
March 10, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES ACT OF 1934

For the fiscal year ended December 31, 2013

Commission File Number 0-18082

GREAT SOUTHERN BANCORP, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

43-1524856
(IRS Employer Identification Number)

1451 E. Battlefield, Springfield, Missouri
(Address of Principal Executive Offices)

65804
(Zip Code)

(417) 887-4400
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [] No [X]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [] No [X]

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 preceding 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 the past 90 days.

Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the

Yes [X] No []

preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company)
Smaller reporting company

Indicated by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the common stock of the Registrant held by non-affiliates of the Registrant on June 30, 2013, computed by reference to the closing price of such shares on that date, was \$277,917,052. At March 7, 2014, 13,688,883 shares of the Registrant's common stock were outstanding.

TABLE OF CONTENTS

	Page
ITEM 1. BUSINESS	1
ITEM RISK FACTORS	50
1A.	
ITEM UNRESOLVED STAFF COMMENTS	61
1B.	
ITEM 2. PROPERTIES.	61
ITEM 3. LEGAL PROCEEDINGS.	61
ITEM 4. MINE SAFETY DISCLOSURES.	61
ITEM EXECUTIVE OFFICERS OF THE REGISTRANT.	61
4A.	
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	63
ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA	64
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION	67
ITEM QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	98
7A.	
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	102
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE CONTROLS AND PROCEDURES.	194
9A.	
ITEM OTHER INFORMATION.	195
9B.	
ITEM DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.	196
10.	
ITEM EXECUTIVE COMPENSATION.	196
11.	
ITEM SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	196
12.	
ITEM CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.	196
13.	
ITEM PRINCIPAL ACCOUNTANT FEES AND SERVICES.	197
14.	
ITEM EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.	198
15.	
SIGNATURES	
INDEX TO EXHIBITS	

PART I

ITEM 1. BUSINESS.

THE COMPANY

Great Southern Bancorp, Inc.

Great Southern Bancorp, Inc. ("Bancorp" or "Company") is a bank holding company and a financial holding company and the parent of Great Southern Bank ("Great Southern" or the "Bank"). Bancorp was incorporated under the laws of the State of Delaware in July 1989 as a unitary savings and loan holding company. After receiving the approval of the Federal Reserve Bank of St. Louis (the "Federal Reserve Board" or "FRB"), the Company became a one-bank holding company on June 30, 1998, upon the conversion of Great Southern to a Missouri-chartered trust company. In 2004, Bancorp was re-incorporated under the laws of the State of Maryland.

As a Maryland corporation, the Company is authorized to engage in any activity that is permitted by the Maryland General Corporation Law and is not prohibited by law or regulatory policy. The Company currently conducts its business as a financial holding company. Through the financial holding company structure, it is possible to expand the size and scope of the financial services offered by the Company beyond those offered by the Bank. The financial holding company structure provides the Company with greater flexibility than the Bank has to diversify its business activities, through existing or newly formed subsidiaries, or through acquisitions of or mergers with other financial institutions as well as other companies. At December 31, 2013, Bancorp's consolidated assets were \$3.56 billion, consolidated net loans were \$2.44 billion, consolidated deposits were \$2.81 billion and consolidated total stockholders' equity was \$381 million. For details about the Company's assets, revenues and profits for each of the last five fiscal years, see Item 6. "Selected Consolidated Financial Data." The assets of the Company consist primarily of the stock of Great Southern, available-for-sale securities, minority interests in a local trust company and a merchant banking company and cash.

Through the Bank and subsidiaries of the Bank, the Company has historically offered insurance, travel, investment and related services, which are discussed further below. The travel and investment services divisions were sold on November 30, 2012. The activities of the Company are funded by retained earnings and through dividends from Great Southern. Activities of the Company may also be funded through borrowings from third parties, sales of additional securities or through income generated by other activities of the Company.

The executive offices of the Company are located at 1451 East Battlefield, Springfield, Missouri 65804, and its telephone number at that address is (417) 887-4400.

Great Southern Bank

Great Southern was formed as a Missouri-chartered mutual savings and loan association in 1923, and, in 1989, converted to a Missouri-chartered stock savings and loan association. In 1994, Great Southern changed to a federal savings bank charter and then, on June 30, 1998, changed to a Missouri-chartered trust company (the equivalent of a commercial bank charter). Headquartered in Springfield, Missouri, Great Southern offers a broad range of banking services through its 96 banking centers located in southern and central Missouri; the Kansas City, Missouri area; the St. Louis, Missouri area; eastern Kansas; northwestern Arkansas; eastern Nebraska, the Minneapolis, Minnesota area and western and central Iowa. The size and complexity of the Bank's operations increased substantially in 2009 with the completion of two Federal Deposit Insurance Corporation ("FDIC")-assisted transactions, and again in 2011 and 2012 with the completion of another FDIC-assisted transaction in each year. In 2009, the Bank entered into two separate purchase and assumption agreements including loss sharing with the FDIC to assume all of the deposits

