



March 5, 2009

Mr. Neil M. Barofsky
Office of the Special Inspector General – TARP
1500 Pennsylvania Ave, N.W., Suite 1064
Washington, D.C. 20220

Dear Mr. Barofsky:

On behalf of Great Southern Bancorp, Inc. (GSBC), I am pleased to provide this update – and future updates – on our use of the Capital Purchase Program (CPP) funds, which were made available under the Troubled Asset Relief Program (TARP). The purpose of the CPP is to provide capital to healthy financial institutions to promote economic stability and increase the flow of credit to consumers and businesses. We understand our responsibility to be good stewards of the Treasury investment and to use these funds efficiently, prudently and transparently.

On December 5, 2008, GSBC received a CPP capital investment of \$58 million from the U.S. Treasury. In addition to issuing to the Treasury \$58 million in perpetual preferred stock with a 5% annual dividend, GSBC also issued an option for the Treasury to purchase 909,091 shares of GSBC common stock at a price of \$9.57 per share. This option will allow the Treasury and U.S. taxpayers to earn additional returns on the investment if the GSBC common share price rises above \$9.57. As of March 3, 2009, GSBC stock closed at a price of \$10.72 per share. GSBC paid its first dividend of \$564,000 on the preferred shares to the Treasury on Feb. 17, 2009.

As we stated in our CPP application, in public filings and news releases, this capital investment by the Treasury significantly strengthened our already “well capitalized” capital position in these uncertain times. The CPP funds provide Great Southern capital support to expand our ability and capacity to make appropriate loans to consumers and businesses in our markets. The funds also give us greater flexibility in considering strategic opportunities, including acquiring assets or deposits or troubled institutions, which may arise in the near future. The CPP funds will not be used for dividend payments to common shareholders, bonuses or incentive compensation to executives or any activity related to marketing, advertising or corporate sponsorships.

Great Southern is open for business and we're in business to make loans. We have an 86-year tradition of building customer relationships by providing loans in our markets and our commitment in extending credit in our communities has not faltered. Like all banks, our capacity to lend is affected by many factors, including customer demand, credit quality, funding availability, regulatory demands, and general economic conditions. Even with these headwinds, in 2008, we extended more than \$527.4 million in new credit to consumers and businesses. Loan originations from both consumer and residential lending segments increased compared to 2007. Consumer loan originations increased \$3.6 million, or 5.6%, to \$68.1 million for the full year 2008 as compared to 2007. Single-family residential loan originations increased \$18.0 million, or 14.1%, to \$146.3 million for the full year 2008 as compared to 2007.

Since the receipt of the CPP funds, Great Southern in December 2008 and January 2009 made \$60.9 million in new loans and commitments to customers. New loans made in this two-month period have included:

- \$24.3 million in single family residential mortgages
- \$2.1 million in home equity lines of credit
- \$4.5 million in consumer loans
- \$14.8 million in business loans
- \$15.2 million in commercial real estate loans

In addition to the new loans we extended to our customers, we also purchased a total of \$58.8 million in mortgage-backed securities in December 2008 and January 2009. The purchase of these securities supports the agency debt markets and promotes liquidity in the housing capital markets. Since Jan. 1, 2009, the Company also has committed to purchase \$2.3 million in GNMA mortgage-backed securities that are made up of mortgages to low-to-moderate income homeowners in our market area.

The CPP funds are a part of our entire capital base which supports our Company's lending activities, and have not been segregated from other funds of the Company. To date, we have not needed to inject any of these funds into the Bank. As a practical matter, it's difficult to determine whether each and every loan is being supported by CPP funds. Without the CPP funds and the added flexibility the capital has provided, however, we believe that the Company's level of lending and mortgage-backed securities purchase activity would have been much less than our actual experience since receiving the CPP funds.

Moving forward, we will continue to adhere to our sound lending principles in a way that balances our commitment to our customers with our responsibility to manage risk appropriately and deliver value for investors, including U.S. taxpayers. We're in business to make loans and we want to meet the credit needs of businesses and consumers in a responsible way. We know that sound lending is vital to our country's economic recovery.

