MISSOURI LINKED DEPOSIT Loans to Develop Our Future 2016 Annual Report



CLINT ZWEIFEL MISSOURI STATE TREASURER

Program Overview

The Missouri Linked Deposit Program is a statutorily created lending program managed by State Treasurer Clint Zweifel. It is aimed at expanding and strengthening Missouri communities by working with Missouri Banking Institutions, providing low-interest loans to qualified borrowers for business enhancement, growth and development.

Eligible borrowers include:

- Small businesses with up to 99 employees
- Agriculture
- Multi-Family Housing
- Job Enhancement
- Local governments
- Alternative-energy focused programs





Program Overview-Continued

- The Missouri Linked Deposit Program has been assisting Missouri businesses since 1985.
- Treasurer Zweifel deposits available funds with an approved borrower's qualified banking institution at a below-market interest rate.
- This allows the lender to pass along up to a 30 percent interest-rate reduction on the borrower's loan, resulting in an overall savings to the borrower and economic growth for Missouri communities.
- Since taking office, Treasurer Zweifel has cut bureaucracy and red tape in the application process while promoting the loan program directly to small businesses and farmers through roundtables, bank presentations, business group meetings and public outreach.





Program Overview-Continued

Since taking office Treasurer Zweifel has approved approximately \$2.6 billion in deposits supporting low-interest loans through his Missouri Linked Deposit Program.





Missouri Linked Deposit Program-2016 Placed Amounts

This Missouri Linked Deposit Program 2016 Annual Report provides a summary of loan activities from October 1, 2015 -September 30, 2016.

The Missouri Linked Deposit Program placed 462 loans in the 2016 program year (PY) for a total loan amount of \$220,207,248.

During the 2016 PY, the Missouri Linked Deposit Program provided a total of 60 loans totaling \$22,664,208 to women-owned businesses and 11 loans totaling \$3,902,225 to minority-owned businesses.





2016 Top 20 Minority/Women-Owned Business Loans- \$16,503,830

Loan Amount	Bank Name	Deposit Type	Region	
\$2,050,000	Bloomsdale Bank	Small Business	St. Louis	WBE
\$2,030,000	Mid Missouri Bank	Small Business	South East	WBE
\$1,500,000	Oakstar Bank	Small Business	South West	WBE
\$1,140,000	Mid Missouri Bank	Small Business	South West	WBE
\$1,000,000	Progressive Farm Credit Services	Agriculture	South East	WBE
\$950,000	Enterprise Bank & Trust	Small Business	St. Louis	WBE
\$924,070	Belgrade State Bank	Small Business	St. Louis	WBE
\$690,000	First State Community Bank	Small Business	South West	MBE
\$650,000	Heritage Bank of the Ozarks	Small Business	Central	WBE
\$606,000	FCS Financial	Agriculture	Kansas City	WBE
\$599,843	Adams Dairy Bank	Small Business	Jackson County	WBE/MBE
\$576,917	Adams Dairy Bank	Small Business	Jackson County	WBE/MBE
\$535,000	Mid Missouri Bank	Small Business	South West	WBE
\$530,000	First State Community Bank	Small Business	South West	WBE
\$520,000	Mid Missouri Bank	Small Business	South West	WBE
\$505,000	Oakstar Bank	Small Business	South West	WBE
\$487,000	Oakstar Bank	Small Business	South West	WBE
\$410,000	First State Community Bank	Small Business	South West	MBE
\$400,000	Hawthorn Bank	Small Business	Kansas City	WBE
\$400,000	Heritage Bank of the Ozarks	Small Business	Central	WBE





2016 Minority/ Women – Owned Business Loans by Region Totals - \$24,764,231

Region	Number of Loans	Loan Totals
Central	22	\$3,438,166
Kansas City	7	\$2,314,235
Northeast	1	\$33,000
Northwest	1	\$9,499
Southeast	4	\$3,758,622
Southwest	20	\$8,447,637
St. Louis	5	\$4,717,000
Jackson County	7	\$2,046,072
Region Totals	67	\$24,764,231





CLINT ZWEIFEL MISSOURI STATE TREASURER

Missouri Linked Deposit Program-Veteran Loans

Nineteen loans totaling **\$8,844,080** were provided to veteran-owned businesses within Missouri in PY2016.

PY	Veteran Loans	% of MLDP Portfolio
2016	\$8,844,080	4.02%
2015	\$11,507,891	4.01%
2014	\$10,601,820	3.32%
2013	\$23,077,636	7.16%
2012	\$9,589,137	2.51%





Missouri Linked Deposit Program New Deposits

During the 2016 PY, the Missouri Linked Deposit Program issued 105 new loans totaling \$58,553,295.







Since a program high in 2011, total active deposits have decreased. In PY2016 there was a 21% decrease from the prior year.