(excluding brokered deposits) and certain liabilities and acquire certain assets of TeamBank, N.A. and Vantus Bank. In these two transactions we acquired assets with a fair value of approximately \$628.2 million (approximately 17.3% of the Company's total assets at acquisition) and \$294.2 million (approximately 8.8% of the Company's total assets at acquisition), respectively, and assumed liabilities with a fair value of \$610.2 million (approximately 16.8% of the Company's total assets at acquisition) and \$440.0 million (approximately 13.2% of the Company's total assets at acquisition), respectively. They also resulted in gains of \$43.9 million and \$45.9 million, respectively, which were included in Noninterest Income in the Company's Consolidated Statement of Income for the year ended December 31, 2009. Prior to these acquisitions, the Company operated banking centers in Missouri with loan production offices in Arkansas and Kansas. These acquisitions added 31 new banking centers and expanded our footprint to cover five states – Iowa, Kansas, Missouri, Arkansas and Nebraska. In 2011, the Bank entered into a purchase and assumption agreement including loss sharing with the FDIC to assume all of the deposits and certain liabilities and acquire certain assets of Sun Security Bank, which added locations in southern Missouri and St. Louis. In this transaction we acquired assets with a fair value of approximately \$248.9 million (approximately 8.1% of the Company's total assets at acquisition) and assumed liabilities with a fair value of \$345.8 million (approximately 10.1% of the Company's total assets at acquisition). It also resulted in a gain of \$16.5 million which was included in Noninterest Income in the Company's Consolidated Statement of Income for the year ended December 31, 2011. In 2012, the Bank entered into a purchase and assumption agreement including loss sharing with the FDIC to assume all of the deposits and certain liabilities of Inter Savings Bank, FSB ("InterBank"), which added four locations in the greater Minneapolis, Minnesota area. In this transaction we acquired assets

with a fair value of approximately \$364.2 million (approximately 9.4% of the Company's total assets at acquisition) and assumed liabilities with a fair value of approximately \$458.7 million (approximately 11.9% of the Company's total assets at acquisition). It also resulted in a gain of \$31.3 million which was included in Noninterest Income in the Company's Consolidated Statement of Income for the year ended December 31, 2012. The acquisition added four new banking centers in the Minneapolis metropolitan area.

The loss sharing agreements related to the FDIC-assisted transactions added to the complexity of our operations by creating the need for new employees and processes to ensure compliance with the loss sharing agreements and the collection of problem assets acquired. See Note 4 included in Item 8. "Financial Statements and Supplementary Information" for a more detailed discussion of these FDIC-assisted transactions and the loss sharing agreements. At December 31, 2013, the Bank had total assets of \$3.56 billion, net loans of \$2.44 billion, deposits of \$2.81 billion and stockholders' equity of \$380.7 million, or 10.4% of total assets. Its deposits are insured by the Deposit Insurance Fund ("DIF") to the maximum levels permitted by the FDIC.

Great Southern is principally engaged in the business of originating residential and commercial real estate loans, construction loans, other commercial loans and consumer loans and funding these loans by attracting deposits from the general public, originating brokered deposits and borrowings from the Federal Home Loan Bank of Des Moines (the "FHLBank") and others.

For many years, Great Southern has followed a strategy of emphasizing loan origination through residential, commercial and consumer lending activities in its market areas. The goal of this strategy is to be one of the leading providers of financial services in its market areas, while simultaneously diversifying assets and reducing interest rate risk by originating and holding adjustable-rate loans and fixed-rate loans, primarily with terms of five years or less, in its portfolio and by selling longer-term fixed-rate single-family mortgage loans in the secondary market. The Bank continues to place primary emphasis on residential mortgage and other real estate lending while also expanding and increasing its originations of commercial business and consumer loans.

The corporate office of the Bank is located at 1451 East Battlefield, Springfield, Missouri 65804 and its telephone number at that address is (417) 887-4400.

Forward-Looking Statements

When used in this Annual Report and in other documents filed or furnished by the Company with the Securities and Exchange Commission (the "SEC"), in the Company's press releases or other public or shareholder communications, and in oral statements made with the approval of an authorized executive officer, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "intends" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, including, among other things, (i) non-interest expense reductions from the Great Southern banking center consolidation might be less than anticipated and the costs of the consolidation and impairment of the value of the affected premises might be greater than expected; (ii) expected cost savings, synergies and other benefits from the Company's merger and acquisition activities, might not be realized within the anticipated time frames or at all, and costs or difficulties relating to integration matters, including but not limited to customer and employee retention, might be greater than expected; (iii) changes in economic conditions, either nationally or in the Company's market areas; (iv) fluctuations in interest rates; (v) the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses; (vi) the possibility of other-than-temporary impairments of securities held in the Company's securities portfolio; (vii) the Company's ability to access cost-effective funding; (viii)

fluctuations in real estate values and both residential and commercial real estate market conditions; (ix) demand for loans and deposits in the Company's market areas; (x) legislative or regulatory changes that adversely affect the Company's business, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations, and the overdraft protection regulations and customers' responses thereto; (xi) monetary and fiscal policies of the Federal Reserve Board and the U.S. Government and other governmental initiatives affecting the financial services industry; (xii) results of examinations of the Company and Great Southern by their regulators, including the possibility that the regulators may, among other things, require the Company to increase its allowance for loan losses or to write-down assets; (xiii) the uncertainties arising from the Company's participation in the Small Business Lending Fund program, including uncertainties concerning the potential future redemption by us of the U.S. Treasury's preferred stock investment under the program, including the timing of, regulatory approvals for, and conditions placed upon, any such redemption; (xiv) costs and effects of litigation, including settlements and judgments; and (xv) competition. The Company wishes to advise readers that the factors listed above and other risks described from time to time in the Company's other filings with the SEC could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