In regards to executive compensation, prior to acceptance of the CPP funds, GSBC's Compensation Committee, with the assistance of legal counsel, reviewed the existing compensation agreements with the institution's top six senior executive officers (SEO), as mandated by the Treasury. This review included identifying whether we had any bonus or incentive compensation that encouraged any SEO to take unnecessary risks, prohibiting any golden parachute agreements, and adopting provisions for the recovery of any bonus or incentive compensation paid to a SEO based upon financial statements or performance metric criteria that is later determined to be materially inaccurate. In addition, each SEO has signed a Compensation Modification Agreement, the form of which is attached, reflecting the SEO's and the Company's understanding and agreement that if any compensation arrangement is subsequently deemed to be excessive or otherwise not comply with TARP, they may be modified to comply. The Compensation Committee will review semi-annually the bonus and incentive compensation arrangements of the SEOs to ensure compliance with the restrictions imposed by the Treasury. Great Southern has no intentions at this time to offset any compensation limitations imposed by the acceptance of the CPP funds by any changes to other, longer-term or deferred forms of executive compensation, however, salaries are reviewed on an on-going basis to determine appropriateness. In addition, Great Southern may consider granting restricted stock awards in the future, but has no current intent to do so.

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I can assure you that our commitment to be good stewards of the CPP funds will not waiver. We believe that the Treasury's investment of taxpayer dollars in Great Southern has been and will continue to be a sound and profitable investment. Please contact me at 417.888.4310 if you have any questions or comments.

Respectfully yours,

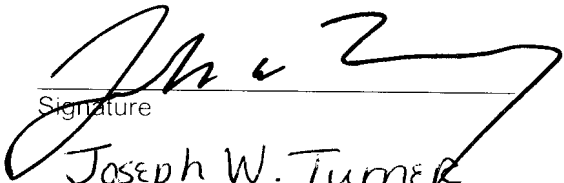
A handwritten signature in black ink, appearing to read "Joe Turner", written in a cursive style.

Joseph W. Turner
President and CEO
Great Southern Bancorp, Inc.
218 S. Glenstone
Springfield, MO 65802

Enc.

Attachment A

I, Joseph W. Turner, President and CEO, certify that: I have reviewed this response and supporting documents, and, based on my knowledge, this response and the supporting documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.


Signature
Joseph W. Turner
Print Name
President + CEO
Title

GREAT SOUTHERN BANCORP, INC.

COMPENSATION MODIFICATION AGREEMENT

THIS AGREEMENT ("Agreement"), made this 1st day of December, 2008, by and between Great Southern Bancorp, Inc., Great Southern Bank, its wholly owned subsidiary, (together, the "Corporation") and _____, a senior executive officer of the Corporation ("Executive").

WHEREAS, the Corporation has determined that it is in the best interests of the Corporation and its stockholders to participate in the Treasury TARP CPP program ("CPP"), under which, the Corporation will issue preferred stock and warrants to purchase Corporation common stock to the United States Treasury ("UST") in return for cash; and

WHEREAS, in order for the Corporation to participate in the CPP, the Corporation and its senior executive officers subject to the Compensation Guidelines ("SEOs") must comply with Section 111(b) of the Emergency Economic Stabilization Act of 2008 regarding executive compensation and corporate governance and the related UST interim final regulations (31 CFR Part 30) published in the Federal Register on October 20, 2008 (the "Compensation Guidelines"); and

WHEREAS, the Corporation is required to deliver a certificate to the UST at the closing of the CPP transaction that it has complied with all the Compensation Guidelines; and

WHEREAS, the board of directors of the Corporation has authorized and directed the Compensation Committee to take any and all the actions required under the Compensation Guidelines in order to enable the Corporation to deliver that certificate and authorized each member of the Compensation Committee to execute this Agreement on behalf of the Corporation; and

WHEREAS, in order to comply with the Compensation Guidelines for so long as UST holds securities of the Corporation acquired in the CPP, the Corporation, through the Compensation Committee, is required to review the Corporation's compensation plans and policies with senior risk officers in order to identify and unilaterally eliminate any bonus plans or other incentive compensation arrangements for SEOs that encourage them to take unnecessary and excessive risks that threaten the value of the financial institution; and

WHEREAS, in order to comply with the Compensation Guidelines for so long as UST holds securities of the Corporation acquired in the CPP, the Corporation, through the Compensation Committee, must adopt appropriate provisions for the recovery by the Corporation of any bonus or incentive compensation paid to a senior executive officer (as defined under the Compensation Guidelines) based on financial statements or performance metric criteria later determined to be materially inaccurate; and

WHEREAS, in order to comply with the Compensation Guidelines as long for so UST holds securities of the Corporation acquired in the CPP, the Corporation is prohibited from making any golden parachute payment (as defined under the Compensation Guidelines) to any SEO; and

WHEREAS, the Corporation is required to deliver to the UST in connection with the consummation of the CPP transaction a waiver from each of its SEOs with respect to the changes in the Corporation's compensation plans, policies and practices as required by the Compensation Guidelines; and

