



Bankers' Bank of Kansas | BBOK Bancshares, Inc. | **2010 Annual Report**

PRECISION **ENGINEERED**

Stronger, wiser and more committed summarize our thoughts for 2010.

Net income, capital and new shareholders all contributed to push Shareholder Equity beyond the \$17 million mark, and increase the book value for BBOK Bancshares, Inc. stock to \$799.60 per share at the end of 2010.

Earnings per share were \$51.32 in 2010 compared to \$76.00 a year ago. Additionally, BBOK increased its 2010 Loan Loss Reserve balance by the equivalent of \$25.00 per share compared to \$9.00 per share a year ago.

We're wiser in that we continue to enhance KIX, our image exchange network, through better settlement options and lower costs to participants. Credit card services continue to benefit from the wisdom of maintaining a straightforward, no-gimmick offering for your customer that includes customer rewards and exceptional personal service.

We're wiser in lending. After being nicked by several credits that were syndicated by another lender, we've returned our focus to lending opportunities that BBOK with our participant partners can develop and collaboratively manage for the best interests of all involved. Lending activity is critical to all of us. We have the strongest lending staff in our history to service future opportunities.

Committed means that we will continue to finance our bank customers and support their customers through the purchase of loan participations and other products designed to help them compete and enhance earnings. It also means our

marketing officers will increase their miles traveled in 2011 to stay in front of our stakeholders. We'll listen intently and offer a personal resource backed by the latest in technology.

As the economy grows stronger and attitudes improve, we plan on being there as a partner and participant in coming successes. We welcome four new shareholders and six new customer banks to the BBOK base. We look forward to providing them with outstanding service and financial results that will cement a long-lasting partnership.

I invite you to call me or any one of our officers any time to discuss ways we can improve our operation or yours.

Bruce A. Krieger
President/CEO



DELIBERATE CASTING

Twenty-two years ago we chose four guiding principles to shape our culture. We recognize these defining core values have become our organizational attributes. They're critical to everything we do. We guard them closely as we continue to grow.

In 1988, we envisioned an organizational structure designed to strategically meet Kansas correspondent banking needs. Today, we serve almost 300 community banks. With strong core competencies and attention to detail we construct solutions that increase efficiency and add to the customer bottom line. Our tool chest is with us always, holding the values we aspire to deliver.

WE'RE WORKING HARD FOR KANSAS BANKS.

Our core
values are
the tools of
our trade.

L-R: Christy Simonsen, VP; Grant Paitz, AVP; Craig Ellis, VP; Peg Baldwin, VP; Stacy Thomison, AVP; Chris Gilbert, VP; Cathy Gaines, AVP; Mike Ray, CFO; Lisa Isham, loan review services officer; Vern Wasinger, business ambassador



BBOK OFFICER TEAM



L-R: Linda Watson, AVP; Todd Schoenhofer, manager/credit review services; Jay Olsen, SVP; Lisa Valentine, SVP; Terry Puett, VP; Carol Elkins, safekeeping/investment officer; Brent Beckman, VP; Jeanne Dailey, VP; Tim Binns, VP; Calvin Coady, EVP