The Company does not undertake-and specifically declines any obligation- to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Internet Website

Bancorp maintains a website at www.greatsouthernbank.com. The information contained on that website is not included as part of, or incorporated by reference into, this Annual Report on Form 10-K. Bancorp currently makes available on or through its website Bancorp's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K or amendments to these reports. These materials are also available free of charge (other than a user's regular internet access charges) on the Securities and Exchange Commission's website at www.sec.gov.

Market Areas

During 2013, the Company reduced its banking center network from 107 to 96 banking centers. A total of 12 offices were consolidated into other Great Southern banking centers, including 11 facilities in southeast and central Missouri in October and one drive-thru facility in Sioux City, Iowa, in December. A full-service banking center in Omaha, Neb., was opened in October, adding to the network total. The Company also relocated three existing banking centers to nearby sites - one each in Springfield, Mo., Ava, Mo., and Maple Grove, Minn. At the end of 2013, the Company operated 96 full-service banking centers serving more than 137,000 households in six states – Missouri, Arkansas, Iowa, Kansas, Minnesota and Nebraska.

Great Southern's largest concentration of loans and deposits are in the Springfield, Mo., and St. Louis, Mo., market areas. In the last several years, the Company's loan and deposit portfolios have become more diversified because of its participation in four FDIC-assisted acquisitions and some organic growth. The FDIC-assisted acquisitions significantly expanded the Company's geographic footprint, which prior to 2009 was primarily in southwest and central Missouri, by adding operations in Iowa, Kansas, Minnesota and Nebraska. Besides the Springfield and St. Louis market areas, the Company has loan and deposit concentrations in the following market areas: Kansas City; Branson, Mo.; Sioux City, Iowa; Des Moines, Iowa; Northwest Arkansas; Omaha, Neb.; and Minneapolis, Minn. Loans and deposits are also generated in banking centers in rural markets in Missouri, Iowa, Kansas and Nebraska.

As of December 31, 2013, the Company's total loan portfolio balance, excluding loans covered by FDIC loss sharing agreements, was \$2.1 billion. Geographically, the loan portfolio consists of loans collateralized by property (real estate and other assets) located in the following regions (including loan balance and percentage of total loans): St. Louis (\$428 million, 20%); Springfield (\$418 million, 20%); Kansas City (\$150 million, 7%); Branson (\$118 million, 6%); Northwest Arkansas (\$75 million, 3%); other Missouri regions (\$224 million, 11%), and other states and regions (\$692 million, 33%). The Company's net book balance of its portfolio of loans covered by FDIC loss sharing agreements was \$386 million as of December 31, 2013. The FDIC loss sharing agreements, which were a part of two FDIC-assisted transactions completed in 2009, one FDIC-assisted transaction completed in 2011, and one FDIC-assisted transaction completed in 2012, provide the Company at least 80% protection against losses on the loans in this portfolio. The FDIC loss sharing agreements are subject to limitations on the types of losses covered and the length of time losses are covered and are conditioned upon the Bank complying with its requirements in the agreements with the FDIC. These limitations are described in detail in Note 4 of the accompanying audited financial statements, see Item 8 "Financial Statements and Supplementary Information". Geographically, the total loan portfolio covered by FDIC loss sharing agreements consists of loans collateralized by property (real estate and other assets) located in the following regions (including gross loan balance and percentage of total loans): Minneapolis (\$269 million, 56%); St. Louis (\$38 million, 8%); Kansas City (\$27 million, 6%); Sioux City, Iowa (\$22 million, 5%); Des Moines, Iowa (\$14 million, 3%); other Missouri regions (\$43 million, 9%); and other regions (\$63 million, 13%).

Lending Activities

General

From its beginnings in 1923 through the early 1980s, Great Southern primarily made long-term, fixed-rate residential real estate loans that it retained in its loan portfolio. Beginning in the early 1980s, Great Southern increased its efforts to originate short-term and adjustable-rate loans. Beginning in the mid-1980s, Great Southern increased its efforts to originate commercial real estate and other residential loans, primarily with adjustable rates or shorter-term fixed rates. In addition, some competitor banking organizations merged with larger institutions and changed their business practices or moved operations away from the Springfield, Mo. area, and others consolidated operations from the Springfield, Mo. area to larger cities. This provided Great Southern expanded opportunities in residential and commercial real estate lending as well as in the origination of commercial business and consumer loans, primarily in indirect automobile lending.

In addition to origination of these loans, the Bank has expanded and enlarged its relationships with smaller banks to purchase participations (at par, generally with no servicing costs) in loans the smaller banks originate but are unable to retain in their portfolios due to capital limitations. The Bank uses the same underwriting guidelines in evaluating these participations as it does in its direct loan originations. At December 31, 2013, the balance of participation loans purchased and held in the portfolio, excluding those covered by loss sharing agreements, was \$51.2 million, or 2.23% of the total loan portfolio. All of these participation loans were performing at December 31, 2013.

