Great Southern Bancorp, Inc.

2003 Annual Report for Shareholders

ANNUAL MEETING

The 15th Annual Meeting of Shareholders will be held at 10 a.m. on Tuesday, May 4, 2004, at the Missouri Sports Hall of Fame, Springfield, Missouri.

CORPORATE PROFILE

Great Southern Bancorp, Inc. ("GSBC" or the "Company") is the holding company for Great Southern Bank (the "Bank"), which converted from a mutual to a stock company in December 1989. In June 1998, the Bank converted from a federal savings bank charter to a Missouri chartered trust company.

Great Southern was founded in 1923 with a $5,000 investment, 4 employees and 936 members, and has grown to over $1.5 billion in assets, with more than 625 employees and in excess of 100,000 customers.

The Bank is headquartered in Springfield, Missouri and operates 29 full service branches in 15 counties throughout the Ozarks; 11 in Springfield.

A community-oriented company, GSBC and its subsidiaries offer a full range of banking, lending, investment, insurance and travel services.

CORPORATE MISSION

The mission of Great Southern is to build winning relationships with our customers, associates, shareholders and communities. We carry out our mission through our core values of teamwork, mutual respect, doing what's right and uncompromising ethical standards.

We are deeply committed to our relationships with our four constituencies and view each with equal importance. We build winning relationships with our customers and help them make their lives better and easier with our products and services. We build winning relationships with our associates, who have chosen our company to share their skills and talents and who deserve the opportunity to reach their full potential. We build winning relationships with our shareholders, who have entrusted us with their wealth and financial future and with our communities, upon which our company's strength, prosperity and future rest.

STOCK INFORMATION

The Company's Common Stock is listed on The NASDAQ Stock Market under the symbol "GSBC".

As of December 31, 2003, there were 6,851,353 total shares outstanding and approximately 2,100 shareholders of record.

The last sale of the Company's Common Stock on December 31, 2003 was $46.37.

HIGH/LOW STOCK PRICE	Year Ended December 31, 2003		Year Ended December 31, 2002	
	High	Low	High	Low
First Quarter	$39.74	$36.14	$32.70	$26.70
Second Quarter	39.70	35.75	39.82	31.40
Third Quarter	43.86	37.99	41.34	34.51
Fourth Quarter	47.32	38.90	39.09	35.65

DIVIDEND DECLARATIONS	Year Ended December 31, 2003	Year Ended December 31, 2002
First Quarter	$.150	$.265
Second Quarter	.180	.140
Third Quarter	.180	.140
Fourth Quarter	.200	.150

GENERAL INFORMATION

CORPORATE HEADQUARTERS
1451 E. Battlefield
Springfield, MO 65804
1 (800) 749-7113

MAILING ADDRESS
P.O. Box 9009, Springfield, MO 65808

DIVIDEND REINVESTMENT
For details on the automatic reinvestment of dividends in common stock of the corporation call:
1 (800) 725-6651 or write:

Great Southern Bancorp, Inc.
Shareholder Relations
P.O. Box 9009
Springfield, MO 65808

FORM 10-K
The Form 10-K report filed with the Securities and Exchange Commission may be obtained from the Company's internet website at www.greatsouthernbank.com or without charge by request to:

Rex Copeland
Treasurer
Great Southern Bancorp, Inc.
P.O. Box 9009, Springfield, MO 65808

INVESTOR RELATIONS
Teresa Chasteen-Calhoun
or Kelly Polonus
Great Southern Bank
P.O. Box 9009, Springfield, MO 65808

AUDITORS
BKD, LLP
Hammons Tower
P.O. Box 1190
Springfield, MO 65801

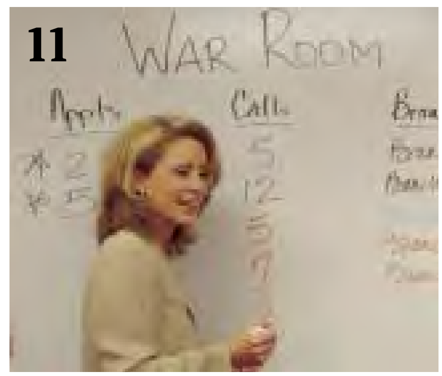
LEGAL COUNSEL
Silver Freedman & Taff L.L.P.
1700 Wisconsin Ave., NW
Washington, DC 20007

Carnahan, Evans, Cantwell & Brown
P.O. Box 10009
Springfield, MO 65808

TRANSFER AGENT AND REGISTRAR
Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Great Southern Bancorp, Inc.
2003 Annual Report for Shareholders

Contents



Message from the Chairman

Great Southern's 80th year, 2003, was another good year for the company.

It was an extremely challenging year, as it was for most of corporate America. We fared well, in part, because in uncertain times, it's just natural for individuals and businesses to turn to those they know and trust…security, dependability, value and convenience…become even more important. These values have become synonymous with Great Southern through the years. Therefore, in this annual report, as we embark on our 15th Anniversary as a public company, and as I enter into my 30th year as Chairman, we revisit, with "The Sun Never Sets" theme, the very principles which brought us to where we are today.

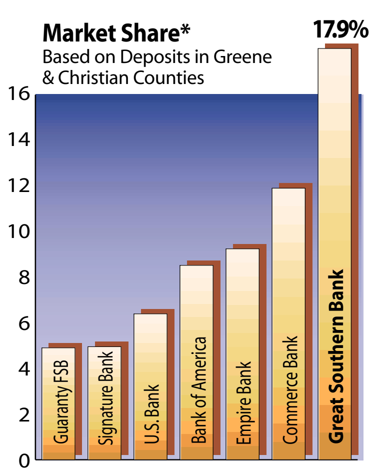
Today GSBC is achieving nearly double digit increases in operating earnings per share and deposit and loan growth while non-performing assets are declining. Our stock continues to perform extremely well, up 26% over the prior year end and the value of each dollar invested has grown about 31 times since going public in 1989. As of December 31, 2003, each share of stock purchased at $9.00 in the initial public offering had a value of approximately $278. In addition, we have regularly raised our cash dividend, including a 33% increase from fourth quarter 2002 to fourth quarter 2003.

Our performance continues to gain recognition for return on equity, expense management and market share. In the June 2003 edition of the *ABA Banking Journal*, all publicly held U.S. banks and thrifts with assets over $1 billion were ranked by 2002 return on average equity. With a ROE of 24.25%, Great Southern ranked 11th on the list of the 50 top performing financial institutions with the distinction of being the only Missouri-based financial institution on the list.

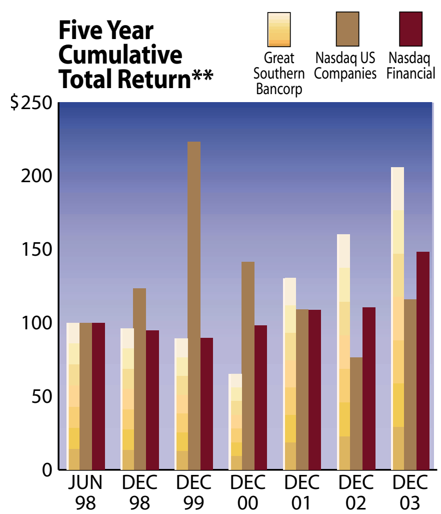
In the first nine months of 2003, the company achieved an efficiency ratio of 45.62%, with the *American Banker* ranking Great Southern in the top 8% of the 500 largest bank holding companies. Locally, in our home base of operations, Greene and Christian Counties in Missouri, we once again led in market share with 17.9% of the deposits with our closest pursuer at 11.8% (based on June 30, 2003 FDIC data).

Another noteworthy accomplishment was Great Southern's ranking in the Springfield, Missouri *News-Leader*'s "Best of the Ozarks" readers' poll, where we were voted "Best Bank," "Best Travel Agency" and "Best Investment Brokerage Services."

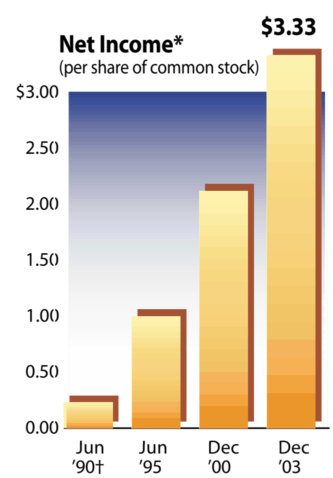
The company was also honored by inclusion in the *Springfield Business Journal*'s "Dynamic Dozen" –



* Data Source: FDIC Website
Data as of: June 30, 2003.



** Graph assumes that $100 was invested in the Common Stock on June 30, 1998 and that all dividends were reinvested.



† Figure stated is as if the company was publicly traded for all of the fiscal year 1990 (conversion was in Dec. 1989).

the area's fastest-growing companies based on gross revenues for the last three fiscal years. Great Southern was the only financial institution to make the list.

How did we attain these results? By remaining true to our mission, our values and our strategic business plan. Through the years we have developed a professional, talented, energetic, disciplined and committed management team that understands what is required to achieve success. Each member of this team has a financial interest in GSBC stock and is rewarded for seeing that stockholders share in our success. The team is involved in an ongoing strategic review and plan process. Through this process we "plan our work and work our plan."

We are pleased to report that calendar year 2003 was another banner year with net income of $3.33 per share ($23.1 million). In addition, the company posted growth in all the following areas: total assets were $1.54 billion (up 9%); gross loans receivable were $1.14 billion (up 9%); and total deposits were $1.09 billion (up 11%).

Non-performing assets were $16.4 million, down $2.4 million from December 31, 2002. Non-performings, as a percentage of total assets, were 1.07%.

The company continues to raise the mark on an already healthy capital position. As of December 31, 2003, stockholders' equity was $119.5 million (7.8% of total assets), equivalent to a book value of $17.45 per share.

Of course, any successful year is underscored by contributions from key departments and initiatives. It is important that we highlight a few of these performances.

To expand and diversify our loan portfolio, we opted to open a loan production branch in Kansas City, Missouri, and a loan production office in Rogers, Arkansas in 2003.

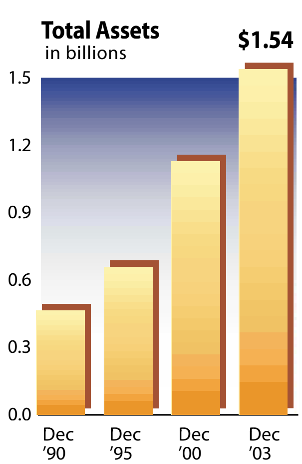
The Kansas City office originated $41 million in 2003 and now has $85 million in outstanding loan balances. The Northwest Arkansas LPO opened in September, and by year's end had $33 million in originations and outstanding balances of $57 million. Research is currently in progress to determine potential sites for additional LPOs.

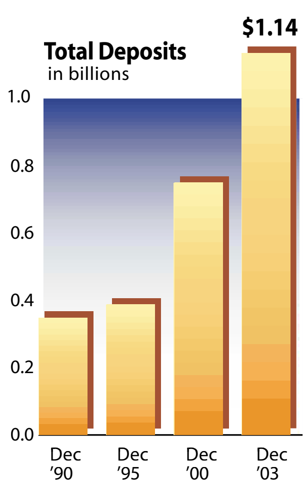
Our Correspondent Banking group had a phenomenal year – balances more than doubled, from $43 million at year-end 2002 to $93 million at December 31, 2003. Our Correspondent Banking department has been two to three years in the making, but in the past 18 months an aggressive direct mail and one-on-one calling program has paid significant dividends.

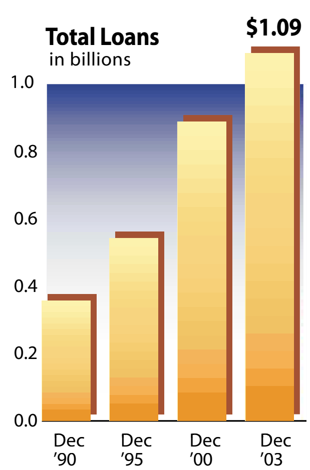
Equally successful in providing relatively low-cost deposits was the Corporate Services Team. In 2002, this commercial business team brought in $18 million in deposits. In 2003, the team surpassed the $50 million mark – $23 million of which were commercial and retail deposits and the remainder were public funds.

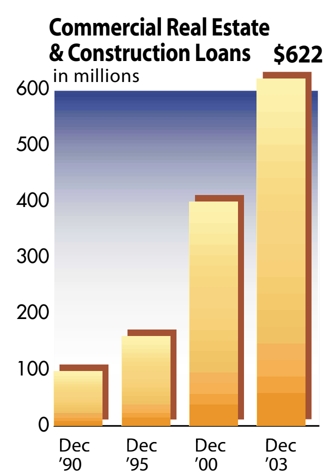
Great Southern Travel continued to shore up its dominance of both leisure and corporate travel markets in southwest and central Missouri with acquisitions of House of Travel and McDaniel Travel. The agency is now one of the largest 100 in the industry.

We are also making exciting strides in associate development. From a new approach to employee orientation, to online training, to an internal communication link, we are striving to give our associates the resources they need to reach their full potential. At the center of this initiative is a newly formalized corporate mission, core values and









*All per share amounts have been adjusted to reflect stock splits. The company converted to a calendar year in December 1998; therefore prior years' net income numbers will reflect a June 30 fiscal year end.

Message from the Chairman

guidelines. In the coming year, there will be significant internal focus on instilling and incorporating the philosophy throughout our culture.

With 2003's strong foundation, we are optimistic about the year ahead. We are anticipating the move, during the second quarter, into our new 70,000 square foot state-of-the-art operations center. This will free up much needed space at our 1451 E. Battlefield headquarters for more loan officers/originators in the residential and commercial loan areas. The new location will allow corporate services and other key teams to be located together under one roof, thus enhancing referrals, selling and servicing of customers and teamwork.

We are positioned well, with respect to our competitors, across all business and product lines and have the strength and flexibility to perform in either a growth environment or one with more subdued economic activity. There will continue, from a corporate standpoint, to be an emphasis on non-interest income generation and expense management. In all our markets, the primary focus will be expanding relationships with existing customers while adding new customers.

We are pleased to announce the appointment of Earl A. Steinert Jr. to the Board of Directors. As a practicing CPA with more than 40 years of business experience, Mr. Steinert's expertise will serve us well, especially in the area of corporate governance.

In closing, I want to express my appreciation to our Associates for their dedication and commitment; to our Customers for their business and loyalty; to our Shareholders for their investment and confidence; and to our Communities for their support.

We look forward to continuing to serve and to meeting the opportunities and challenges that 2004 and continued profitable growth will provide. We pledge our best efforts in the year ahead.

William V. Turner
CHAIRMAN

The following tables set forth selected consolidated financial information and other financial data of the Company. The selected balance sheet and statement of income data are derived from our consolidated financial statements, which have been audited by BKD, LLP. See Item 7 of the Annual Report on Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 8 of the Annual Report on Form 10-K, "Financial Statements and Supplementary Information." Results for past periods are not necessarily indicative of results that may be expected for any future period.

Selected Consolidated Financial Data

	December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands)				
Summary Statement of Condition Information:					
Assets	$1,540,723	$1,402,638	$1,323,103	$1,130,178	$964,803
Loans receivable, net	1,094,197	997,647	964,886	890,784	766,807
Allowance for loan losses	20,844	21,288	21,328	18,694	17,293
Available-for-sale securities	259,600	236,269	233,805	126,409	79,891
Held-to-maturity securities	53,944	52,587	37,465	27,758	37,646
Foreclosed assets held for sale, net	9,034	4,328	3,057	2,688	817
Allowance for foreclosed asset losses	---	---	150	---	---
Deposits	1,137,427	1,021,957	886,870	751,042	625,900
Total borrowings	276,584	268,494	333,666	291,573	261,642
Stockholders' equity (retained earnings substantially restricted)	119,548	104,709	85,254	71,049	68,926
Average loans receivable	1,056,338	1,000,044	936,117	843,170	746,979
Average total assets	1,437,869	1,344,989	1,193,772	1,013,963	928,182
Average deposits	1,057,798	963,255	802,286	676,633	612,503
Average stockholders' equity	113,822	95,728	79,484	69,208	68,758
Number of deposit accounts	74,822	73,861	71,998	73,394	73,932
Number of full-service offices	29	29	28	27	27

Selected Consolidated Financial Data

	For the Year Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands)				
Summary Income Statement Information:					
Interest income:					
Loans	$63,283	$64,062	$76,107	$77,399	$63,386
Investment securities and other	12,896	16,099	13,390	8,751	4,652
	76,179	80,161	89,497	86,150	68,038
Interest expense:					
Deposits	16,582	22,244	32,405	32,244	24,966
Federal Home Loan Bank advances	5,400	6,852	10,339	14,312	9,403
Short-term borrowings and trust preferred securities	1,182	1,241	3,163	2,305	1,094
	23,164	30,337	45,907	48,861	35,463
Net interest income	53,015	49,824	43,590	37,289	32,575
Provision for loan losses	4,800	5,800	5,200	3,106	2,062
Net interest income after provision for loan losses	48,215	44,024	38,390	34,183	30,513
Noninterest income:					
Commissions	5,859	5,786	5,765	7,024	7,054
Service charges and ATM fees	11,214	8,430	8,352	5,968	4,502
Net realized gains on sales of loans	2,187	1,575	1,756	570	1,098
Net realized gains (losses) on sales of available-for-sale securities	795	3,443	139	(9)	316
Other income	1,775	1,186	1,237	1,135	2,379
	21,830	20,420	17,249	14,688	15,349
Noninterest expense:					
Salaries and employee benefits	18,739	15,842	15,126	13,642	13,765
Net occupancy expense	6,335	5,337	4,730	4,529	4,124
Postage	1,691	1,426	1,233	1,152	1,006
Insurance	683	514	485	521	639
Advertising	735	622	686	713	611
Office supplies and printing	855	828	774	703	991
(Income) expense on foreclosed assets	1,939	597	216	(295)	---
Other operating expenses	4,615	3,765	4,156	4,244	4,031
	35,592	28,931	27,406	25,209	25,167
Income before income taxes	34,453	35,513	28,233	23,662	20,695
Provision for income taxes	11,362	12,301	9,475	8,184	7,018
Net income	$23,091	$23,212	$18,758	$15,478	$13,677

Selected Consolidated Financial Data

	At or For the Year Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands, except for per share data)				
Per Common Share Data:					
Basic earnings per common share	$3.37	$ 3.38	$ 2.72	$ 2.16	$ 1.79
Diluted earnings per common share	3.33	3.34	2.70	2.12	1.76
Cash dividends declared	.71	.70	.50	.50	.50
Book value	17.45	15.27	12.42	10.30	9.20
Average shares outstanding	6,854	6,863	6,890	7,166	7,620
Year-end actual shares outstanding	6,851	6,857	6,863	6,897	7,489
Year-end fully diluted shares outstanding	6,941	6,940	6,929	7,098	7,601
Earnings Performance Ratios:					
Return on average assets[(1)]	1.61%	1.73%	1.57%	1.53%	1.56%
Return on average stockholders' equity[(2)]	20.29	24.25	23.60	22.36	19.98
Non-interest income to average total assets	1.52	1.52	1.44	1.55	1.75
Non-interest expense to average total assets	2.47	2.11	2.28	2.52	2.87
Average interest rate spread[(3)]	3.68	3.59	3.37	3.26	3.36
Year-end interest rate spread	3.60	3.70	3.44	3.26	3.40
Net interest margin[(4)]	3.89	3.85	3.80	3.81	3.86
Adjusted efficiency ratio (excl. foreclosed assets)[(5)]	44.96	40.34	44.69	49.07	52.51
Net overhead ratio[(6)]	.96	.63	.85	1.04	1.06
Common dividend pay-out ratio	21.32	20.81	18.52	23.58	28.41
Asset Quality Ratios:					
Allowance for loan losses/year-end loans	1.87%	2.09%	2.16%	2.06%	2.21%
Non-performing assets/year-end loans and foreclosed assets	1.46	1.84	1.22	1.66	1.26
Allowance for loan losses/non-performing loans	282.02	146.60	237.03	149.72	194.48
Net charge-offs/average loans	.50	.58	.27	.20	.23
Gross non-performing assets/year-end assets	1.07	1.34	.91	1.34	1.05
Non-performing loans/year-end loans	.66	1.43	.91	1.37	1.18
Balance Sheet Ratios:					
Loans to deposits	96.20%	97.62%	108.80%	118.61%	122.51%
Average interest-earning assets as a percentage of average interest-bearing liabilities	112.30	111.22	110.67	111.06	111.95
Capital Ratios:					
Average stockholders' equity to average assets	7.92%	7.12%	6.66%	6.83%	7.41%
Year-end tangible stockholders' equity to assets	7.75	7.47	6.44	6.26	7.10
Great Southern Bank:					
Tier 1 risk-based capital ratio	10.86	10.32	8.93	8.91	8.97
Total risk-based capital ratio	12.12	11.58	10.20	10.17	10.23
Tier 1 leverage ratio	8.88	8.22	7.18	7.36	7.45
Ratio of Earnings to Fixed Charges:[(7)]					
Including deposit interest	2.49x	2.17x	1.62x	1.48x	1.58x
Excluding deposit interest	6.23x	5.39x	3.09x	2.42x	2.97x

(1) Earnings divided by average total assets.

(2) Earnings divided by average stockholders' equity.

(3) Yield on average interest-earning assets less rate on average interest-bearing liabilities.

(4) Net interest income divided by average interest-earning assets.

(5) Non-interest expense divided by the sum of net interest income, on a tax equivalent basis, plus non-interest income.

(6) Non-interest expense less non-interest income divided by average total assets.

(7) In computing the ratio of earnings to fixed charges: (a) earnings have been based on income before income taxes and fixed charges, and (b) fixed charges consist of interest and amortization of debt discount and expense including amounts capitalized and the estimated interest portion of rents.

Around the clock.

Minute by minute.

At any hour.

On your schedule.

On the horizon.

One step ahead.

Never stopping.

Wherever you travel.

Around the corner.

Always within reach.

We're here for you.

Whenever you need us.

Across the desk.

At your service.

At your convenience.

Without hesitation.

Through the community.

In touch.

Right here.

Right now.

The Great Southern sun never sets.

Around the Clock

Although the origin of the phrase "bankers' hours" is unknown, its popular definition as "a short work day" has survived for generations. Undoubtedly it originated at a time when bankers closed early each day to tally the morning's transactions. But as banking has evolved, driven by competition, technology and a greater emphasis on service, today's youngest new customers nevertheless respond to the old joke "bankers' hours" with a knowing smile. Somewhere deep in our collective consciousness there remains a certain anxiety associated with being physically apart from our money.

The latest marketing surveys continue to show "convenience" as the primary reason people bank where they bank. But as credit cards, electronic funds transferring and online banking have reduced our dependence on pocket cash, nearby drive-thrus and indeed, bankers' hours, the concept of banking convenience has both broadened and returned to its roots. The underlying consumer question is the same one it's always been: "How accessible is my money?"