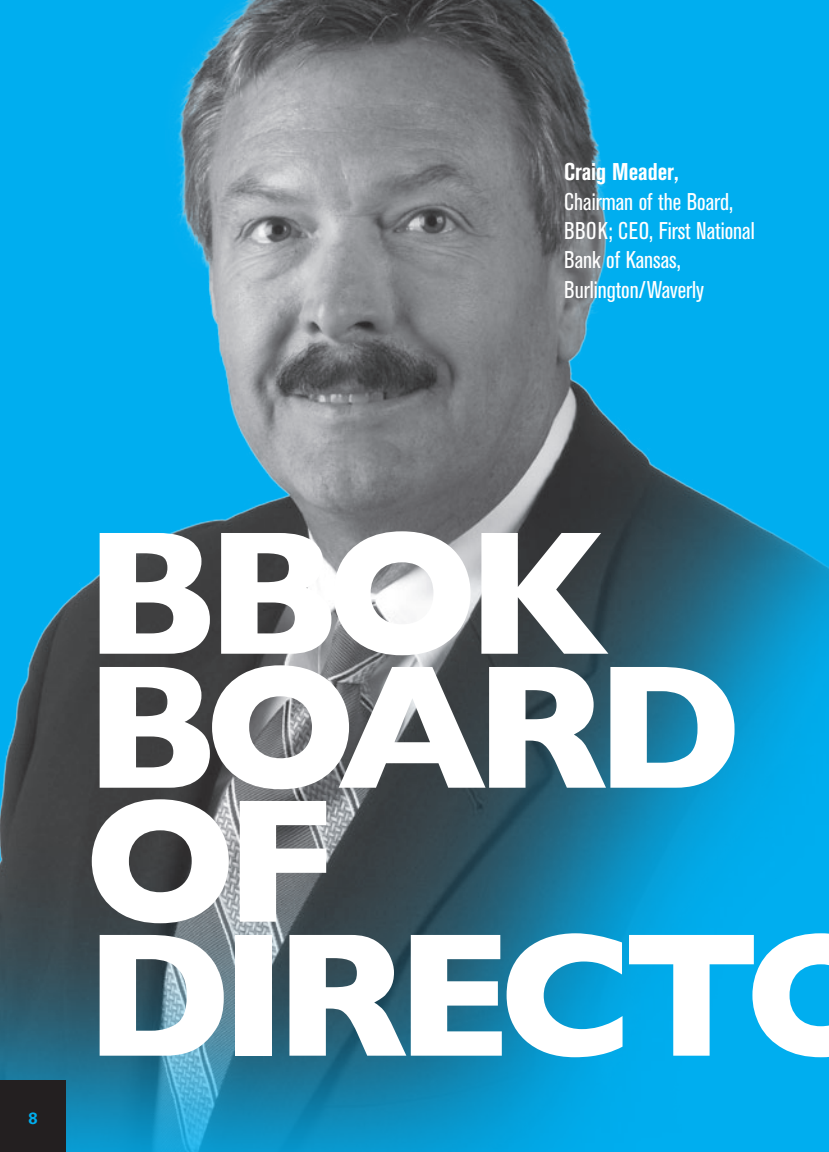
WE VALUED
VISION

Today, our depth of expertise gives us the ability to achieve what others don't. We understand the right strategy begins with practiced foresight. We've assembled a team whose expert knowledge is sought after for state and national advisory boards. We have the insight to engineer plans that achieve positive results. We deconstruct ideas layer by layer only to reconstruct them with solutions that work better.

“BBOK is on top of it. These knowledgeable bankers have the insight to develop products like KIX and ABIL Web, solutions that save community banks time and money. Former big correspondent banks are no longer competitors. BBOK dominates the correspondent business.”

—Gregg Lewis, chairman, First Option Bank, Osawatomie, Kan.

BBOK BOARD OF DIRECTORS



Craig Meader,
Chairman of the Board,
BBOK; CEO, First National
Bank of Kansas,
Burlington/Waverly



James Arnold,
President/CEO, Security
State Bank, Scott City



David Herndon,
President, First State Bank,
Kansas City, Kan.



Dennis Lull,
President, The Bennington
State Bank, Salina



Steven D. Carr,
Chairman/President,
Community Bank of
Wichita, Wichita



Barnabas D. Horton,
CEO, Farmers Bank & Trust,
Atwood



Tim Ohlde,
President, Elk State Bank,
Clyde



John P. Englebert,
President, First State Bank,
Norton



Ron Johnson,
President, Community
National Bank, Seneca



Bruce Schriefer,
President/CEO, BBOK,
Wichita



Kendal Kay,
President, Stockgrowers
State Bank, Ashland



Leonard Wolfe,
Chairman/President, United
Bank & Trust, Marysville



WE VALUED
FLEXIBILITY

Today, we produce trustworthy solutions to assist almost 300 Kansas community banks. Each of these customer banks has unique challenges requiring different levels of support. We've built an infrastructure that helps guide them strategically through every twist and turn. We help trim inefficiencies and create smooth transitions.