One of the principal historical lending activities of Great Southern is the origination of fixed and adjustable-rate conventional residential real estate loans to enable borrowers to purchase or refinance owner-occupied homes. Great Southern originates a variety of conventional, residential real estate mortgage loans, principally in compliance with Freddie Mac and Fannie Mae standards for resale in the secondary market. Great Southern promptly sells most of the fixed-rate residential mortgage loans that it originates. To date, Great Southern has not experienced difficulties selling these loans in the secondary market and has had minimal requests for repurchase. Depending on market conditions, the ongoing servicing of these loans is at times retained by Great Southern, but generally servicing is released to the purchaser of the loan. Great Southern retains substantially all of the adjustable-rate mortgage loans that it originates in its portfolio.

Another principal lending activity of Great Southern is the origination of commercial real estate, multi-family and commercial construction loans. Since the early 1990s, commercial real estate, multi-family and commercial construction loans have represented the largest percentage of the loan portfolio. Since the economic recession beginning in 2008, the commercial real estate and multi-family portfolios have exhibited slow growth while commercial construction lending has declined significantly. At December 31, 2013, commercial real estate, multi-family and commercial construction loans accounted for approximately 52%, 29% and 11%, respectively, of the total portfolio, excluding those loans covered by loss sharing agreements. Of the portfolio of loans covered by loss sharing agreements, commercial real estate loans (net of fair value discounts) accounted for approximately 5% of the total portfolio at December 31, 2012.

In addition, Great Southern in recent years has increased its emphasis on the origination of other commercial loans, home equity loans and consumer loans, and is also an issuer of letters of credit. Letters of credit are contingent obligations and are not included in the Bank's loan portfolio. See "-- Other Commercial Lending," "- Classified Assets," and "Loan Delinquencies and Defaults" below.

The percentage of collateral value Great Southern will loan on real estate and other property varies based on factors including, but not limited to, the type of property and its location and the borrower's credit history. As a general rule, Great Southern will loan up to 95% of the appraised value on one-to four-family residential properties. Typically, private mortgage insurance is required for loan amounts above the 80% level. At December 31, 2013 and 2012, loans secured by second liens on residential properties were \$166.8 million, or 6.5%, and \$195.9 million, or 7.7%, respectively, of our total loan portfolio. A large portion of this decrease is attributable to payments received on the loans acquired in the InterBank transaction. For commercial real estate and other residential real property loans, Great Southern may loan up to 85% of the appraised value. The origination of loans secured by other property is considered and determined on an individual basis by management with the assistance of any industry guides and other information which may be available. Collateral values are reappraised or reassessed as loans are renewed or when significant events indicating potential impairment occur. On a quarterly basis, management reviews impaired loans to determine whether updated appraisals or reassessments are necessary based on loan performance, collateral type and guarantor support. While it is not specifically required by our policy, we seek to obtain cross-collateralization of loans to a borrower when it is available and it is most frequently done on commercial loans.

Loan applications are approved at various levels of authority, depending on the type, amount and loan-to-value ratio of the loan. Loan commitments of more than \$750,000 (or loans exceeding the Freddie Mac loan limit in the case of fixed-rate, one- to four-family residential loans for resale) must be approved by Great Southern's loan committee. The loan committee is comprised of the Chief Executive Officer of the Bank, the Chief Lending Officer of the Bank (chairman of the committee), and other senior officers of the Bank involved in lending activities. All loans, regardless of size or type, are required to conform to certain minimum underwriting standards to assure portfolio quality. These standards and procedures include, but are not limited to, an analysis of the borrower's financial condition, collateral,

repayment ability, verification of liquid assets and credit history as required by loan type. It has been, and continues to be, our practice to verify information from potential borrowers regarding assets, income or payment ability and credit ratings as applicable and as required by the authority approving the loan. Underwriting standards also include loan-to-value ratios which vary depending on collateral type, debt service coverage ratios or debt payment to income ratios, where applicable, credit histories, use of guaranties and other recommended terms relating to equity requirements, amortization, and maturity. Generally, deviations from approved underwriting standards can only be waived when doing so is not in violation of regulations or statutes and when appropriate lending authority is obtained. The loan committee reviews all new loan originations in excess of lender approval authorities. For loans originated and held, most lenders have approval authorities of \$250,000 or below while nine senior lenders have approval authority of varying amounts up to \$1 million. Lender approval authorities are also subject to loans-to-one borrower limits of \$500,000 or below for most lenders and of varying amounts up to \$3 million for nine senior lenders. These standards, as well as our collateral requirements, have not significantly changed in recent years. However, the Bank has changed the composition of its loan portfolio in response to economic conditions to reduce risk using strategies such as limiting lending on construction and land development loan types.

