



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Southwest Bancorp, Inc.

Person to be contacted regarding this report:	Steve Gobel
CPP Funds Received:	\$70,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/5/2008
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1062621
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Stillwater
State:	Oklahoma

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	During the year ended 12/31/09 Southwest increased consolidated loans outstanding by \$116.4 million or about 4.56%. Of this total year-over-year growth, \$85.4 million represented the 12/31/09 remaining balance from an FDIC assisted acquisition that occurred in June 2009.
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<input checked="" type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Residential mortgages increased \$13.6 M, commercial mortgages increased \$133.4 M, real estate construction increased \$17.7 M, commercial loans declined by \$30.8 M, and consumer loans (primarily student loans) declined by \$17.5 M. Also, \$155 M in mortgages were originated for resale.
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	During 2009 the balance of securities declined \$0.8 M to an aggregate portfolio balance of \$263.4 M. Southwest, while not increasing the portfolio, did undertake a restructuring and lengthening of it securities portfolio and realized a gain of \$2.9 M in so doing.
<input checked="" type="checkbox"/> Make other investments	During the period from receipt of CPP funds through 12/31/09, Southwest contributed \$48.5 M to subsidiary banks and acquired a \$10 M potential problem loan from a bank subsidiary.*
<input type="checkbox"/> Increase reserves for non-performing assets	

<input checked="" type="checkbox"/> Reduce borrowings	<p>During 2009 Southwest decreased its borrowings (including capital market CDs) by \$ 218.9 M from \$651.5M to \$432.6 M or a decrease of 34%. The holding company also repaid a \$15 M short-term loan the proceeds of which had been contributed to the capital of a subsidiary bank.*</p>
<input type="checkbox"/> Increase charge-offs	
<input checked="" type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	<p>On June 19, 2009, Bank of Kansas (a wholly owned sub) entered into a P&A agreement with loss share with the FDIC. Southwest contributed \$3.5 million to Bank of Kansas capital in connection with this transaction.*</p>
<input checked="" type="checkbox"/> Held as non-leveraged increase to total capital	<p>The capital of Southwest and each of its banking subsidiaries was increased by CPP funds or contributions by Southwest.</p>

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

Receipt of the CPP funds, along with funds from Southwest's \$34.5 million sale of trust preferred securities on the market in 2008 and net income earned, allowed Southwest to avoid greater use of non-core funding sources and to maintain capital ratios above the generally applicable minimums for "well-capitalized" banks.

Note: Southwest Bancorp, Inc. is referred to as "Southwest" and "M" is used instead of "million" in order to keep within this form's response size limits.

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

During 2009 Southwest was able to increase outstanding loans by \$116.4 million; increase the volume of residential mortgages originated for resale by \$93.8 million; reduce borrowings (including capital market CDs) by \$ 218.9 million; acquire assets, deposits and other liabilities of a failed bank in an FDIC assisted transaction; increase the balance of capital at the corporate level; and earn net income available to common shares of \$8.8 million after increasing the allowance for loan losses by \$22.6 million and maintaining bank regulatory capital ratios well above the "well capitalized" minimums. (Note that the increase in the allowance would have been made regardless of the receipt of CPP funds.)