“BBOK officers understand banking. They customize programs to meet our needs when other vendors will not. Our relationship continues to grow because of their credibility. They have proven their worth.”

—Bruce Schwyhart, president, CornerBank, Winfield, Kan.

ALTA VISTA STATE BANK; *Alta Vista*
 ANDOVER STATE BANK; *Andover*
 EQUITY BANK; *Andover*
 FARMERS & MERCHANTS STATE BANK; *Argonia*
 UNION STATE BANK; *Arkansas City*
 STOCKGROWERS STATE BANK; *Ashland*
 FARMERS BANK & TRUST; *Atwood*
 FARMERS STATE BANK; *Atwood*
 BALDWIN STATE BANK; *Baldwin*
 VALLEY STATE BANK; *Belle Plaine*
 ASTRA BANK; *Belleville*
 NEW CENTURY BANK; *Belleville*
 PEOPLES EXCHANGE BANK; *Belleville*
 FIRST NATIONAL BANK; *Beloit*
 BENDENA STATE BANK; *Bendena*
 STATE BANK OF BERN; *Bern*
 BISON STATE BANK; *Bison*
 STATE BANK OF BLUE RAPIDS; *Blue Rapids*
 FARMERS STATE BANK; *Bucklin*
 EMERALD BANK; *Burden*
 FIRST STATE BANK; *Burlingame*
 STATE BANK OF BURRTON; *Burrton*
 CALDWELL STATE BANK; *Caldwell*
 STOCK EXCHANGE BANK; *Caldwell*
 STATE BANK OF CARBONDALE; *Carbondale**
 COTTONWOOD VALLEY STATE BANK; *Cedar Point*
 THE FIRST NATIONAL BANK OF CENTRALIA; *Centralia*
 COMMUNITY NATIONAL BANK; *Chanute*
 RCB BANK; *Claremore, Okla.*
 UNION STATE BANK; *Clay Center*
 ELK STATE BANK; *Clyde*
 COMMUNITY STATE BANK; *Coffeyville*
 CONDON BANK & TRUST; *Coffeyville*
 FARMERS & MERCHANTS BANK OF COLBY; *Colby*

PEOPLES BANK; *Coldwater*
 STATE BANK OF CONWAY SPRINGS; *Conway Springs*
 EXCHANGE NATIONAL BANK; *Cottonwood Falls*
 FIRST NATIONAL BANK; *Cunningham*
 STATE BANK OF DELPHOS; *Delphos*
 VERUS BANK, N.A.; *Derby*
 DOWNS NATIONAL BANK; *Downs*
 STATE BANK OF DOWNS; *Downs*
 CITIZENS STATE BANK & TRUST CO.; *Ellsworth*
 ESB FINANCIAL; *Emporia*
 FIRST COMMUNITY BANK; *Emporia*
 DICKINSON COUNTY BANK; *Enterprise*
 UNION STATE BANK; *Everest*
 CITIZENS BANK, N.A.; *Fort Scott*
 FIRST NATIONAL BANK; *Frankfort*
 THE STATE BANK OF KANSAS; *Fredonia*
 GARDEN CITY STATE BANK; *Garden City**
 GARDEN PLAIN STATE BANK; *Garden Plain*
 GARDNER BANK; *Gardner*
 FIRST NATIONAL BANK OF GIRARD; *Girard*
 GIRARD NATIONAL BANK; *Girard*
 SOUTHEAST KANSAS BANCSHARES, INC.; *Girard*
 FIRST NATIONAL BANK; *Goodland*
 GORHAM STATE BANK; *Gorham*
 COMMUNITY BANK OF THE MIDWEST; *Great Bend*
 FARMERS BANK & TRUST, N.A.; *Great Bend*
 THE HALSTEAD BANK; *Halstead*
 FREEPORT STATE BANK; *Harper*
 FIRST NATIONAL BANK; *Hays*
 FIRST STATE BANK; *Healy*
 FARMERS & MERCHANTS BANK OF HILL CITY; *Hill City*
 HILLSBORO STATE BANK; *Hillsboro*
 DENISON STATE BANK; *Holton*
 FARMERS STATE BANK; *Holton*