When convenience was

Down but not out.
Like most of Stockton's downtown square, our branch there took a direct tornado hit in May ... and disappeared. As crews cleaned up the rubble, we set up a "trailer branch" next to our remaining foundation and turned the lights back on. A permanent new branch is under construction at the same address, bigger and better than before. ▼

Battlefield.
Gary DeLong was back making service calls – out of a rented building and with hastily-salvaged equipment – within 48 hours of the Sunday afternoon tornado that leveled DeLong Plumbing and many of his neighbors in Battlefield. His real-time support team at Great Southern included Corporate Services officer Brad Heeren (left) and Gene Summers, Vice President - Insurance. ▼

defined by bankers' hours, Great Southern stayed open longer than other banks. When convenience was defined by proximity, Great Southern opened more branches, spread to nearby communities and cast an ATM network across the region to catch commuters on their way to work and home.

As convenience has been refined over the years, and defined by other measures including product and service selection, responsiveness and capacity to help, Great Southern has continued to expand the horizon on customer convenience and accessibility.

Today, Great Southern remains open longer than its competitors in every community we serve. We serve more communities in southern Missouri than any other bank, and maintain the region's largest network of ATMs. We offer a broader selection of financial products and services, including corporate and correspondent banking, insurance, travel and brokerage services, a 24-hour phonebank and free online banking 'round the clock. As we've become the area's largest home-owned bank, our capacity to help has grown and we've become a vital community partner and ready resource for special financial assistance and service whenever and wherever we're needed.

In short, the sun never sets on Great Southern convenience.

The sun never sets.
Celebrating Great Southern convenience, TV spots emphasized the bank's many branches, ATMs, employees and 'round-the-clock consumer touch points, "which make it even easier to find out if we're the right bank for you." ▲

Best of the Ozarks.
Demographically representative or not, Springfield News-Leader's *annual "Best of the Ozarks" reader poll mirrored much of our internal research. This year, Great Southern took First Place in four categories: Best Bank, Best Investment Brokerage Services, Best Travel Agency and Best Bank Teller.* ◄

On the Horizon

Our ongoing determination to find new and better ways to serve our customers has led to the development of the area's most comprehensive menu of financial products and services, and we're adding faster than we're subtracting.

As other banks have changed hands, explored niches, consolidated operations and specialized over the years, it's no surprise that many consumers today find themselves maintaining multiple bank relationships. Indeed, considering the evolution of everything from credit cards to online brokerage, from credit unions where you work to on-the-spot financing where you shop, it's more uncommon today NOT to have multiple bank relationships, whether you stop to think about it or not.

Great Southern has never stopped thinking about it. In fact, as we enter our 81st year, we find more promise than ever in our continued focus on what got us here in the first place. Comprehensive personal service begets comprehensive loyalty, and for Great Southern customers, the dawn of new financial service and convenience has always appeared first at home. Our customers don't really need another bank.

From an infant's first college savings account to their first checking account, credit card and car loan as a young adult – through home loans, family vacations, business ventures, retirement and their kids' kids' dreams – it's possible to enjoy the best in banking all along the way, all the while building on a strong and mutually loyal bank relationship.

We're trying to keep it that way.

A new family of Great Southern VISA® cards for 2003 revealed a whole new horizon of benefits for credit card holders, combining Platinum level card service with either cash back on purchases or earned travel rewards. Compare that to any card you're carrying now. It's more for your money.

A new internal initiative, "Partners for Success" shines the light on our small business expertise and service ... available at the nearest Great Southern branch. Home office Commercial Lending and Corporate Services officers partner with individual branch managers to provide their local business clients full-spectrum business banking, including easy applications

Welcome aboard.

The name has changed but the new Great Southern Travel at the Galleria retains the expertise of Branch Manager Marvin McDaniel and son Brian who now oversees corporate sales at our travel headquarters on South National. Linda Strait, House of Travel owner for 25 years, is our new Operations Manager. ►

Everything under the sun.

Heather Ramsey combines on-site, "full-Bancorp" customer service with an impressive list of amenities for busy VIP clients including physicians, attorneys and CPAs. ▼

and quick turnaround on loans up to $150,000.

In our outlying branches, Great Southern continues to spread big bank service and expertise to our small community neighbors. In the past year, the bank significantly expanded its branch sales force with the addition of 24 new Personal Bankers.

Great Southern Financial Services now fields a team of Series 7-licensed "team leaders" to assist branch personnel in on-the-spot sales of fixed annuities across the bank's entire 120-mile-radius branch network. Building on its full-service capability in affiliation with Raymond James, our Financial Services division also added a full-time Retirement Plan Specialist to support the bank's Corporate Services team at the client level. For our investor and business clients who expect top quality funds management, it just keeps getting better.

Bigger is better in the travel industry as well. In August, our travel agency acquired the 35-year-old House of Travel in Springfield's Brentwood Center, a seven-person agency devoted to leisure travel. The addition of McDaniel Travel in January underscored Great Southern Travel's commitment to corporate travelers as well. Together, these key acquisitions further strengthened Great Southern Travel's position as the largest travel agency in southwest and central Missouri – a win-win move that gives us even more clout in negotiating the best travel deals for our customers.

As broad as it is, the full spectrum of Great Southern client services comes into sharpest focus at our VIP Banking level. VIP Banking Director Heather Ramsey and her staff work closely with all internal business units to offer our entire menu of products and services to busy clients at work or home, on their schedules, ala carte, and at their convenience.

Are we trying to be "all things to all people"? Not exactly. We're trying to be *one* thing to the people we know: Their single, best financial services provider in the Ozarks.

The right plan.

Retirement Plan Consultant Greg Cox presents on-site seminars to help business owners and their employees discover the best way to achieve their mutual goals for financial security. ▼

The big picture.

Team Leaders Shannan Snider, Donna Morris, Rebecca Williams and Marcy Dollens conduct regular sales and product training clinics to help branches work across business lines and build more comprehensive customer relationships. ◄

Partners for Success.

Commercial Loan Officer Kent Lammers helps Branch Manager Tenya Privett offer big bank loan service to her nearby business clients like USA Furniture's Barry Hogan, center. ▲

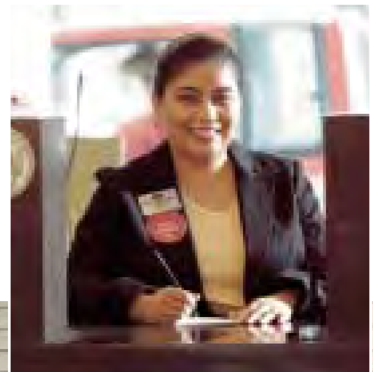
Around the Corner

As we've invested in new services for existing customers, we've realized a return far greater than just solidifying our primary bank relationships with them. Loyal customers refer new customers. Who are simultaneously served by our growing product portfolio and delivery channels. Which in turn reveal new opportunities for growth as our capability and influence spreads.

Customer demand leads to obvious growth initiatives like the opening of an additional branch in Nixa, the relocation and expansion of our facility on north Glenstone in Springfield, and plans for a second branch in the vibrant Ozark community to open later this year.

Other growth opportunities are less obvious, but no less important. Our continued interest in community development has uncovered significant other underserved markets, including the region's expanding Hispanic and retirement communities. We go where there's a need, and when we go, we go all out.

Our Hispanic outreach program, "Sueños Sin Fronteras[SM]" (Dreams Without Borders), was introduced just last year but already serves as a model for other local businesses seeking to address the specific cultural needs of our area's rapidly-growing Spanish-speaking population. Key elements of the program include bilingual tellers and ATMs, co-sponsorship of internal and external literacy programs in partnership with local advocacy and resource organizations, and the development of specialized services like a unique electronic remittance system that eliminates costly wire fees on funds transfers to family members across the border. It's a new market for us, but the rules are familiar: It's all about service, filling a need and taking care of each customer.



Hablamos Español.
Great Southern's culturally-specific services include Free Checking, "borderless" ATM cards for home and away, 24-hour phone banking in Spanish and a growing staff of bilingual associates that includes a dedicated loan officer. ◄ ▼

North and South.
Grand Prize winners of free airline tickets to Mexico at the Grand Opening of our new Nixa North location were Gay and Kevin Howard (shown here with Branch Manager Keith Willcut). The Howards opened their first Great Southern account in 1997 at our southwest Nixa branch on Mt. Vernon. ▲

Redefining banking convenience.

On-Premise personal bankers Jeremy Tate and Heather Austin man dedicated branch offices inside independent living facilities each week to provide residents practically every service our regular branches offer. ◄

The development of specialized services also marked our entry into the area's growing retirement and residential living market – quite literally. Great Southern's innovative On-Premise Banking program effectively established five new bank branches inside prominent area independent living facilities, including The Cambridge, Creekside at Elfindale, Maranatha Village, The Montclair and Parkmoor at the Gardens. Each branch is open once a week to provide on-site, full-service banking to residents, their families and facility staff members, even if they bank elsewhere. As Community Development VP Brian Fogle likes to put it, "We're doing well by doing good."

As our capability has grown, we've been able to explore other significant opportunities simply as a result of our reputation, size and know-how. As a "bank's bank," Great Southern offers

The bank for business.

A specially-trained team coordinates services, referrals and hand-off procedures between departments to offer commercial clients single-source business banking.Corporate Services Officers Melanie Robbins, Brad Heeren, Laura Beaver and Bonnie Watkins were instrumental in opening accounts totaling over $52 million during the year. ◄

Around the Corner

a full range of correspondent banking services to local banks, credit unions and other financial institutions, including check, coin and currency processing, ACH origination, credit services, account reconciliation and analysis services. Our new Correspondent Banking initiative posted balances of $93 million by year-end 2003.

Customer referral has also spurred a number of important growth initiatives, including the development of commercial loan business in new territories like Kansas City and Northwest Arkansas. Great Southern has been familiar with these two growth markets for some time, primarily as a result of serving loan needs for local clients with commercial interests in those areas. In 2003, the bank opened dedicated loan production offices in both Kansas City and Rogers, Arkansas to more conveniently serve those customers, capitalize on referrals and attract new business.

Our Kansas City branch opened in January, 2003 at 9229 Ward Parkway and experienced strong growth through the year, with $41 million in commercial loan originations and more than $85 million in outstanding loan balances at year end.

In September, 2003 our Northwest Arkansas office opened in Rogers at 2104 S. 54th Street to serve the Northwest Arkansas corridor, which includes the cities of Fayetteville, Rogers, Springdale and Bentonville. A Milken Institute report recently named the Northwest Arkansas corridor as the strongest regional economy

By land or by sea.
Consumer Lending Vice President Mary Allison and her team have helped the bank develop a strong indirect lending market working with area auto, truck, RV and motorcycle dealers to offer their customers attractive on-the-spot financing. A significant new client, Tracker Marine produced more than $8 million additional loan volume in 2003. With Mary are TMFS Sales and Operations Manager Jim Elliff and Assistant Sales and Operations Manager Brian Zumwalt. ▼

Sun signs.
Job site signs crowd the parking lot at our new loan production office in Rogers, Ark., all earmarked for sites like this one where commercial loan officers Ron Pender and James Brookhart support John Montgomery (center), an experienced developer of nursing homes like the new Bradford Park Manor in Rogers. ▲

in the nation. We don't have any reason to doubt it. Loan originations in 2003 for the Northwest Arkansas office totalled $33 million by year end, with outstanding loan balances of $57 million at year end.

Our recipe for success in these new territories is the same one we've always used at home. As Kansas City Manager Cal Glasco likes to put it, "We simply shower our customers and prospects with more expertise and service than they expect."

Or put another way, "the sun never sets on Great Southern service."

The bank's bank.

Gwen Hager (center) provides a full range of Correspondent Banking services to clients like Dianna Letterman and Julie Wagner of the Postal Federal Community Credit Union. ◄

One on one.

Corporate Services officer Bonnie Watkins specializes in tailoring bank services to the specific needs of clients like Drury University's Vice President of Administration Raymond Worley III. ◄

Great Southern hospitality.

In appreciation of our working associates in real estate, the bank hosted exclusive Sunset Mixers for local realtor offices to introduce a new Realtor®sRate program that offers favorable personal home loan rates, complimentary neighborhood surround mail service every time they sell a house and in-house servicing, on call. ▲

Across the Desk

Through the years, the key to Great Southern's success has been building winning relationships on many different levels. It is so much a part of who we are as a company that we've incorporated it in a restatement of our mission: "Building winning relationships with our customers, associates, shareholders and communities."

We expect everyone on the Great Southern team to deliver on this mission through our core values of doing what's right, teamwork, mutual respect and the highest ethical standards of behavior.

Whether it's working across the desk with customers, with another Great Southern associate or working out in the community, our associates' talents and dedication play crucial roles in the company's success and drive its ultimate performance. As a company, we are committed to providing a fair, respectful and challenging workplace to ensure that our associates continue to thrive and grow.

Ongoing training is essential, not only to help our associates reach their full potential, but to stay up to speed and maintain our role of leadership in a quickly evolving industry. New training programs in 2003 included advanced classes on utilizing our Customer Relationship Management (CRM) software system, and a cross-training program in which associates receive comprehensive tools, techniques and product training to ensure they are able to address all of our customers' needs, whether the subject is banking, insurance, investments or travel – business or personal.

Along with training, practice makes perfect. Another major initiative in 2003 restructured the Commercial Lending team to position itself for

Sun classes.
New recruits learn about Great Southern's core values, mission, roles in the community and their own positions on the team at give-and-take orientation classes that also help identify their personal career paths and potential at the company. ▲

The new hot spot.
About 260 Great Southern employees look forward to expanded office accommodations at our new 70,000 sq. ft. Operations Center, to open in the second quarter of 2004 on Glenstone at St. Louis in Springfield. ►

additional growth and to facilitate response to market demand. A new Quality Control area rids relationship managers of administrative duties so they can focus more closely on building relationships with clients. The division also worked collaboratively across business lines to develop new processes that capitalize on the company's extensive branch network and allow us to more efficiently serve small business clients.

Also to accommodate future growth, the company is completing renovation of a former Albertson's grocery superstore that will serve as our new Operations Center in Springfield. The 70,000 square-foot building will house all operations personnel under one roof and provide an efficient, state-of-the-art work environment that facilitates teamwork and internal communication. As an added bonus, the move frees up much-needed office space at the bank's headquarters on Battlefield to accommodate and centralize our expanding residential and commercial lending teams.

The benefits of Great Southern's continued focus on the quality of its people and across-the-desk work environment have become especially apparent in the synergism of a team that has grown to a population of more than 600 today. Every associate is unique in what they bring to Great Southern, and as we embrace the diversity of many fresh new talents, we also celebrate the loyalty and dedication of many long-term associates, several with more than two decades of company service under their belts.

In terms of opportunity, the sun never sets at Great Southern.

Other Key Members of the Management Team

(Standing) Coleen Viefhaus - Assistant Vice President and Regional Sales Manager, Paul Potthoff - Vice President and Commercial Lending Officer, Heather Ramsey - Assistant Vice President and Director of VIP Banking, Bob Ogden - Vice President and Commercial Lending Officer; (seated l to r) Emily Clayton - Director of Training, Mary Allison - Vice President and Consumer Lending Manager, Kim Warren - Assistant Vice President and Residential Lending Manager, Renee Boyce - Assistant Vice President of Loan Operations, Denié Patrick - Assistant Vice President and Regional Services Manager, and Gwen Hager - Correspondent Banking Officer ◄

20-, 30- and 40-somethings.

Associates with 2 or more decades of company service include (standing) Bob Ogden - 21, Ann Turner - 20, Bill Turner - 30, David Westervelt - 27; (seated l to r) Debby Ray - 22, Betty Hygh - 45, Lois McPhetridge - 23, Teresa Chasteen-Calhoun - 20, Jane Enloe - 26, Carolyn Northington - 24, and Donna Taylor - 20. ◄

GS LINK

Revolving around the sun.

A new intranet Web site, GS Link, fosters internal communications and provides all associates ongoing, timely desktop information and news about the banking industry, their company and what's happening right now. ▲

Through the Community

Great Southern's long commitment to help nurture and develop the communities it serves has resulted in a growing variety of partnerships that continues to spread across the region in many new and powerful ways. Indeed, we're doing well by doing good.

Especially as our capacity to help has grown, we understand that our company plays significant roles in the economic prosperity of our communities, whether it's helping individuals, businesses or institutions. We must also ensure that all members of our communities have equal access to financial products and services. This is why we created the Great Southern Community Development division, which just completed its first full year of operation.

Major Community Development division initiatives have included the Hispanic outreach program, On-Premise Banking, and assistance to area developers with affordable housing and center city revitalization projects.

To help small businesses, Great Southern has embraced a leadership role in helping several area Community Development Corporations (CDCs) begin operation, including the Ozarks Regional CDC, Joplin Capital Corporation, and in response to the May 2003 devastating storms, the Stockton CDC.

Just as important, we feel strongly about our role as a good neighbor. We want to help where and when we can – whether it's in a time of crisis or to help an ongoing worthwhile cause that betters the lives of individuals and the community at large.

Our success has enabled us to give back to many fine organizations and in 2003, the company contributed $200,000 in cash to local nonprofits to help them provide much needed services.

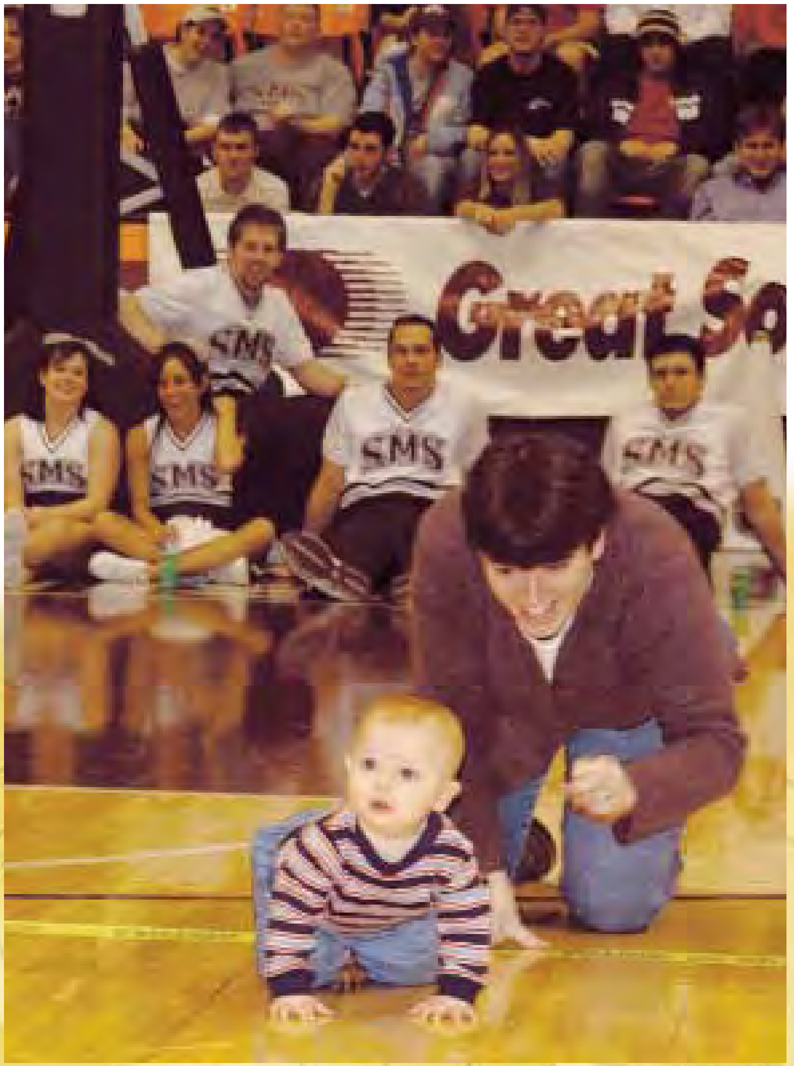
Our greatest source of pride, however, is in our associates, who have contributed their considerable resources in time and talent to causes throughout our communities. From reading a book to a student, to walking in the American Cancer Society Relay for Life or folding clothes for a clothing bank, Great Southern associates show they care about what is

Just add sun.

Springfield's own center-city redevelopment reflects the visionary effort at several of our recent projects in Kansas City, where historical, vacant downtown buildings are being reborn as luxury-living lofts and condominiums. ▼

Go baby go!

The latest new Halftime Game, Diaper Dash kept the crowd on the edge of their seats as "Baby Bear" contestants raced home to parents' welcoming arms ... and winners' circle prizes of $250, $100 and $50 savings accounts. ►



happening in the community as they give of themselves to make things better.

In 2003, our associates personally gave more than $8,000 to help area nonprofits through our new monthly Caring and Sharing Casual Day alone. For a minimal donation, associates can wear jeans to work and help a great cause at the same time.

This same spirit of caring and sharing extends throughout our communities in many ways other than charitable giving. At our Partner-In-Education elementary school, Great Southern associates were instrumental in helping McGregor achieve one of the most successful fundraisers in the school's history during our first annual Read-A-Thon. Great Southern associates read books to kick off the drive, funded awards and presented medals to top readers in each class.

Other school partnerships include a long tradition of support for sports programs at area high schools and universities. Our ever-popular basketball and football Halftime Games have become a favorite and expected part of the action for fans and have helped make Great Southern a household name in southern Missouri.

A major new attraction gets up and running this Spring with the opening of Hammons Field, a $32 million downtown Springfield ballpark funded by Springfield businessman and philanthropist John Q. Hammons. The ballpark will be the home of the Southwest Missouri State baseball Bears and a proposed minor league team. On opening day, the festivities will have a warm and familiar look to area fans as Great Southern unveils a top-of-the-5th-inning pitching contest, the Great Southern *$trike Zone*.

Underscoring our company's significant contributions to regional sports and community support, the Missouri Sports Hall of Fame presented its 2nd Annual Founders Award to Chairman William Turner and President/CEO Joseph Turner to lead off its

ceremony of new inductees for 2003.

Of course we appreciate the recognition, but that's not why we do what we do. We're a part of our community, by choice, and as everybody around here knows, the sun never sets on Great Southern involvement.

Partners in education.
With an armful of ribbons and medals for McGregor Elementary's best readers, Denise Baker, Marketing and Community Development VP Brian Fogle were big hits at the Read-A-Thon assembly. So was the surprise appearance of the SMS Boomer Bear (Lori Hunt, marketing department). ▼

Food banking.
Great Southern associates collected more than 900 pounds of food for the regional food bank, Ozarks Food Harvest (OFH), and raised more than $1,200 for OFH's "Food For Thought" program, which reaches out to school children in need of proper nutrition at home. ▼

Directors and Executive Officers

Directors of Great Southern Bancorp, Inc. and Great Southern Bank

Back row

Earl A. Steinert, Jr.
Board Member
Co-owner, EAS Investment Enterprises, Inc.

William V. Turner
Chairman of the Board

Joseph W. Turner
President and
Chief Executive Officer

Larry D. Frazier
Board Member
Retired – Hollister, MO

Julie T. Brown
Board Member
Shareholder, Carnahan, Evans, Cantwell & Brown, P.C.

Front row

Thomas J. Carlson
Board Member
Partner, Carlson Gardner, Inc.

