



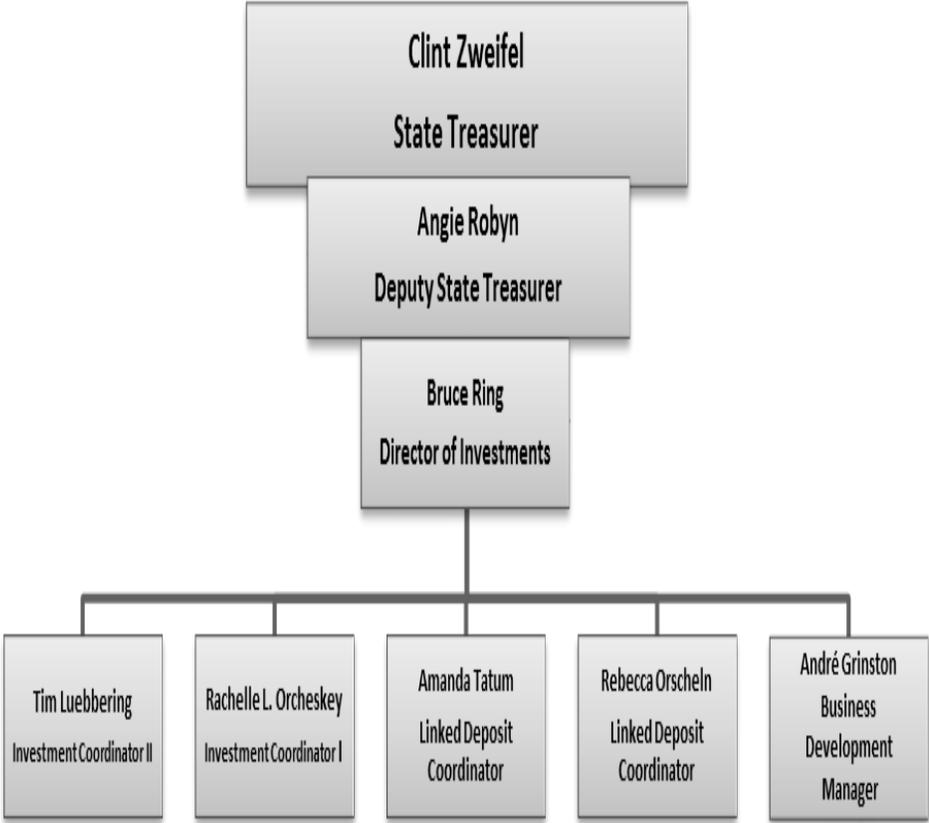
# Missouri Linked Deposit Program

## 2012 Annual Report



**Clint Zweifel**  
Missouri State Treasurer

**Missouri State Treasurer Clint Zweifel's Investment Division**



## Program Overview

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The Missouri Linked Deposit Program is a statutorily created lending program aimed at expanding and strengthening Missouri communities by providing low-interest loans to qualified borrowers for business enhancement, growth and development. The Missouri Linked Deposit Program is managed by State Treasurer Clint Zweifel who serves as Missouri's chief financial officer. Treasurer Zweifel manages and oversees Missouri's \$ 23 billion in annual revenue, it's nearly \$4 billion investment portfolio and the state's banking services.

Eligible borrowers include:

- Agricultural businesses
- Small businesses with up to 99 employees
- Local governments
- Housing developments
- Alternative energy focused programs

Formerly known as BIG Missouri and MOBUCKS, the Missouri Linked Deposit Program has been assisting Missouri businesses since 1985. To fund the program, Treasurer Zweifel deposits available funds with an approved borrower's banking institution at a below-market interest rate. This allows Treasurer Zweifel and the bank to pass along up to a 30 percent interest-rate reduction to the borrower resulting in an overall savings and spurring economic growth.

Treasurer Zweifel has cut bureaucracy and red tape while promoting the loan program directly to small businesses and farms through round tables, press releases and one-on-one interactions. Small businesses are particularly important during periods of economic recovery and their continued use of the Missouri Linked Deposit Program has been a major reason the program has continued to grow over the last four years.

## Executive Summary

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The Missouri Linked Deposit Program 2012 Annual Report provides a summary of loan activities from October 1, 2011- September 30, 2012.

The Missouri Linked Deposit Program placed 1,207 loans in the 2012 program year for a total loan amount of \$ 370,654,541.79. A total of 17 loans totaling [\\$8,814,137.79](#) were provided to veteran-owned businesses within the state.

Missouri Linked Deposit Program loans were issued in the following categories:

- Small Business (53%)
- Guaranteed Agri-Business (18%)
- Farm Operation (18%)
- Beginning Farmer (8%)
- Housing (2%)
- Livestock (1%)
- Government Entity (<1%)
- Job Creation (<1%)

Loan proceeds funded projects in 81 of Missouri's 114 counties representing 71% of all Missouri counties. Treasurer Zweifel continues to actively solicit participation in all Missouri counties. Treasurer Zweifel has active loans in every region of Missouri and continues to work with regional banks to promote the program to their borrowers.