FIRST NATIONAL BANK; *Hope*
 HOWARD STATE BANK; *Howard*
 CITIZENS STATE BANK; *Hugoton*
 BANK OF KANSAS; *Hutchinson*
 CENTRAL BANK & TRUST; *Hutchinson*
 FIRST NATIONAL BANK; *Hutchinson*
 JOHNSON STATE BANCSHARES, INC.; *Johnson*
 FIRST NATIONAL BANK & TRUST COMPANY OF
 JUNCTION CITY; *Junction City*
 FIRST STATE BANK OF KANSAS CITY; *Kansas City*
 CITIZENS BANK OF KANSAS, N.A.; *Kingman*
 FIRST STATE BANK; *Kiowa*
 NEKOMA STATE BANK; *LaCrosse*
 THE KEARNY COUNTY BANK; *Lakin*
 DOUGLAS COUNTY BANK; *Lawrence*
 LAWRENCE BANK; *Lawrence*
 PEOPLES BANK; *Lawrence*
 CROSSFIRST BANK; *Leawood*
 HEARTLAND BANK; *Leawood*
 M&I BANK; *Leawood*
 UNITED BANK OF KANSAS; *Lenexa*
 STATE BANK OF LEON; *Leon*
 FIRST NATIONAL BANK; *Liberal*
 THE COMMUNITY BANK; *Liberal*
 PILSEN STATE BANK; *Lincolnville*
 ARVEST BANK; *Lowell, AR*
 LYNDON STATE BANK; *Lyndon*
 KANSAS STATE BANK; *Manhattan*
 LANDMARK NATIONAL BANK; *Manhattan*
 STATE EXCHANGE BANK; *Mankato*
 STOCKGROWERS STATE BANK; *Maple Hill*
 MARION NATIONAL BANK; *Marion*
 MARQUETTE FARMERS STATE BANK; *Marquette*
 CITIZENS STATE BANK; *Marysville*

FIRST COMMERCE BANK, N.A.; *Marysville*
 UNITED BANK & TRUST; *Marysville*
 PEOPLES STATE BANK; *McDonald*
 FARMERS STATE BANK; *McPherson*
 PEOPLES BANK & TRUST; *McPherson*
 CITIZENS STATE BANK; *Miltonvale*
 THE MISSION BANK; *Mission*
 MONTEZUMA STATE BANK; *Montezuma*
 CITIZENS STATE BANK; *Moundridge*
 FIRST NATIONAL BANK OF SOUTHERN KANSAS; *Mount Hope*
 CARSON BANK; *Mulvane*
 FIRST NEODESHA BANK; *Neodesha*
 MIDLAND NATIONAL BANK; *Newton*
 FIRST STATE BANK; *Norton*
 FARMERS STATE BANK; *Oakley*
 THE BANK; *Oberlin*
 THE OLPE STATE BANK; *Olpe*
 FIRST OPTION BANK; *Osawatimie*
 FARMERS NATIONAL BANK; *Osbome*
 FIRST SECURITY BANK; *Overbrook*
 ALTERRA BANK; *Overland Park**
 BLUE VALLEY BAN CORPORATION; *Overland Park*
 CORNERSTONE BANK; *Overland Park*
 MERIT BANK; *Overland Park**
 BANK OF PALMER; *Palmer*
 FARMERS NATIONAL BANK; *Phillipsburg*
 FARMERS STATE BANK; *Phillipsburg*
 FIRST NATIONAL BANK; *Phillipsburg*
 PLAINS STATE BANK; *Plains*
 MIDWEST COMMUNITY BANK; *Plainville*
 BANK OF PROTECTION; *Protection*
 KANSASLAND BANK; *Quinter*
 FIRST STATE BANK; *Ransom*
 THE RILEY STATE BANK; *Riley**