William E. Barclay
Board Member
Auto Magic/Jiffy Lube Chairman

Executive Officers of Great Southern Bank

Left to right

Joseph W. Turner
President and
Chief Executive Officer

Doug Marrs
Vice President, Operations

William V. Turner
Chairman of the Board

Rex Copeland
Senior Vice President and
Chief Financial Officer

Steve Mitchem
Senior Vice President and
Chief Lending Officer

Officers of Great Southern Bank - Strategic Plan Team

Front row along counter

Doug Marrs
Vice President of Bank Operations

Teresa Chasteen-Calhoun
Vice President and Director of Marketing

Barby Pohl
Vice President of Branch Administration

Kelly Polonus
Vice President and Director of Corporate Communications

Second row

Steve Mitchem
Senior Vice President and Chief Lending Officer

Byron Robison
Vice President and Agency Manager
Great Southern Insurance

Kris Conley
Executive Vice President and General Manager
Great Southern Travel Services

Tammy Baurichter
Vice President and Controller

Matt Snyder
Vice President and Director of Human Resources

Third row

Gary Lewis
Vice President and Commercial Lending Officer

Colleen Neill
Executive Assistant

Mike Bennitt
President - Great Southern Financial Services

Debbie Flowers
Vice President and Credit Risk Manager

Lin Thomason
Vice President and Director of Information Services

Back row

Rex Copeland
Senior Vice President and Chief Financial Officer/Treasurer

Brian Fogle
Vice President of Community Development

Larry Larimore
Vice President and Compliance Officer/Secretary

Joe Turner
President and Chief Executive Officer


2003 Financial Information
The Sun Never Sets

Great Southern Bancorp, Inc.

2003 Financial Information

Contents

Message from the Chairman

Great Southern's 80th year, 2003, was another good year for the company.

It was an extremely challenging year, as it was for most of corporate America. We fared well, in part, because in uncertain times, it's just natural for individuals and businesses to turn to those they know and trust…security, dependability, value and convenience…become even more important. These values have become synonymous with Great Southern through the years. Therefore, in this annual report, as we embark on our 15th Anniversary as a public company, and as I enter into my 30th year as Chairman, we revisit, with "The Sun Never Sets" theme, the very principles which brought us to where we are today.

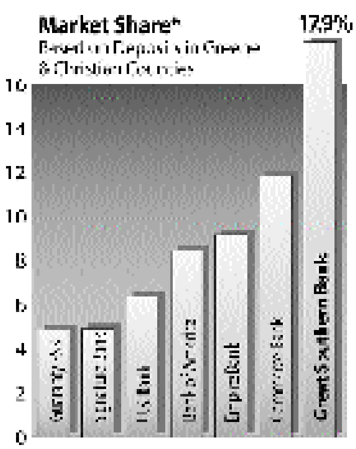
Today GSBC is achieving nearly double digit increases in operating earnings per share and deposit and loan growth while non-performing assets are declining. Our stock continues to perform extremely well, up 26% over the prior year end and the value of each dollar invested has grown about 31 times since going public in 1989. As of December 31, 2003, each share of stock purchased at $9.00 in the initial public offering had a value of approximately $278. In addition, we have regularly raised our cash dividend, including a 33% increase from fourth quarter 2002 to fourth quarter 2003.

Our performance continues to gain recognition for return on equity, expense management and market share. In the June 2003 edition of the *ABA Banking Journal*, all publicly held U.S. banks and thrifts with assets over $1 billion were ranked by 2002 return on average equity. With a ROE of 24.25%, Great Southern ranked 11th on the list of the 50 top performing financial institutions with the distinction of being the only Missouri-based financial institution on the list.

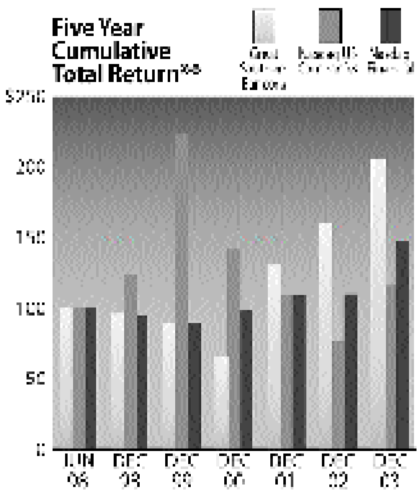
In the first nine months of 2003, the company achieved an efficiency ratio of 45.62%, with the *American Banker* ranking Great Southern in the top 8% of the 500 largest bank holding companies. Locally, in our home base of operations, Greene and Christian Counties in Missouri, we once again led in market share with 17.9% of the deposits with our closest pursuer at 11.8% (based on June 30, 2003 FDIC data).

Another noteworthy accomplishment was Great Southern's ranking in the Springfield, Missouri *News-Leader's* "Best of the Ozarks" readers' poll, where we were voted "Best Bank," "Best Travel Agency" and "Best Investment Brokerage Services."

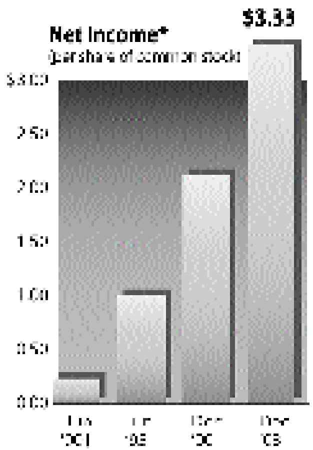
The company was also honored by inclusion in the *Springfield Business Journal's* "Dynamic Dozen" –



* Data Source: FDIC Website
Data as of: June 30, 2003.



** Graph assumes that $100 was invested in the Common Stock on June 30, 1998 and that all dividends were reinvested.



† Figure stated is as if the company was publicly traded for all of the fiscal year 1990 (conversion was in Dec. 1989).

the area's fastest-growing companies based on gross revenues for the last three fiscal years. Great Southern was the only financial institution to make the list.

How did we attain these results? By remaining true to our mission, our values and our strategic business plan. Through the years we have developed a professional, talented, energetic, disciplined and committed management team that understands what is required to achieve success. Each member of this team has a financial interest in GSBC stock and is rewarded for seeing that stockholders share in our success. The team is involved in an ongoing strategic review and plan process. Through this process we "plan our work and work our plan."

We are pleased to report that calendar year 2003 was another banner year with net income of $3.33 per share ($23.1 million). In addition, the company posted growth in all the following areas: total assets were $1.54 billion (up 9%); gross loans receivable were $1.14 billion (up 9%); and total deposits were $1.09 billion (up 11%).

Non-performing assets were $16.4 million, down $2.4 million from December 31, 2002. Non-performings, as a percentage of total assets, were 1.07%.

The company continues to raise the mark on an already healthy capital position. As of December 31, 2003, stockholders' equity was $119.5 million (7.8% of total assets), equivalent to a book value of $17.45 per share.

Of course, any successful year is underscored by contributions from key departments and initiatives. It is important that we highlight a few of these performances.

To expand and diversify our loan portfolio, we opted to open a loan production branch in Kansas City, Missouri, and a loan production office in Rogers, Arkansas in 2003.

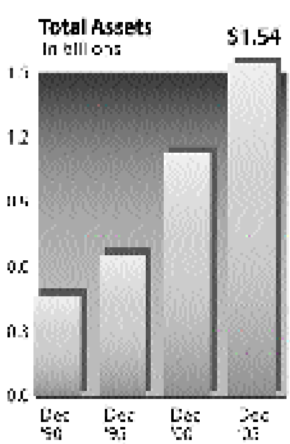
The Kansas City office originated $41 million in 2003 and now has $35 million in outstanding loan balances. The Northwest Arkansas LPO opened in September, and by year's end had $33 million in originations and outstanding balances of $57 million. Research is currently in progress to determine potential sites for additional LPOs.

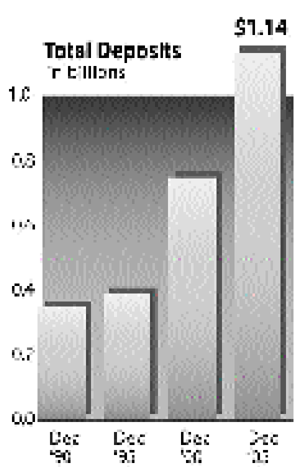
Our Correspondent Banking group had a phenomenal year – balances more than doubled, from $43 million at year-end 2002 to $93 million at December 31, 2003. Our Correspondent Banking department has been two to three years in the making, but in the past 18 months an aggressive direct mail and one-on-one calling program has paid significant dividends.

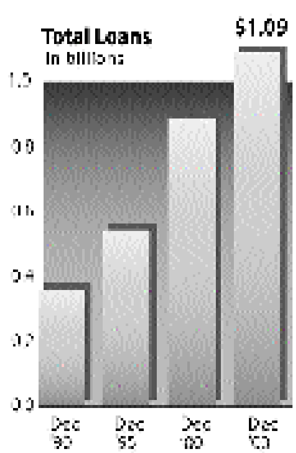
Equally successful in providing relatively low-cost deposits was the Corporate Services Team. In 2002, this commercial business team brought in $18 million in deposits. In 2003, the team surpassed the $50 million mark – $23 million of which were commercial and retail deposits and the remainder were public funds.

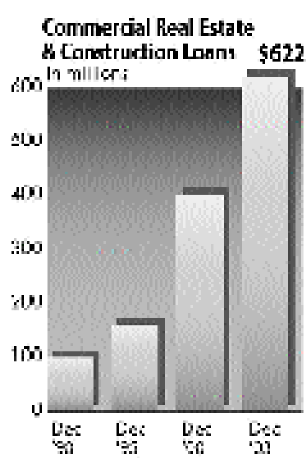
Great Southern Travel continued to shore up its dominance of both leisure and corporate travel markets in southwest and central Missouri with acquisitions of House of Travel and McDaniel Travel. The agency is now one of the largest 100 in the industry.

We are also making exciting strides in associate development. From a new approach to employee orientation, to online training, to an internal communication link, we are striving to give our associates the resources they need to reach their full potential. At the center of this initiative is a newly formalized corporate mission, core values and









*All per share amounts have been adjusted to reflect stock splits. The company converted to a calendar year in December 1998; therefore prior years' net income numbers will reflect a June 30 fiscal year end.

Message from the Chairman

guidelines. In the coming year, there will be significant internal focus on instilling and incorporating the philosophy throughout our culture.

With 2003's strong foundation, we are optimistic about the year ahead. We are anticipating the move, during the second quarter, into our new 70,000 square foot state-of-the-art operations center. This will free up much needed space at our 1451 E. Battlefield headquarters for more loan officers/originators in the residential and commercial loan areas. The new location will allow corporate services and other key teams to be located together under one roof, thus enhancing referrals, selling and servicing of customers and teamwork.

We are positioned well, with respect to our competitors, across all business and product lines and have the strength and flexibility to perform in either a growth environment or one with more subdued economic activity. There will continue, from a corporate standpoint, to be an emphasis on non-interest income generation and expense management. In all our markets, the primary focus will be expanding relationships with existing customers while adding new customers.

We are pleased to announce the appointment of Earl A. Steinert Jr. to the Board of Directors. As a practicing CPA with more than 40 years of business experience, Mr. Steinert's expertise will serve us well, especially in the area of corporate governance.

In closing, I want to express my appreciation to our Associates for their dedication and commitment; to our Customers for their business and loyalty; to our Shareholders for their investment and confidence; and to our Communities for their support.

We look forward to continuing to serve and to meeting the opportunities and challenges that 2004 and continued profitable growth will provide. We pledge our best efforts in the year ahead.

William V. Turner
CHAIRMAN

The following tables set forth selected consolidated financial information and other financial data of the Company. The selected balance sheet and statement of income data are derived from our consolidated financial statements, which have been audited by BKD, LLP. See Item 7 of the Annual Report on Form 10-K, `Management's Discussion and Analysis of Financial Condition and Results of Operations,` and Item 8 of the Annual Report on Form 10-K, `Financial Statements and Supplementary Information.` Results for past periods are not necessarily indicative of results that may be expected for any future period.

Selected Consolidated Financial Data

	December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands)				
Summary Statement of Condition Information:					
Assets	$1,540,723	$1,402,636	$1,323,103	$1,130,176	$964,603
Loans receivable, net	1,094,197	997,647	964,686	690,764	766,607
Allowance for loan losses	20,644	21,266	21,326	16,694	17,293
Available-for-sale securities	259,600	236,269	233,605	126,409	79,691
Held-to-maturity securities	53,944	52,567	37,465	27,756	37,646
Foreclosed assets held for sale, net	9,034	4,326	3,057	2,666	617
Allowance for foreclosed asset losses	---	--	150	--	--
Deposits	1,137,427	1,021,957	686,670	751,042	625,900
Total borrowings	276,564	266,494	333,666	291,573	261,642
Stockholders' equity (retained earnings substantially restricted)	119,546	104,709	65,254	71,049	66,926
Average loans receivable	1,056,336	1,000,044	936,117	643,170	746,979
Average total assets	1,437,669	1,344,969	1,193,772	1,013,963	926,162
Average deposits	1,057,796	963,255	602,266	676,633	612,503
Average stockholders' equity	113,622	95,726	79,464	69,206	66,756
Number of deposit accounts	74,622	73,661	71,996	73,394	73,932
Number of full-service offices	29	29	26	27	27

Selected Consolidated Financial Data

	For the Year Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands)				
Summary Income Statement Information:					
Interest income:					
Loans	$63,283	$64,062	$76,107	$79,399	$63,386
Investment securities and other	12,896	16,099	13,390	6,751	4,652
	76,179	80,161	89,497	86,150	68,038
Interest expense:					
Deposits	16,582	22,244	32,405	32,244	24,966
Federal Home Loan Bank advances	5,400	6,852	10,339	14,312	9,403
Short-term borrowings and trust preferred securities	1,182	1,241	3,163	2,305	1,094
	23,164	30,337	45,907	48,861	35,463
Net interest income	53,015	49,824	43,590	37,289	32,575
Provision for loan losses	4,800	5,800	5,200	3,106	2,062
Net interest income after provision for loan losses	48,215	44,024	38,390	34,183	30,513
Noninterest income:					
Commissions	5,859	5,786	5,765	7,024	7,054
Service charges and ATM fees	11,214	8,430	8,352	5,968	4,502
Net realized gains on sales of loans	2,187	1,575	1,756	570	1,098
Net realized gains (losses) on sales of available-for-sale securities	795	3,443	139	(9)	316
Other income	1,775	1,186	1,237	1,135	2,379
	21,830	20,420	17,249	14,688	15,349
Noninterest expense:					
Salaries and employee benefits	18,739	15,842	15,126	13,642	13,765
Net occupancy expense	6,335	5,337	4,730	4,529	4,124
Postage	1,691	1,426	1,233	1,152	1,006
Insurance	683	514	485	521	639
Advertising	735	622	686	713	611
Office supplies and printing	855	828	774	703	991
(Income) expense on foreclosed assets	1,939	597	216	(295)	---
Other operating expenses	4,615	3,765	4,156	4,244	4,031
	35,592	28,931	27,406	25,209	25,167
Income before income taxes	34,453	35,513	28,233	23,662	20,695
Provision for income taxes	11,362	12,301	9,475	8,184	7,018
Net income	$23,091	$23,212	$18,758	$15,478	$13,677

Selected Consolidated Financial Data

	At or For the Year Ended December 31,				
	2003	2002	2001	2000	1999
	(Dollars in thousands, except for per share data)				
Per Common Share Data:					
Basic earnings per common share	$3.37	$ 3.36	$ 2.72	$ 2.16	$ 1.79
Diluted earnings per common share	3.33	3.34	2.70	2.12	1.76
Cash dividends declared	.71	.70	.50	.50	.50
Book value	17.45	15.27	12.42	10.30	9.20
Average shares outstanding	6,854	6,863	6,890	7,166	7,620
Year-end actual shares outstanding	6,851	6,857	6,863	6,897	7,489
Year-end fully diluted shares outstanding	6,941	6,940	6,929	7,098	7,601
Earnings Performance Ratios:					
Return on average assets[1]	1.61%	1.73%	1.57%	1.53%	1.56%
Return on average stockholders' equity[2]	20.29	24.25	23.60	22.36	19.98
Non-interest income to average total assets	1.52	1.52	1.44	1.55	1.75
Non-interest expense to average total assets	2.47	2.11	2.28	2.52	2.67
Average interest rate spread[3]	3.66	3.59	3.37	3.26	3.36
Year-end interest rate spread	3.60	3.70	3.44	3.26	3.40
Net interest margin[4]	3.89	3.85	3.80	3.81	3.86
Adjusted efficiency ratio (excl. foreclosed assets)[5]	44.96	40.34	44.69	49.07	52.51
Net overhead ratio[6]	.96	.63	.85	1.04	1.06
Common dividend pay-out ratio	21.32	20.61	18.52	23.58	28.41
Asset Quality Ratios:					
Allowance for loan losses/year-end loans	1.67%	2.09%	2.16%	2.06%	2.21%
Non-performing assets/year-end loans and foreclosed assets	1.46	1.84	1.22	1.66	1.26
Allowance for loan losses/non-performing loans	252.02	146.60	237.03	149.72	194.48
Net charge-offs/average loans	.50	.58	.27	.20	.23
Gross non-performing assets/year-end assets	1.07	1.34	.91	1.34	1.05
Non-performing loans/year-end loans	.66	1.43	.91	1.37	1.18
Balance Sheet Ratios:					
Loans to deposits	96.20%	97.62%	106.80%	118.61%	122.51%
Average interest-earning assets as a percentage of average interest-bearing liabilities	112.30	111.22	110.67	111.06	111.95
Capital Ratios:					
Average stockholders' equity to average assets	7.92%	7.12%	6.66%	6.83%	7.41%
Year-end tangible stockholders' equity to assets	7.75	7.47	6.44	6.26	7.10
Great Southern Bank:					
Tier 1 risk-based capital ratio	10.86	10.32	8.93	8.91	8.97
Total risk-based capital ratio	12.12	11.58	10.20	10.17	10.23
Tier 1 leverage ratio	8.88	8.22	7.18	7.36	7.45
Ratio of Earnings to Fixed Charges:[7]					
Including deposit interest	2.49x	2.17x	1.62x	1.48x	1.58x
Excluding deposit interest	6.23x	5.39x	3.09x	2.42x	2.97x

(1) Earnings divided by average total assets.

(2) Earnings divided by average stockholders' equity.

(3) Yield on average interest-earning assets less rate on average interest-bearing liabilities.

(4) Net interest income divided by average interest-earning assets.

(5) Non-interest expense divided by the sum of net interest income, on a tax equivalent basis, plus non-interest income.

(6) Non-interest expense less non-interest income divided by average total assets.

(7) In computing the ratio of earnings to fixed charges: (a) earnings have been based on income before income taxes and fixed charges, and (b) fixed charges consist of interest and amortization of debt discount and expense including amounts capitalized and the estimated interest portion of rents.

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

Forward-looking Statements

When used in this Annual Report and in future filings 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" 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, changes in economic conditions in the Company's market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans and deposits in the Company's market area and competition, that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company wishes to advise readers that the factors listed above 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.

Critical Accounting Policies, Judgements and Estimates

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States and general practices within the financial services industry. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

The Company considers that the determination of the allowance for loan losses involves a higher degree of judgment and complexity than its other significant accounting policies. The allowance for loan losses is calculated with the objective of maintaining an allowance level believed by management to be sufficient to absorb estimated loan losses. Management's determination of the adequacy of the allowance is based on periodic evaluations of the loan portfolio and other relevant factors. However, this evaluation is inherently subjective as it requires material estimates, including, among others, expected default probabilities, loss given default, expected commitment usage, the amounts and timing of expected future cash flows on impaired loans, value of collateral, estimated losses, and general amounts for historical loss experience. The process also considers economic conditions, uncertainties in estimating losses and inherent risks in the loan portfolio. All of these factors may be susceptible to significant change. To the extent actual outcomes differ from management estimates, additional provisions for loan losses may be required that would adversely impact earnings in future periods.

General

The profitability of the Company and, more specifically, the profitability of its primary subsidiary, Great Southern Bank (the "Bank"), depends primarily on its net interest income. Net interest income is the difference between the interest income it earns on its loans and investment portfolio, and the interest it pays on interest-bearing liabilities, which consists mainly of interest paid on deposits and borrowings. Net interest income is affected by the relative amounts of interest-earning assets and interest bearing liabilities and the interest rates earned or paid on these balances. When interest earning assets approximate or exceed interest bearing liabilities, any positive interest rate spread will generate net interest income.

The Company's profitability is also affected by the level of its non interest income and operating expenses. Non-interest income consists primarily of gains on sales of loans and available-for-sale investments, service charges and ATM fees, commissions earned by non-bank subsidiaries and divisions and other general operating income. Operating expenses consist primarily of salaries and employee benefits, occupancy-related expenses, postage, insurance, advertising, office expenses and other general operating expenses.

The operations of the Bank, and banking institutions in general, are significantly influenced by general economic conditions and related monetary and fiscal policies of regulatory agencies. Deposit flows and the cost of deposits and borrowings are influenced by interest rates on competing investments and general market rates of interest. Lending activities are affected by the demand for financing real estate and other types of loans, which in turn are affected by the interest rates at which such financing may be offered and other factors affecting loan demand and the availability of funds.

Effect of Federal Laws and Regulations

Federal legislation and regulation significantly affect the banking operations of the Company and the Bank, and have increased competition among commercial banks, savings institutions, mortgage banking enterprises and other financial institutions. In particular, the capital requirements and operations of regulated depository institutions such as the Company and the Bank have been and will be subject to changes in applicable statutes and regulations from time to time, which changes could, under certain circumstances, adversely affect the Company or the Bank.

Recent Accounting Pronouncements

In January 2003 the Financial Accounting Standards Board ("FASB") issued its Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities," which requires the consolidation of certain special purpose entities ("SPEs) by a company if it is determined to be the primary beneficiary of the SPE's operating activities. One financial liability of the Company that is impacted by FIN 46 is the Company's trust preferred securities and related debentures. This liability is, and has been, presented in the Company's financial statements as a liability and not a component of equity for financial reporting purposes. In addition, the Federal Reserve Board has allowed these securities to be included as capital for purposes of regulatory capital calculations. The FASB has issued a revised interpretation of FIN 46, which must be applied to certain variable instruments by March 31, 2004. At that time the Company expects for financial reporting purposes to de-consolidate the trust and to instead report the junior subordinated debentures of the Company owned by the trust. This is not expected to have a significant impact on the Company's financial statements. To date, no final determination has been reached for regulatory reporting purposes and the Federal Reserve Board has instructed bank holding companies to continue to include these securities in regulatory capital calculations until further notice.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 ("SFAS 150"), "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS 150 modifies the accounting for certain financial instruments that issuers previously could account for as equity. Under SFAS 150, certain instruments with characteristics of both liabilities and equity must be classified as liabilities in the balance sheets, with the corresponding payment to holders of the instruments recognized as interest expense. The adoption of this standard had no impact on the financial position or results of operations of the Company as the Company's Trust Preferred Securities were already classified as liabilities on the Company's balance sheets and recorded as interest expense on the statements of income.