Total loan deposits decreased in program year 2012 by \$11,383,408.79 from program year 2011. As further detailed below, the decrease in the loan portfolio may be attributed to:

- Otherwise available low interest rates
- Missouri banks are currently deposit rich

### **Rate Environment**

The significantly lower interest rates otherwise available in the commercial market may have adversely impacted loan participation by other Missouri lenders.

Treasurer Zweifel's office will continue to talk with participating lenders and other potential lenders to reinforce Missouri Linked Deposit Program benefits. This program is a long-term investment in Missouri's entrepreneurs. While investment rates and the economic environment may change, the need to be ready to help invest in Missouri's entrepreneurs, small business owners and farms is constant.

### **Bank Deposit Levels**

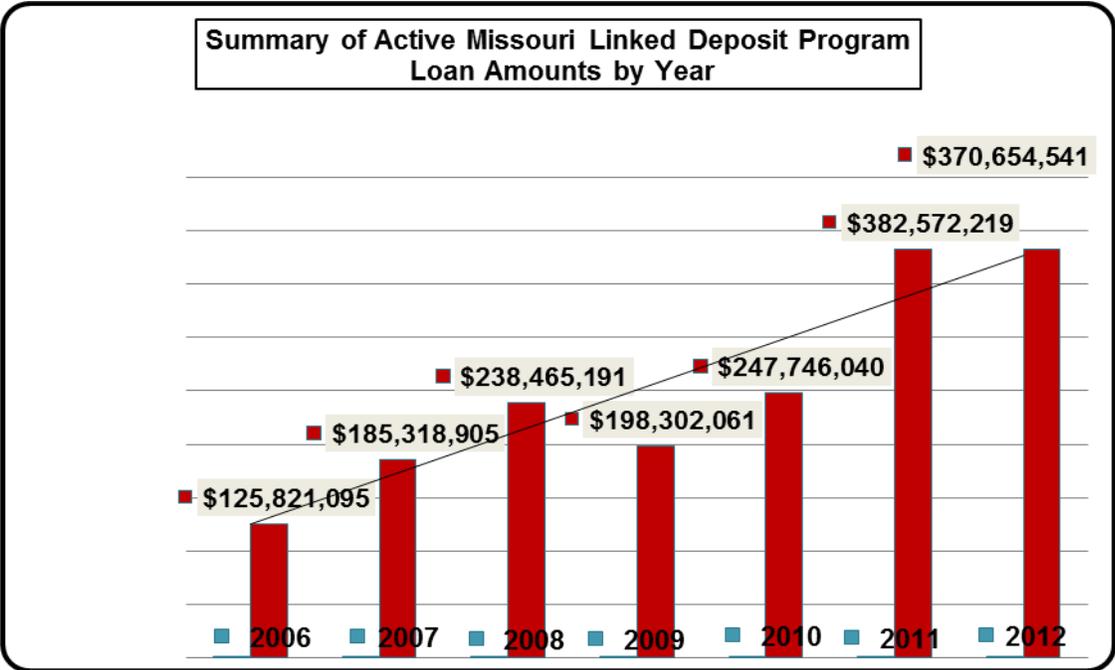
Banks continue to report being deposit rich. Banks may have opted to loan their own funds in lieu of utilizing the Missouri Linked Deposit Program.

# Performance History

Total Missouri Linked Deposit Program loans in program year 2012 experienced a moderate decrease of 3.115%. Specifically, total Missouri Linked Deposit Program loans in program year 2012 totaled \$ 370,654,541.79 representing a decrease of \$ 11,917,677.21 from program year 2011’s total loan amount of \$382,572,219.

Although the Missouri Linked Deposit Program experienced a moderate decrease in program year 2012, the Program continued to display a steady increase from prior program years as reflected below:

PROGRAM YEAR	TOTAL LOAN AMOUNTS	PERCENT INCREASE/DECREASE
PY 2012	\$ 370,654,541.79	-----
PY 2011	\$ 382,572,219	-3.115%
PY 2010	\$ 247,746,040	49.61%
PY 2009	\$ 198,300,000	86.92%
PY 2008	\$ 234,027,616	58.38%
PY 2007	\$ 185,318,905	100.01%