ST. MARYS STATE BANK; *St. Marys*
 BANK VI; *Salina*
 SUNFLOWER BANK, N.A.; *Salina*
 THE BENNINGTON STATE BANK; *Salina*
 FIRST NATIONAL BANK; *Scott City*
 SECURITY STATE BANK; *Scott City*
 FIRST NATIONAL BANK; *Sedan*
 ALLIANT BANK; *Sedgwick*
 BAILEYVILLE STATE BANK; *Seneca*
 COMMUNITY NATIONAL BANK; *Seneca*
 TRICENTURY BANK; *Simpson*
 FIRST NATIONAL BANK; *Smith Center*
 FIRST NATIONAL BANK; *Spearville*
 GREAT SOUTHERN BANK; *Springfield, Mo.*
 FARMERS NATIONAL BANK; *Stafford*
 ALDEN STATE BANK; *Sterling*
 FIRST BANK; *Sterling*
 STOCKTON NATIONAL BANK; *Stockton*
 FIRST NATIONAL BANK; *Syracuse*
 VALLEY STATE BANK; *Syracuse*
 TAMPA STATE BANK; *Tampa*
 THE BANK OF TESCOTT; *Tescott*
 ALLIANCE BANK; *Topeka*
 CAPITAL CITY BANK; *Topeka*
 COMMUNITY BANK; *Topeka*
 COREFIRST BANK & TRUST; *Topeka*
 SILVER LAKE BANK; *Topeka*
 VISION BANK; *Topeka*
 TOWANDA STATE BANK; *Towanda*
 FIRST BANK OF TROY; *Troy*
 TROY STATE BANK; *Troy*
 GRANT COUNTY BANK; *Ulysses*
 UNION STATE BANK; *Uniontown*
 KENDALL STATE BANK; *Valley Falls*

THE WALTON STATE BANK; *Walton*
 WAMEGO STATE BANK & TRUST CO.; *Wamego*
 FARMERS STATE BANK; *Wathena*
 FIRST NATIONAL BANK OF KANSAS; *Waverly*
 CBW BANK; *Weir*
 BANK OF COMMERCE & TRUST CO.; *Wellington*
 FIRST NATIONAL BANK; *Wellington*
 SECURITY STATE BANK; *Wellington*
 WELLSVILLE STATE BANK; *Wellsville*
 CHISHOLM TRAIL STATE BANK; *Wichita*
 COMMUNITY BANK OF WICHITA; *Wichita*
 EMPRISE BANK; *Wichita*
 INTRUST FINANCIAL CORPORATION; *Wichita*
 LEGACY BANK; *Wichita*
 WILSON STATE BANK; *Wilson*
 CORNERBANK, N.A.; *Winfield*
 CITIZENS STATE BANK; *Wisner, Neb.*
 CITIZENS STATE BANK & TRUST; *Woodbine*

**New shareholders in 2010.*

We lead with acuity,
 always protecting
 the interests of our
 stakeholders.

WE VALUED

COLLABORATION

Today, we team with some of the industry's best providers. We've formed strategic alliances with six top performers to fabricate the best products and services for our customer banks. We've seated a bench of partners who respect and reflect our values. Each offers a unique set of skills that increases our worth.

“We were able to purchase two banks solely because of BBOK’s efforts to network us with other banks in Kansas. Advisors encouraged us to go regional to seek funding for the acquisition, but we chose to stay local. Experiencing the worst market since the Great Depression, regional banks continue to tailspin while BBOK holds steady. That’s driving benefit to us.”

—Steve Handke, president, Union State Bank, Everest, Kan.

Together,
we are a
pillar of
strength.