Comparison of Financial Condition at December 31, 2003 and December 31, 2002

During the year ended December 31, 2003, the Company increased total assets by $138 million to $1.54 billion. Net loans increased by $98 million. The main loan areas experiencing increases were commercial real estate, commercial construction, multi family residential and consumer. One- to four-family mortgage loans decreased during 2003. Total investment securities increased by $25 million, which was primarily an increase in available for sale United States government agency debt securities and securities issued by states and political subdivisions, partially offset by a decrease in United States government agency mortgage-backed securities. Cash and cash equivalents increased $19 million primarily due to higher balances of vault cash and interest-bearing deposits and larger cash letter settlements at December 31, 2003. Prepaid expenses and other assets decreased $9 million, primarily as a result of recording the change in mark-to-market value of the Company's interest rate swaps. Based upon the terms of these swap agreements, in accordance with generally accepted accounting principles, the Company records changes in the market value of its interest rate swaps in the category "other assets," with a corresponding increase or decrease to the liability being hedged. Foreclosed assets increased $5 million primarily due to the addition of one significant real estate asset that was foreclosed in 2003.

Total liabilities increased $123 million from December 31, 2002 to December 31, 2003, to $1.42 billion. Deposits increased $115 million and short-term borrowings increased $10 million. The increase in short-term borrowings was the result of increases in securities sold under repurchase agreements. Retail certificates of deposit decreased $18 million, to $342 million. Total brokered deposits were $329 million at December 31, 2003, down from $340 million at December 31, 2002. The weighted average cost of these brokered deposits was approximately 206 basis points higher than the retail certificate of deposit portfolio, excluding the effect of the Company's interest rate swaps on a portion of these brokered certificates of deposit. The interest rate swaps reduced the weighted average cost of the entire brokered certificate of deposit portfolio to a rate that is approximately 113 basis points lower than the retail certificate of deposit portfolio. Management continues to feel that FHLBank advances and brokered deposits are viable alternatives to retail deposits when factoring in all the costs associated with the generation and maintenance of additional retail deposits. Interest-bearing checking balances accounted for $126 million of the increase in deposits. Non-interest-bearing checking balances increased $26 million. Checking and savings account balances totaled $465 million at December 31, 2003, up from $312 million at December 31, 2002. During 2003 and 2002, the Company became a correspondent bank for several local financial institutions, which led to a portion of the increase in checking account balances. At December 31, 2003, the Company had approximately 40 correspondent banking customers, primarily banks and credit unions in Southwest Missouri, with account balances totaling approximately $93 million. Great Southern offers coin and currency services and check clearing for a nominal fee. In return, these correspondent customers must maintain minimum balances with Great Southern in interest-bearing or non-interest-bearing accounts. In addition, during 2003, the Company obtained significant deposit accounts from several area universities, hospitals and municipalities.

Stockholders' equity increased $14.8 million from $104.7 million at December 31, 2002 to $119.5 million at December 31, 2003. Net income for fiscal year 2003 was $23.1 million, partially offset by a decrease of $2.6 million in accumulated other comprehensive income, dividends of $4.9 million and net treasury stock repurchases of $756,000. The Company repurchased 39,276 shares of common stock at an average price of $39.50 per share during 2003.

Results of Operations and Comparison for the Years Ended December 31, 2003 and 2002

General

The decrease in earnings of $121,000, or .5%, during the year ended December 31, 2003, compared to the year ended December 31, 2002, was primarily due to an increase in non-interest expense of $6.7 million, or 23.0%, partially offset by an increase in net interest income of $3.2 million, or 6.4%, an increase in non-interest income of $1.4 million, or 6.9%, a decrease in provision for loan losses of $1.0 million, or 17.2%, and a decrease in provision for income taxes of $.9 million, or 7.6%.

Total Interest Income

Total interest income decreased $4.0 million, or 5.0%, during the year ended December 31, 2003 compared to the year ended December 31, 2002. The decrease was due to a $779,000, or 1.2%, decrease in interest income on loans and a $3.2 million, or 19.9%, decrease in interest income on investments and other interest-earning assets. Interest income for both loans and investment securities and other interest-earning assets decreased due to significantly lower average rates of interest, while interest income for both was positively impacted by higher average balances. In addition, interest income in 2002 was higher due to the recovery of $415,000 of interest on a commercial real estate loan that was charged off in a prior year.

Interest Income - Loans

During the year ended December 31, 2003 compared to December 31, 2002, interest income on loans decreased due to lower average interest rates, partially offset by higher average balances. Interest income decreased $4.3 million as the result of lower average interest rates. The average yield on loans decreased from 6.41% during the year ended December 31, 2002, to 5.99% during the year ended December 31, 2003, as a result of decreases in market rates of interest, primarily the "prime rate" of interest. A large portion of the Bank's loan portfolio adjusts with changes to the "prime rate" of interest.

Interest income increased $3.5 million as the result of higher average loan balances from $1.000 billion during the year ended December 31, 2002 to $1.056 billion during the year ended December 31, 2003. The higher average balance resulted principally from the Bank's increased commercial real estate and construction lending, multi-family real estate lending and consumer lending. The Bank's one- to four-family residential loan portfolio has decreased since December 31, 2000, due to the origination of a greater dollar amount of fixed-rate rather than adjustable-rate loans. The Bank generally sells these fixed-rate loans in the secondary market.

Interest Income - Investments and Other Interest-earning Deposits

Interest income on investments and other interest earning assets decreased mainly as a result of lower average interest rates, partially offset by higher average balances during the year ended December 31, 2003, when compared to the year ended December 31, 2002. Interest income decreased $3.8 million as a result of a decrease in average interest rates from 5.49% during the year ended December 31, 2002, to 4.23% during the year ended December 31, 2003. This decrease was primarily due to declining market interest rates throughout 2002 and 2003. As the Company's mortgage-backed securities prepaid rapidly, premiums were amortized reducing yields on the investments. In addition, these proceeds were reinvested in lower yielding securities as interest rates fell. The decrease in interest income was partially offset by $658,000 as a result of an increase in average balances from $293 million during the year ended December 31, 2002, to $305 million during the year ended December 31, 2003.

Total Interest Expense

Total interest expense decreased $7.2 million, or 23.6%, during the year ended December 31, 2003, when compared with the year ended December 31, 2002, primarily due to a decrease in interest expense on deposits of $5.7 million, or 25.5%, a decrease in interest expense on FHLBank advances of $1.5 million, or 21.2 %, and a decrease in interest expense on short-term borrowings and trust preferred securities of $59,000, or 4.8%.

Interest Expense - Deposits

Interest expense on deposits decreased $5.6 million as a result of a decrease in average rates of interest on time deposits from 2.83% during the year ended December 31, 2002, to 2.00% during the year ended December 31, 2003, and decreased $825,000 due to a decrease in average balances of time deposits from $705 million during the year ended December 31, 2002, to $677 million during the year ended December 31, 2003. The average interest rates decreased due to lower overall market rates of interest in 2003 and the effects of the Company's interest rate swaps. In 2003, the Company attracted a significant amount of demand deposit balances and allowed the certificate of deposit balances to decrease as they matured.

Interest on demand deposits increased $983,000 due to an increase in average balances from $187 million during the year ended December 31, 2002, to $275 million during the year ended December 31, 2003, and decreased $247,000 due to a reduction in average rates from 1.22% during the year ended December 31, 2002, to 1.09% during the year ended December 31, 2003. The other deposit category, savings, experienced a $5,000 decrease due to decreases in both average balances and average rates of interest.

Interest Expense - FHLBank Advances, Short-term Borrowings and Trust Preferred Securities

Interest expense on FHLBank advances, short-term borrowings and trust preferred securities decreased $1.2 million due to a decrease in average rates from 3.00% in the year ended December 31, 2002, to 2.54% in the year ended December 31, 2003. In addition, average balances decreased from $270 million during the year ended December 31, 2002, to $259 million during the year ended December 31, 2003, resulting in decreased interest expense of $331,000. The average balance decrease was offset by increases in deposits. Average interest rates decreased due to lower overall market rates during 2003. The Company's use of FHLBank advances, short-term borrowings and trust preferred securities that reprice frequently (daily, monthly or quarterly) contributed to the significant decrease in average rates of interest.

Net Interest Income

The Company's overall interest rate spread increased 9 basis points, or 2.5%, from 3.59% during the year ended December 31, 2002, to 3.68% during the year ended December 31, 2003. The increase was due to a 70 basis point decrease in the weighted average rate paid on interest-bearing liabilities, partially offset by a 61 basis point decrease in the weighted average yield received on interest-earning assets. The Company's overall net interest margin increased 4 basis points, or 1.0%, from 3.65% during the year ended December 31, 2002, to 3.89% during the year ended December 31, 2003. In comparing the two years, the yield on loans decreased 42 basis points while the yield on investment securities and other interest-earning assets decreased 126 basis points. The rate paid on deposits decreased 75 basis points, while the rate paid on FHLBank advances and other borrowings decreased 46 basis points.

The prime rate of interest averaged 4.68% during the year ended December 31, 2002, compared to an average of 4.12% during the year ended December 31, 2003. As a large percentage of the Bank's loans are tied to prime, this decrease was the primary reason for the decrease in the weighted average yield received on loans. The decrease in the weighted average yield received on investment securities primarily resulted from maturities of higher yielding securities with the proceeds being reinvested at lower market yields and the increased amortization of premiums paid on the Company's mortgage-backed securities portfolio due to higher levels of prepayments on the underlying mortgages.

Interest rates paid on deposits, FHLBank advances and other borrowings decreased significantly during 2003 compared to 2002. As certificates of deposit matured and were renewed or replaced, in most cases the new interest rate on these deposits was significantly lower than the previous rate. In addition, the Company continued to utilize interest rate swaps and FHLBank advances which repriced frequently to further reduce interest expense. See "Item III. Quantitative and Qualitative Disclosures About Market Risk" for additional information on the Company's interest rate swaps.

Provision for Loan Losses and Allowance for Loan Losses

The provision for loan losses decreased $1.0 million, or 17.2%, during the year ended December 31, 2003, from $5.8 million during the year ended December 31, 2002 to $4.8 million during the year ended December 31, 2003. The provision recorded in 2003 was consistent with the Company's level of net charge-offs ($5.2 million) and lower balances of non-performing loans. The allowance for loan losses decreased $444,000, or 2.1%, at December 31, 2003 compared to December 31, 2002.

Management records a provision for loan losses in an amount it believes sufficient to result in an allowance for loan losses that will cover current net charge-offs as well as risks believed to be inherent in the loan portfolio of the Bank. The amount of provision charged against current income is based on several factors, including, but not limited to, past loss experience, current portfolio mix, actual and potential losses identified in the loan portfolio, economic conditions, regular reviews by internal staff and regulatory examinations.

Weak economic conditions, higher inflation or interest rates, or other factors may lead to increased losses in the portfolio. Management has established various controls in an attempt to limit future losses, such as a watch list of possible problem loans, documented loan administration policies and a loan review staff to review the quality and anticipated collectibility of the portfolio. Management determines which loans are potentially uncollectible, or represent a greater risk of loss and makes additional provisions to expense, if necessary, to maintain the allowance at a satisfactory level.

The Bank's allowance for loan losses as a percentage of total loans was 1.57% and 2.09% at December 31, 2003 and 2002, respectively. Management considers the allowance for loan losses adequate to cover losses inherent in the Company's loan portfolio at this time, based on current economic conditions. If economic conditions deteriorate significantly, it is possible that additional assets would be classified as non-performing, and accordingly, additional provisions for losses would be required, thereby adversely affecting future results of operations and financial condition.

Non-performing Assets

Non-performing assets decreased $2.4 million, or 12.9%, from $18.8 million at December 31, 2002, to $16.4 million at December 31, 2003. Non-performing loans decreased $7.1 million, or 49.1%, from $14.5 million at December 31, 2002, to $7.4 million at December 31, 2003, and foreclosed assets increased $4.7 million, or 108.7%, from $4.3 million at December 31, 2002, to $9.0 million at December 31, 2003.

Non-performing Loans. Non-performing loans decreased primarily as a result of the transfer to foreclosed assets of one relationship with a remaining book balance at the time of transfer of $7.3 million. The $7.3 million relationship involves condominium buildings and lots, single-family residences and lots, a golf course, and other developed and undeveloped land. Great Southern is a one-third owner of this project and was not the lead bank in the original loan relationship. Commercial loans comprise $5.4 million, or 73%, of the total $7.4 million non-performing loans at December 31, 2003. Four unrelated credit relationships, totaling $1.7 million, $942,000, $521,000 and $504,000, respectively, account for a large portion of the non-performing loan total at December 31, 2003. The $1.7 million relationship is comprised of five loans, which are primarily secured by the automobile floor plan assets of a car dealership in Springfield, Missouri. The $942,000 relationship is secured by a commercial retail shopping center in Stone County near Branson, Missouri. The $521,000 relationship is secured primarily by a dinner theater in Branson, Missouri, as well as additional real estate collateral and business assets. The $504,000 relationship is secured by a restaurant and small motel in Springfield, Missouri. The restaurant and motel have subsequently been foreclosed in 2004. Mortgage loans comprise $1.2 million, or 16% of the total $7.4 million non-performing loans at December 31, 2003.

Foreclosed Assets. Of the total $9.0 million of foreclosed assets at December 31, 2003, foreclosed real estate totaled $8.4 million and repossessed automobiles totaled $667,000. Of the total real estate assets, two relationships accounted for $6.5 million. The first relationship had a remaining balance of $6.0 million as of December 31, 2003, and was discussed above in *Non-performing Loans* as the $7.3 million relationship. At the time of foreclosure, the balance was reduced to $6.7 million through a charge-off of approximately $600,000. During 2003, Great Southern and the lead bank marketed the project for sale. These efforts led to some verbal indications of interest and offers. The range of these indications and offers, as well as sales activity of condominiums and lots during 2003, provided Great Southern additional information to assess the appropriate carrying value of the asset. Based upon these facts, Great Southern recorded an additional write-down of this asset in the amount of approximately $670,000, resulting in a carrying value of $6.0 million as of December 31, 2003. This loss was included in non-interest expense in 2003. The second relationship had a remaining balance of $511,000 as of December 31, 2003, and involves a motel, restaurant, golf course and condominium units in the Branson, Missouri area. This relationship was foreclosed in late 2002. Each of these foreclosed assets is currently being marketed for sale. During 2003, one other significant property was foreclosed and subsequently sold and removed from foreclosed assets. This asset involved a motel in Springfield, Missouri. At the time of foreclosure, an updated valuation of the property was completed resulting in a $900,000 charge-off recorded through the allowance for loan losses to reduce the carrying value of the asset. This property was ultimately sold with an additional loss of $450,000 recognized by Great Southern. This loss was included in non-interest expense in 2003.

In February 2004, the Company completed the sale of the $6.0 million foreclosed asset relationship described above. The Company received cash proceeds of $6.0 million less expenses of approximately $10,000.

Potential Problem Loans. Potential problem loans decreased $4.5 million, or 40%, from $11.4 million at December 31, 2002 to $6.9 million at December 31, 2003. Potential problem loans are loans which management has identified through routine internal review procedures as having possible credit problems that may cause the borrowers difficulty in complying with current loan repayment terms. These loans are not reflected in the non-performing loans. Potential problem loans decreased $3.6 million as a result of the foreclosure of the motel in Springfield, Missouri, which is described above under *Foreclosed Assets*. In addition, potential problem loans decreased $1.8 million as a result of the change of status to non-performing loans of the automobile floorplan relationship described above under *Non-performing Loans*. At the time this relationship was changed to non-performing status, certain loans in this relationship were written down by approximately $300,000 through a charge against the allowance for loan losses. Potential problem loans also decreased as a result of the change of status to non-performing loans of the $942,000 relationship described above under *Non-performing Loans*. These decreases were partially offset by the addition of two unrelated relationships totaling $2.3 million and $1.4 million, respectively. The $2.3 million relationship is secured primarily by commercial real estate, equipment and inventory in Springfield, Missouri. The $1.4 million relationship is secured primarily by a motel in Springfield, Missouri. In addition to these relationships, one other significant unrelated relationship was included in the potential problem loan total. This relationship totaled $1.3 million as of December 31, 2003, and is secured by a motel in Branson, Missouri.

Non-interest Income

Total non-interest income increased $1.4 million, or 6.9%, in the year ended December 31, 2003 when compared to the year ended December 31, 2002. The increase was primarily due to: (i) an increase in service charges and ATM fees of $2.8 million, or 33.0%; (ii) an increase in net realized gains on sales of fixed-rate residential and student loans of $612,000, or 38.9%; and (iii) smaller increases in loan and commitment fees, late and prepayment charges on loans, loan servicing income, and merchant card fees. The increase in service charge fees resulted from a larger number of accounts, higher levels of insufficient funds transactions by customers, and slight increases in fees for insufficient funds checks. The increase in ATM fees was related to a change in 2003 by the Company to process its transactions in house and increases in overall usage by customers and non-customers. During the year ended December 31, 2003, the Bank sold more residential and student loans than in the year ended December 31, 2002. During both years, lower interest rates were conducive to the generation of fixed-rate mortgages, which the bank typically sells, rather than adjustable-rate mortgages, which the Bank typically retains in its portfolio. In addition, unusually high levels of refinancing activity occurred in the three months ended September 30, 2003.

This increase was partially offset by a decrease in net realized gains on sales of available-for-sale investment securities of $2.6 million, or 76.9%. The decrease in gain on sale of available-for-sale securities was primarily due to the sale in 2002 of the Company's holdings of the common stock of another publicly traded company, with no such similar sale in 2003. This transaction was previously discussed in SEC filings by the Company.

Non-Interest Expense

Total non-interest expense increased $6.7 million, or 23.0%, in the year ended December 31, 2003, when compared to the year ended December 31, 2002. The increase was primarily due to: (i) an increase of $2.9 million, or 18.3%, in salaries and employee benefits primarily due to increased incentives paid to mortgage loan originators due to increased loan closings, the hiring of additional experienced personnel to fill commercial lending, credit administration, and branch supervisory positions, the opening of two loan production offices, increased costs for health insurance and pension benefits, and normal merit increases for existing employees; (ii) an increase in net occupancy and equipment expense of $998,000, or 18.7%, primarily due to increases in rent and depreciation on new offices and equipment and various maintenance projects on buildings and equipment; (iii) an increase in expenses on foreclosed assets of $1.3 million, or 224%, due to a $450,000 loss on the disposition of one foreclosed asset, a $670,000 write-down of the carrying value of another unrelated foreclosed asset, and other expenses of maintaining various foreclosed assets; and (iv) smaller increases in other non interest expense areas, such as postage, advertising, insurance, legal and professional fees, bank charges and fees related to additional correspondent relationships, and costs to reissue the Bank's debit cards due to a system conversion.

Provision for Income Taxes

Provision for income taxes as a percentage of pre-tax income decreased slightly from 34.6% for the year ended December 31, 2002, to 33.0% for the year ended December 31, 2003. The decrease was primarily due to higher balances of tax-exempt investment securities and loans.

Average Balances, Interest Rates and Yields

The following table presents, for the periods indicated, the total dollar amount of interest income from average interest-earning assets and the resulting yields, as well as the interest expense on average interest-bearing liabilities, expressed both in dollars and rates, and the net interest margin. Average balances of loans receivable include the average balances of non-accrual loans for each period. Interest income on loans includes interest received on non-accrual loans on a cash basis. The table does not reflect any effect of income taxes.

	December 31, 2003	Year Ended December 31, 2003			Year Ended December 31, 2002			Year Ended December 31, 2001		
	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
					(Dollars in thousands)					
Interest-earning assets:										
Loans receivable	5.46%	$1,056,338	$64,283	5.95%	$1,000,044	$64,092	6.41%	$ 935,117	$75,107	8.13%
Investment securities and other interest-earning assets	4.64	305,051	12,895	4.23	293,022	16,059	5.40	211,461	13,590	6.33
Total interest-earning assets	5.25	$1,361,389	77,178	5.59	$1,293,066	80,151	6.20	$1,147,578	88,497	7.80
Interest-bearing liabilities:										
Interest-bearing demand	.97	$ 275,286	[illegible]	1.09	$ 187,141	2,277	1.22	$ 144,374	2,443	1.69
Savings	1.53	923	12	1.30	1,075	17	1.69	5,358	125	2.33
Time deposits	1.72	675,647	13,557	2.00	724,523	19,950	2.33	592,265	29,837	5.03
Total deposits	1.49	951,856	16,282	1.74	912,639	22,244	2.43	742,097	32,406	4.36
FHLB advances and other borrowings	2.28	255,393	6,582	2.54	249,951	8,093	3.00	292,124	13,502	4.6[illegible]
Total interest-bearing liabilities	1.55	$1,212,249	23,364	1.91	$1,162,600	30,337	2.61	$1,036,121	45,907	4.43
Net interest income:										
Interest rate spread	3.50%		$53,015	3.68%		$49,824	3.59%		$43,590	3.37%
Net interest margin*				3.89%			3.85%			3.81%
Average interest-earning assets to average interest-bearing liabilities		112.3%			111.2%			110.8%		

*Defined as the Company's net interest income divided by total interest-earning assets.

Rate/Volume Analysis

The following table presents the dollar amount of changes in interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities for the periods shown. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in rate (i.e., changes in rate multiplied by old volume) and (ii) changes in volume (i.e., changes in volume multiplied by old rate). For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have been allocated proportionately to volume and rate.

	Year Ended December 31, 2003 vs. December 31, 2002			Year Ended December 31, 2002 vs. December 31, 2001		
	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)
	Rate	Volume		Rate	Volume	
	(Dollars in thousands)					
Interest-earning assets:						
Loans receivable	$(4,277)	$ 3,498	$(779)	$(16,974)	$ 4,929	$(12,045)
Investment securities and other interest-earning assets	(3,841)	638	(3,203)	(1,947)	4,656	2,709
Total interest-earning assets	(8,118)	4,136	(3,982)	(18,921)	9,585	(9,336)
Interest-bearing liabilities:						
Demand deposits	(247)	983	736	(786)	620	(166)
Savings deposits	(3)	(2)	(5)	(49)	(59)	(108)
Time deposits	(5,568)	(825)	(6,393)	(14,748)	4,861	(9,887)
Total deposits	(5,818)	156	(5,662)	(15,583)	5,422	(10,161)
FHLBank advances and other borrowings	(1,180)	(331)	(1,511)	(4,230)	(1,179)	(5,409)
Total interest-bearing liabilities	(6,998)	(175)	(7,173)	(19,813)	4,243	(15,570)
Net interest income	$(1,120)	$ 4,311	$3,191	$ 892	$ 5,342	$ 6,234

Results of Operations and Comparison for the Years Ended December 31, 2002 and 2001

General

The increase in earnings of $4.5 million, or 23.7%, during the year ended December 31, 2002, compared to the year ended December 31, 2001, was primarily due to an increase in net interest income of $6.2 million, or 14.3%, and an increase in non-interest income of $3.2 million, or 18.4%, partially offset by an increase in non-interest expense of $1.5 million, or 5.6%, an increase in provision for loan losses of $600,000, or 11.5%, and an increase in provision for income taxes of $2.8 million, or 29.8%.