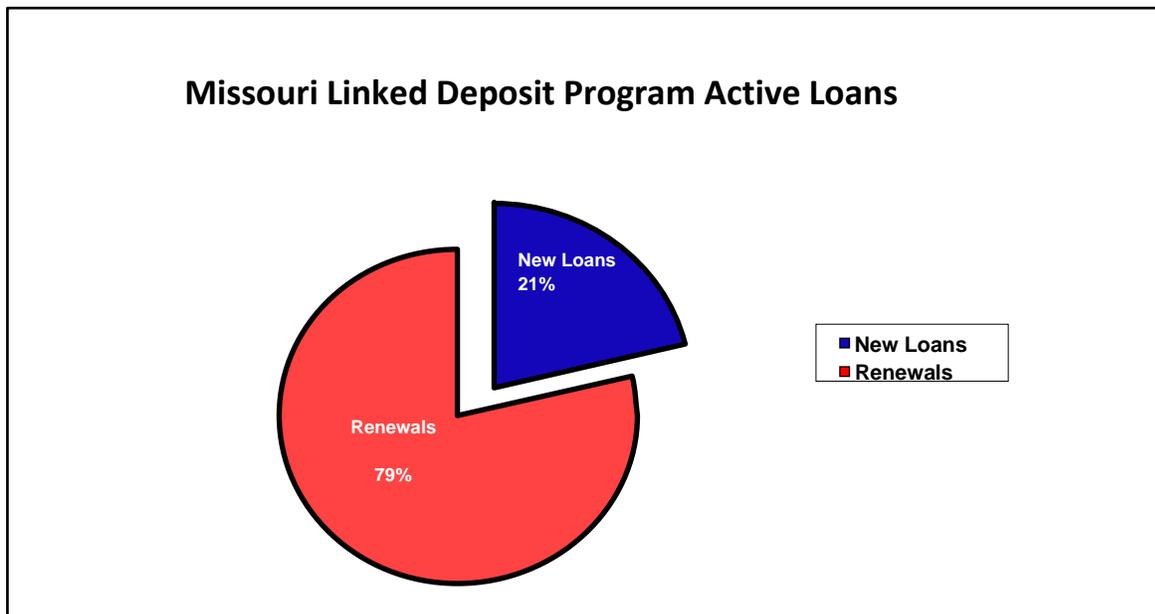


**MISSOURI LINKED DEPOSIT PROGRAM LOANS BY CATEGORY:**

Missouri Linked Deposit Program loans were provided in the following categories:

- Beginning Farmer
- Guaranteed Agri-Business
- Farming Operation
- Guaranteed Livestock
- Government Entity
- Housing
- Job Creation
- Small Business

A total of 259 loans were provided to new loan applicants while 948 loans were provided to renewal borrowers.



As in previous years, the Small Business category continues to be the largest loan category representing 53% of all loans issued in program year 2012. Total loan category activity for program year 2012 is reflected below:

Percentages of loan category allocations for program year 2012 were:

- Small Business (53%)
- Guaranteed Agri-Business (18%)
- Farm Operation (18%)
- Beginning Farmer (8%)
- Housing (2%)
- Livestock (1%)
- Government Entity (<1%)
- Job Creation (<1%)

COMPARISON OF TOTAL LOAN AMOUNTS BY CATEGORY				
Program	PY Ending 9/30/2012	PY Ending 9/30/2011	PY Ending 9/30/2010	% Decrease PY 2012-2011
Beginning Farmer	\$ 18,707,385	\$23,767,427	\$30,909,766	-32.63%
Facility Borrower	\$ 0	\$0	\$646,000	0
Farm Operations	\$ 38,649,126	\$62,897,936	\$83,905,736	-38.54%
Guaranteed Agri-Business	\$ 3,344,905	\$5,843,821	\$9,078,992	-42.76%
Livestock	\$ 1,320,143	\$1,842,223	\$2,914,230	-28.34%
Housing	\$ 15,904,099	\$18,315,545	\$2,937,229	-13.17%
Job Creation	\$ 8,288,250	\$7,559,658	\$5,667,500	9.64%
Small Business	\$ 283,179,091.79	\$261,286,143	\$111,519,638	8.38%
Alternative Energy	\$ 0	\$0	\$11,000	0
Government Entity	\$ 831,542	\$1,059,466	\$155,949	21.51%
Agri-Business	\$ 430,000	—	—	New Category

PY 2012 LOAN CATEGORY COMPARISON

While decreases were experienced in multiple categories, the total loan amount for the entire program decreased only by 3.115% from program year 2011. Notably, the Missouri Linked Deposit Program experienced increases in both the Job Creation and Small Business categories.

## **DEPOSIT PROGRAM LOANS BY REGION**

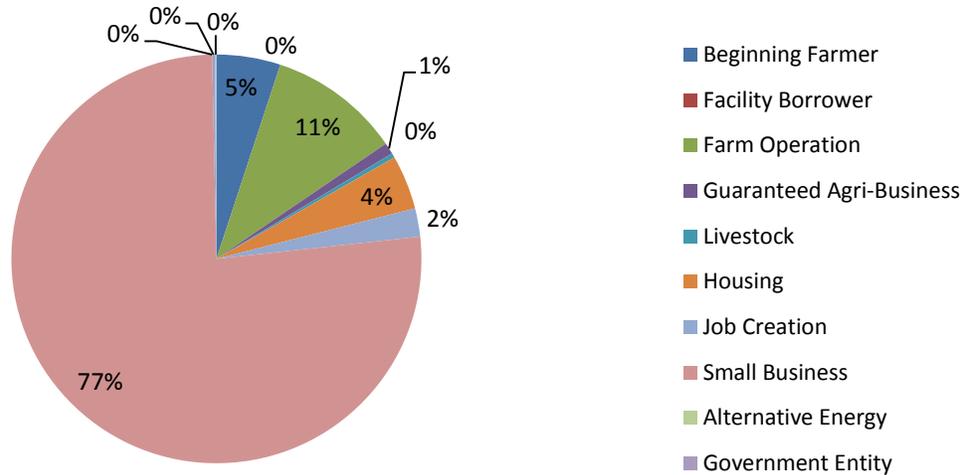
Missouri Linked Deposit Loan funds were allocated in the following regions:

Please see Appendix A (Counties for Regions 1-9, previously 1-7)