PR	OGRAM YEAR	TOTAL LOAN AMOUNTS	PERCENT INCREASE/DECREASE
	PY2016	\$206,905,730	-21%
	PY2015	\$262,808,668	-13%
	PY2014	\$303,453,097	-3%
	PY2013	\$312,796,252	-15 %
	PY2012	\$370,654,541	-3%
	PY2011	\$382,572,219	54%
	PY2010	\$247,746,040	25%
	PY2009	\$198,302,061	-15%
	PY2008	\$234,027,616	26%
	PY2007	\$185,443,905	47%
	PY2006	\$125,821,095	





Summary of Missouri Linked Deposit Program by Year







During PY2016, the Missouri Linked Deposit Program experienced an overall 21% decrease of \$55,902,938 loan volume.

The decrease can be attributed to the following factors:

- The attrition of the program with the five year term. Loans that were placed in 2011 during the program high have completed their participation and can no longer be renewed.
- Early maturity of the Missouri Linked Deposit Program loans for varying reasons including: principal reduction, loan repayment, and overall debt reduction.
- The Missouri Linked Deposit Program was created to lower interest rates. However, the low-interest rate climate we are experiencing has made it challenging for some banks to use the program.





COMPARISON OF TOTAL ACTIVE LOAN AMOUNTS BY CATEGORY

MLDP Category	PY 2011	PY 2012	PY 2013	PY 2014	PY 2015	PY 2016
Agriculture	\$94,351,407	\$62,451,559	\$39,626,547	\$28,843,676	\$28,581,402	\$23,913,195
Multi-Family Housing	\$18,315,545	\$15,904,099	\$19,393,804	\$25,940,074	\$26,844,233	\$20,091,792
Job Creation	\$7,559,658	\$8,288,250	\$6,009,783	\$4,456,984	\$5,714,149	\$0
Small Business	\$261,286,143	\$283,179,09	\$247,006,576	\$243,976,826	\$198,646,884	\$159,871,743
Alternative Energy	\$0	\$0	\$0	\$20,000	\$0	\$24,000
Government Entity	\$1,059,466	\$831,542	\$759,542	\$215,537	\$3,022,000	\$3,005,000
Totals	\$382,572,219	\$370,654,541	\$312,796,252	\$303,453,097	\$262,808,668	\$206,905,730





Percentages of active loan category breakdown for PY2016 compared to PY2015:

MLDP Category	2015	2016
Small Business	76%	77%
Agriculture	11%	12%
Multi-Family Housing	10%	9%
Job Enhancement	2%	0%
Government Entity	1%	1.5%
Alternative Energy	0%	0.5%





2016 Missouri Linked Deposit Program Loan by Category







Summary of Missouri Linked Deposit Loan/Small Business Deposit Amounts by PY The chart below provides an overview of the Small Business loans as compared to the entire Missouri Linked Deposit Program portfolio. The Small Business component has become the largest of the Missouri Linked Deposit Program and continues to be an important factor in strengthening local economies and communities statewide.







2016 Active Missouri Linked Deposit Program Loans by Region







Lender Information

2016 PREFERRED PARTNERS

The Preferred Partners program continues to be popular with Missouri lenders.

• The State Treasurer's Office is currently updating the list of preferred partners.

While all eligible lenders can participate in the Missouri Linked Deposit Program, lenders identified as Preferred Partners have at least 1% of their asset size in active Missouri Linked Deposit Program loans. Preferred Partners are well educated in Missouri Linked Deposit Program loan requirements and eligibility.

Treasurer Zweifel's office will continue to review under-utilized Missouri Linked Deposit Program categories, and talk with participating lenders.





CLINT ZWEIFEL MISSOURI STATE TREASURER

Top 25 Participating Banks

Bank Name	Total Amount of Deposits	Number of Deposits
Mid Missouri Bank	\$31,017,881.00	81
Hawthorn Bank	\$23,811,771.00	33
Oakstar Bank	\$15,566,390.00	29
Legends Bank	\$14,395,505.00	34
Commerce Bank	\$13,434,618.00	35
Pulaski Bank	\$11,950,000.00	6
Midwest BankCentre	\$11,537,948.00	5
Eagle Bank and Trust Co of Missouri	\$9,565,481.00	8
Belgrade State Bank	\$8,901,648.00	8
Adams Dairy Bank	\$8,258,539.00	13
Enterprise Bank & Trust	\$8,033,000.00	12
First State Community Bank	\$7,185,215.00	21
Ozark Bank	\$6,936,437.00	8
Morrill & Janes Bank and Trust Co	\$6,418,000.00	14
FCS Financial	\$5,894,000.00	28
Guaranty Bank	\$5,655,000.00	4
Pony Express Bank	\$2,933,000.00	3
Bank of Missouri	\$2,745,000.00	5
Maries County Bank	\$2,390,700.00	21
Bank of Kirksville	\$2,214,200.00	15
Bloomsdale Bank	\$2,050,000.00	1
United Bank of Union	\$2,050,000.00	9
Independent Farmers Bank	\$1,857,000.00	9
Heritage Bank of the Ozarks	\$1,854,000.00	4





Mid Missouri Bank has become the number one participating lender for MLDP. They have continued to utilize the program and increase the number of deposits and amounts from year to year.



Total MLDP for Mid Missouri Bank