Total Interest Income

Total interest income decreased $9.3 million, or 10.4%, during the year ended December 31, 2002 compared to the year ended December 31, 2001. The decrease was due to a $12.0 million, or 15.8%, decrease in interest income on loans, partially offset by a $2.7 million, or 20.2%, increase in interest income on investments and other interest-earning assets. Interest income for both loans and investment securities and other interest-earning assets decreased due to significantly lower average rates of interest, while interest income for both was positively impacted by higher average balances.

In addition, interest income in 2002 was higher due to a recovery of $415,000 of interest on a commercial real estate loan that was charged off in a prior year.

Interest Income - Loans

During the year ended December 31, 2002 compared to December 31, 2001, interest income on loans decreased from lower average interest rates, partially offset by higher average balances. Interest income decreased $17.0 million as the result of lower average interest rates. The average yield on loans decreased from 8.19% during the year ended December 31, 2001, to 6.41% during the year ended December 31, 2002, as a result of decreases in market rates of interest, primarily the "prime rate" of interest. A large portion of the Bank's loan portfolio adjusts with changes to the "prime rate" of interest.

Interest income increased $5.0 million as the result of higher average loan balances from $936 million during the year ended December 31, 2001 to $1.00 billion during the year ended December 31, 2002. The higher average balance resulted principally from the Bank's increased commercial real estate and construction lending, commercial business lending and indirect dealer consumer lending. The Bank's one- to four-family residential loan portfolio has decreased since December 31, 2000, due to the origination of a greater dollar amount of fixed-rate rather than adjustable-rate loans. The Bank generally sells these fixed-rate loans in the secondary market.

Interest Income - Investments and Other Interest-earning Deposits

Interest income on investments and other interest-earning assets increased mainly as a result of higher average balances during the year ended December 31, 2002, when compared to the year ended December 31, 2001. Interest income increased $4.6 million as a result of an increase in average balances from $211 million during the year ended December 31, 2001, to $293 million during the year ended December 31, 2002. This increase was primarily in available-for-sale securities, where additional securities were acquired for liquidity and pledging to deposit accounts under repurchase agreements. The increase in interest income was offset by $1.9 million as a result of a decrease in average yields from 6.33% during the year ended December 31, 2001, to 5.49% during the year ended December 31, 2002.

Total Interest Expense

Total interest expense decreased $15.6 million, or 33.9%, during the year ended December 31, 2002, when compared with the year ended December 31, 2001, primarily due to a decrease in interest expense on FHLBank advances of $3.5 million, or 33.7%, a decrease in interest expense on deposits of $10.2 million, or 31.4%, and a decrease in interest expense on short-term borrowings and trust preferred securities of $1.9 million, or 60.8%.

Interest Expense - Deposits

Interest expense on deposits decreased $14.8 million as a result of a decrease in average rates of interest on time deposits from 5.05% during the year ended December 31, 2001, to 2.83% during the year ended December 31, 2002, and increased $4.9 million due to an increase in average balances of time deposits from $593 million during the year ended December 31, 2001, to $705 million during the year ended December 31, 2002. The average balances of time deposits increased primarily as a result of the Company's use of brokered and other time deposits to fund loan and investment securities growth. In recent years, brokered deposit rates have become competitive with rates on FHLBank advances and larger retail deposits. The average interest rates decreased due to lower overall market rates of interest in 2001 and the effects of the Company's interest rate swaps.

Interest on demand deposits decreased $786,000 due to a decrease in average rates from 1.69% during the year ended December 31, 2001, to 1.22% during the year ended December 31, 2002, and increased $620,000 due to an increase in average balances from $144 million during the year ended December 31, 2001, to $187 million during the year ended December 31, 2002. The other deposit category, savings, experienced a $108,000 decrease due to decreases in both average balances and average rates of interest.

Interest Expense - FHLBank Advances, Short-term Borrowings and Trust Preferred Securities

Interest expense on FHLBank advances, short-term borrowings and trust preferred securities decreased $4.2 million due to a decrease in average rates from 4.61% in the year ended December 31, 2001, to 3.00% in the year ended December 31, 2002. In addition, average balances decreased from $293 million during the year ended December 31, 2001, to $270 million during the year ended December 31, 2002, resulting in decreased interest expense of 1.2 million due to lower average balances. The average balance decrease was offset by increases in deposits. Average interest rates decreased due to lower overall market rates during 2002. The Company's use of FHLBank advances, short-term borrowings and trust preferred securities which reprice daily, monthly or quarterly contributed to the significant decrease in average rates of interest.

Net Interest Income

The Company's overall interest rate spread increased 22 basis points, or 6.5%, from 3.37% during the year ended December 31, 2001, to 3.59% during the year ended December 31, 2002. The increase was due to a 152 basis point decrease in the weighted average rate paid on interest-bearing liabilities partially offset by a 160 basis point decrease in the weighted average yield received on interest-earning assets. The Company's overall net interest margin increased 5 basis points, or 1.3%, from 3.80% during the year ended December 31, 2001, to 3.85% during the year ended December 31, 2002. In comparing the two years, the yield on loans decreased 172 basis points while the yield on investment securities and other interest-earning assets decreased 84 basis points. The rate paid on deposits decreased 167 basis points, while the rate paid on FHLBank advances and other borrowings decreased 161 basis points.

The prime rate of interest averaged 6.92% during the year ended December 31, 2001, compared to an average of 4.68% during the year ended December 31, 2002. As a large percentage of the Bank's loans are tied to prime, this decrease was the primary reason for the decrease in the weighted average yield received on interest-earning assets.

Interest rates paid on deposits, FHLBank advances and other borrowings decreased significantly during 2002 compared to 2001. As market rates of interest declined during 2002, the Company reduced rates paid to depositors. In addition in 2002, the Company utilized interest rate swaps and FHLBank advances which repriced daily, monthly or quarterly to reduce interest expense.

Provision for Loan Losses and Allowance for Loan Losses

The provision for loan losses increased $600,000, or 11.5%, during the year ended December 31, 2002, from $5.2 million during the year ended December 31, 2001 to $5.8 million during the year ended December 31, 2002.

Management records a provision for loan losses in an amount it believes sufficient to result in an allowance for loan losses that will cover current net charge-offs as well as risks believed to be inherent in the loan portfolio of the Bank. The amount of provision charged against current income is based on several factors, including, but not limited to, past loss experience, current portfolio mix, actual and potential losses identified in the loan portfolio, economic conditions, regular reviews by internal staff and regulatory examinations.

Weak economic conditions, higher inflation or interest rates, or other factors may lead to increased losses in the portfolio. Management has established various controls in an attempt to limit future losses, such as a watch list of possible problem loans, documented loan administration policies and a loan review staff to review the quality and anticipated collectibility of the portfolio. Management determines which loans are potentially uncollectible, or represent a greater risk of loss and makes additional provisions to expense, if necessary, to maintain the allowance at a satisfactory level.

The Bank's allowance for loan losses as a percentage of total loans was 2.09% and 2.16% at December 31, 2002 and 2001, respectively. Management considers the allowance for loan losses adequate to cover losses inherent in the Company's loan portfolio at this time, based on current economic conditions. If economic conditions deteriorate significantly, it is possible that additional assets would be classified as non-performing, and accordingly, additional provision for losses would be required, thereby adversely affecting future results of operations and financial condition.

Non-performing Assets

Non-performing assets increased $6.2 million, or 49.2%, from $12.6 million at December 31, 2001, to $18.8 million at December 31, 2002. Non-performing loans increased $5.0 million, or 52.6%, from $9.5 million at December 31, 2001, to $14.5 million at December 31, 2002, and foreclosed assets increased $1.2 million, or 38.7%, from $3.1 million at December 31, 2001, to $4.3 million at December 31, 2002.

Non-performing Loans. Non-performing loans increased primarily as a result of the addition of one relationship with a remaining balance of $886,000 and another relationship with a remaining balance of $7.3 million. These two relationships are described below. Commercial loans comprise $12.1 million, or 84%, of the total $14.5 million non-performing loans at December 31, 2002. Two unrelated commercial real estate credit relationships, totaling $7.3 million and $1.0 million, respectively, account for a majority of this non-performing total. The $7.3 million relationship is primarily secured by condominium buildings and lots, single-family residences and lots, a golf course, and other developed and undeveloped land. This relationship was described in the December 31, 2001, Annual Report on Form 10-K and was included in potential problem loans at that time. Non-performing loans decreased during 2002 as a result of charging off a total of $3.2 million, which had been part of this $7.3 million relationship. The $1.0 million relationship is secured by the real estate and business assets of a restaurant in Branson, Missouri. A portion of this credit is guaranteed by the Small Business Administration. This relationship was placed in a non-accrual status in the fourth quarter of 2001. Mortgage loans comprise $1.7 million, or 12%, of the total $14.5 million non-performing loans at December 31, 2002. One credit relationship, totaling $886,000 accounted for a large portion of this non-performing total. The $886,000 relationship is comprised of ten loans, which are primarily secured by residential rental properties and condominiums in Branson, Missouri. This relationship was first included in non-performing loans in the quarter ended March 31, 2002. This relationship was originally $2.3 million; the balance has been reduced through charge-offs, foreclosures, and the sale of collateral and repayment of loans by the borrowers.

Subsequent to December 31, 2002, the $7.3 million relationship described above was foreclosed upon, with Great Southern, along with the lead bank in this participation, as the successful bidders. An updated valuation of the property has been completed during the first quarter 2003. The Company's one third interest in the property has been recorded in foreclosed assets at a carrying value of $7.0 million, with the difference recorded as a loan charge-off in the quarter ended March 31, 2002.

Foreclosed Assets. Of the total $4.3 million of foreclosed assets at December 31, 2002, foreclosed real estate totaled $3.0 million and repossessed automobiles totaled $1.3 million. Of the total real estate assets, three relationships account for $2.4 million. The first relationship has a remaining balance of $1.7 million and involves a motel, condominium units and vacant land in the Branson, Missouri, area. This relationship was described in the December 31, 2001, Annual Report on Form 10-K and was included in non-performing loans at that time. During 2002, a portion of the vacant land with a book value of $650,000 was sold with no additional loss to the Company. The second relationship has a remaining balance of $519,000 and involves a golf course and condominium units in the Branson, Missouri, area. The third relationship has a remaining balance of $275,000 and involves a commercial office building in Joplin, Missouri. Subsequent to December 31, 2002, this building was sold with no additional loss to the Company.

Potential Problem Loans. Potential problem loans decreased $7.3 million, or 39%, from $18.7 million at December 31, 2001, to $11.4 million at December 31, 2002. These are loans which management has identified through routine internal review procedures as having possible credit problems which may cause the borrowers difficulty in complying with current loan repayment terms. These loans are not reflected in the non-performing loans. Potential problem loans decreased primarily as a result of the $7.3 million commercial real estate credit relationship discussed above under "Non-performing Loans," which was reclassified from potential problem loans to non-performing loans, and other smaller relationships which were removed from or added to the problem asset watchlist. Three unrelated real estate credit relationships, totaling $3.6 million, $1.3 million and $917,000, respectively, account for a majority of this potential problem loan total. The $3.6 million relationship is secured by a motel in Springfield, Missouri. The $1.3 million relationship is secured by a motel in Branson, Missouri. The $917,000 relationship is secured by five single-family homes under construction in Monett, Missouri.

Non-interest Income

Non-interest income increased $3.2 million, or 18.4%, in the year ended December 31, 2002, when compared to the year ended December 31, 2001. The increase was primarily due to an increase of $3.3 million in net realized gains on sales of available-for-sale investment securities. The increase in gain on sale of available-for-sale securities was primarily due to the sale of the Company's holdings of the common stock of another publicly traded company. This transaction was previously discussed in SEC filings by the Company. In addition, the Company sold some of its investments in debt securities to restructure its portfolio and realized the resulting gains and losses.

This increase was partially offset by a decrease in net realized gains on sales of fixed-rate residential and student loans of $181,000, or 10.3%. During 2001, the Company sold one commercial real estate loan that was purchased at a discount from the Resolution Trust Corporation in a prior year, resulting in a gain of $300,000.

Non-Interest Expense

Non-interest expense increased $1.5 million, or 5.6%, in the year ended December 31, 2002, when compared to the year ended December 31, 2001. The increase was primarily due to: (i) an increase of $716,000, or 4.7%, in salaries and employee benefits; (ii) an increase of $607,000, or 12.8%, in net occupancy and equipment expense due primarily to increases in depreciation and various maintenance projects on buildings and equipment; and (iii) expenses on foreclosed assets of $597,000 in 2002 versus expenses on foreclosed assets of $216,000 in 2001. In 2002, the Company incurred higher expenses related to increased levels of foreclosures and repossessions. In addition, the Company recorded $254,000 of provision for losses on foreclosed assets in 2002 compared to a provision of $150,000 in 2001. The increase in salaries and employee benefits primarily relates to normal merit increases for existing employees and the hiring of additional experienced personnel to fill key supervisory and customer sales positions.

This was partially offset by smaller increases and decreases in other expense categories.

Provision for Income Taxes

Provision for income taxes as a percentage of pre-tax income increased slightly from 33.6% for the year ended December 31, 2001, to 34.6% for the year ended December 31, 2002.

Liquidity and Capital Resources

Liquidity is a measure of the Company's ability to generate sufficient cash to meet present and future financial obligations in a timely manner through either the sale or maturity of existing assets or the acquisition of additional funds through liability management. These obligations include the credit needs of customers, funding deposit withdrawals and the day-to-day operations of the Company. Liquid assets include cash, interest-bearing deposits with financial institutions and certain investment securities and loans. As a result of the Company's management of the ability to generate liquidity primarily through liability funding, management believes that the Company maintains overall liquidity sufficient to satisfy its depositors' requirements and meet its customers' credit needs. At December 31, 2003 the Company had commitments of approximately $208 million to fund loan originations, issued lines of credit, outstanding letters of credit and unadvanced loans. The majority of these commitments mature within one year.

The following table summarizes the Company's fixed and determinable contractual obligations by payment date as of December 31, 2003. Additional information regarding these contractual obligations is discussed further in Notes 6, 7, 8, 10 and 13 of the Notes to Consolidated Financial Statements.

	Payments Due In:			
	One Year or Less	Two to Five Years	Over Five Years	Total
Deposits without a stated maturity	$464,617	$ ---	$ ---	$464,617
Time and brokered certificates of deposit	298,774	121,759	250,497	671,030
Federal Home Loan Bank advances	32,749	86,227	85,811	204,787
Short-term borrowings	53,534	---	---	53,534
Trust preferred securities	---	---	17,250	17,250
Operating leases	551	1,267	700	2,518
	850,225	209,253	354,258	1,413,736
Interest rate swap fair value adjustment	2,793	---	---	2,793
	$853,018	$209,253	$354,258	$1,416,529

Management continuously reviews the capital position of the Company and the Bank to ensure compliance with minimum regulatory requirements, as well as to explore ways to increase capital either by retained earnings or other means.

The Company's stockholders' equity was $119.5 million, or 7.8% of total assets of $1.54 billion at December 31, 2003, compared to equity of $104.7 million, or 7.5% of total assets of $1.40 billion at December 31, 2002.

Banks are required to maintain minimum risk-based capital ratios. These ratios compare capital, as defined by the risk-based regulations, to assets adjusted for their relative risk as defined by the regulations. Guidelines require banks to have a minimum Tier 1 risk-based capital ratio, as defined, of 4.00%, a minimum total risked-based capital ratio of 8.00%, and a minimum 4.00% Tier 1 leverage ratio. On December 31, 2003, the Bank's Tier 1 risk-based capital ratio was 10.86%, total risk-based capital ratio was 12.12% and the Tier 1 leverage ratio was 8.88%. As of December 31, 2003, the Bank was "well capitalized" as defined by the Federal banking agencies' capital-related regulations. The FRB has established capital regulations for bank holding companies that generally parallel the capital regulations for banks. On December 31, 2003, the Company's Tier 1 risk-based capital ratio was 11.05%, total risk-based capital ratio was 12.31% and the Tier 1 leverage ratio was 9.04%. As of December 31, 2003, the Company was "well capitalized" under the capital ratios described above.

The Company's primary sources of funds are certificates of deposit, FHLBank advances, other borrowings, loan repayments, proceeds from sales of loans and available-for-sale securities and funds provided from operations. The Company utilizes particular sources of funds based on the comparative costs and availability at the time. The Company has from time to time chosen not to pay rates on deposits as high as the rates paid by certain of its competitors and, when believed to be appropriate, supplements deposits with less expensive alternative sources of funds.

Statements of Cash Flows. During the years ended December 31, 2003, 2002 and 2001, the Company had positive cash flows from operating activities and positive cash flows from financing activities. The Company experienced negative cash flows from investing activities during each of these same time periods.

Cash flows from operating activities for the periods covered by the Statements of Cash Flows have been primarily related to changes in accrued and deferred assets, credits and other liabilities, the provision for loan losses, the provision for losses on foreclosed assets, depreciation, and the amortization of deferred loan origination fees and discounts (premiums) on loans and investments, all of which are non-cash or non-operating adjustments to operating cash flows. Net income adjusted for non-cash and non-operating items and the origination and sale of loans held-for-sale were the primary sources of cash flows from operating activities. Operating activities provided cash flows of $33.7 million, $29.2 million and $23.5 million during the years ended December 31, 2003, 2002 and 2001, respectively.

During the years ended December 31, 2003, 2002 and 2001, investing activities used cash of $142.6 million, $63.5 million and $197.4 million, primarily due to the net increase of loans and the net purchases of investment securities in each period.

Changes in cash flows from financing activities during the periods covered by the Statements of Cash Flows are due to changes in deposits after interest credited, changes in FHLBank advances and changes in short-term borrowings, as well as the issuance of trust preferred securities, purchases of treasury stock and dividend payments to stockholders. Financing activities provided cash flows of $127.8 million, $56.0 million and $166.9 million for the years ended December 31, 2003, 2002 and 2001, respectively. Financing activities in the future are expected to primarily include changes in deposits, changes in FHLBank advances, changes in short-term borrowings, purchases of treasury stock and dividend payments to stockholders.

Dividends. During the year ended December 31, 2003, the Company declared dividends of $0.71 per share (21.3% of net income) and paid dividends of $0.66 per share (19.8% of net income), compared to dividends declared of $0.70 per share (20.8% of net income) and paid of $0.55 per share (16.3% of net income) during the year ended December 31, 2002. The Board of Directors meets regularly to consider the level and the timing of dividend payments.

Common Stock Repurchases. The Company has been in various buy-back programs since May 1990. During the year ended December 31, 2003, the Company repurchased 39,276 shares of its common stock at an average price of $39.50 per share and reissued 33,508 shares of treasury stock at an average price of $21.22 per share to cover stock option exercises. During the year ended December 31, 2002, the Company repurchased 38,676 shares of its common stock at an average price of $34.71 per share and reissued 35,262 shares of treasury stock at an average price of $18.78 per share to cover stock option exercises.

Management intends to continue its stock buy-back programs from time to time as long as repurchasing the stock contributes to the overall growth of shareholder value. The number of shares of stock that will be repurchased and the price that will be paid is the result of many factors, several of which are outside of the control of the Company. The primary factors, however, are the number of shares available in the market from sellers at any given time and the price of the stock within the market as determined by the market.

Quantitative and Qualitative Disclosures About Market Risk

Asset and Liability Management and Market Risk

A principal operating objective of the Company is to produce stable earnings by achieving a favorable interest rate spread that can be sustained during fluctuations in prevailing interest rates. The Company has sought to reduce its exposure to adverse changes in interest rates by attempting to achieve a closer match between the periods in which its interest-bearing liabilities and interest earning assets can be expected to reprice through the origination of adjustable-rate mortgages and loans with shorter terms to maturity and the purchase of other shorter term interest-earning assets. Since the Company uses laddered brokered deposits and FHLBank advances to fund a portion of its loan growth, the Company's assets tend to reprice more quickly than its liabilities.

Our Risk When Interest Rates Change

The rates of interest we earn on assets and pay on liabilities generally are established contractually for a period of time. Market interest rates change over time. Accordingly, our results of operations, like those of other financial institutions, are impacted by changes in interest rates and the interest rate sensitivity of our assets and liabilities. The risk associated with changes in interest rates and our ability to adapt to these changes is known as interest rate risk and is Great Southern's most significant market risk.

How We Measure the Risk To Us Associated with Interest Rate Changes

In an attempt to manage our exposure to changes in interest rates and comply with applicable regulations, we monitor Great Southern's interest rate risk. In monitoring interest rate risk we regularly analyze and manage assets and liabilities based on their payment streams and interest rates, the timing of their maturities and their sensitivity to actual or potential changes in market interest rates.

The ability to maximize net interest income is largely dependent upon the achievement of a positive interest rate spread that can be sustained despite fluctuations in prevailing interest rates. Interest rate sensitivity is a measure of the difference between amounts of interest-earning assets and interest-bearing liabilities which either reprice or mature within a given period of time. The difference, or the interest rate repricing "gap," provides an indication of the extent to which an institution's interest rate spread will be affected by changes in interest rates. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities repricing during the same period, and is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest-rate sensitive assets during the same period. Generally, during a period of rising interest rates, a negative gap within shorter repricing periods would adversely affect net interest income, while a positive gap within shorter repricing periods would result in an increase in net interest income. During a period of falling interest rates, the opposite would be true. As of December 31, 2003, Great Southern's internal interest rate risk models indicate a one-year interest rate sensitivity gap that is nearly neutral.

Interest rate risk exposure estimates (the sensitivity gap) are not exact measures of an institution's actual interest rate risk. They are only indicators of interest rate risk exposure produced in a simplified modeling environment designed to allow management to gauge the Bank's sensitivity to changes in interest rates. They do not necessarily indicate the impact of general interest rate movements on the Bank's net interest income because the repricing of certain categories of assets and liabilities is subject to competitive and other factors beyond the Bank's control. As a result, certain assets and liabilities indicated as maturing or otherwise repricing within a stated period may in fact mature or reprice at different times and in different amounts and cause a change, which potentially could be material, in the Bank's interest rate risk.

In order to minimize the potential for adverse effects of material and prolonged increases and decreases in interest rates on Great Southern's results of operations, Great Southern has adopted asset and liability management policies to better match the maturities and repricing terms of Great Southern's interest-earning assets and interest-bearing liabilities. Management recommends, and the Board of Directors sets, the asset and liability policies of Great Southern, which are implemented by the asset and liability committee. The asset and liability committee is chaired by the Chief Financial Officer and is comprised of members of Great Southern's senior management. The purpose of the asset and liability committee is to communicate, coordinate and control asset/liability management consistent with Great Southern's business plan and board-approved policies. The asset and liability committee establishes and monitors the volume and mix of assets and funding sources taking into account relative costs and spreads, interest rate sensitivity and liquidity needs. The objectives are to manage assets and funding sources to produce results that are consistent with liquidity, capital adequacy, growth, risk and profitability goals. The asset and liability committee meets on a monthly basis to review, among other things, economic conditions and interest rate outlook, current and projected liquidity needs and capital positions and anticipated changes in the volume and mix of assets and liabilities. At each meeting, the asset and liability committee recommends appropriate strategy changes based on this review. The Chief Financial Officer or his designee is responsible for reviewing and reporting on the effects of the policy implementations and strategies to the Board of Directors at their monthly meetings.