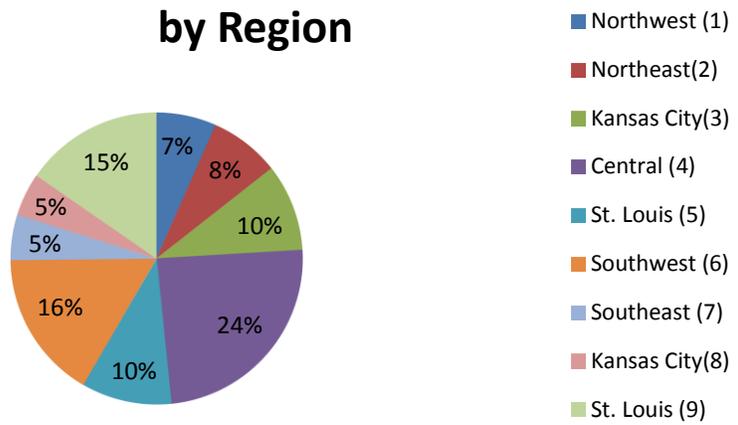
<b>Region</b>	<b>Agriculture</b>	<b>Housing</b>	<b>Job Creation</b>	<b>Small Business</b>	<b>Alternative Energy</b>	<b>Government Entity</b>	<b>Percent</b>	<b>Total</b>
<b>Northwest (1)</b>	\$10,565,928	\$0	\$0	\$14,001,872.	\$0	\$0	<b>7%</b>	<b>\$24,567,800</b>
<b>Northeast(2)</b>	\$17,033,469	\$0	\$0	\$11,355,114	\$0	\$407,404	<b>8%</b>	<b>\$28,795,987</b>
<b>Kansas City(3)</b>	\$3,745,683	\$0	\$0	\$32,056,595	\$0	\$0	<b>10%</b>	<b>\$35,802,278</b>
<b>Central (4)</b>	\$18,242,153	\$9,817,710	\$4,730,000	\$57,293,872	\$0	\$81,138	<b>24%</b>	<b>\$90,164,873</b>
<b>St. Louis (5)</b>	\$545,000	\$0	\$0	\$36,478,854	\$0	\$0	<b>10%</b>	<b>\$37,023,854</b>
<b>Southwest (6)</b>	\$9,721,639	\$4,414,154	\$0	\$46,528,387	\$0	\$343,000	<b>16%</b>	<b>\$61,007,180</b>
<b>Southeast (7)</b>	\$2,549,687	\$1,672,235	\$0	\$14,387,291	\$0	\$0	<b>5%</b>	<b>\$18,609,213</b>
<b>Kansas City(8)</b>	\$48,000	\$0	\$1,250,000	\$16,314,097	\$0	\$0	<b>5%</b>	<b>\$17,612,097</b>
<b>St. Louis (9)</b>	\$0	\$0	\$2,308,250	\$54,763,009	\$0	\$0	<b>15%</b>	<b>\$57,071,259</b>
<b>Total</b>	<b>\$62,451,559</b>	<b>\$15,904,099</b>	<b>\$8,288,250</b>	<b>\$283,179,091</b>	<b>\$0</b>	<b>\$831,542</b>	<b>100%</b>	<b>\$370,654,541</b>

***\* Agriculture includes Agri-Business, Guaranteed Agri-Business, Farm Operation, Beginning Farmer and Livestock categories.***

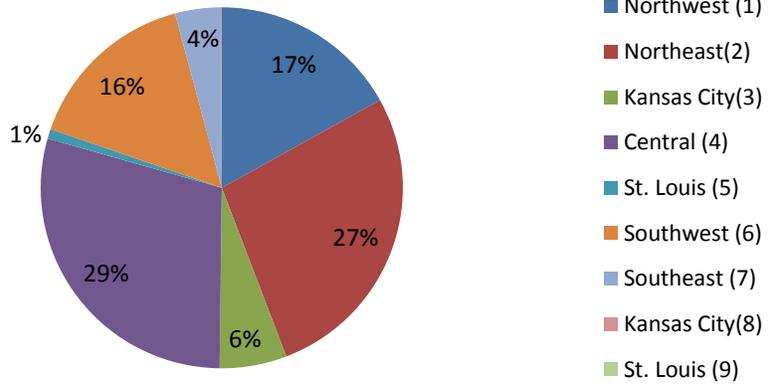
## Missouri Linked Deposit Program Loan by Category



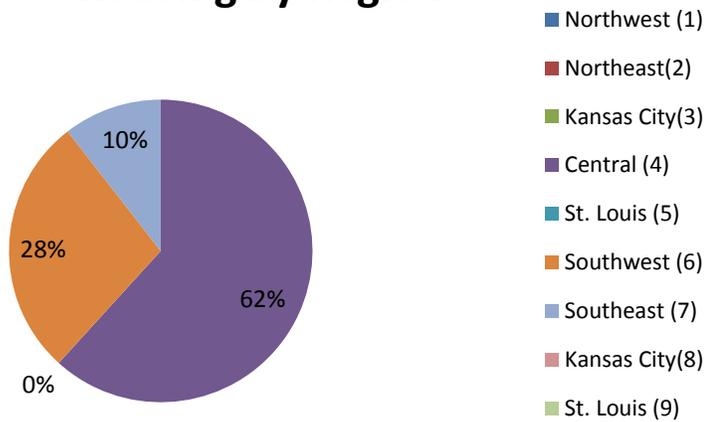
## Missouri Linked Deposit Loan Program by Region