WHEREAS, the Compensation Committee has asked Executive to execute the waiver in the form attached; and

WHEREAS, the Executive believes the requirements imposed under the Compensation Guidelines in order for the Corporation to obtain government funds by participating in the CPP are reasonable and in the best interests of the Corporation and its stockholders and furthers the long term best interests of the Corporation and its SEOs, including the Executive,

NOW, THEREFORE, to allow the Corporation to participate in the CPP for the mutual benefit of the Corporation, its stockholders and Executive, and for other good and valuable consideration, the Corporation and the Executive hereby agree as follows:

1. GENERAL MODIFICATION OF EMPLOYMENT, COMPENSATION AND BENEFIT AGREEMENTS, PLANS AND POLICIES: Until such time as the UST ceases to own any debt or equity securities of the Corporation acquired pursuant to the CPP, the Corporation and Executive agree that, notwithstanding any contract, plan, policy or agreement to the contrary, all employment, compensation and benefit agreements, plans and policies with respect to Executive shall be deemed modified to comply in all respects with Section 111(b) of EESA as implemented by any guidance or regulation thereunder that has been issued and is in effect as of the date the Corporation issues preferred stock and warrants to the UST. The Corporation and Executive further agree that the Corporation shall not adopt any new benefit plan with respect to Executive that does not comply with Section 111(b) of EESA as implemented by any guidance or regulation thereunder that has been issued and is in effect as of the date the Corporation issues preferred stock and warrants to the Treasury. The Executive agrees that the Corporation, through its Compensation Committee, has the sole discretion: (a) to determine whether and to what extent any bonus or incentive compensation with respect to the Executive encourages the Executive to take unnecessary and excessive risks that threaten the value of the financial institution, and (b) to eliminate any such compensation as long as UST holds securities of the Corporation acquired in the CPP.

2. RECOVERY OF INCENTIVE COMPENSATION: Until such time as the UST ceases to own any debt or equity securities of the Corporation acquired pursuant to the CPP, in the event Executive receives a bonus or any other incentive compensation from the Corporation based on financial statements or performance metric criteria later determined by the Corporation's Compensation Committee, in its sole discretion, to be materially inaccurate, Executive agrees to repay the Corporation, in cash and within 30 days of a written demand therefore, the amount of the bonus or incentive compensation received by Executive in excess of the amount that would have been paid to Executive had the inaccurate statements or criteria been accurate.

3. GOLDEN PARACHUTE PAYMENTS: Until such time as the UST ceases to own any debt or equity securities of the Corporation acquired pursuant to the CPP, Executive agrees that: (a) the Executive shall not be entitled to receive any golden parachute payment (as defined under the Compensation Guidelines) upon Executive's severance from employment (as

defined under the Compensation Guidelines) and (b) that all applicable contracts and agreements between Executive and the Corporation are deemed to be amended in this regard.

4. **WAIVER**: Executive hereby voluntarily waives any claim against the Corporation for any changes to my compensation, bonus, incentive and other benefit plans, arrangements, policies and agreements (including golden parachute agreements) that are required to comply with the Compensation Guidelines and that are made pursuant to this Agreement. This waiver includes all claims Executive may have under the laws of the United States or any state related to the requirements imposed by the Compensation Guidelines, including, without limitation, a claim for any compensation or other payments Executive would otherwise receive. Executive agrees to execute the required waiver in the form attached hereto and deliver said warrant to the Corporation no later than the close of business on December 3, 2008.

5. **COVERED EMPLOYMENT, COMPENSATION AND BENEFIT AGREEMENTS, PLANS AND POLICIES**: Executive acknowledges that the employment, compensation and benefit agreements, plans and policies applicable to Executive that are listed in Annex A hereto are all subject to the modifications and amendments provided for in this Agreement, to the extent applicable.

6. **MODIFICATION - WAIVERS - APPLICABLE LAW**: No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing, signed by the Executive and on behalf of the Corporation by such officer as may be specifically designated by the Board of Directors of the Corporation. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by federal law, to the extent applicable, and otherwise by the laws of the State of Missouri.

7. INVALIDITY - ENFORCEABILITY: The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8. HEADINGS: Descriptive headings contained in this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision in this Agreement.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

EXECUTIVE

Signature

Print Name

GREAT SOUTHERN BANCORP, INC.