In general, state banking laws restrict loans to a single borrower and related entities to no more than 25% of a bank's unimpaired capital and unimpaired surplus, plus an additional 10% if the loan is collateralized by certain readily marketable collateral. (Real estate is not included in the definition of "readily marketable collateral"). As computed on the basis of the Bank's unimpaired capital and

surplus at December 31, 2013, this limit was approximately \$101.5 million. See "Government Supervision and Regulation." At December 31, 2013, the Bank was in compliance with the loans-to-one borrower limit. At December 31, 2013, the Bank's largest relationship for purposes of this limit totaled \$30.0 million. All loans included in this relationship were current at December 31, 2013. Our policy does not set a loans-to-one borrower limit that is below the legal limits described; however, we do recognize the need to limit credit risk to any one borrower or group of related borrowers upon consideration of various risk factors. Extensions of credit to borrowers whose past due loans were charged-off or whose loans are classified as substandard require appropriate lending approval for total credit relationships of \$250,000 or less or Loan Committee or Special Assets Committee approval on total credit relationships over \$250,000.

Great Southern is permitted under applicable regulations to originate or purchase loans and loan participations secured by real estate located in any part of the United States. In addition to the market areas where the Company has a presence, the Bank has made or purchased loans, secured primarily by commercial real estate, in other states, primarily Oklahoma, Illinois, Texas and Michigan. At December 31, 2013, loans in these states comprised 2% each, respectively, of the total loan portfolio.

Loan Portfolio Composition

The following tables set forth information concerning the composition of the Bank's loan portfolio in dollar amounts and in percentages (before deductions for loans in process, deferred fees and discounts and allowance for loan losses) as of the dates indicated. The tables are based on information prepared in accordance with generally accepted accounting principles and are qualified by reference to the Company's Consolidated Financial Statements and the notes thereto contained in Item 8 of this report.

The loans acquired in the four FDIC-assisted transactions are covered by loss sharing agreements between the FDIC and the Bank which afford the Bank at least 80% protection from potential principal losses. Because of these loss sharing agreements, the composition of the loans acquired from the former TeamBank, Vantus Bank, Sun Security Bank and InterBank is shown below in tables separate from the legacy Great Southern portfolio. These loans were initially recorded at their fair value at the acquisition date and are recorded by the Company at their discounted value. The following tables reflect the loan balances excluding discounts.

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Legacy Great Southern Loan Portfolio Composition:

	2013		2012		December 31, 2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars In Thousands)										
Real Estate Loans:										
One- to four- family(1)	\$242,281	10.5 %	\$256,146	12.7 %	\$266,694	14.0 %	\$257,261	15.1 %	\$248,892	14.3 %
Other residential	325,599	14.2	267,518	13.2	243,743	12.8	207,059	12.2	185,757	10.8
Commercial(2)	822,920	35.8	736,139	36.4	699,607	36.7	599,025	35.2	633,373	35.9
Residential construction:										
One- to four- family	47,308	2.1	52,249	2.5	78,900	4.1	106,128	6.2	147,367	8.3
Other residential	32,988	1.4	27,556	1.4	27,826	1.5	10,000	0.6	22,012	1.3
Commercial	236,635	10.3	198,145	9.8	166,749	8.8	163,214	9.6	187,663	10.9
Total real estate loans	1,707,731	74.3	1,537,753	76.0	1,483,519	77.9	1,342,687	78.9	1,425,064	80.0
Other Loans:										
Consumer loans:										
Guaranteed student loans	---	---	---	---	---	---	---	---	10,808	0.6
Automobile, boat, etc.	215,778	9.4	164,748	8.1	135,480	7.1	124,441	7.3	126,227	7.2
Home equity and improvement	58,297	2.5	54,317	2.7	47,395	2.5	47,534	2.8	47,954	2.7
Other	1,184	0.1	1,585	0.1	1,147	0.1	1,184	0.1	1,330	0.1
Total consumer loans	275,259	12.0	220,650	10.9	184,022	9.7	173,159	10.2	186,319	10.6
Other commercial loans	315,269	13.7	264,631	13.1	236,384	12.4	185,880	10.9	151,278	8.6
Total other loans	590,528	25.7	485,281	24.0	420,406	22.1	359,039	21.1	337,597	19.4
Total loans	2,298,259	100.0 %	2,023,034	100.0 %	1,903,925	100.0 %	1,701,726	100.0 %	1,762,661	100.0 %
Less:										

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Loans in process	194,544	157,574	103,424	63,108	54,729
Deferred fees and discounts	2,994	2,192	2,726	2,541	2,161
Allowance for loan losses	40,116	40,649	41,232	41,487	40,101
Total legacy loans receivable, net	\$2,060,605	\$1,822,619	\$1,756,543	\$1,594,590	\$1,665,670

(1) Includes loans held for sale.

(2) Total commercial real estate loans included industrial revenue bonds of \$42.2 million, \$43.8 million, \$59.8 million, \$64.6 million and \$61.0 million at December 31, 2013, 2012, 2011, 2010 and 2009, respectively.