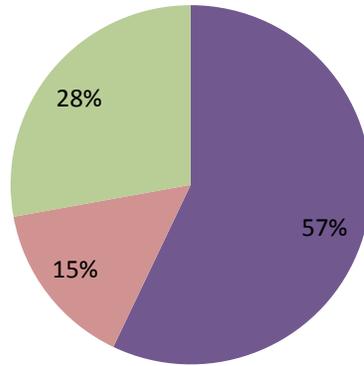
### Agriculture by Region



### Housing by Region

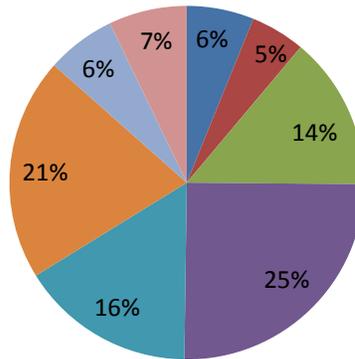


### Job Creation by Region



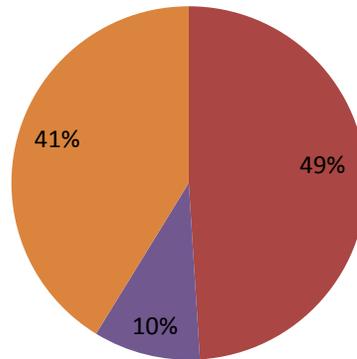
- Northwest (1)
- Northeast(2)
- Kansas City(3)
- Central (4)
- St. Louis (5)
- Southwest (6)
- Southeast (7)
- Kansas City(8)
- St. Louis (9)

### Small Business by Region



- Northwest (1)
- Northeast(2)
- Kansas City(3)
- Central (4)
- St. Louis (5)
- Southwest (6)
- Southeast (7)
- Kansas City(8)
- St. Louis (9)

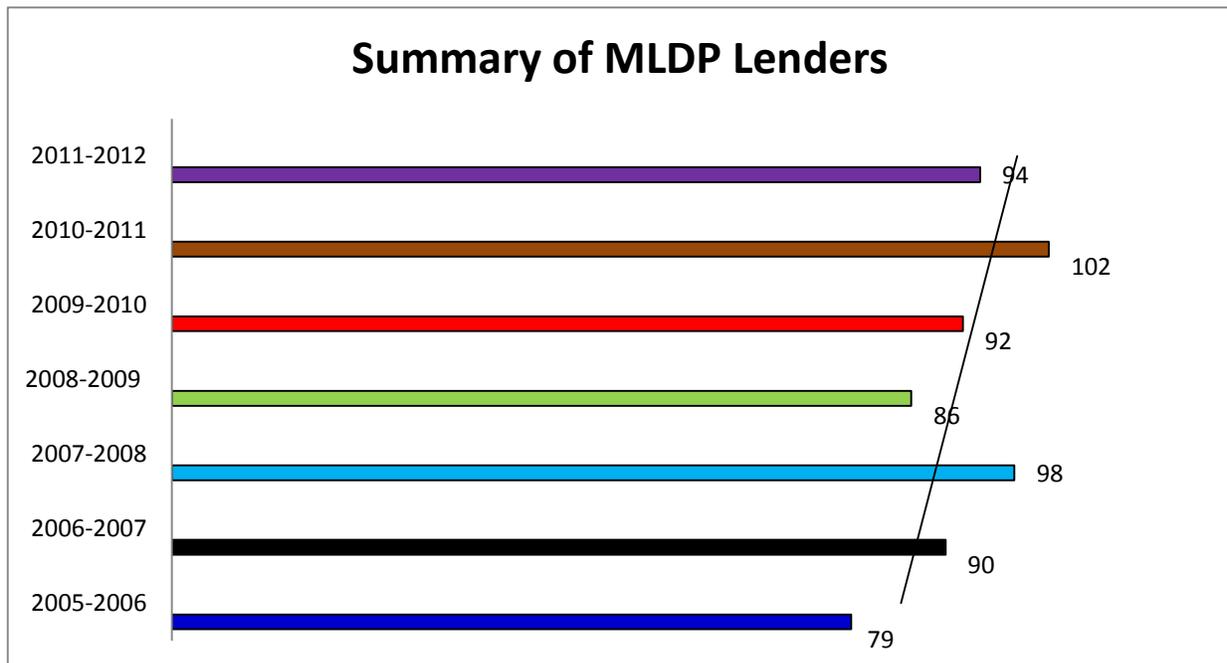
## Government Entity by Region



## Lender Information

During program year 2012, 94 banks participated in the Missouri Linked Deposit Program. Approximately 102 banks participated in program year 2010-2011. The Program experienced a 7.8% decrease in bank participation representing a difference of 8 banks. Once again, the decrease may be attributed to lower market interest rates and heavy bank deposits. Treasurer Zweifel's office will continue to solicit and educate participating banking institutions.

Overall, however, total lender participation has increased an average of 3.3% from program year 2005-2006.