Asset Liability Management



Check Printing Services



Investment Management



Merchant Services



Mortgage Services



Signature Debit/ATM Services



WE VALUED

RESOURCEFULNESS

Today, we create smart opportunities based on innovative technology and solutions. We listen closely to the needs of our customers and empathize with the rough edges that frustrate them during these troubled economic times. We manage with intent, turning challenges into possibilities. Ingenuity leads our thinking. Compliance measures our way.

“BBOK is truly a resourceful financial services partner in today’s challenging bank environment. BBOK’s collaborative efforts provide significant operational flexibility, resulting in competitive advantages.”

—Steven J. Sell, president and chairman,
Community Bank of the Midwest, Great Bend, Kan.



Our fundamental services *secure* opportunity.

ABIL WEB

We manufactured ABIL Web, a safe and comprehensive selection of online report functionalities, to help better manage correspondent relationships for banks. Web-driven, it's carefully tooled to facilitate swift, reliable processing.

Today, 217 banks benefit from ABIL Web's multiple, convenient features, including:

KIX (*Kansas Image eXchange*), powered by ONWE™—We're multiplying efficiencies and profits for 110 banks with more than \$5 million in image exchange volume.

SAFEKEEPING—We're entrusted to manage more than \$4 billion in domestic securities.

INTERNATIONAL WIRE SERVICES—We're handling payment instruction and settlement for 150 currencies in 160 countries.

BANK CARD SERVICES

We've designed bank card programs to protect customer relationships, strengthen corporate identity and generate bank income.

Today, we serve 209 banks, more than 36,000 cardholders and manage more than \$16.5 million in outstanding balances. Our average delinquency rate is 1.78 percent, beating peer average by nearly 4 percent.

INTERNATIONAL MONETARY SERVICES

We've assembled the right checks and balances to make international transactions safe and secure. Our online ABIL Web solution provides the most efficient method of processing international ACH, checks and drafts, letters of credit, wires and foreign currency.

Our integrated solutions ensure smooth operations worldwide.

LENDING SERVICES

A full range of lending services helps banks produce revenue and build relationships. From participation loans to stock and direct loans for bank employees and shareholders, we help increase and solidify prospects.

We focus on improving a bank's lending function with flexible, independent loan review services, reinforcing loan portfolio quality.



PROVEN
RELIABILITY

ADMINISTRATION

Amanda Lowry, Karen Trammell,
Cheryl Warashina

**COMPLIANCE & ENTERPRISE
RISK MANAGEMENT**

Peg Baldwin (VP)

CREDIT CARD TEAM

Christy Simonsen (VP), Sherry
Beard, Jennifer Edens, Joy Holden,
Sandy Huxman, Shasta Jenkins,
Michelle Mollenkopf, Betty Nguyen,
Scott Schriefer, Karen Schultz,
Paula Snider

**INDEPENDENT
LOAN REVIEW &
ADMINISTRATION
CONSULTING SERVICES**

Todd Schoenhofer, Lisa Isham

IT TEAM

Chris Gilbert (VP), Grant Paitz (AVP),
Steve Madewell

LOAN ADMINISTRATION

Jay Olsen (SVP), Tim Binns (VP),
Jeanne Dailey (VP), Craig Ellis (VP),
Cathy Gaines (AVP), Stacy Thomison
(AVP), Maggie Favela, Dennis Willey

MARKETING

Calvin Coady (EVP), Brent Beckman
(VP), Terry Puett (VP), Karen
Trammell, Vern Wasinger (Business
Ambassador)

OPERATIONS

Lisa Valentine (SVP), Sharla Cook,
Candice Jackson, Krystal Midkiff,
Linda Miller, Michelle Rosas, Ann
Sathngam, Ashley Smith, Tracy
Stewart, Leota Terrill

**SAFEKEEPING &
INVESTMENTS**

Mike Ray (CFO), Linda Watson
(AVP), Carol Elkins (Safekeeping &
Investment Officer), Julie Lyman,
Tonya Rolo

We opened our doors in 1988 with five employees. Today, we are 47 strong. Our team members are experienced, craftsmen of our trade. The sweat equity we put into every project is unmatched. We're working hard and smart for you.

