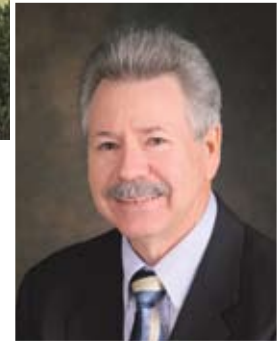




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A Message From Our CEO

A New Season in Ag Lending

There is a time for everything and a season for every activity under heaven. This well-known biblical verse seems fitting when you consider recent events in agriculture and the financial sector.

Over the last few years, Texas Land Bank has had tremendous success. For the most part, conditions have been aligned well for continued stable growth in loan volume and financial strength. It has been a fun and exciting time to be in agricultural lending. We've been able to grow the cooperative and, equally rewarding, we have had the opportunity to watch many of your operations grow and prosper.

That is not to say that everything has been perfect. We've witnessed adverse weather conditions at times. Input costs and commodity prices have been unusually volatile, and some ag sectors have suffered. While we've had some adverse credit activity, our overall risk management practices and overall good credit quality have been sufficient to compensate for it and to maintain a very profitable and financially strong operation.

Now, we have entered a new season. The weakness of the economy and volatility in the financial markets have put a damper on our growth. Our responsibility includes safeguarding the financial integrity of the co-op, and, at the present time, that means exercising caution and growing more slowly. It also means that we must continue to keep a close eye on our current portfolio and continue good risk management practices.

At Texas Land Bank, we have a mission to serve agricultural producers and rural property owners. Our resolve to fulfill that mission is strengthened in times like these. The current economy has created a financial struggle for some agricultural producers. Some ag sectors have been hit particularly hard. If you are facing more difficult times, we understand and will do our best to work with you in your particular situation. We also will work hard to protect your investment in Texas Land Bank, so that we can continue to be a dependable source of credit in the future, even when other banks are pulling back.

It is always exciting at the end of every winter to finally see the early signs of spring. Together, let's watch for the budding of an economic recovery, let's be thankful that a new season is always just around the corner, and let's look to the positives in the future of agriculture.

Sincerely,

Charles P. Gant
Chief Executive Officer

NEW EMPLOYEE



John A. Davis

Credit Office President
Lampasas Credit Office

John A. Davis was recently hired as credit office president in the Lampasas office. A native of Waco, John graduated from Texas A&M University in 1998 with a bachelor's degree in finance.

With more than 10 years of banking experience and deep roots in central Texas, John will be an asset to the Texas Land Bank team and to its customers. He intends to be an active new member of the Lampasas community as well. John says that he is very impressed with Texas Land Bank's financial strength and organization, and he is excited about the future opportunities for the Lampasas credit office team.

John looks forward to meeting everyone, and invites customers to stop by the office at any time.

PROMOTIONS



Macy Blankenship

Loan Officer
Lampasas Credit Office

Macy Blankenship has been promoted to loan officer in Texas Land Bank's Lampasas office. She will also serve as the loan officer in the Marble Falls contact office.

A Lampasas native, Macy joined Texas Land Bank in 2003 and most recently served as the office's credit officer and senior loan processor. She received a bachelor's degree from Tarleton State University in May. Macy and her husband, J.J., reside in Lampasas with their son, Kirby, and are partners in Herrmann Feed and Supply.

Chief Executive Officer Charles Gant praised Macy for the personal commitment she made a few years ago to complete her college degree and to better prepare her for the challenges in her career.

"I'm confident that Macy is going to do a great job in this position," Gant said.



Nathan Van Noord

Loan Officer
Corsicana Credit Office

Nathan Van Noord has been promoted to loan officer in the Corsicana credit office. He began his career with Texas Land Bank in 2007 and has worked as a credit analyst in the Waco corporate office.

Nathan is a native of Cameron, where he graduated from Yoe High School and was involved in his family's cattle operation. He earned a bachelor's degree in agricultural economics from Texas A&M University.

"I am happy Nathan is joining the Corsicana team, and I am very confident he will be a successful loan officer," said Kasey McGraw, president of the Corsicana credit office.

Mary Dillard Retires after 32 Years of Service

Mary Dillard, assistant vice president and credit officer in the Corsicana credit office, retired effective May 31, after 32 years of service.

Mary began her Farm Credit career as the office manager at the Corsicana Land Bank Association on April 1, 1975, and except for a two-year break, worked for Farm Credit in the same office until her retirement. She served as office manager for Corsicana Land Bank until 1982, when it merged with Texas Land Bank. She continued to work for Texas Land Bank for another 27 years. During her tenure, she served on numerous committees and organizations, including a term as president of the Farm Credit Business and Professional Women's Association.

Mary says she will miss seeing all of the friends she has made throughout the Corsicana community through her day-to-day interactions with stockholders, title companies, Realtors and others over the years. However, she looks forward to having more time to spend with her new grandson, Kenneth Cale McClintock, the son of her daughter and son-in-law, Kimberly and Eric McClintock.

Texas Land Bank thanks Mary for all of her years of service and dedication.



Pictured at Mary's retirement reception are, left to right, Charles Gant, Texas Land Bank CEO; Burt Richards, vice chairman of the board of directors; Brenda Rhodes, retiree; Mary Dillard, retiree; Lloyd Hickerson, retiree; Stacey Wright, loan processor/customer service representative; Arthur Bancroft, director; and Kasey McGraw, credit office president, Corsicana.

A New Resource from Texas Land Bank

Texas Land Bank is pleased to introduce Ag Banking Online, a new online banking system that you can access from your home computer. Ag Banking Online is one of several cash management solutions offered by Texas Land Bank.

With Ag Banking Online, you can:

- **view your account information**
- **make loan payments**
- **transfer funds externally between your Texas Land Bank accounts and a designated commercial bank account**
- **transfer funds internally between your various Texas Land Bank accounts**

Ag Banking Online is another way for Texas Land Bank to provide our borrowers with great customer service and convenient products to help them with their success.

Visit our Web site at www.texaslandbank.com for sign-up information, or call your local office to visit with us about all of our cash management products.

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