In order to manage its assets and liabilities and achieve the desired liquidity, credit quality, interest rate risk, profitability and capital targets, Great Southern has focused its strategies on originating adjustable rate loans, and managing its deposits and borrowings to establish stable relationships with both retail customers and wholesale funding sources.

At times, depending on the level of general interest rates, the relationship between long- and short-term interest rates, market conditions and competitive factors, we may determine to increase our interest rate risk position somewhat in order to maintain or increase our net interest margin.

The asset and liability committee regularly reviews interest rate risk by forecasting the impact of alternative interest rate environments on net interest income and market value of portfolio equity, which is defined as the net present value of an institution's existing assets, liabilities and off-balance sheet instruments, and evaluating such impacts against the maximum potential changes in net interest income and market value of portfolio equity that are authorized by the Board of Directors of Great Southern.

The Company uses interest rate swap derivatives to help manage its interest rate risks from recorded financial liabilities. These derivatives are utilized when they can be demonstrated to effectively hedge a designated asset or liability and the asset or liability exposes the Company to interest rate risk.

Interest rate swaps are carried at fair value determined using quoted dealer prices and are recognized in the statement of financial condition in the prepaid expenses and other assets caption. The Company uses interest rate swaps to help manage its interest rate risks from recorded financial liabilities. These instruments are utilized when they can be demonstrated to effectively hedge a designated liability and the liability exposes the Company to interest rate risk. Amounts to be paid or received under interest rate swaps are accounted for on the accrual basis and recognized as interest income or expense of the related liability. Gains and losses on early termination of these instruments are deferred and amortized as an adjustment to the yield on the related liability over the shorter of the remaining contract life or the maturity of the related asset or liability. If the related liability is sold or otherwise liquidated, the instrument is marked to market, with the resultant gains or losses recognized in noninterest income. Fair values of interest rate swaps are estimated based on quoted dealer prices.

The Company has entered into interest rate swap agreements with the objective of hedging against the effects of changes in the fair value of its liabilities for fixed rate brokered certificates of deposit and trust preferred securities caused by changes in market interest rates. The swap agreements generally provide for the Company to pay a variable rate of interest based on a spread to the one-month or three-month London Interbank Offering Rate (LIBOR) and to receive a fixed rate of interest equal to that of the hedged instrument. Under the swap agreements the Company is to pay or receive interest monthly, quarterly, semiannually or at maturity.

At December 31, 2003, the notional amount of interest rate swaps outstanding was approximately $318.5 million, all consisting of swaps in a receivable position. At December 31, 2002, the notional amount of interest rate swaps outstanding was approximately $270.3 million, all consisting of swaps in a receivable position. The maturities of interest rate swaps outstanding at December 31, 2003 and 2002, in terms of notional amounts and their average pay and receive rates is discussed further in Note 14 of the *Notes to Consolidated Financial Statements*.

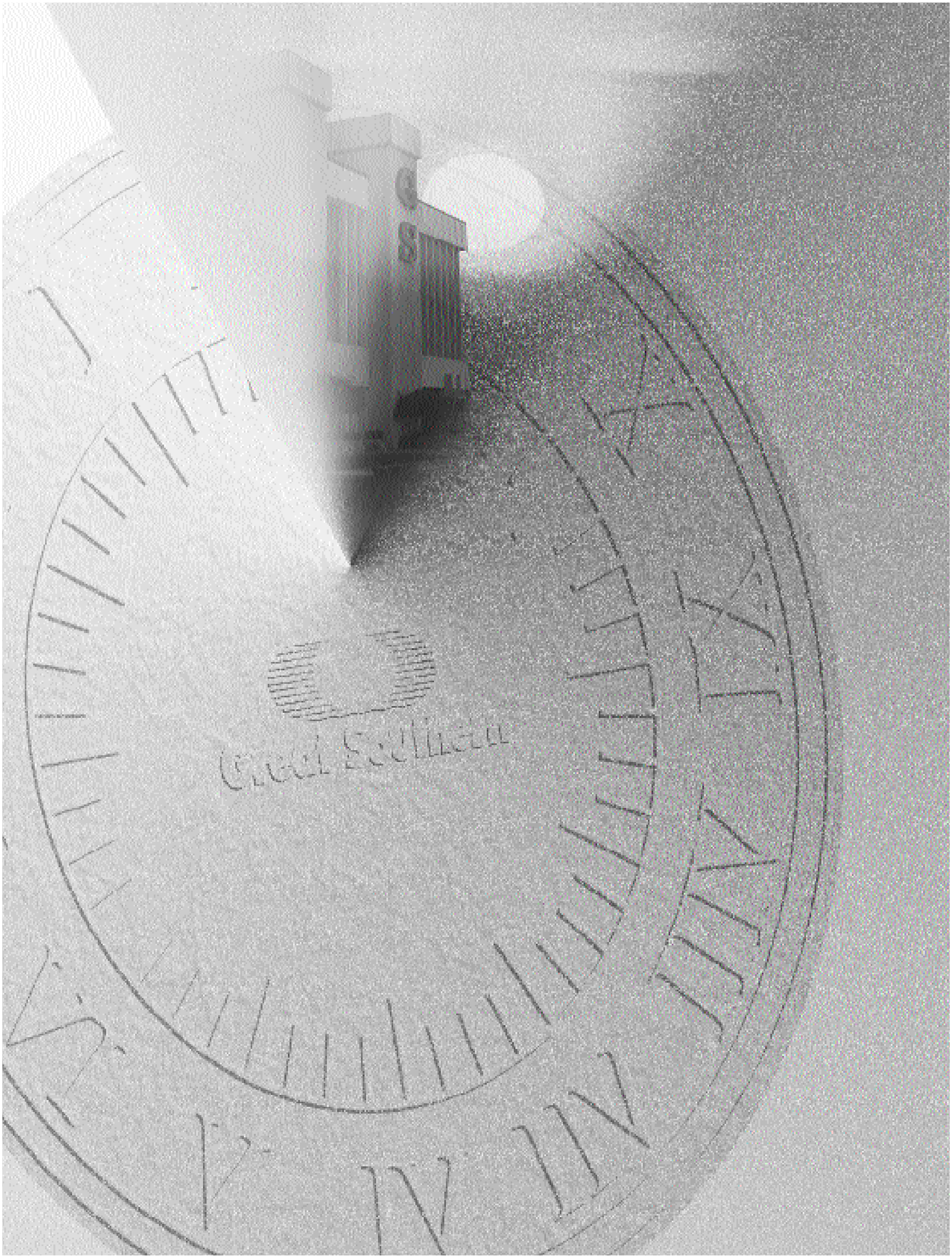
The following tables illustrate the expected maturities and repricing, respectively, of the Bank's financial instruments at December 31, 2005. These schedules do not reflect the effects of possible prepayments or enforcement of due-on-sale clauses. The tables are based on information prepared in accordance with generally accepted accounting principles.

Maturities

	December 31, 2004	2005	2006	2007	2008	Thereafter	Total	2003 Fair Value
	(Dollars in thousands)							
Financial Assets:								
Interest bearing deposits	$7,120	---	.	.	---	---	$7,120	$7,120
Weighted average rate	.77%	—	---	---	---	---	.77%	
Available-for-sale equity securities	$12					$10,604	$10,616	$10,616
Weighted average rate	12.79%	—	---	---	---	3.74%	3.75%	
Available-for-sale debt securities	---	$265	---	---	---	$248,719	$248,984	$248,984
Weighted average rate	---	9.01%			---	4.41%	4.42%	
Held to maturity securities	---	—	---	---	$223	$53,721	$53,944	$56,578
Weighted average rate	.				5.98%	8.26%	8.27%	
Adjustable rate loans	$180,269	$81,232	$93,939	$72,683	$96,864	$250,594	$775,571	$779,035
Weighted average rate	5.29%	5.32%	4.59%	5.42%	5.65%	4.88%	5.05%	
Fixed rate loans	$125,749	$43,356	$50,288	$45,443	$47,277	$68,754	$380,904	$385,276
Weighted average rate	5.58%	7.70%	7.75%	8.60%	7.59%	8.05%	7.17%	
Federal Home Loan Bank stock	---	---	—	---	—	$11,785	$11,785	$11,785
Weighted average rate	.	---	---	---	—	3.00%	3.00%	
Financial Liabilities:								
Savings deposits	$1,140				---	---	$1,140	$1,140
Weighted average rate	1.53%	---	---	—	.	.	1.53%	
Time deposits	$296,774	$67,358	$23,136	$9,920	$22,147	$250,497	$671,030	$673,550
Weighted average rate	2.05%	2.48%	2.36%	2.87%	1.60%	1.19%	1.72%	
Interest-bearing demand	$342,687	—	---	---	---	---	$342,687	$342,687
Weighted average rate	.92%	---	---	---	---	---	.92%	
Non-interest-bearing demand	$120,790	—	---	---	---	---	$120,790	$120,790
Weighted average rate	—	—	---	---	. .	.	---	
Federal Home Loan Bank and short term borrowings	$86,282	$2,100	$26,518	$3,257	$53,453	$103,961	$275,571	$287,[illegible]
Weighted average rate	1.76%	6.62%	1.82%	7.14%	1.53%	3.85%	2.26%	

Repricing

	December 31,							2003
	2004	2005	2006	2007	2008	Thereafter	Total	Fair Value
	(Dollars in thousands)							
Financial Assets:								
Interest bearing deposits	$7,120	---	—	---	---	---	$7,120	$7,120
Weighted average rate	.77%	---	—	---	—	—	.77%	
Available-for-sale equity securities	$7,771	---	$2,441	---	$414	—	$10,626	$10,626
Weighted average rate	2.41%		3.70%	---	6.44%	—	[illegible]	
Available for sale debt securities	$163,755	$1,684	$2,779	$2,593	$2,111	$76,064	$248,084	$248,084
Weighted average rate	4.05%	10.41%	9.04%	5.52%	5.73%	4.72%	4.42%	
Held-to-maturity securities	$14,970	---	---	$6,413	$1,323	$31,238	$53,944	$56,558
Weighted average rate	5.35%	---	—	7.53%	7.13%	9.80%	8.27%	
Adjustable rate loans	$719,063	$3,372	$5,496	$3,205	$4,855	$660	$735,571	$739,035
Weighted average rate	5.02%	7.25%	6.11%	6.41%	5.91%	5.27%	5.05%	
Fixed rate loans	$125,749	$45,356	$50,288	$45,440	$47,227	$68,244	$380,304	$383,076
Weighted average rate	5.58%	7.76%	7.70%	8.00%	7.59%	8.05%	7.17%	
Federal Home Loan Bank stock	$11,785	---	-	-	--	---	$11,785	$11,785
Weighted average rate	3.00%	---	---	—	---	---	3.00%	
Financial Liabilities								
Savings deposits	$1,140	—	---	---	---	---	$1,140	$1,140
Weighted average rate	1.53%	—	---	---			1.53%	
Time deposits	$559,997	$67,356	$32,536	$9,920	$7,147	$4,289	$671,030	$673,550
Weighted average rate	1.61%	2.48%	2.30%	2.57%	2.50%	5.16%	1.77%	
Interest-bearing demand	$342,687	---	---	---	---	—	$342,687	$342,687
Weighted average rate	.92%	---	—	---	---	—	.92%	
Non-interest-bearing demand	$130,790	—	—	---			$130,790	$130,790
Weighted average rate			-	---	---	—	---	
Federal Home Loan Bank and short-term borrowings	$255,711	$3,100	$1,318	$3,357	$3,452	$8,633	$275,571	$287,485
Weighted average rate	1.95%	6.60%	6.75%	7.14%	6.28%	6.14%	2.28%	



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Independent Accountants' Report

Board of Directors
Great Southern Bancorp, Inc.
Springfield, Missouri

We have audited the consolidated statements of financial condition of Great Southern Bancorp, Inc. as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Great Southern Bancorp, Inc. as of December 31, 2003 and 2002, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

Springfield, Missouri
January 30, 2004

Great Southern Bancorp, Inc.

Consolidated Statements of Financial Condition
December 31, 2003 and 2002
(In Thousands, Except Per Share Data)

Assets

	2003	2002
Cash	$ 67,694	$ 55,327
Interest-bearing deposits in other financial institutions	7,120	547
Cash and cash equivalents	74,814	55,874
Available-for-sale securities	259,600	236,269
Held-to-maturity securities	53,944	52,587
Mortgage loans held for sale	1,243	2,636
Loans receivable, net of allowance for loan losses of $20,844 and $21,288 at December 31, 2003 and 2002, respectively	1,092,954	995,011
Interest receivable		
Loans	5,619	5,075
Investments	1,919	1,490
Prepaid expenses and other assets	7,659	16,452
Foreclosed assets held for sale, net	9,034	4,325
Premises and equipment, net	19,592	16,963
Federal Home Loan Bank stock	11,785	14,962
Refundable income taxes	—	990
Deferred income taxes	2,630	
Total assets	$1,540,723	$1,402,638

See Notes to Consolidated Financial Statements

Liabilities and Stockholders' Equity

	2003	2002
Liabilities		
Deposits	$1,137,427	$1,021,957
Federal Home Loan Bank advances	204,787	206,226
Short term borrowings	53,534	43,304
Trust preferred securities	18,263	18,964
Accrued interest payable	1,679	2,485
Advances from borrowers for taxes and insurance	202	229
Accounts payable and accrued expenses	3,944	3,697
Income taxes payable	1,339	---
Deferred income taxes	---	1,067
Total liabilities	1,421,175	1,297,929
Stockholders' Equity		
Capital stock		
Serial preferred stock, $.01 par value; authorized 1,000,000 shares	---	---
Common stock, $.01 par value; authorized 20,000,000 shares, issued 12,325,002 shares	123	123
Additional paid-in capital	17,451	17,033
Retained earnings	164,159	145,931
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities, net of income taxes of $(34) and $1,286 at December 31, 2003 and 2002	(65)	2,568
	181,668	165,655
Less treasury common stock, at cost; December 31, 2003 and 2002 -- 5,473,649 and 5,467,881 shares, respectively	62,120	60,946
Total stockholders' equity	119,548	104,709
Total liabilities and stockholders' equity	$1,540,723	$1,402,638

Great Southern Bancorp, Inc.

Consolidated Statements of Income

Years Ended December 31, 2003, 2002 and 2001

(In Thousands, Except Per Share Data)

	2003	2002	2001
Interest Income			
Loans	$63,283	$64,062	$76,107
Investment securities and other	12,896	16,099	13,390
	76,179	80,161	89,497
Interest Expense			
Deposits	16,562	22,244	32,405
Federal Home Loan Bank advances	5,420	6,852	10,339
Short-term borrowings and trust preferred securities	1,182	1,241	3,163
	23,164	30,337	45,907
Net Interest Income	53,015	49,824	43,590
Provision for Loan Losses	4,800	5,800	5,200
Net Interest Income After Provision for Loan Losses	48,215	44,024	38,390
Noninterest Income			
Commissions	5,859	5,786	5,765
Service charges and ATM fees	11,214	8,430	8,552
Net gains on loan sales	2,187	1,575	1,756
Net realized gains on sales of available-for-sale securities	795	3,443	139
Other income	1,775	1,186	1,237
	21,830	20,420	17,249
Noninterest Expense			
Salaries and employee benefits	18,739	15,842	15,120
Net occupancy expense	6,335	5,337	4,740
Postage	1,691	1,426	1,222
Insurance	683	514	483
Advertising	735	622	686
Office supplies and printing	853	828	774
Expense on foreclosed assets	1,939	597	216
Other operating expenses	4,615	3,765	4,156
	35,592	28,931	27,406
Income Before Income Taxes	34,453	35,513	28,233
Provision for Income Taxes	11,362	12,301	9,475
Net Income	$23,091	$23,212	$18,758
Earnings Per Common Share			
Basic	$3.37	$3.36	$2.72
Diluted	$3.33	$3.34	$2.70

See Notes to Consolidated Financial Statements

Great Southern Bancorp, Inc.
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2003, 2002 and 2001
(In Thousands, Except Per Share Data)

	Comprehensive Income	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, January 1, 2001	$ —	$123	$17,461	$112,177	$ 384	$(59,696)	$70,449
Net income	18,758		—	18,758	—	—	18,758
Stock issued under Stock Option Plan	—	—	(301)	—		507	206
Dividends declared, $.50 per share	—	—		(3,446)	—	—	(3,446)
Change in unrealized gain on available-for-sale securities, net of income taxes of $184	326	—	—	—	326	—	326
Treasury stock purchased	—	—	—	—	—	(1,039)	(1,039)
Comprehensive income	$19,084						
Balance, December 31, 2001	$ —	123	17,160	127,489	710	(60,228)	85,254
Net income	23,212	—	—	23,212	—	—	23,212
Stock issued under Stock Option Plan	—	—	(127)	—	—	624	497
Dividends declared, $.70 per share	—	—		(4,730)	—	—	(4,730)
Change in unrealized gain on available-for-sale securities, net of income taxes of $1,003	1,858	—	—	—	1,858	—	1,858
Treasury stock purchased	—	—		—	—	(1,242)	(1,242)
Comprehensive income	$25,070						
Balance, December 31, 2002	$ —	123	17,033	145,971	2,568	(60,846)	104,849
Net income	23,051	—	—	23,051		—	23,051
Stock issued under Stock Option Plan	—	—	418	—	—	377	795
Dividends declared, $.71 per share		—	—	(4,863)	—		(4,863)
Change in unrealized loss on available-for-sale securities, net of income tax benefit of $(1,327)	(2,593)	—		—	(2,593)	—	(2,593)
Treasury stock purchased		—	—		—	(1,551)	(1,551)
Comprehensive income	$20,458						
Balance, December 31, 2003		$123	$17,451	$164,159	$ (25)	$(62,020)	$119,688

See Notes to Consolidated Financial Statements

Great Southern Bancorp, Inc.
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2003, 2002 and 2001
(In Thousands)

	2003	2002	2001
Reclassification Disclosure			
Unrealized gain (loss) on available-for-sale securities, net of income taxes of $(1,057) for December 31, 2003, $2,073 for December 31, 2002; $231 for December 31, 2001	$(2,108)	$4,130	$418
Less reclassification adjustment for gain included in net income, net of income taxes of $265 for December 31, 2003; $1,171 for December 31, 2002, $47 for December 31, 2001	525	2,272	92
Change in unrealized gain (loss) on available-for-sale securities, net of income taxes	$(2,635)	$1,858	$326

See Notes to Consolidated Financial Statements

Great Southern Bancorp, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2003, 2002 and 2001
(In Thousands)

	2003	2002	2001
Operating Activities			
Net income	$ 23,091	$ 23,212	$ 18,758
Proceeds from sales of loans held-for-sale	146,839	106,487	104,997
Originations of loans held-for-sale	(140,316)	(98,939)	(105,760)
Items not requiring (providing) cash			
Depreciation	2,761	2,593	2,259
Amortization	149	136	409
Provision for loan losses	4,800	5,800	5,200
Provision for losses on foreclosed assets	---	254	150
Net gains on loan sales	(2,187)	(1,575)	(1,756)
Net realized (gains) losses on available-for-sale securities	(795)	(2,443)	(139)
(Gain) loss on sale of premises and equipment	(160)	(76)	87
(Gain) loss on sale of foreclosed assets	931	(271)	(576)
Amortization of deferred income, premiums and discounts	1,546	659	(1,495)
Deferred income taxes	(2,569)	(2,654)	(1,306)
Changes in			
Interest receivable	(272)	544	1,701
Prepaid expenses and other assets	(945)	132	90
Accounts payable and accrued expenses	(900)	(3,016)	(933)
Income taxes refundable/payable	2,329	(725)	1,781
Net cash provided by operating activities	33,702	29,218	22,465

See Notes to Consolidated Financial Statements

Great Southern Bancorp, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2003, 2002 and 2001
(In Thousands)

	2003	2002	2001
Investing Activities			
Net change in loans	$(52,919)	$(29,144)	$(46,976)
Purchase of loans	(73,897)	(31,448)	(45,990)
Proceeds from sale of student loans	9,141	10,838	11,700
Purchase of premises and equipment	(8,676)	(6,876)	(4,956)
Proceeds from sale of premises and equipment	3,146	235	87
Proceeds from sale of foreclosed assets	8,354	4,815	5,060
Capitalized costs on foreclosed assets	(243)	31	(573)
Proceeds from maturing held-to-maturity securities	6,104	11,687	5
Purchase of held-to-maturity securities	(9,450)	(26,811)	(17,315)
Proceeds from sale of available-for-sale securities	40,703	151,265	106,292
Proceeds from maturities, calls and repayments of available-for-sale securities	119,617	90,024	161,828
Purchase of available-for-sale securities	(189,633)	(239,097)	(363,762)
(Purchase) redemption of Federal Home Loan Bank stock	3,177	---	(867)
Net cash used in investing activities	(144,576)	(64,471)	(197,417)

See Notes to Consolidated Financial Statements

Great Southern Bancorp, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2003, 2002 and 2001

(In Thousands)

	2003	2002	2001
Financing Activities			
Net increase (decrease) in certificates of deposit	$ (128,205)	$ 56,730	$ 117,190
Net increase in checking and savings accounts	152,533	90,905	15,452
Proceeds from Federal Home Loan Bank advances and note payable to bank	1,346,000	2,829,500	1,459,300
Repayments of Federal Home Loan Bank advances and note payable to bank	(1,247,439)	(2,882,017)	(1,450,435)
Net increase (decrease) in short-term borrowings	10,230	(14,459)	16,068
Proceeds from issuance of trust preferred securities	---	---	17,250
Payment of financing costs on trust preferred securities	---	---	(924)
Advances to borrowers for taxes and insurance	(27)	(66)	(49)
Purchase of treasury stock	(1,551)	(1,342)	(1,639)
Dividends paid	(4,522)	(3,741)	(3,446)
Stock options exercised	795	407	206
Net cash provided by financing activities	127,814	75,917	168,973
Increase (Decrease) in Cash and Cash Equivalents	18,940	20,754	(4,981)
Cash and Cash Equivalents, Beginning of Year	55,874	35,120	40,101
Cash and Cash Equivalents, End of Year	$74,814	$55,874	$35,120

See Notes to Consolidated Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Great Southern Bancorp, Inc. ("GSBC" or the "Company") operates as a one-bank holding company. GSBC's business primarily consists of the business of Great Southern Bank (the "Bank"), which provides a full range of financial services as well as travel, insurance and investment services through the Company's and the Bank's other wholly owned subsidiaries to customers primarily in southwest and central Missouri. The Company and the Bank are subject to the regulation of certain federal and state agencies and undergo periodic examinations by those regulatory agencies.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses. In connection with the determination of the allowance for loan losses, management obtains independent appraisals for significant properties.

Principles of Consolidation

The consolidated financial statements include the accounts of Great Southern Bancorp, Inc., its wholly owned subsidiaries, Great Southern Capital Trust I, the Bank and the Bank's wholly owned subsidiaries, Great Southern Real Estate Development Corporation, GSB One LLC (including its wholly owned subsidiary, GSB Two LLC) and Great Southern Financial Corporation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain prior periods' amounts have been reclassified to conform to the 2003 financial statements presentation. These reclassifications had no effect on net income.