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Former TeamBank, N.A. Loan Portfolio Composition:

	2013		2012		December 31, 2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars In Thousands)										
Real Estate Loans:										
Residential										
One- to four-family	\$15,050	28.1 %	\$19,610	22.6 %	\$21,944	17.0 %	\$25,646	17.8 %	\$35,146	17.6 %
Other residential	1,163	2.2	4,520	5.2	5,968	4.6	6,412	4.4	7,992	4.0
Commercial(1)	24,682	46.1	41,471	47.8	73,209	56.8	75,515	52.2	93,942	47.0
Construction	6,996	13.0	12,670	14.7	14,544	11.3	19,708	13.6	32,043	16.1
Total real estate loans	47,891	89.4	78,271	90.3	115,665	89.7	127,281	88.0	169,123	84.7
Other Loans:										
Consumer loans:										
Home equity and improvement	4,190	7.8	4,989	5.8	4,964	3.9	5,608	3.9	6,511	3.2
Other	73	0.2	159	0.1	420	0.3	850	0.6	2,521	1.3
Total consumer loans	4,263	8.0	5,148	5.9	5,384	4.2	6,458	4.5	9,032	4.5
Other commercial loans	1,404	2.6	3,243	3.8	7,826	6.1	10,894	7.5	21,619	10.8
Total other loans	5,667	10.6	8,391	9.7	13,210	10.3	17,352	12.0	30,651	15.3
Total loans	53,558	100.0%	\$86,662	100.0%	\$128,875	100.0%	\$144,633	100.0%	\$199,774	100.0%

(1) Total commercial real estate loans included industrial revenue bonds of \$2.1 million, \$2.3 million, \$2.5 million, \$3.0 million and \$2.5 million at December 31, 2013, 2012, 2011, 2010 and 2009, respectively.

Former Vantus Bank Loan Portfolio Composition:

	2013		2012		December 31, 2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars In Thousands)										
Real Estate										
Loans:										
Residential										
One- to four-										
family	\$18,999	31.7 %	\$26,160	24.7 %	\$33,030	26.9 %	\$45,932	28.7 %	\$64,430	28.5 %
Other										
residential	6,423	10.7	15,434	14.6	17,012	13.8	16,866	10.5	19,241	8.5
Commercial(1)	15,421	25.7	35,431	33.5	39,413	32.0	53,189	33.2	71,963	31.9
Construction	319	0.5	1,552	1.5	3,471	2.8	7,298	4.6	10,550	4.7
Total real										
estate loans	41,162	68.6	78,577	74.3	92,926	75.5	123,285	77.0	166,184	73.6
Other Loans:										
Consumer										
loans:										
Student loans	510	0.9	512	0.5	505	0.4	1,276	0.8	1,063	0.5
Home equity										
and										
improvement	5,845	9.7	7,270	6.9	5,668	4.6	5,933	3.7	9,353	4.1
Other	10,182	17.0	14,434	13.6	18,951	15.4	25,348	15.8	35,030	15.5
Total										
consumer loans	16,537	27.6	22,216	21.0	25,124	20.4	32,557	20.3	45,446	20.1
Other										
commercial										
loans	2,315	3.8	4,967	4.7	4,986	4.1	4,321	2.7	14,320	6.3
Total other										
loans	18,852	31.4	27,183	25.7	30,110	24.5	36,878	23.0	59,766	26.4
Total loans	60,014	100.0%	\$105,760	100.0%	\$123,036	100.0%	\$160,163	100.0%	\$225,950	100.0%

(1) Total commercial real estate loans included industrial revenue bonds of \$1.8 million, \$2.0 million, \$3.0 million, \$5.7 million and \$9.0 million at December 31, 2013, 2012, 2011, 2010 and 2009, respectively.

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Former Sun Security Bank Loan Portfolio Composition:

	December 31, 2013		December 31, 2012		December 31, 2011			
	Amount	%	Amount	%	Amount	%		
(Dollars In Thousands)								
Real Estate Loans:								
Residential								
One- to four- family	\$41,529	52.8	% \$55,422	43.5	% \$52,491	36.3	%	
Other residential	5,488	7.0	6,615	5.2	2,897	2.0		
Commercial(1)	27,426	34.9	45,267	35.5	45,183	31.3		
Construction	1,273	1.5	4,471	3.5	24,645	17.0		
Total real estate loans	75,716	96.2	111,775	87.7	125,216	86.6		
Other Loans:								
Consumer loans:								
Student loans	---	---	---	---	---	---		
Home equity and improvement	425	0.5	1,291	1.0	---	---		
Other	433	0.6	904	0.7	3,438	2.4		
Total consumer loans	858	1.1	2,195	1.7	3,438	2.4		
Other commercial loans	2,124	2.7	13,448	10.6	15,972	11.0		
Total other loans	2,982	3.8	15,643	12.3	19,410	13.4		
Total loans	\$78,698	100.0	% \$127,418	100.0	% \$144,626	100.0	%	

(1) Total commercial real estate loans included industrial revenue bonds of \$292,000, \$373,000 and \$574,000, at December 31, 2013, 2012 and 2011, respectively.

