

MISSOURI LINKED DEPOSIT

Loans to Develop Our Future

2014 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 and aimed at expanding and strengthening Missouri communities by providing low-interest loans to qualified borrowers for business enhancement, growth and development.

Eligible borrowers include:

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

Program Overview

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

The Missouri Linked Deposit Program 2014 Annual Report provides a summary of loan activities from October 1, 2013 - September 30, 2014.

The Missouri Linked Deposit Program placed 798 loans in the 2014 program year (PY) for a total loan amount of \$303,453,097.

During the 2014 PY, the Missouri Linked Deposit Program provided a total of 66 loans totaling \$16,807,353 to women-owned businesses and 18 loans totaling \$9,904,945 to minority-owned businesses.

PY	Minority Loans	% Increase
2014	\$9,904,945.00	44%
2013	\$6,898,436.00	0

There was a significant increase in loans to minority-owned business in PY2014; 18 loans totaling \$9,904,945 were made - a 44% increase from PY2013.

During the PY2014, Treasurer Zweifel reached out to the following entities in order to increase minority participation in the Missouri Linked Deposit Program:

Minority & Women Outreach

Office of Administration, Office of Equal Opportunity

Missouri Legislative Black Caucus Foundation

100 Black Men of Metropolitan St. Louis

MODOT, External Civil Rights

Green and Associates, LLC (Former Director of Office of Administration, Office of Equal Opportunity)

St. Louis Development Corporation

Minority Business Development of St. Louis Development Corporation

Center for the Acceleration of African American Business (CAAAB)

Disadvantaged Business Enterprise - Kansas City

Missouri Coalition of Minority and Women Business Owners

St. Louis Minority Supplier Development Council

National Association of Women Business Owners - Kansas City

National Association of Women Business Owners - St. Louis

Justine Petersen

MOKAN Construction Contractors Assistance Center

Hispanic Chamber of Commerce of Greater Kansas City

National Association for the Advancement of Colored People (NAACP)

Missouri Department of Economic Development, Division of Energy



2014 Top Ten Women-Owned Business Loans - \$8,083,263

Loan Amount	Bank Name	Deposit Type	Region
\$2,050,000	Bloomsdale Bank	Small Business	St. Louis
\$1,042,000	OakStar Bank	Small Business	Southwest
\$783,512	Adams Dairy Bank	Small Business	Kansas City
\$750,000	Guaranty Bank	Small Business	Southwest
\$650,000	Heritage Bank of the Ozarks	Small Business	Central
\$640,773	Adams Dairy Bank	Small Business	Kansas City
\$595,000	Mid Missouri Bank	Small Business	Southwest
\$568,209	Mid America Bank	Small Business	Central
\$545,000	Central Bank	Small Business	Southwest
\$458,769	Commerce Bank	Small Business	St. Louis

2014 Women-Owned Business Loans by Region Totals - \$16,807,353

Region	Loan Amount	Number of Loans
Northwest	\$568,792	4
Northeast	\$1,135,834	12
Kansas City	\$3,209,698	9
Central	\$3,952,755	19
St. Louis	\$3,569,761	7
Southwest	4,035,324	14
Southeast	\$335,189	1
Region Totals	16,807,353	66

2014 Top Ten Minority-Owned Business Loans - \$6,562,546

Loan Amount	Bank Name	Loan Type	Region
\$3,659,728	Commerce Bank	Small Business	Kansas City
\$783,512	Adams Dairy Bank	Small Business	Kansas City
\$640,773	Adams Dairy Bank	Small Business	Kansas City
\$455,000	Central Bank	Small Business	Southwest
\$430,653	Adams Dairy Bank	Small Business	Kansas City
\$322,200	Bank of Kirksville	Small Business	Northeast
\$96,700	Adams Dairy Bank	Small Business	Kansas City
\$93,965	Central Bank	Small Business	Central
\$40,919	Commerce Bank	Small Business	St. Louis
\$39,096	Central Bank	Small Business	Central

2014 Minority-Owned Business Loans by Region Total - \$9,904,945

Region	Loan Amount	Number of Loans
Northwest	0	0
Northeast	\$322,200	1
Kansas City	\$7,538,169	8
Central	\$973,481	5
St. Louis	\$616,095	3
Southwest	\$455,000	1
Southeast	0	0
Region Totals	\$9,904,945	18

Thirty loans totaling \$9,756,579 were provided to veteran-owned businesses within Missouri.

PY	Veteran Loans	% of MLDP Portfolio
2014	\$9,756,579.00	3.2%
2013	\$22,347,104.00	6.9%
2012	\$9,589,137.79	2.6%

During PY2014, the Missouri Linked Deposit Program experienced a decrease of \$18,905,487.