FINANCIAL SUMMARY BBOK BANCSHARES, INC. AND SUBSIDIARIES

Five-Year Summary of Selected Financial Data For the Years Ended December 31,

	2010	2009	2008	2007	2006
OPERATING DATA					
Interest income	\$ 5,546,113	\$ 5,678,471	\$ 6,114,328	\$ 7,450,681	\$ 6,723,382
Interest expense	405,637	509,377	1,513,137	2,670,530	2,241,058
Net Interest Income	\$ 5,140,476	\$ 5,169,094	\$ 4,601,191	\$ 4,780,151	\$ 4,482,324
Provision for loan losses	\$ 1,675,000	\$ 1,115,000	\$ 765,365	\$ 450,000	\$ 480,000
Other income	7,183,788	7,397,619	8,462,791	7,836,011	7,101,934
Other expenses	9,056,285	9,012,146	9,356,194	9,393,148	8,886,211
Income before taxes	\$ 1,592,979	\$ 2,439,567	\$ 2,942,423	\$ 2,773,014	\$ 2,218,047
Taxes on income	494,770	812,993	964,283	954,306	805,919
Net Income	\$ 1,098,209	\$ 1,626,574	\$ 1,978,140	\$ 1,818,708	\$ 1,412,128
DIVIDENDS DECLARED					
Common stock	\$ 106,700	\$ 213,419	\$ 323,595	\$ 322,245	\$ 207,030
Ratio of total dividends declared to net income	9.72%	13.12%	16.36%	17.72%	14.66%
PER SHARE DATA					
Common shares outstanding	21,400	21,402	21,638	21,548	20,768
Basic earnings per common share	\$ 51.32	\$ 76.00	\$ 91.42	\$ 84.40	\$ 68.00
Common stock cash dividends	\$ 4.99	\$ 9.97	\$ 14.95	\$ 14.95	\$ 9.97
Book value per common share	\$ 799.60	\$ 753.39	\$ 685.14	\$ 605.01	\$ 532.51

	2010	2009	2008	2007	2006
FINANCIAL CONDITION DATA					
Due from banks and federal funds sold	\$ 15,807,480	\$ 23,873,535	\$ 14,683,133	\$ 17,376,821	\$ 11,910,516
Investment securities	1,987,815	2,583,860	2,856,914	2,925,908	2,674,154
Loans	94,999,106	100,113,611	93,690,646	93,293,445	82,560,402
Property and equipment	1,905,198	1,855,764	1,676,122	1,645,588	1,797,057
Other investments	1,290,901	1,111,239	942,272	785,754	849,006
Other real estate owned	533,190	722,844	–	–	–
Other assets	5,872,975	5,143,281	4,909,269	4,482,776	4,022,550
Total Assets	\$ 122,396,665	\$ 135,404,134	\$ 118,758,356	\$ 120,510,292	\$ 103,813,685
Deposits	\$ 101,907,257	\$ 118,177,926	\$ 69,455,008	\$ 49,845,324	\$ 51,214,322
Federal funds purchased	2,216,000	–	33,088,000	55,654,000	40,612,000
Other liabilities	1,161,984	1,102,171	1,390,209	1,974,122	928,240
Stockholders' equity	17,111,424	16,124,037	14,825,139	13,036,846	11,059,123
Total Liabilities and Stockholders' Equity	\$ 122,396,665	\$ 135,404,134	\$ 118,758,356	\$ 120,510,292	\$ 103,813,685
Participations sold	\$ 229,991,963	\$ 273,149,238	\$ 260,608,783	\$ 177,827,452	\$ 127,269,917
SELECTED RATIOS					
Return on average assets	0.84%	1.27%	1.83%	1.79%	1.46%
Return on average equity	6.90%	10.83%	16.04%	15.99%	14.91%
Net interest margin	3.95%	4.03%	4.26%	4.71%	4.63%

For the complete audit, please visit our website at BBOK.com.

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