## TOP LENDERS

<b>2012 TOP LENDERS</b>	<b>TOTAL LOAN AMOUNT</b>
Commerce Bank N A	\$ 128,098,029
FCS Financial	\$17,515,000
Central Bank	\$ 17,504,622
Legends Bank	\$ 15,106,804
First States Bank of St. Charles	\$14,517,000
Bank of Kirksville	\$14,289,362
Enterprise Bank & Trust	\$ 13,796,654
Mid Missouri Bank	\$ 13,506,900
Pulaski Bank	\$10, 557,935
MidAmerica Bank	\$ 10, 132,722
<b>TOTAL</b>	<b>\$ 255,025,028</b>

<b>2011 TOP LENDERS</b>	<b>TOTAL LOAN AMOUNT</b>
Commerce Bank NA	\$ 120,767,922
FCS Financial	\$22,653,000
Legends Bank	\$ 17,874,718
Bank of Kirksville	\$ 16,387,850
MidAmerica Bank	\$14,509,600
Southern Bank and Trust	\$14,458,610
First State Bank of St. Charles	\$ 13,276,000
Central Bank	\$ 9,429,239
Pulaski Bank	\$8,005,500
Enterprise Bank & Trust	\$ 8,005,000
<b>TOTAL</b>	<b>\$ 245,367,439</b>

## **LOAN COMPARISONS (PY12 & PY 11)**

The following chart reflects total loan amounts provided by Missouri Linked Deposit Program lenders in program year 2012. As indicated below, 27 of the 94 returning lenders experienced an increase in total funds loaned during program year 2012.

<b>LENDER</b>	<b>PY 2012</b>	<b>PY 2011</b>
1. Commerce Bank N A (289)	<b>\$128,098,029.00</b>	\$120,767,922
2. FCS Financial (900)	<b>\$17,515,000.00</b>	\$22,653,000
3. Central Bank (259)	<b>\$17,504,622.00</b>	\$9,429,239
4. Legends Bank (357)	<b>\$15,106,804.00</b>	\$17,874,718
5. First State Bank Of St. Charles (555)	<b>\$14,517,000.00</b>	\$13,276,000
6. Bank of Kirksville (320)	<b>\$14,289,362.00</b>	\$16,387,850
7. Enterprise Bank & Trust (774)	<b>\$13,796,654.00</b>	\$8,005,000
8. Mid Missouri Bank (046)	<b>\$13,506,900.00</b>	\$7,574,100
9. Pulaski Bank (816)	<b>\$10,557,935.00</b>	\$8,005,500
10. Mid America Bank (394)	<b>\$10,132,722.00</b>	\$14,509,600
11. Hawthorn Bank (258)	<b>\$9,053,000.00</b>	\$7,452,000
12. Maries County Bank (642)	<b>\$8,518,565.00</b>	\$7,026,779
13. Belgrade State Bank (025)	<b>\$6,643,817.00</b>	\$6,549,198
14. Bank of Missouri (461)	<b>\$6,346,500.00</b>	\$2,164,000
15. Business Bank of St. Louis (112)	<b>\$6,300,000.00</b>	NEW
16. First State Community Bank (170)	<b>\$5,464,762.00</b>	\$2,219,000
17. OakStar Bank (380)	<b>\$3,997,000.00</b>	NEW
18. O'Bannon Banking Company (065)	<b>\$3,662,942.00</b>	\$3,317,723
19. Boone County National Bank (122)	<b>\$3,420,000.00</b>	\$4,443,000
20. Midwest BankCentre (347)	<b>\$3,381,783.00</b>	\$1,936,225
21. Morrill & Janes Bank and Trust Co (837)	<b>\$3,359,000.00</b>	\$1,376,000
22. Regions Bank (713)	<b>\$3,208,795.00</b>	\$3,963,122
23. Regional Missouri Bank (070)	<b>\$3,197,269.00</b>	\$4,233,990
24. KCB Bank (313)	<b>\$3,190,000.00</b>	\$3,346,000
25. Empire Bank (548)	<b>\$2,959,944.00</b>	\$4,538,344
26. Independent Farmers Bank (388)	<b>\$2,479,957.00</b>	\$2,393,070
27. Bank of St Elizabeth (558)	<b>\$2,447,147.00</b>	\$3,458,871
28. First Midwest Bank Of Poplar Bluff (477)	<b>\$2,209,403.79</b>	\$1,197,645
29. Community First Bank (014)	<b>\$2,197,288.00</b>	\$2,148,000
30. United State Bank (348)	<b>\$2,115,320.00</b>	\$1,705,425