Federal Home Loan Bank Stock

Federal Home Loan Bank stock is a required investment for institutions that are members of the Federal Home Loan Bank system. The required investment in common stock is based on a predetermined formula

Securities

Available-for-sale securities, which include any security for which the Company has no immediate plan to sell but which may be sold in the future, are carried at fair value. Unrealized gains and losses are recorded, net of related income tax effects, in other comprehensive income.

Held-to-maturity securities, which include any security for which the Company has the positive intent and ability to hold until maturity, are carried at historical cost adjusted for amortization of premiums and accretion of discounts.

Amortization of premiums and accretion of discounts are recorded as interest income from securities. Realized gains and losses are recorded as net security gains (losses). Gains and losses on sales of securities are determined on the specific-identification method.

Mortgage Loans Held-for-sale

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or fair value in the aggregate. Write-downs to fair value are recognized as a charge to earnings at the time the decline in value occurs. Nonbinding forward commitments to sell individual mortgage loans are generally acquired to reduce market risk on mortgage loans in the process of origination and mortgage loans held-for-sale. Gains and losses resulting from sales of mortgage loans are recognized when the respective loans are sold to investors. Fees received from borrowers to guarantee the funding of mortgage loans held-for-sale and fees paid to investors to ensure the ultimate sale of such mortgage loans are recognized as income or expense when the loans are sold or when it becomes evident that the commitment will not be used.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for loan losses, any deferred fees or costs on originated loans and unamortized premiums or discounts on purchased loans. Interest income is reported on the interest method and includes amortization of net deferred loan fees and costs over the loan term. Generally, loans are placed on nonaccrual status at ninety days past due and interest is considered a loss, unless the loan is well secured and in the process of collection.

Discounts and premiums on purchased loans are amortized to income using the interest method over the remaining period to contractual maturity, adjusted for anticipated prepayments.

Allowance for Loan Losses

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

A loan is considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for commercial and construction loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price or the fair value of the collateral if the loan is collateral dependent.

Large groups of smaller balance homogenous loans are collectively evaluated for impairment. Accordingly, the Bank does not separately identify consumer and residential loans for impairment disclosures.

Foreclosed Assets Held-for-sale

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less estimated cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net expense on foreclosed assets.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line and accelerated methods over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized using the straight-line and accelerated methods over the terms of the respective leases or the estimated useful lives of the improvements, whichever is shorter.

Loan Servicing and Origination Fee Income

Loan servicing income represents fees earned for servicing real estate mortgage loans owned by various investors. The fees are generally calculated on the outstanding principal balances of the loans serviced and are recorded as income when earned. Loan origination fees, net of direct loan origination costs, are recognized as income using the level-yield method over the contractual life of the loan.

Earnings Per Share

Basic earnings per share is computed based on the weighted average number of shares outstanding during each year. Diluted earnings per share is computed using the weighted average common shares and all potential dilutive common shares outstanding during the period.

Earnings per share (EPS) were computed as follows:

	2003	2002	2001
	(In Thousands, Except Per Share Data)		
Net income	$23,691	$23,212	$18,758
Average common shares outstanding	6,854	6,863	6,889
Average common share stock options outstanding	90	83	67
Average diluted common shares	6,944	6,946	6,956
Earnings per common share – basic	$3.46	$3.38	$2.72
Earnings per common share – diluted	$3.41	$3.34	$2.70

Options to purchase 36,600 shares of common stock were outstanding during the year ended December 31, 2002, but were not included in the computation of diluted earnings per share for that year because the options' exercise price was greater than the average market price of the common shares. There were no anti-dilutive options outstanding for the years ended December 31, 2003 and 2001.

Stock Option Plan

The Company has a stock-based employee compensation plan, which is described more fully in *Note 15*. The Company accounts for this plan under the recognition and measurement principles of APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under those plans had an exercise price at least equal to the market value of the underlying common stock on the grant date. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value provisions of FASB Statement No. 123, *Accounting for Stock-Based Compensation*, to stock-based employee compensation.

	Year Ended December 31,		
	2003	2002	2001
	(In Thousands, Except Per Share Amounts)		
Net income, as reported	$23,041	$23,212	$18,758
Less			
Total stock-based employee compensation cost determined under the fair value based method, net of income taxes	(333)	(260)	(358)
Pro forma net income	$22,708	$22,952	$18,400
Earnings per share			
Basic -- as reported	$3.37	$3.38	$2.72
Basic -- pro forma	$3.31	$3.34	$2.67
Diluted -- as reported	$3.33	$3.34	$2.70
Diluted -- pro forma	$3.27	$3.30	$2.65

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2003 and 2002, cash equivalents consisted of interest-bearing deposits in other financial institutions.

Income Taxes

Deferred tax assets and liabilities are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

Interest Rate Swaps

Interest rate swaps are carried at fair value determined using quoted dealer prices and are recognized in the statements of financial condition in the prepaid expenses and other assets caption. The Company uses interest rate swaps to help manage its interest rate risk from recorded financial liabilities. These instruments are utilized when they can be demonstrated to effectively hedge a designated liability and the liability exposes the Company to interest-rate risk. Amounts to be paid or received under interest-rate swaps are accounted for on the accrual basis and recognized as interest income or expense of the related liability. Gains and losses on early termination of these instruments are deferred and amortized as an adjustment to the yield on the related liability over the shorter of the remaining contract life or the maturity of the related asset or liability. If the related liability is sold or otherwise liquidated, the instrument is marked to market, with the resultant gains or losses recognized in noninterest income.

Restriction on Cash and Due From Banks

The Bank is required to maintain reserve funds in cash and/or on deposit with the Federal Reserve Bank. The reserve required at December 31, 2003 and 2002, respectively, was $24,176,000 and $13,219,000.

Recent Accounting Pronouncements

In January 2003 the Financial Accounting Standards Board (FASB) issued its Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities*, which requires the consolidation of certain special purpose entities (SPE's) by a company if it is determined to be the primary beneficiary of the SPE's operating activities. One financial liability of the Company that is impacted by FIN 46 is the Company's trust preferred securities and related debentures. This liability is, and has been, presented in the Company's financial statements as a liability and not a component of equity for financial reporting purposes. In addition, the Federal Reserve Board has allowed these securities to be included as capital for purposes of regulatory capital calculations. The FASB has issued a revised interpretation of FIN 46, which must be applied to certain variable instruments by March 31, 2004. At that time the Company expects for financial reporting purposes to de-consolidate the trust and to instead report the junior subordinated debentures of the Company owned by the trust. This is not expected to have a significant impact on the Company's financial statements. To date, no final determination has been reached for regulatory reporting purposes and the Federal Reserve Board has instructed bank holding companies to continue to include these securities in regulatory capital calculations until further notice.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 (SFAS 150), *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS 150 modifies the accounting for certain financial instruments that issuers previously could account for as equity. Under SFAS 150, certain instruments with characteristics of both liabilities and equity must be classified as liabilities in the balance sheets, with the corresponding payment to holders of the instruments recognized interest expense. The adoption of this standard had no impact on the financial position or results of operations of the Company as the Company's trust preferred securities were already classified as liabilities on the Company's balance sheets and recorded as interest expense on the statements of income.

Note 2: Investments in Debt and Equity Securities

The amortized cost and approximate fair values of securities classified as available-for-sale are as follows:

	December 31, 2003			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	(In Thousands)			
U.S. government agencies	$ 53,084	$ —	$1,160	$ 51,924
Collateralized mortgage obligations	8,821	124	---	8,945
Mortgage-backed securities	170,596	1,547	640	171,503
States and political subdivisions	7,437	23	76	7,384
Corporate bonds	8,408	831	11	9,228
Equity securities	11,354	58	796	10,616
	$259,700	$2,583	$2,683	$259,600

	December 31, 2002			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	(In Thousands)			
U.S. government agencies	$11,000	$ —	$ 2	$10,998
Collateralized mortgage obligations	5,082	—	11	5,071
Mortgage-backed securities	195,904	3,093	33	198,964
Corporate bonds	9,156	910	12	10,054
Equity securities	11,267	181	266	11,182
	$232,409	$4,184	$324	$236,269

The amortized cost and fair value of available-for-sale securities at December 31, 2003, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Approximate Fair Value
	(In Thousands)	
After one through five years	$ 246	$ 265
After ten years	68,683	68,272
Securities not due on a single maturity date	179,417	180,447
Equity securities	11,354	10,616
	$259,700	$259,600

The amortized cost and approximate fair values of securities classified as held-to-maturity are as follows:

	December 31, 2003			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	(In Thousands)			
States and political subdivisions and industrial revenue bonds	$53,944	$2,614	$0	$56,558

	December 31, 2002			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
	(In Thousands)			
States and political subdivisions and industrial revenue bonds	$52,587	$3,313	$0	$55,900

The amortized cost and fair value of held-to-maturity securities at December 31, 2003, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Approximate Fair Value
	(In Thousands)	
After one through five years	$ 223	$ 225
After five through ten years	8,881	9,485
After ten years	44,840	46,848
	$53,944	$56,558

The amortized cost of securities pledged as collateral to secure public deposits and for other purposes amounted to approximately $113,975,000 and $40,668,000 at December 31, 2003 and 2002, respectively, with approximate fair values of $111,909,000 and $40,594,000, respectively. The amortized cost of securities pledged as collateral to secure collateralized borrowing accounts amounted to approximately $69,078,000 and $43,043,000 at December 31, 2003 and 2002, respectively, with approximate fair values of $68,952,000 and $43,334,000, respectively. The amortized cost of securities pledged as collateral to secure Federal Home Loan Bank advances amounted to approximately $35,341,000 and $109,705,000 at December 31, 2003 and 2002, respectively, with approximate fair values of $35,195,000 and $111,069,000, respectively.

Certain investments in debt (and marketable equity) securities are reported in the financial statements at an amount less than their historical cost. Total fair value of these investments at December 31, 2003, was approximately $137,065,000, which is approximately 43.4% of the Company's available-for-sale and held-to-maturity investment portfolio. These declines primarily resulted from recent increase in market interest rates.

Based on evaluation of available evidence, including recent changes in market interest rates, credit rating information and information obtained from regulatory filings, management believes the declines in fair value for these securities are temporary.

Should the impairment of any of these securities become other than temporary, the cost basis of the investment will be reduced and the resulting loss recognized in net income in the period the other-than-temporary impairment is identified.

The following table shows our investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2003:

	Less than 12 Months		12 Months or More		Total	
Description of Securities	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government agencies	$ 51,924	$1,160	$ —	$ —	$ 51,924	$1,160
Mortgage-backed securities	70,294	631	955	9	71,249	640
State and political subdivisions	3,192	76	—	—	3,192	76
Equity securities	7,385	115	2,814	661	10,199	776
Corporate bonds and ADS	—	—	501	11	501	11
	$132,795	$1,982	$4,270	$681	$137,065	$2,663

Note 3: Loans and Allowance for Loan Losses

Categories of loans at December 31, 2003 and 2002, include:

	2003	2002
	(In Thousands)	
One-to-four family residential mortgage loans	$ 137,747	$169,300
Other residential mortgage loans	107,090	84,862
Commercial real estate loans	441,784	401,942
Other commercial loans	92,029	91,123
Construction loans	391,548	212,070
Installment, education and other loans	120,525	110,182
Prepaid dealer premium	2,903	2,261
Discounts on loans purchased	(13)	(37)
Undisbursed portion of loans in process	(109,004)	(33,468)
Allowance for loan losses	(20,844)	(21,233)
Deferred loan fees and gains, net	(821)	(742)
	$1,092,954	$995,011

Transactions in the allowance for loan losses were as follows:

	2003	2002	2001
		(In Thousands)	
Balance, beginning of year	$21,288	$21,328	$18,694
Provision charged to expense	4,800	5,800	5,200
Loans charged off, net of recoveries of $2,300 for 2003, $1,874 for 2002 and $2,335 for 2001	(5,244)	(5,840)	(2,566)
Balance, end of year	$20,844	$21,288	$21,328

The weighted average interest rate on loans receivable at December 31, 2003 and 2002, was 5.46% and 6.10%, respectively.

Loans serviced for others are not included in the accompanying consolidated statements of financial condition. The unpaid principal balances of loans serviced for others were $78,330,000 and $56,826,000 at December 31, 2003 and 2002, respectively.

Gross impaired loans totaled approximately $7,391,000 and $11,521,000 at December 31, 2003 and 2002, respectively. An allowance for loan losses of $918,000 and $1,049,000 relates to these impaired loans at December 31, 2003 and 2002, respectively. There were no impaired loans at December 31, 2003, and two impaired loans at December 31, 2002, without a related allowance for loan losses assigned.

Interest of approximately $304,000, $828,000 and $1,283,000 was received on average impaired loans of approximately $8,716,000, $13,101,000 and $8,056,000 for the years ended December 31, 2003, 2002 and 2001, respectively. Interest of approximately $441,000, $1,831,000 and $1,756,000 would have been recognized on an accrual basis during the years ended December 31, 2003, 2002 and 2001, respectively.

At December 31, 2003 and 2002, accruing loans delinquent 90 days or more totaled approximately $247,000 and $1,024,000, respectively. Nonaccruing loans at December 31, 2003 and 2002, were approximately $7,044,000 and $13,497,000, respectively.

Certain of the Bank's real estate loans are pledged as collateral for borrowings as set forth in *Notes 7* and *9*.

Certain directors and executive officers of the Company and the Bank are customers of and had transactions with the Bank in the ordinary course of business. Except for the interest rates on loans secured by personal residences, in the opinion of management, all loans included in such transactions were made on substantially the same terms as those prevailing at the time for comparable transactions with unrelated parties. Generally, residential loans to all employees and directors have been granted at interest rates 1% above the Bank's cost of funds, subject to annual adjustments. At December 31, 2003 and 2002, loans outstanding to these directors and executive officers are summarized as follows:

	December 31, 2003	December 31, 2002
	(In Thousands)	
Balance, beginning of year	$12,389	$10,073
New loans	9,631	6,962
Payments	(6,196)	(4,646)
Balance, end of year	$15,824	$12,389

Note 4: Foreclosed Assets Held for Sale

Activity in the allowance for losses on foreclosed assets was as follows:

	2003	2002	2001
		(In Thousands)	
Balance, beginning of year	$ 0	$ 150	$ —
Provision charged to expense	—	—	150
Charge-offs, net of recoveries	—	(150)	—
Balance, end of year	$ 0	$ 0	$150

Note 5: Premises and Equipment

Major classifications of premises and equipment, stated at cost, are as follows:

	December 31, 2003	2002
	(In Thousands)	
Land	$ 5,793	$ 4,728
Buildings and improvements	12,512	12,957
Furniture, fixtures and equipment	16,022	13,737
	34,327	31,422
Less accumulated depreciation	14,435	14,459
	$19,892	$16,963

Note 6: Deposits

Deposits are summarized as follows:

	Weighted Average Interest Rate	December 31, 2003	December 31, 2002
		(In Thousands, Except Interest Rates)	
Noninterest-bearing accounts	—	$ 120,790	$ 94,508
Interest-bearing checking	.92% - 1.08%	342,687	216,699
Savings accounts	1.53% - 1.23%	1,140	876
		464,617	312,083
Certificate accounts	0% - 1.99%	173,617	38,962
	2% - 2.99%	122,575	206,708
	3% - 3.99%	131,248	168,186
	4% - 4.99%	96,489	62,045
	5% - 5.99%	60,259	91,892
	6% - 6.99%	80,618	119,145
	7% and above	6,284	10,298
		671,090	697,236
Interest rate swap fair value adjustment		1,780	19,638
		$1,137,487	$1,028,957

The weighted average interest rate on certificates of deposit was 1.77% and 2.58% at December 31, 2003 and 2002, respectively.

The aggregate amount of certificates of deposit originated by the Bank in denominations greater than $100,000 was approximately $96,349,000 and $100,782,000 at December 31, 2003 and 2002, respectively. The Bank utilizes brokered deposits as an additional funding source. The aggregate amount of brokered deposits, which are primarily in denominations of $100,000 or more, was approximately $378,555,000 and $339,820,000 at December 31, 2003 and 2002, respectively.

At December 31, 2003, scheduled maturities of certificates of deposit are as follows (in thousands):

2004	$298,771
2005	67,356
2006	22,336
2007	9,920
2008	23,117
Thereafter	250,497
	$671,030

A summary of interest expense on deposits is as follows:

	2003	2002	2001
		(In Thousands)	
Checking accounts	$ 3,013	$ 2,277	$ 2,443
Savings accounts	12	17	165
Certificate accounts	13,612	19,990	29,905
Early withdrawal penalties	(55)	(40)	(108)
	$16,582	$22,244	$32,405

Note 7: Advances From Federal Home Loan Bank

Advances from the Federal Home Loan Bank consist of the following:

	December 31, 2003		December 31, 2002	
Due In	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
	(In Thousands, Except Interest Rates)			
2003	$ —	—%	$ 81,263	1.52%
2004	32,749	1.55	25,842	2.14
2005	3,100	6.62	3,401	6.62
2006	26,318	1.52	1,426	6.73
2007	3,357	7.14	3,474	7.13
2008	53,452	1.53	3,379	6.29
2009 and thereafter	85,811	3.74	87,441	3.39
	$204,787	2.55	$206,226	2.90

Included in the Bank's FHLB advances is a $25,000,000 advance with a maturity date of December 16, 2010. The interest rate on this advance is 4.79%. The advance has a call provision that allows the Federal Home Loan Bank of Des Moines to call the advance quarterly.

Included in the Bank's FHLB advances is a $25,000,000 advance with a maturity date of January 20, 2011. The interest rate on this advance is 4.75%. The advance has a call provision that allows the Federal Home Loan Bank of Des Moines to call the advance quarterly.

Included in the Bank's FHLB advances is a $25,000,000 advance with a maturity date of December 18, 2006. The interest rate on this advance is 1.04%. The advance has a call provision that allows the Federal Home Loan Bank of Des Moines to call the advance on March 18, 2004, and quarterly thereafter.

Included in the Bank's FHLB advances is a $25,000,000 advance with a maturity date of December 15, 2008. The interest rate on this advance is 0.99%. The advance has a call provision that allows the Federal Home Loan Bank of Des Moines to call the advance on March 15, 2004, and quarterly thereafter.

Included in the Bank's FHLB advances is a $25,000,000 advance with a maturity date of December 15, 2008. The interest rate on this advance is 0.98%. The advance has a call provision that allows the Federal Home Loan Bank of Des Moines to call the advance on March 15, 2004, and quarterly thereafter.

The Bank has pledged FHLB stock, investment securities and first mortgage loans free of pledges, liens and encumbrances as collateral for outstanding advances. Investment securities with approximate carrying values of $35,195,000 and $111,069,000, respectively, were specifically pledged as collateral for advances at December 31, 2003 and 2002. Loans with carrying values of approximately $539,990,000 and $556,720,000 were pledged as collateral for outstanding advances at December 31, 2003 and 2002, respectively.

Note 8: Short-term Borrowings

Short-term borrowings are summarized as follows:

	December 31,	
	2003	**2002**
	(In Thousands)	
Federal funds purchased	$ ---	$ 4,800
Securities sold under reverse repurchase agreements	53,534	38,504
	$53,534	$43,304

The Bank enters into sales of securities under agreements to repurchase (reverse repurchase agreements). Reverse repurchase agreements are treated as financings, and the obligations to repurchase securities sold are reflected as a liability in the statements of financial condition. The dollar amount of securities underlying the agreements remains in the asset accounts. Securities underlying the agreements are being held by the Bank during the agreement period. All agreements are written on a one-month or less term.

Short-term borrowings had weighted average interest rates of 0.96% and 1.08% at December 31, 2003 and 2002, respectively. Short-term borrowings averaged approximately $51,361,000 and $33,380,000 for the years ended December 31, 2003 and 2002, respectively. The maximum amounts outstanding at any month end were $66,298,000 and $54,212,000 during those same periods.

Note 9: Note Payable to Bank

Previously, the Company had a line of credit with a commercial bank. The amount available under the line of credit was $12,000,000 at December 31, 2002. There were no amounts outstanding under the line at December 31, 2002. The note bore interest at LIBOR plus 1.25% due quarterly, was secured by all of the common stock of the Bank and matured November 1, 2003. Upon maturity the Company elected to not renew the line of credit.

The Bank has a potentially available $107,882,000 line of credit under a borrowing arrangement with the Federal Reserve Bank at December 31, 2003. The line is secured primarily by commercial loans and was not drawn upon at December 31, 2003.

Note 10: Trust Preferred Securities

Great Southern Capital Trust I (GSBC-P), a Delaware business trust subsidiary of the Company, has issued 1,725,000 shares of unsecured 9.00% Cumulative Trust Preferred Securities at $10 per share in an underwritten public offering. The gross proceeds of the offering were used to purchase a 9.00% Subordinated Debenture from the Company. The Company's proceeds from the issuance of the Subordinated Debentures to GSBC-P, net of underwriting fees and offering expenses, were $16.5 million. The Company records distributions payable on the trust preferred securities as interest expense for financial reporting purposes. The proceeds from the offering were used to pay off the Company's indebtedness under the previous note payable to bank. The trust preferred securities mature in 2031 and are redeemable at the Company's option beginning in 2006. The trust preferred securities qualify as Tier 1 capital for regulatory purposes.

The Company entered into an interest rate swap agreement to effectively convert this fixed rate debt to variable rates of interest. The variable rate is three-month LIBOR plus 202 basis points, adjusting quarterly. The initial rate was 6.25% and the rate at December 31, 2003 and 2002, was 3.20% and 3.82%, respectively.

Trust preferred securities are summarized as follows:

	2003	2002
	(In Thousands)	
Trust preferred securities	$17,250	$17,250
Interest rate swap fair value adjustment	1,013	1,714
	$18,263	$18,964

Note 11: Income Taxes

The Company files a consolidated federal income tax return. During the time the Bank operated under a thrift charter, thrifts were allowed a percentage of otherwise taxable income as a statutory bad debt deduction, subject to limitations based on aggregate loans and savings balances. This percentage was most recently 8%. In August 1996 this statutory bad debt deduction was repealed and is no longer available for thrifts. In addition, bad debt allowances accumulated after 1988, which are presently included as a component of the net deferred tax asset, must be recaptured over a six-year period beginning with the period ended December 31, 1998. The amount of the deferred tax liability was fully recaptured by December 31, 2003.

As of December 31, 2003 and 2002, retained earnings includes approximately $17,500,000 for which no deferred income tax liability has been recognized. This amount represents an allocation of income to bad debt deductions for tax purposes only for tax years prior to 1988. If the Bank were to liquidate, the entire amount would have to be recaptured and would create income for tax purposes only, which would be subject to the then-current corporate income tax rate. The unrecorded deferred income tax liability on the above amount was approximately $6,475,000 at December 31, 2003 and 2002.