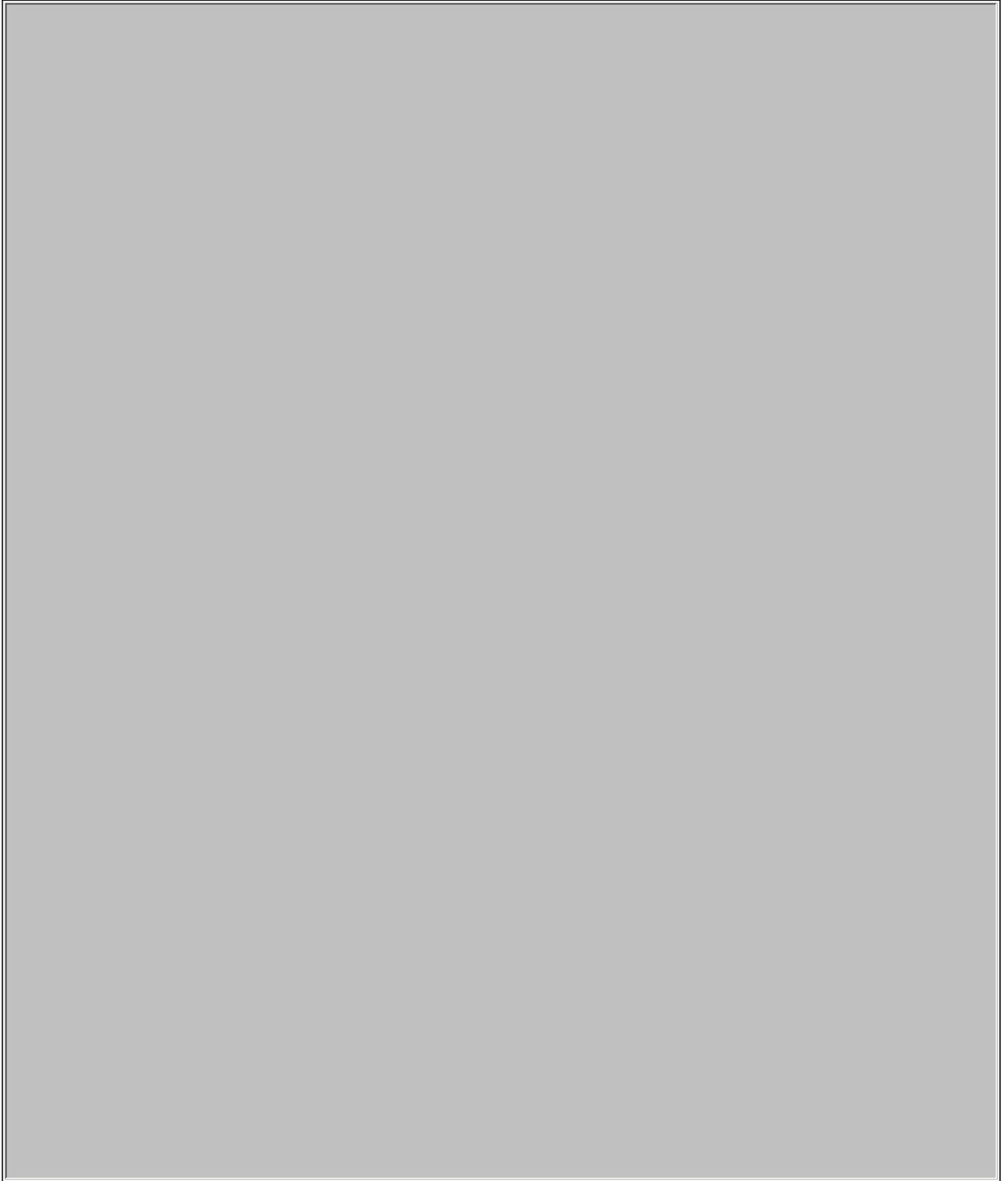
* Once cash is received, it is fungible with other cash on hand, and it is not always possible to determine what source was used for what purpose. However, since the CPP transaction, the receipt of the \$70.0 million in CPP funds, along with funds from Southwest's \$34.5 million sale of trust preferred securities on the market in 2008 and dividends received, have allowed Southwest to fulfill its interest and preferred dividend obligations while supporting its bank subsidiaries with the following cash investments, loan purchase, and repayment totaling \$73.5 million: (i) direct cash investments of \$48.5 million; (ii) purchase, through a direct subsidiary of the holding company, of a \$10 million potential problem loan from a bank subsidiary, which improved the bank's credit quality ratios; (iii) repayment in 2009 of a \$15 million short-term loan, the funds from which were used in 2008 to contribute common equity capital to a bank subsidiary in order to increase its regulatory capital ratios.

Required Annual Certification:

"I hereby certify that this Annual Use of Capital Survey-2009 for Southwest Bancorp, Inc. (UST Sequence No. 114) is accurate to the best of my knowledge.

Steve Gobel
Executive Vice President, Chief Accounting
and Controls Officer and Associate Chief Financial Officer"

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



According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.