Former InterBank Loan Portfolio Composition:

	December 31, 2013		December 31, 2012			
	Amount	%	Amount	%		
(Dollars In Thousands)						
Real Estate Loans:						
Residential						
One- to four- family	\$179,574	63.0	% \$215,768	60.5	%	
Other residential	29,517	10.5	45,879	12.9		
Commercial(1)	27,530	9.8	33,202	9.3		
Construction	612	---	134	---		
Total real estate loans	237,233	83.3	294,983	82.7		

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Other Loans:

Consumer loans:

Student loans	---	---	---	---	
Home equity and improvement	47,675	16.7	61,752	17.3	
Other	4	0.0	41	0.0	
Total consumer loans	47,679	16.7	61,793	17.3	
Other commercial loans	65	---	70	---	
Total other loans	47,744	16.7	61,863	17.3	
Total loans	\$284,977	100.0	% \$356,846	100.0	%

(1) Total commercial real estate loans included industrial revenue bonds of \$0, at December 31, 2013 and 2012.

Through December 31, 2013, gross loan balances (due from the borrower) related to TeamBank were reduced approximately \$382.6 million since the transaction date because of \$248.6 million of principal repayments, \$61.5 million of transfers to foreclosed assets and \$72.5 million of charge-downs to customer loan balances. Gross loan balances (due from the borrower) related to Vantus Bank were reduced approximately \$271.5 million since the transaction date because of \$226.6 million of principal repayments, \$16.3 million of transfers to foreclosed assets and \$28.6 million of charge-downs to customer loan balances. Gross loan balances (due from the borrower) related to Sun Security Bank were reduced approximately \$155.9 million since the transaction date because of \$98.7 million of principal repayments, \$26.1 million of transfers to foreclosed assets and \$31.1 million of charge-offs to customer loan balances. Gross loan balances (due from the borrower) related to InterBank were reduced approximately \$108.3 million since the transaction date because of \$79.9 million of principal repayments, \$9.2 million of transfers to foreclosed assets and \$19.2 million of charge-offs to customer loan balances. Based upon the collectability analyses performed during the acquisitions, we expected certain levels of foreclosures and charge-offs and actual results through December 31, 2013, related to TeamBank, Vantus Bank, Sun Security Bank and InterBank portfolios, have been better than our expectations. As a result, cash flows expected to be received from the acquired loan pools have increased, resulting in adjustments that were made to the related accretable yield which are discussed in Note 4 of the accompanying audited financial statements, included in Item 8 of this Report.

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

The following tables show the fixed- and adjustable-rate composition of the Bank's loan portfolio at the dates indicated. Amounts shown for TeamBank, Vantus Bank, Sun Security Bank and InterBank represent unpaid principal balances, before fair value discounts. The tables are based on information prepared in accordance with generally accepted accounting principles.

Legacy Great Southern Loan Portfolio Composition by Fixed- and Adjustable-Rates:

	2013		2012		December 31, 2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars In Thousands)										
Fixed-Rate Loans:										
Real Estate Loans										
One- to four- family	\$94,566	4.1	\$103,442	5.1	\$127,736	6.7	\$109,703	6.5	\$92,164	5.2
Other residential	209,008	9.1	146,661	7.2	129,505	6.8	118,727	7.0	79,152	4.5
Commercial	397,618	17.2	330,196	16.3	321,226	16.9	255,678	15.0	211,862	12.1
Residential construction:										
One- to four- family	17,270	0.8	18,024	0.9	28,177	1.4	27,168	1.6	26,547	1.5
Other residential	2,162	0.1	7,716	0.4	1,078	0.1	2,450	0.1	2,693	0.2
Commercial construction	156,142	6.8	126,756	6.3	88,671	4.7	76,383	4.5	29,941	1.7
Total real estate loans	876,766	38.1	732,795	36.2	696,393	36.6	590,109	34.7	442,359	25.2
Consumer	215,628	9.4	166,520	8.2	137,045	7.2	126,636	7.4	139,812	7.9
Other commercial	189,899	8.3	131,523	6.5	100,107	5.2	74,206	4.4	43,271	2.5
Total fixed rate loans	1,282,293	55.8	1,030,838	50.9	933,545	49.0	790,951	46.5	625,442	35.6
Adjustable-Rate Loans:										
Real Estate Loans										
One- to four- family	147,715	6.4	152,704	7.5	138,958	7.3	147,558	8.7	156,728	8.9
Other residential	116,591	5.1	120,857	6.0	114,238	6.0	88,332	5.2	106,605	6.1
Commercial	425,302	18.5	405,943	20.1	378,381	19.9	343,347	20.2	421,511	23.8
Residential construction:										
	30,038	1.3	34,225	1.7	50,723	2.6	78,960	4.6	121,312	6.9

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

One- to four- family Other residential	30,826	1.3	19,840	1.0	26,748	1.4	7,550	0.4	19,319	1.1
Commercial construction	80,493	3.5	71,389	3.5	78,078	4.1	86,831	5.1	157,229	8.9
Total real estate loans	830,965	36.1	804,958	39.8	787,126	41.3	752,578	44.2	982,704	55.5
Consumer	59,631	2.6	54,130	2.7	46,977	2.5	46,523	2.7	46,508	2.6
Other commercial	125,370	5.5	133,108	6.6	136,277	7.2	111,674	6.6	108,007	6.1
Total adjustable -rate loans	1,015,966	44.2	992,196	49.1	970,380	51.0	910,775	53.5	1,137,219	64.4
Total Loans	2,298,259	100.0%	2,023,034	100.0%	1,903,925	100.0%	1,701,726	100.0%	1,762,661	100.0%
Less:										
Loans in process	194,544		157,574		103,424		63,108		54,729	
Deferred fees and discounts	2,994		2,192		2,726		2,541		2,161	
Allowance for loan losses	40,116		40,649		41,232		41,487		40,101	
Total legacy loans receivable, net	\$2,060,605		\$1,822,619		\$1,756,543		\$1,594,590		\$1,665,670	