The provision for income taxes includes these components:

	2003	2002	2001
		(In Thousands)	
Taxes currently payable	$13,931	$14,955	$10,781
Deferred income taxes	(2,569)	(2,654)	(1,306)
Income tax expense	$11,362	$12,301	$ 9,475

The tax effects of temporary differences related to deferred taxes shown on the statements of financial condition were:

	December 31, 2003	December 31, 2002
	(In Thousands)	
Deferred tax assets		
Allowance for loan losses	$ 7,295	$ 7,451
Accrued expenses	323	251
Partnership tax credits	214	168
Excess of cost over fair value of net assets acquired	200	167
Unrealized loss on available-for-sale securities	34	—
Write-down of foreclosed assets	235	—
Other	25	77
	8,326	8,114
Deferred tax liabilities		
Tax bad debt allowance in excess of base year allowance		(302)
FHLB stock dividends	(575)	(575)
Unrealized gain on available-for-sale securities	--	(1,286)
Real estate investment trust dividends	(4,921)	(7,018)
	(5,496)	(9,181)
Net deferred tax asset (liability)	$2,830	$(1,067)

Reconciliations of the Company's provision for income taxes to the statutory corporate tax rates are as follows:

	2003	2002	2001
Tax at statutory rate	35.0%	35.0%	35.0%
Other	(2.0)	(.4)	(1.4)
	33.0%	34.6%	33.6%

Note 12: Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents and Federal Home Loan Bank Stock

The carrying amount approximates fair value.

Securities

Fair values for securities equal quoted market prices, if available. If quoted market prices are not available, fair value is estimated based on quoted market prices of similar securities.

Mortgage Loans Held-for-sale

Fair value is estimated using the quoted market prices of similar loans originated.

Loans and Interest Receivable

The fair value of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. Loans with similar characteristics are aggregated for purposes of the calculations. The carrying amount of accrued interest receivable approximates its fair value.

Deposits and Accrued Interest Payable

The fair value of demand deposits and savings accounts is the amount payable on demand at the reporting date, *i.e.*, their carrying amounts. The fair value of fixed maturity certificates of deposit is estimated using a discounted cash flow calculation that applies the rates currently offered for deposits of similar remaining maturities. The carrying amount of accrued interest payable approximates its fair value.

Federal Home Loan Bank Advances

Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate fair value of existing advances.

Short-term Borrowings

The carrying amount approximates fair value.

Note Payable to Bank and Trust Preferred Securities

Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate fair value of existing debt.

Commitments to Originate Loans, Letters of Credit and Lines of Credit

The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed-rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair value of letters of credit is based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reporting date.

Interest Rate Swaps

Fair values of interest rate swaps are estimated based on quoted dealer prices.

The following table presents estimated fair values of the Company's financial instruments. The fair values of certain of these instruments were calculated by discounting expected cash flows, which method involves significant judgments by management and uncertainties. Fair value is the estimated amount at which financial assets or liabilities could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments and because management does not intend to sell these financial instruments, the Company does not know whether the fair values shown below represent values at which the respective financial instruments could be sold individually or in the aggregate.

	December 31, 2003		December 31, 2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In Thousands)			
Financial assets				
Cash and cash equivalents	$ 74,814	$ 74,814	$ 55,874	$ 55,874
Available-for-sale securities	259,600	259,600	236,269	236,269
Held-to-maturity securities	53,944	56,558	52,557	55,900
Mortgage loans held-for-sale	1,243	1,243	2,036	2,036
Loans, net of allowance for loan losses	1,092,954	1,099,190	995,011	1,002,983
Accrued interest receivable	6,938	6,938	6,566	6,566
Investment in FHLB stock	11,785	11,785	14,962	14,962
Interest rate swaps	2,794	2,794	12,353	12,353

	December 31, 2003		December 31, 2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In Thousands)			
Financial liabilities				
Deposits	$1,137,427	$1,138,173	1,021,957	1,028,027
FHLB advances	204,787	214,652	206,226	217,894
Short term borrowings	53,534	53,534	43,304	43,304
Trust preferred securities	18,263	18,263	18,964	18,964
Accrued interest payable	1,679	1,679	2,485	2,485
Unrecognized financial instruments (net of contractual value)				
Commitments to originate loans	—	—	—	—
Letters of credit	32	32		—
Lines of credit	—	—	—	—

Note 13: Operating Leases

The Company has entered into various operating leases at several of its locations. Some of the leases have renewal options.

At December 31, 2003, future minimum lease payments are as follows (in thousands):

2004	$551
2005	369
2006	344
2007	281
2008	273
Later Years	706
	$2,313

Rental expense was $497,384, $408,151 and $415,568 for the years ended December 31, 2003, 2002 and 2001, respectively.

Note 14: Interest Rate Swaps

The Company has entered into interest rate swap agreements with the objective of hedging against the effects of changes in the fair value of its liabilities for fixed rate brokered certificates of deposit and trust preferred securities caused by changes in market interest rates. The swap agreements generally provide for the Company to pay a variable rate of interest based on a spread to the one-month or three-month London Interbank Offering Rate (LIBOR) and to receive a fixed rate of interest equal to that of the hedged instrument. Under the swap agreements the Company is to pay or receive interest monthly, quarterly, semiannually or at maturity.

At December 31, 2003, the notional amount of interest rate swaps outstanding was approximately $318,499,000, all consisting of swaps in a receivable position. At December 31, 2002, the notional amount of interest rate swaps outstanding was approximately $270,308,000, all consisting of swaps in a receivable position. The maturities of interest rate swaps outstanding at December 31, 2003 and 2002, in terms of notional amounts and their average pay and receive rates were as follows:

	2003 Fixed to Variable	2003 Average Pay Rate	2003 Average Receive Rate	2002 Fixed To Variable	2002 Average Pay Rate	2002 Average Receive Rate
	(In Millions)					
Interest Rate Swaps						
Expected						
Maturity Date						
2003	$ —	—%	—%	$36.0	.79%	5.52%
2004	7.0	.94	6.57	7.0	1.23	6.57
2005	15.5	.60	6.26	15.5	.89	6.26
2006	10.0	1.16	5.30	10.0	1.42	5.30
2007	5.0	1.13	2.75	10.0	1.26	3.50
2008	17.6	.96	3.60	27.6	1.28	3.85
2009	25.0	1.14	3.71	19.5	1.55	5.50
2010	19.9	1.12	3.13	—	—	—
2011	17.4	1.11	4.38	22.5	1.54	5.69
2012	9.9	1.15	5.33	10.0	1.40	5.50
2013	49.8	1.09	4.07	—	—	—
2015	10.0	1.11	4.23	—	—	—
2016	29.6	1.20	6.18	39.8	1.56	6.14
2017	39.9	1.10	4.74	54.9	1.40	4.70
2018	15.0	1.06	4.67	—	—	—
2023	9.7	1.14	3.10	—	—	—
2031	17.2	3.20	9.00	17.2	3.87	9.00
	$318.5	1.20	4.82	$270.3	1.47	5.49

Note 15: Commitments and Credit Risk

Commitments to Originate Loans

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a significant portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment, commercial real estate and residential real estate.

At December 31, 2003 and 2002, the Bank had outstanding commitments to originate loans and fund commercial construction aggregating approximately $20,933,000 and $4,721,000, respectively. The commitments extend over varying periods of time with the majority being disbursed within a 30- to 180-day period.

Mortgage loans in the process of origination represent amounts that the Bank plans to fund within a normal period of 60 to 90 days, many of which are intended for sale to investors in the secondary market. Total mortgage loans in the process of origination amounted to approximately $2,340,000 and $1,065,000, at December 31, 2003 and 2002, respectively.

Letters of Credit

Letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing and similar transactions. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers.

The Company had total outstanding letters of credit amounting to approximately $16,009,000 and $15,711,000, at December 31, 2003 and 2002, respectively, with $9,498,000 and $8,282,000, respectively, of the letters of credit having terms up to five years. The remaining $6,511,000 and $7,429,000 at December 31, 2003 and 2002, respectively, consisted of an outstanding letter of credit to guarantee the payment of principal and interest on a Multifamily Housing Refunding Revenue Bond Issue. The Federal Home Loan Bank has issued a letter of credit backing the Bank's letter of credit.

Lines of Credit

Lines of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Lines of credit generally have fixed expiration dates. Since a portion of the line may expire without being drawn upon, the total unused lines do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property and equipment, commercial real estate and residential real estate. The Bank uses the same credit policies in granting lines of credit as it does for on-balance-sheet instruments.

At December 31, 2003, the Bank had granted unused lines of credit to borrowers aggregating approximately $141,950,000 and $26,677,000 for commercial lines and open-end consumer lines, respectively. At December 31, 2002, the Bank had granted unused lines of credit to borrowers aggregating approximately $95,791,000 and $19,910,000 for commercial lines and open-end consumer lines, respectively.

Credit Risk

The Bank grants collateralized commercial, real estate and consumer loans primarily to customers in the southwest and central portions of Missouri. Although the Bank has a diversified portfolio, loans aggregating approximately $162,870,000 and $162,103,000 at December 31, 2003 and 2002, respectively, are secured by motels, restaurants, recreational facilities, other commercial properties and residential mortgages in the Branson, Missouri, area. Residential mortgages account for approximately $59,601,000 and $63,890,000 of this total at December 31, 2003 and 2002, respectively.

Note 16: Additional Cash Flow Information

	2003	2002	2001
		(In Thousands)	
Noncash Investing and Financing Activities			
Real estate acquired in settlement of loans	$10,808	$7,392	$6,959
Sale and financing of foreclosed assets	$3,120	$1,292	$7,179
Dividends declared but not paid	$1,369	$1,039	—
Additional Cash Payment Information			
Interest paid	$23,969	$33,038	$46,839
Income taxes paid	$11,560	$15,676	$9,000

Note 17: Employee Benefits

The Company participates in a multi-employer defined benefit plan covering all employees who have met minimum service requirements. The Company's policy is to fund pension cost accrued. Employer contributions charged to expense for the years ended December 31, 2003, 2002 and 2001, were approximately $457,000, $246,000 and $250,000, respectively. As a member of a multi-employer pension plan, disclosures of plan assets and liabilities for individual employers are not required or practicable.

The Company has a defined contribution pension plan covering substantially all employees. The Company matches 100% of the employee's contribution on the first 3% of the employee's compensation and also matches 50% of the employee's contribution on the next 2% of the employee's compensation. Employer contributions charged to expense for the years ended December 31, 2003, 2002 and 2001, were approximately $290,000, $255,000 and $313,000, respectively.

Note 18: Stock Option Plan

The Company established the 1989 Stock Option and Incentive Plan for employees and directors of the Company and its subsidiaries. Under the plan, stock options or awards may be granted with respect to 1,252,496 shares of common stock. This plan has terminated; therefore, no new stock options or awards may be granted under this plan. At December 31, 2003, there are 19,539 options outstanding under this plan.

The Company established the 1997 Stock Option and Incentive Plan for employees and directors of the Company and its subsidiaries. Under the plan, stock options or awards may be granted with respect to 800,000 shares of common stock. This plan has terminated; therefore, no new stock options or awards may be granted under this plan. At December 31, 2003, there are 168,028 options outstanding under this plan.

In addition, the Board of Directors of the Company established the 2003 Stock Option and Incentive Plan for employees and directors of the Company and its subsidiaries. Under the plan, stock options or awards may be granted with respect to 598,224 shares of common stock. At December 31, 2003, there are 101,475 options outstanding under the plan.

Stock options may be either incentive stock options or nonqualified stock options, and the option price must be at least equal to the fair value of the Company's common stock on the date of grant. Options are granted for a 10-year term and become exercisable in four cumulative annual installments of 25% commencing two years from the date of grant. The Stock Option Committee may accelerate a participant's right to purchase shares under the plan.

Stock awards may be granted to key officers and employees upon terms and conditions determined solely at the discretion of the Stock Option Committee.

The table below summarizes transactions under the Company's stock option plans:

	Available to Grant	Shares Under Option	Weighted Average Exercise Price
Balance, January 1, 2001	751,829	234,558	$ 16.510
Granted	(62,075)	62,075	26.291
Exercised	---	(54,932)	(16.052)
Forfeited	15,849	(15,849)	(20.134)
Balance, December 31, 2001	705,603	225,852	21.480
Granted	(67,050)	67,050	32.213
Exercised	---	(45,827)	(18.414)
Forfeited	16,465	(16,465)	(24.386)
Balance, December 31, 2002	655,018	230,610	26.462
Granted	(104,175)	104,175	40.401
Exercised	---	(33,508)	(21.218)
Forfeited from terminated plan(s)	---	(9,735)	(28.680)
Forfeited from current plan(s)	2,500	(2,500)	(40.463)
Termination of shares available to grant under prior plan(s)	(654,818)	---	---
Shares available to grant authorized under 2003 stock option plan	598,224		
Balance, December 31, 2003	496,749	289,042	$ 31.930

The fair value of each option granted is estimated on the date of the grant using the Black Scholes pricing model with the following assumptions:

	December 31, 2003	December 31, 2002	December 31, 2001
Dividends per share	$0.72	$0.56	$0.50
Risk-free interest rate	3.07%	2.93%	3.91%
Expected life of options	5 years	5 years	5 years
Weighted average fair value of options granted during year	$9.01	$9.85	$19.57

The following table further summarizes information about stock options outstanding at December 31, 2003:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	**Number Outstanding**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**	**Number Exercisable**	**Weighted Average Exercise Price**
$10.938 to $18.188	41,702	4.90 years	$16.255	23,162	$16.157
$21.500 to $28.375	84,765	5.40 years	$25.510	43,725	$25.166
$35.500 to $44.950	162,575	8.89 years	$39.299	3,750	$40.020

Note 19: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for loan losses are reflected in the footnote regarding loans. Current vulnerabilities due to certain concentrations of credit risk are discussed in the footnotes on deposits and on commitments and credit risk.

Note 20: Regulatory Matters

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct and material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of the Company's and the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's and the Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of Total and Tier I Capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier I Capital (as defined) to adjusted tangible assets (as defined). Management believes, as of December 31, 2003, that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2003, the most recent notification from the Bank's regulators categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Bank must maintain minimum total risk-based, Tier I risk-based and Tier I leverage capital ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the Bank's category.

The Company's and the Bank's actual capital amounts and ratios are presented in the following table. No amount was deducted from capital for interest-rate risk.

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
			(In Thousands)			
As of December 31, 2003						
Total Risk-Based Capital						
Great Southern Bancorp, Inc.	$151,457	12.4%	≥$96,451	≥ 8.0%	N/A	N/A
Great Southern Bank	$148,719	12.1%	≥$98,164	≥ 8.0%	≥$122,705	≥ 10.0%
Tier I Risk-Based Capital						
Great Southern Bancorp, Inc.	$136,007	11.1%	≥$49,225	≥ 4.0%	N/A	N/A
Great Southern Bank	$133,313	10.9%	≥$49,082	≥ 4.0%	≥$73,623	≥ 6.0%
Tier I Leverage Capital						
Great Southern Bancorp, Inc.	$136,007	9.0%	≥$60,157	≥ 4.0%	N/A	N/A
Great Southern Bank	$133,313	8.9%	≥$60,059	≥ 4.0%	≥$75,074	≥ 5.0%
As of December 31, 2002						
Total Risk-Based Capital						
Great Southern Bancorp, Inc.	$133,209	12.1%	≥$87,840	≥ 8.0%	N/A	N/A
Great Southern Bank	$127,343	11.6%	≥$87,986	≥ 8.0%	≥$109,983	≥ 10.0%
Tier I Risk-Based Capital						
Great Southern Bancorp, Inc.	$119,591	10.9%	≥$43,920	≥ 4.0%	N/A	N/A
Great Southern Bank	$113,507	10.3%	≥$43,993	≥ 4.0%	≥$65,990	≥ 6.0%
Tier I Leverage Capital						
Great Southern Bancorp, Inc.	$119,591	8.6%	≥$55,360	≥ 4.0%	N/A	N/A
Great Southern Bank	$113,502	8.2%	≥$55,246	≥ 4.0%	≥$69,058	≥ 5.0%

The Company and the Bank are subject to certain restrictions on the amount of dividends that may be declared without prior regulatory approval. At December 31, 2003 and 2002, the Company and the Bank exceeded their minimum capital requirements. The entities may not pay dividends which would reduce capital below the minimum requirements shown above.

Note 21: Summary of Unaudited Quarterly Operating Results

Following is a summary of unaudited quarterly operating results for the years 2003, 2002 and 2001:

	2003			
	Three Months Ended			
	March 31	June 30	September 30	December 31
	(In Thousands, Except Per Share Data)			
Interest income	$18,577	$18,791	$19,068	$19,712
Interest expense	6,245	5,986	5,503	5,509
Provision for loan losses	1,200	1,200	1,200	1,200
Net realized gains (losses) on available for sale securities	114	---	471	210
Net income	5,458	5,811	6,191	5,631
Earnings per common share — diluted	.79	.84	.90	.81

	2002			
	Three Months Ended			
	March 31	June 30	September 30	December 31
	(In Thousands, Except Per Share Data)			
Interest income	$19,781	$20,155	$20,513	$19,714
Interest expense	8,110	7,633	7,476	7,118
Provision for loan losses	1,350	1,650	1,300	1,500
Net realized gains (losses) on available for sale securities	595	2,279	671	(2)
Net income	5,402	6,534	5,919	5,357
Earnings per common share — diluted	.78	.94	.85	.77

	2001			
	Three Months Ended			
	March 31	June 30	September 30	December 31
	(In Thousands, Except Per Share Data)			
Interest income	$24,842	$22,096	$22,127	$20,452
Interest expense	13,571	12,400	10,504	9,410
Provision for loan losses	1,650	1,050	1,050	1,450
Net realized gains (losses) on available-for-sale securities		268	99	(228)
Net income	4,727	4,522	4,650	4,649
Earnings per common share -- diluted	.67	.65	.70	.66

Note 22: Operating Segments

The Company's banking operation is its only reportable segment. The banking operation is principally engaged in the business of originating residential and commercial real estate loans, commercial business loans and consumer loans and funding these loans through attracting deposits from the general public, originating brokered deposits and borrowing from the Federal Home Loan Bank and others. The operating results of this segment are regularly reviewed by management to make decisions about resource allocations and to assess performance.

The following table provides information about segment profits and segment assets and has been prepared using the same accounting policies as those described in the summary of significant accounting policies in *Note 1*. There are no material intersegment revenues. Thus, no reconciliations to amounts reported in the consolidated financial statements are necessary. Revenue from segments below the reportable segment threshold is attributable to three operating segments of the Company. These segments include an insurance agency, a travel agency and discount brokerage services.

	Year Ended December 31, 2003		
	Banking	All Other	Totals
		(In Thousands)	
Interest income	$76,171	$8	$76,179
Interest expense	$23,164		$23,164
Depreciation and amortization	$2,808	$102	$2,910
Provision for income taxes	$11,321	$41	$11,362
Segment profit	$22,809	$282	$23,091
Segment assets	$1,537,776	$2,947	$1,540,723
Expenditures for additions to premises and equipment	$8,659	$17	$8,676

	Year Ended December 31, 2002		
	Banking	All Other	Totals
		(In Thousands)	
Interest income	$80,117	$44	$80,161
Interest expense	$30,337	-	$30,337
Depreciation and amortization	$2,607	$122	$2,729
Provision for income taxes	$12,105	$196	$12,301
Segment profit	$22,840	$372	$23,212
Segment assets	$1,398,930	$3,708	$1,402,638
Expenditures for additions to premises and equipment	$6,791	$85	$6,876

	Year Ended December 31, 2001		
	Banking	All Other	Totals
		(In Thousands)	
Interest income	$89,425	$72	$89,497
Interest expense	$45,907	---	$45,907
Depreciation and amortization	$2,246	$422	$2,668
Provision for income taxes	$9,570	$(95)	$9,475
Segment profit	$18,924	$(166)	$18,758
Segment assets	$1,319,989	$3,114	$1,323,103
Expenditures for additions to premises and equipment	$4,781	$175	$4,956

Note 23: Condensed Parent Company Statements

The condensed balance sheets at December 31, 2003 and 2002, and statements of income and cash flows for the years ended December 31, 2003, 2002 and 2001, for the parent company, Great Southern Bancorp, Inc., are as follows:

	December 31,	
	2003	2002
	(In Thousands)	
Balance Sheets		
Assets		
Cash	$ 1,916	$ 5,410
Available-for-sale securities	---	285
Investment in subsidiary bank	134,104	116,134
Income taxes receivable	5	101
Premises and equipment	160	179
Prepaid expenses	846	878
Other assets	2,833	2,395
	$139,866	$125,380
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	$ 1,908	$ 1,596
Trust preferred debentures	15,263	18,964
Income taxes payable	147	--
Deferred income taxes	---	1
Common stock	123	123
Additional paid-in capital	17,457	17,033
Retained earnings	164,159	145,931
Unrealized gain (loss) on available-for-sale securities, net	(65)	2,568
Treasury stock, at cost	(62,120)	(60,946)
	$139,866	$125,380

Great Southern Bancorp, Inc.

Notes to Consolidated Financial Statements

December 31, 2003, 2002 and 2001

	2003	2002	2001
		(In Thousands)	
Statements of Income			
Income			
Dividends from subsidiary bank	$ 3,000	$ 500	$ 7,300
Interest and dividend income	4	178	348
Net realized gains on sales of available for sale securities	233	2,240	29
	3,237	2,918	7,677
Expense			
Operating expenses	450	485	370
Interest expense	594	718	1,146
	1,044	1,203	1,516
Income before income tax and equity in undistributed earnings of subsidiaries	2,193	1,715	6,161
Provision (credit) for income taxes	(316)	431	(398)
Income before equity in earnings of subsidiaries	2,509	1,284	6,559
Equity in undistributed earnings of subsidiaries	20,582	21,928	12,199
	$23,091	$23,212	$18,758

Great Southern Bancorp, Inc.
Notes to Consolidated Financial Statements
December 31, 2003, 2002 and 2001

	2003	2002	2001
		(In Thousands)	
Statements of Cash Flows			
Operating Activities			
Net income	$ 23,091	$ 23,212	$ 18,758
Items not requiring (providing) cash			
Equity in undistributed earnings of subsidiary	(20,382)	(21,928)	(12,199)
Depreciation	19	16	2
Amortization	31	40	34
Net realized (gains) losses on sales of available-for-sale securities	(255)	(2,240)	(29)
Changes in			
Prepaid expenses and other assets	1	(4)	(942)
Accounts receivable	(1,141)	---	---
Accounts payable and accrued expenses	(129)	127	496
Income taxes	243	434	(398)
Net cash provided by (used in) operating activities	1,300	(343)	5,722
Investing Activities			
Purchase of fixed assets	---	(65)	---
Proceeds from sale of available-for-sale securities	486	9,963	129
Other investments	---	(50)	---
Investment in subsidiary			(534)
Net cash provided by (used in) investing activities	486	9,848	(405)
Financing Activities			
Proceeds from issuance of trust preferred securities	---	---	17,250
Net decrease in short-term borrowings	---	---	(17,841)
Dividends paid	(4,522)	(3,741)	(3,446)
Stock options exercised	795	497	206
Treasury stock purchased	(1,551)	(1,342)	(1,639)
Net cash used in financing activities	(5,278)	(4,586)	(5,470)
Increase (Decrease) in Cash	(3,492)	4,919	(153)
Cash, Beginning of Year	5,410	491	644
Cash, End of Year	$ 1,918	$ 5,410	$ 491
Additional Cash Payment Information			
Interest paid	$ 397	$ 720	$ 1,186