



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

The Landrum Company - Landmark Bank, National Association

Person to be contacted regarding this report:	Kevin Gibbens
CPP Funds Received:	\$15,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	5/22/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1054514
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	4537
City:	Columbia
State:	Missouri

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.	Loan volumes Q2 through Q4 increased \$15 million, an annualized growth of nearly 3%. In addition, since the end of the year, the economic environment has improved from a year ago. As a result the bank has issued unfunded loan commitments in the first quarter totaling \$25.9 million.
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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.).	<p>Agricultural real estate increased approximately \$11 million during the last 6 months of the year. Owner-occupied commercial real estate was also up modestly. Finally, Commercial and Industrial, the typical small business category, was also up modestly during this period.</p>
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	<p>We expanded our securities portfolio after the receipt of the CPP money by 40% from \$100 million to \$140 million. We purchased high quality mortgage-backed securities and mortgage pools which helped to provide mortgage financing to credit worthy borrowers.</p>
<input type="checkbox"/> Make other investments	
<input checked="" type="checkbox"/> Increase reserves for non-performing assets	<p>Our level of problem loans is better than peer banks. Nonetheless, we increased our loan loss reserve by \$3.7 million as a result of our calculations to determine an appropriate level of reserves. This was prudent given the softness of the economy and was unrelated to our taking of CPP funds.</p>

<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Net charge-offs for 2009 amounted to .59%. While this was higher than our historical levels, it was not affected by our accepting CPP funds. It is worth noting that despite the increase, our level of net charge-offs compares favorably to peer averages.
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	The bank looked at some opportunities to purchase other institutions as well as bank branches. The CPP funds did play a role in making us more comfortable considering this in light of the economic uncertainties. So far, we have decided not to pursue any of the opportunities presented to us.
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

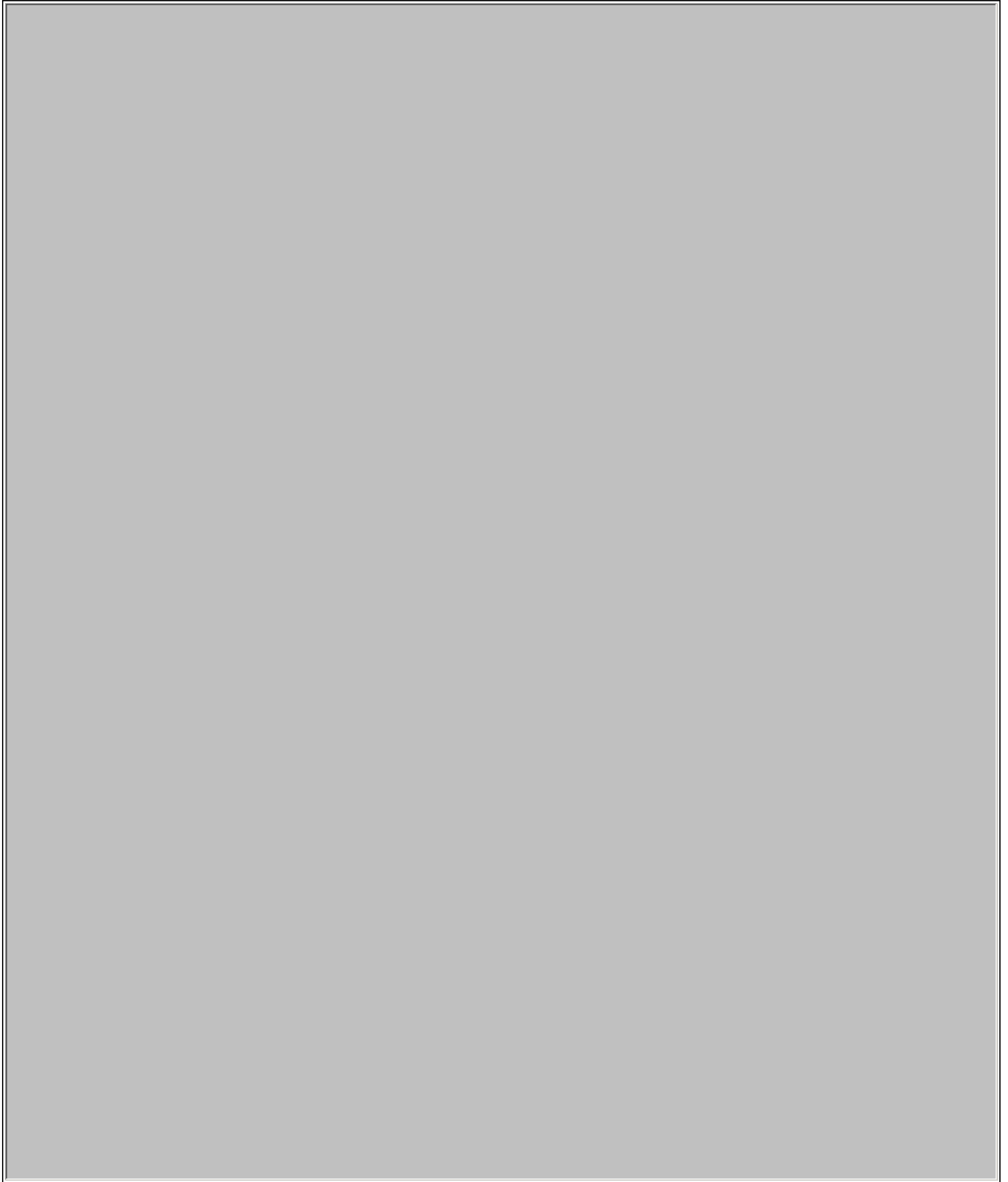
What actions were you able to avoid because of the capital infusion of CPP funds?

At the time we applied for CPP funds, the economic and credit turmoil was difficult to assess. Our ownership and board felt that it was prudent to take CPP funds mainly as a contingency for uncertainty; in essence, a form of "capital insurance" should it be needed. Combined with the bank's generally stable local markets, our well run institution and our good credit quality, the CPP funds enabled us to continue to lend confidently in the communities we serve and maintain capital above "well capitalized" levels.

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

The bank and the communities we serve benefitted from the additional capital from the standpoint of (1) our increased capacity meet credit needs and to support other investment, and (2) our continued ability to meet regulatory capital guidelines. This institution has always done a good job of assessing and managing risk. That basic fundamental philosophy did not change after we received the CPP funds. We manage the company on a fundamentally sound basis with or without the CPP funds.

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.