The decrease can be attributed to the following factors:

- Challenging economic environment for business owners,
- Banking industry, low interest economy
- Banking industry scarcity of new loan volume

Economic Challenges

- Economic and political uncertainty have challenged business debt and capacity to incur debt.
- With the changes in the banking industry, business owners face greater challenges in securing a commercial loan.

Rate Environment

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.

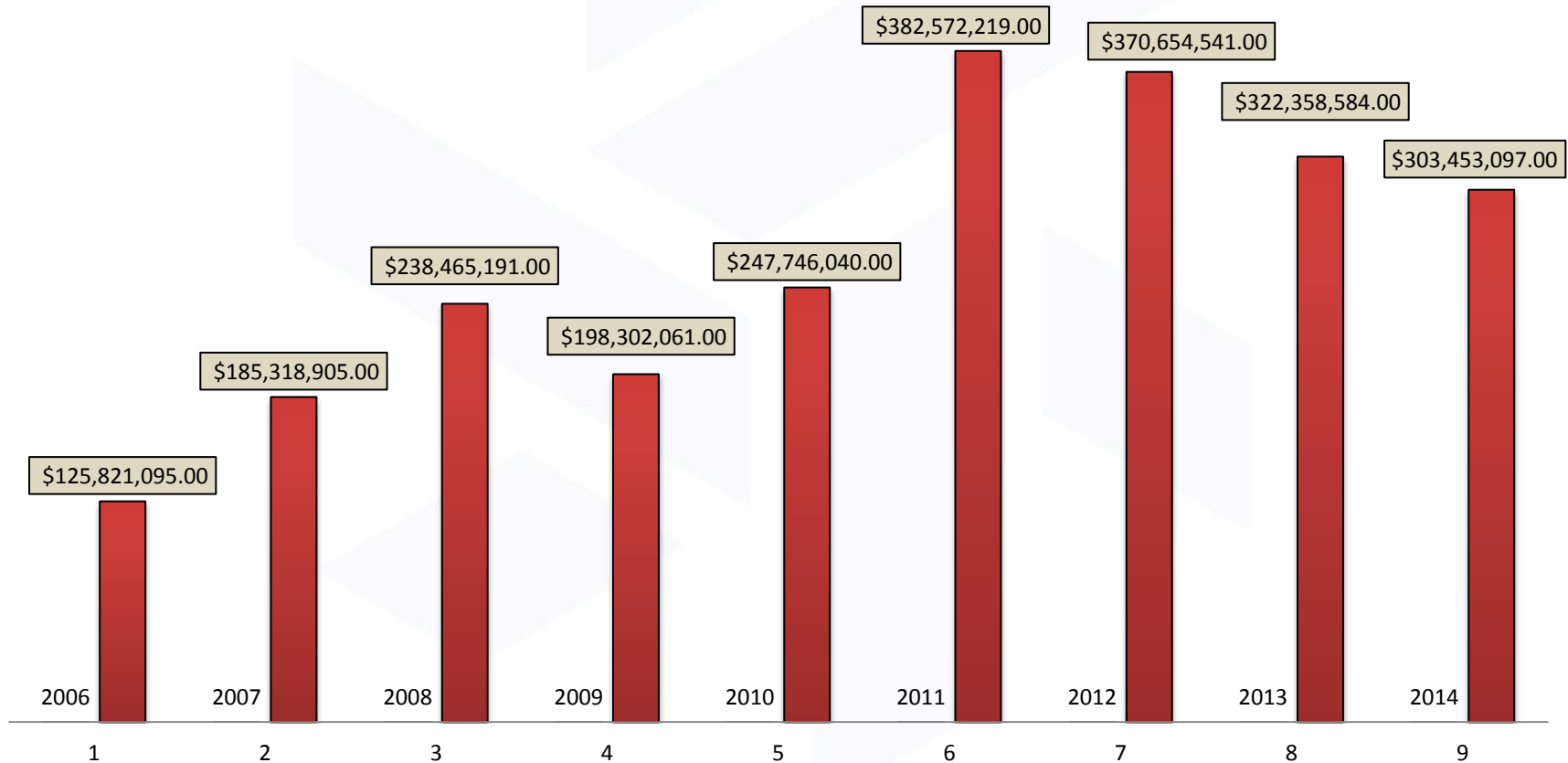
Decrease in Loan Volume

- Many business owners and farmers were also not actively looking for expanded credit. Demand for new loans remains at very low levels.
- Lending institutions have been very rich in deposits. Many have indicated they do not want to participate at this time in the Missouri Linked Deposit Program because of their own liquidity.
- Treasurer Zweifel's office will continue to review under-utilized Missouri Linked Deposit Program categories, partner with other entities to promote the Missouri Linked Deposit Program and talk with participating lenders.

