

NEWS RELEASE

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HERITAGE LAND BANK, ACA REPORTS YEAR END EARNINGS AND PATRONAGE DISTRIBUTION TO CUSTOMERS

TYLER, Texas - Heritage Land Bank, ACA, reported earnings for year-end 2008 in the amount of \$6.6 million, and growth in total assets of \$34 million despite 2008 being a year of economic downturn.

For the year ending December 31, 2008, Heritage reported loan volume of \$450 million; up from \$414 million at the end of 2007. This increase of \$36 million was attributed to new business of over 540 new loans for \$88 million. In addition to the growth in the loan portfolio, credit quality remained stable with 92.8% acceptable loan volume at the end of December 2008. The Association's capital position remained strong with a permanent capital ratio of 12.8% at the end of 2008, which more than exceeds the 7% minimum set by the regulator, Farm Credit Administration.

Based on this financial performance, the Board of Directors approved a cash patronage distribution to its stockholders of \$2.4 million. This cash patronage payout will be distributed to stockholders in March 2009 and lowers the effective interest rate paid by most stockholders by approximately 50 basis points. Heritage is a cooperatively owned Farm Credit Association whose customers are its stockholders, and share in the rewards of the association's earnings by receiving a cash patronage payment paid directly to them. "We are pleased to continue our 15 year tradition of returning earnings back to our customers in the form of patronage. This long-term commitment of paying patronage is one of the many features which sets Heritage Land Bank apart from commercial banks and other lenders," stated Stephen R. Ogletree, Chief Executive Officer.

For more than 90 years, Heritage Land Bank has financed the rural needs of east Texans offering a variety of loan programs and competitive interest rates for the financing of rural real estate, farms and ranches, recreational property, as well as rural homes, livestock, equipment and agribusiness. Heritage Land Bank's corporate office is located in Tyler with lending offices located in Athens, Greenville, McKinney, Nacogdoches, Palestine, and Tyler.