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Former TeamBank, N.A. Loan Portfolio Composition by Fixed- and Adjustable-Rates:

	2013		2012		December 31, 2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars In Thousands)										
Fixed-Rate Loans:										
Real Estate Loans										
One- to four- family	\$3,596	6.7 %	\$5,420	6.3 %	\$7,739	4.7 %	\$11,943	5.4 %	\$20,449	6.3 %
Other residential	1,012	1.9	3,902	4.5	5,288	3.2	5,330	2.4	5,955	1.8
Commercial	4,854	9.1	17,125	19.8	53,344	32.1	52,018	23.5	65,801	20.1
Construction	1,346	2.5	2,637	3.0	14,631	8.8	26,992	12.2	41,305	12.6
Total real estate loans	10,808	20.2	29,084	33.6	81,002	48.8	96,283	43.5	133,510	40.8
Consumer	73	0.1	159	0.2	444	0.3	1,021	0.5	2,450	0.8
Other commercial	668	1.3	1,557	1.8	4,897	2.9	9,751	4.4	16,028	4.9
Total fixed-rate loans	11,549	21.6	30,800	35.6	86,343	52.0	107,055	48.4	151,988	46.5
Adjustable-Rate Loans:										
Real Estate Loans										
One- to four- family	11,454	21.4	14,189	16.4	17,380	10.5	20,702	9.3	23,466	7.2
Other residential	151	0.3	618	0.7	998	0.6	1,617	0.7	2,126	0.7
Commercial	19,828	37.0	24,346	28.1	36,011	21.7	49,088	22.2	64,414	19.7
Construction	5,650	10.5	10,034	11.5	13,951	8.4	28,602	12.9	65,615	20.1
Total real estate loans	37,083	69.2	49,187	56.7	68,340	41.2	100,009	45.1	155,621	47.7
Consumer	4,190	7.8	4,989	5.8	5,722	3.4	6,716	3.0	7,606	2.3
Other commercial	736	1.4	1,686	1.9	5,598	3.4	7,699	3.5	11,553	3.5
Total adjustable-rate loans	42,009	78.4	55,862	64.4	79,660	48.0	114,424	51.6	174,780	53.5
Total Loans	53,558	100.0 %	86,662	100.0 %	166,003	100.0 %	221,479	100.0 %	326,768	100.0 %
Less:										

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Loans in process	5	5	1,719	2,190	---
Fair value discounts	3,691	9,042	35,409	74,656	126,994
Total loans receivable, net	\$49,862	\$77,615	\$128,875	\$144,633	\$199,774

Edgar Filing: GREAT SOUTHERN BANCORP INC - Form 10-K

Former Vantus Bank Loan Portfolio Composition by Fixed- and Adjustable-Rates:

	2013		2012		December 31, 2011		2010		2009	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars In Thousands)										
Fixed-Rate Loans:										
Real Estate Loans										
One- to four- family	\$9,204	15.3 %	\$13,111	12.4 %	\$22,134	14.8 %	\$35,384	17.0 %	\$47,653	16.4 %
Other										
residential	4,783	8.0	7,542	7.1	6,477	4.3	6,885	3.3	9,086	3.1
Commercial	4,773	8.0	13,136	12.4	22,744	15.2	33,505	16.1	47,845	16.4
Construction	288	0.5	792	0.7	581	0.4	3,204	1.5	8,658	3.0
Total real estate loans	19,048	31.8	34,581	32.6	51,936	34.7	78,978	37.9	113,242	38.9
Consumer	10,692	17.8	14,941	14.1	21,083	14.1	29,093	2.4	38,459	13.2
Other commercial	742	1.2	2,097	2.0	3,454	2.3	5,089	14.0	7,218	2.5
Total fixed-rate loans	30,482	50.8	51,619	48.7	76,473	51.1	113,160	54.3	158,919	54.6
Adjustable-Rate Loans:										
Real Estate Loans										
One- to four- family	9,795	16.3	13,049	12.3	15,876	10.6	19,109	9.2	25,419	8.7
Other										
residential	1,640	2.7	7,892	7.5	12,133	8.1	12,183	5.9	12,568	4.3
Commercial	10,648	17.7	22,295	21.1	25,808	17.3	35,770	17.2	49,896	17.2
Construction	31	0.1	760	0.8	4,031	2.7	7,655	3.7	9,145	3.2
Total real estate loans	22,114	36.8	43,996	41.7	57,848	38.7	74,717	36.0	97,028	33.4
Consumer	5,845	9.7	7,275	6.9	8,639	5.8	10,866	5.2	14,950	5.1
Other commercial	1,573	2.7	2,870	2.7	6,510	4.4				