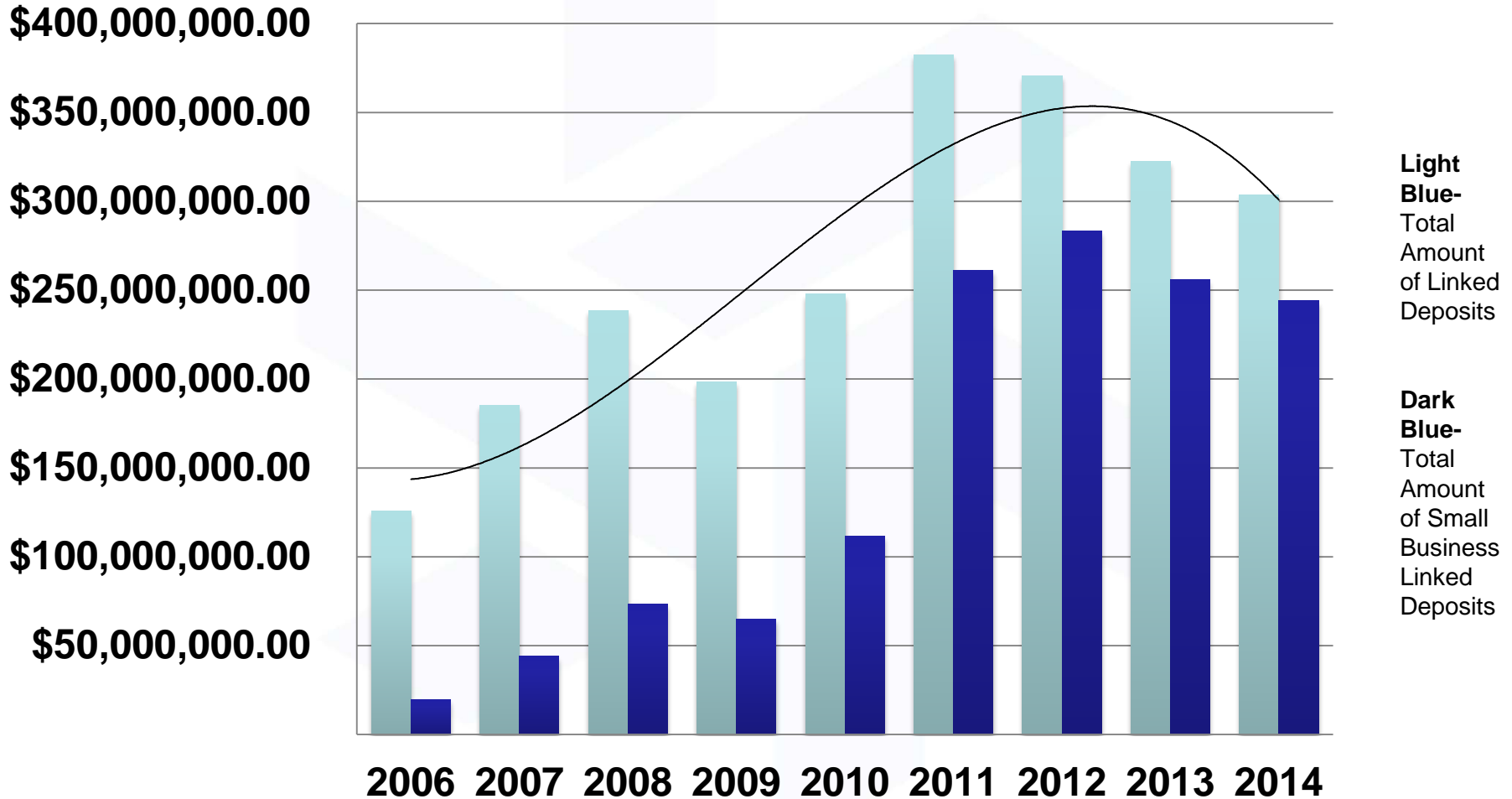
Since a program high in 2011, loan amounts have decreased.
In PY2014 there was 6% decrease.