By: _____
William E. Barclay
Chairman, Compensation Committee

GREAT SOUTHERN BANK

By: _____
William E. Barclay
Chairman, Compensation Committee

Employment Agreements:

Severance Agreements

Other Benefit Plans or Agreements

Other Employment Compensation and Benefit Plans and Policies

SEO WAIVER

In consideration for the benefits I will receive as a result of my employer's participation in the United States Department of the Treasury's TARP Capital Purchase Program, I hereby voluntarily waive any claim against the United States or my employer for any changes to my compensation or benefits that are required to comply with the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008.

I acknowledge that this regulation may require modification of the compensation, bonus, incentive and other benefit plans, arrangements, policies and agreements (including so-called "golden parachute" agreements) that I have with my employer or in which I participate as they relate to the period the United States holds any equity or debt securities of my employer acquired through the TARP Capital Purchase Program.

This waiver includes all claims I may have under the laws of the United States or any state related to the requirements imposed by the aforementioned regulation, including without limitation a claim for any compensation or other payments I would otherwise receive, any challenge to the process by which this regulation was adopted and any tort or constitutional claim about the effect of these regulations on my employment relationship.

Date: _____

Name
Title



December 8, 2008

Reporters May Contact:

Kelly Polonus, Great Southern Bank, (417) 895-5242

kpolonus@greatsouthernbank.com

Great Southern Bancorp, Inc. Completes Capital Purchase Program Transaction
Great Southern Issues \$58 million of Perpetual Preferred Stock to the U.S. Treasury

Springfield, Mo. – (PR Newswire) – (NASDAQ:GSBC) - Great Southern Bancorp, Inc., the holding company for Great Southern Bank, announced today that it is participating in the U.S. Treasury's voluntary Capital Purchase Program. The Capital Purchase Program, a part of the Emergency Economic Stabilization Act of 2008, is designed to provide capital to healthy financial institutions, thereby increasing confidence in the banking industry and increasing the flow of financing to businesses and consumers. Great Southern has received \$58.0 million from the U.S. Treasury through the sale of 58,000 shares of the Company's newly authorized Fixed Rate Cumulative Perpetual Preferred Stock, Series A. Great Southern also issued to the U.S. Treasury a warrant to purchase 909,091 shares of common stock at \$9.57 per share. The amount of preferred shares sold represents approximately 3% of the Company's risk-weighted assets as of September 30, 2008.

Great Southern President and CEO Joseph W. Turner commented, "We are steadfastly committed to positioning our Company for long-term growth and increasing shareholder value. After careful consideration, Great Southern's Board of Directors and management team determined that the Company's participation in the Capital Purchase Program was the right decision for the Company and our shareholders. While our Company currently exceeds all 'well-capitalized' regulatory benchmarks, this cost-effective investment by the Treasury significantly enhances our capital position in these uncertain economic times. Additional capital will expand our ability to provide appropriate lending to businesses and consumers in our market, will provide greater flexibility in considering strategic opportunities that will likely arise, and will enhance our ability to support economic activity in our market area."

At September 30, 2008, all of the Company's regulatory capital ratios were above applicable regulatory benchmarks for "well-capitalized" financial institutions. With the \$58 million capital increase from the issuance of the preferred stock, on a pro forma basis at September 30, 2008, the Company's tier one risk-based capital ratio would have increased from 10.36% to 13.26% (compared to the well-capitalized threshold of 6%), and the total risk-based capital ratio would have increased from 11.61% to 14.50% (compared to the well-capitalized threshold of 10%).

Through its preferred stock investment, the Treasury will receive a cumulative dividend of 5% per year for the first five years, or \$2.9 million per year, and 9% per year thereafter. The preferred shares are callable after three years at 100% of the issue price, subject to the approval of the Company's federal regulator. Earlier redemptions of the preferred stock also require that the Company complete an equity offering of at least \$14.5 million (or 25% of original preferred stock issuance).

More

A summary of the Capital Purchase Program can be found on the Treasury's web site at www.ustreas.gov/initiatives/eesa.

With total assets of \$2.5 billion, Great Southern offers banking, investment, insurance and travel services. Headquartered in Springfield, Mo., Great Southern operates 39 retail banking centers and 170 ATMs throughout southwest, west and central Missouri. The company also serves lending needs through loan production offices in Overland Park, Kan., Rogers, Ark., and St. Louis. Great Southern Bancorp is a public company and its common stock (ticker: GSBC) is listed on the NASDAQ Global Select stock exchange.

www.greatsouthernbank.com

Forward-Looking Statements

When used 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," "intends" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, including, among other things, changes in economic conditions in the Company's market area, changes in policies by regulatory agencies, fluctuations in interest rates, the risks of lending and investing activities, including changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses, the Company's ability to access cost-effective funding, fluctuations in real estate values and both residential and commercial real estate market conditions, 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.