31. Alliance Bank (545)	<b>\$2,104,925.00</b>	\$200,000
32. Carrollton Bank (838)	<b>\$1,997,000.00</b>	NEW
33. Central Bank (341)	<b>\$1,980,000.00</b>	NEW
34. Progressive Farm Credit Services (901)	<b>\$1,662,000.00</b>	\$5,686,000
35. Eagle Bank & Trust Co of Missouri (231)	<b>\$1,647,369.00</b>	NEW
36. Pony Express Bank (057)	<b>\$1,565,000.00</b>	\$300,000
37. Midwest Regional Bank (448)	<b>\$1,500,000.00</b>	\$1,500,000
38. Bank Of Bloomsdale (041)	<b>\$1,434,789.00</b>	\$1,434,789
39. New Frontier Bank (378)	<b>\$1,413,209.00</b>	\$1,423,692
40. Royal Banks of Missouri (633)	<b>\$1,340,000.00</b>	\$1,397,135
41. Cabool State Bank (071)	<b>\$1,315,199.00</b>	\$1,770,917
42. Citizens Bank (044)	<b>\$1,284,190.00</b>	\$1,365,100
43. Nodaway Valley Bank (387)	<b>\$1,267,837.00</b>	\$3,316,457
44. Tri County Trust Company (196)	<b>\$1,235,000.00</b>	\$1,028,067
45. Bank of Advance (002)	<b>\$1,182,687.00</b>	\$1,647,969
46. Equity Bank (325)	<b>\$1,175,583.00</b>	NEW
47. Peoples Bank (674)	<b>\$1,142,613.00</b>	\$1,398,719
48. Arvest Bank (260)	<b>\$1,050,000.00</b>	\$2,118,658
49. BTC Bank (031)	<b>\$1,013,988.00</b>	\$217,900
50. United Bank Of Union (628)	<b>\$1,000,000.00</b>	\$1,100,000
51. Citz Nat'l Bank Of Greater St Louis (377)	<b>\$860,000.00</b>	\$225,000
52. First National Bank (422)	<b>\$853,021.00</b>	\$1,073,519
53. Guaranty Bank (902)	<b>\$750,000.00</b>	NEW
54. Citizens-Farmers Bank of Cole Camp (121)	<b>\$731,800.00</b>	\$966,722
55. Cass Commercial Bank (595)	<b>\$700,000.00</b>	\$775,000
56. Citizens Bank Of Edina (154)	<b>\$683,124.00</b>	\$590,593
57. Clay County Savings Bank (803)	<b>\$636,000.00</b>	\$660,000
58. Wood And Huston Bank (382)	<b>\$600,000.00</b>	\$3,816,000
59. Southern Commercial Bank (582)	<b>\$568,295.00</b>	\$5,738,000
60. First State Bank Of Purdy (483)	<b>\$561,282.00</b>	\$340,348
61. Heritage Bank of the Ozarks (365)	<b>\$481,000.00</b>	\$253,000
62. Metropolitan National Bank	<b>\$433,170.00</b>	\$438,265
63. Bank Of Mansfield (375)	<b>\$409,460.00</b>	\$154,000
64. Home Exchange Bank (254)	<b>\$403,000.00</b>	\$595,000
65. Paris National Bank (455)	<b>\$356,878.00</b>	\$372,452
66. UMB Bank, Kansas City (296)	<b>\$351,103.00</b>	\$1,072,162
67. Southwest Missouri Bank (721)	<b>\$351,000.00</b>	\$351,000
68. Putnam County State Bank (723)	<b>\$335,143.00</b>	\$597,223
69. First National Bank Of Audrain Co. (396)	<b>\$320,000.00</b>	\$1,682,410

70. Heritage Community Bank (102)	<b>\$317,602.00</b>	\$341,628
71. Bank Of Monticello (409)	<b>\$316,269.00</b>	\$784,451
72. First Missouri Bank (801)	<b>\$315,000.00</b>	NEW
73. St Clair County State Bank (447)	<b>\$314,775.00</b>	\$751,880
74. First State Bank of St. Robert (603)	<b>\$277,531.00</b>	\$300,000
75. F & M Bank and Trust Co. (834)	<b>\$273,000.00</b>	\$1,795,000
76. Montrose Savings Bank (410)	<b>\$240,000.00</b>	\$240,000
77. Bank Of Sullivan (616)	<b>\$199,380.00</b>	\$199,380
78. Town & Country Bank (512)	<b>\$190,000.00</b>	\$245,000
79. Investors National Bank (106)	<b>\$185,000.00</b>	\$209,000
80. Phelps County Bank (503)	<b>\$184,253.00</b>	\$250,794
81. Farmers Bank Of Lincoln (356)	<b>\$179,000.00</b>	\$185,000
82. Peoples Community State Bank (725)	<b>\$175,000.00</b>	\$200,000
83. Montgomery Bank (531)	<b>\$150,051.00</b>	\$552,481
84. HNB National Bank (214)	<b>\$135,542.00</b>	\$452,012
85. First Missouri State Bank of Cape County (067)	<b>\$132,000.00</b>	\$173,000
86. Bank Of New Cambria (424)	<b>\$131,000.00</b>	\$131,000
87. F & C Bank (232)	<b>\$120,000.00</b>	\$120,000
88. Community Bank Of Russellville (509)	<b>\$80,000.00</b>	\$85,000
89. Wells Bank Of Platte City (470)	<b>\$76,500.00</b>	\$102,130
90. Carroll County Trust Company (090)	<b>\$68,500.00</b>	\$105,650
91. Farmers Bank Of Northern Missouri (631)	<b>\$42,000.00</b>	\$55,000
92. Bank Of Urbana (634)	<b>\$32,126.00</b>	\$138,681
93. Adams Dairy Bank (058)	<b>\$20,000.00</b>	\$2,873,000
94. Farmers State Bank (604)	<b>\$10,235.00</b>	NEW

## **2012 PREFERRED PARTNERS**

The Preferred Partners program continues to be popular with Missouri lenders. While all eligible lenders can participate in the Missouri Linked Deposit Program, lenders identified as Preferred Lenders have at least 1% of its assets size in active Missouri Linked Deposit Program loans or have multiple smaller loans in place. Also, Preferred Partners are well educated in Missouri Linked Deposit Program loan requirements and eligibility.

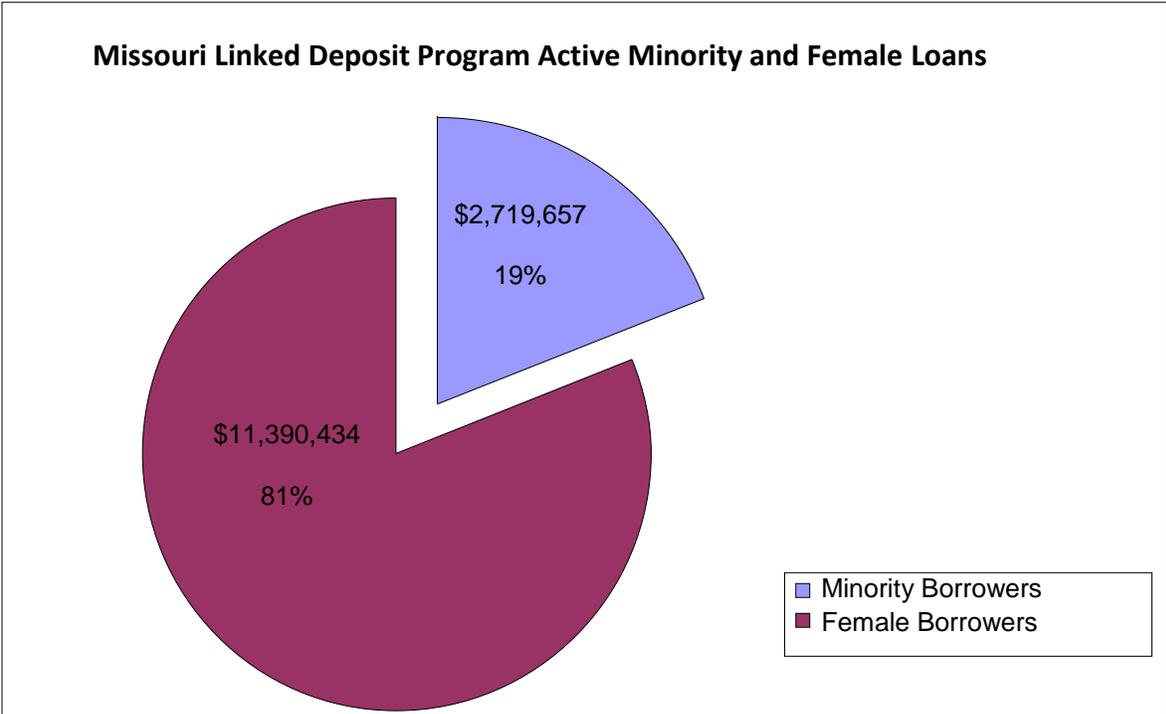
Twenty-eight (28) lenders were designated as Preferred Partners in program year 2012.

PY 2012 PREFERRED PARTNERS	PY 2011 PREFERRED PARTNERS
Adams Dairy Bank	Adams Dairy Bank
Bank of Kirksville	Bank of Kirksville
Bank of St. Elizabeth	Bank of St. Elizabeth
Bank of Monticello	Bank of Monticello
Belgrade State Bank	Belgrade State Bank
Citizens Bank of Edina	Central Bank
Citizens – Farmers Bank of Cole Camp	Citizens Bank of Edina
Commerce Bank	Citizens – Farmers Bank of Cole Camp
FCS Financial	Commerce Bank
F&C Bank	Community First Bank
First State Bank of St. Charles	Enterprise Bank & Trust
Independent Farmers Bank	FCS Financial
Legends Bank	F&C Bank
Maries County Bank	First State Bank of St. Charles
Mid America Bank	Hawthorn Bank
Mid-Missouri Bank	Independent Farmers Bank
O’Bannon Bank	Legends Bank
Paris National Bank	Maries County Bank
Progressive FCS	Mid America Bank
Regional Missouri Bank	Mid-Missouri Bank
Southern Bank	O’Bannon Bank
United State Bank	Paris National Bank
	Progressive FCS
	Pulaski Bank
	Regional Missouri Bank
	Southern Bank
	United State Bank

As previously mentioned, the decrease in Preferred Partners may be attributed to the current rate environment, bank deposit levels and potential business tax/regulatory changes. Additionally, participating lenders are required to invest at least 1% of their assets in active Missouri Linked Deposit Program loans. The 1% requirement may have impacted participation

# Minority & Female Applicants

The Missouri Linked Deposit Program made a total of \$ 14,110,091 in loans to minority and female borrowers. Six (6) Program loans were made to minority borrowers totaling \$ 2,719,657. Thirty-one (31) loans were made to female owned businesses totaling \$ 11,390,434.



Treasurer Zweifel’s office will continue its commitment to actively seeking out minority and female owned businesses via interaction with local and statewide minority business councils and organizations as well as local chambers of commerce.