PROGRAM YEAR	TOTAL LOAN AMOUNTS	PERCENT INCREASE/DECREASE
PY2014	\$303,453,097	-6%
PY2013	\$322,358,584	-13 %
PY 2012	\$ 370,654,541.79	-3%
PY 2011	\$ 382,572,219	54%
PY 2010	\$ 247,746,040	25%
PY 2009	\$ 198,300,000	-15%
PY 2008	\$ 234,027,616	26%
PY 2007	\$ 185,318,905	47%
PY2006	\$125,821,095	

Summary of Missouri Linked Deposit Program by Year



Summary of Missouri Linked Deposit Loan/Small Business Deposit Amounts by Year



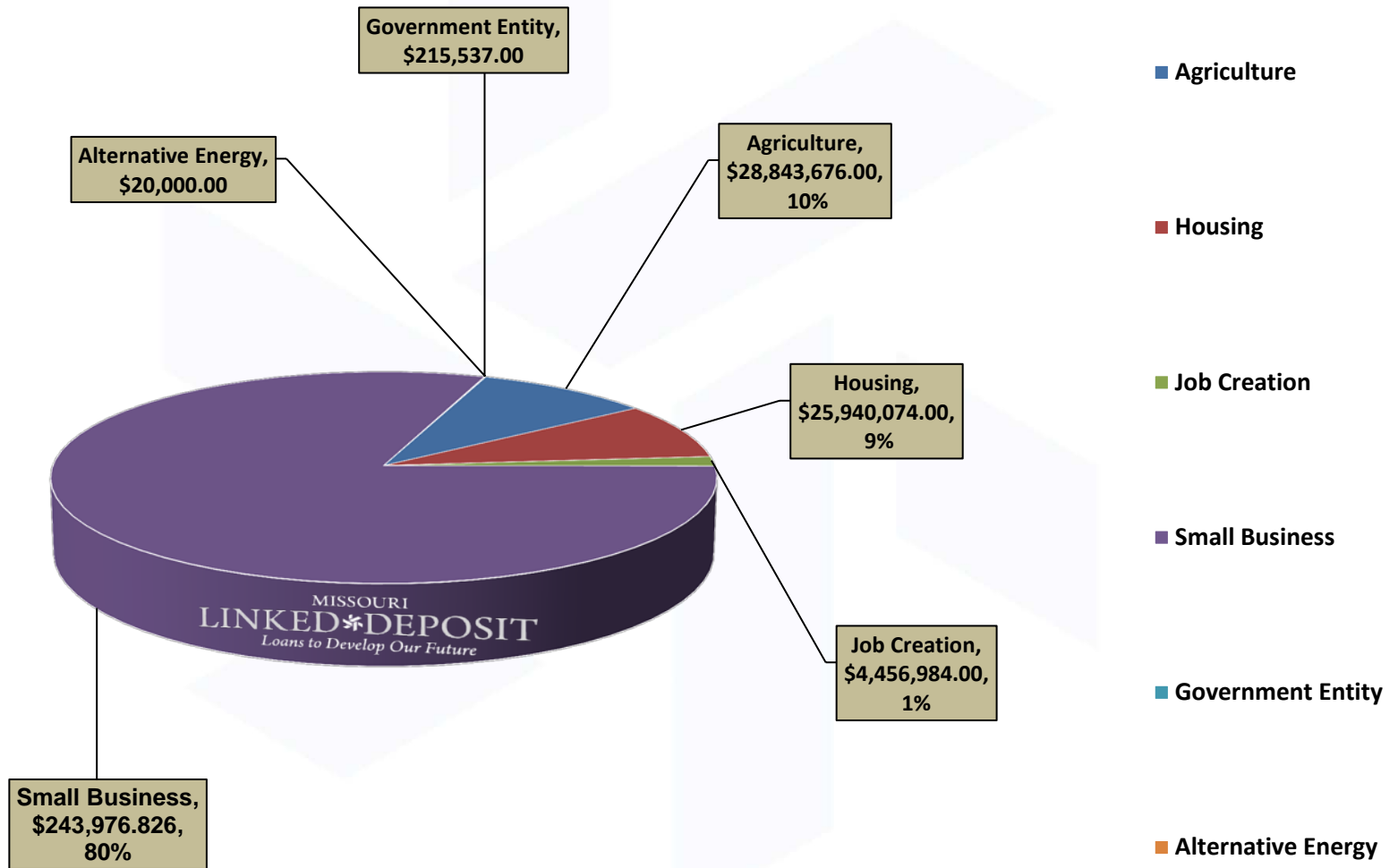
Percentages of loan category allocations for PY2014 compared to PY2013:

MLDP Category	2013	2014
Small Business	80%	80%
Guaranteed Agri-Business	0%	0%
Farm Operation	8%	↓ 6%
Beginning Farmer	4%	4%
Multi-Family Housing	6%	↑ 9%
Livestock	0%	0%
Government Entity	0%	0%
Job Creation	2%	↓ 1%
Alternative Energy	0%	0%

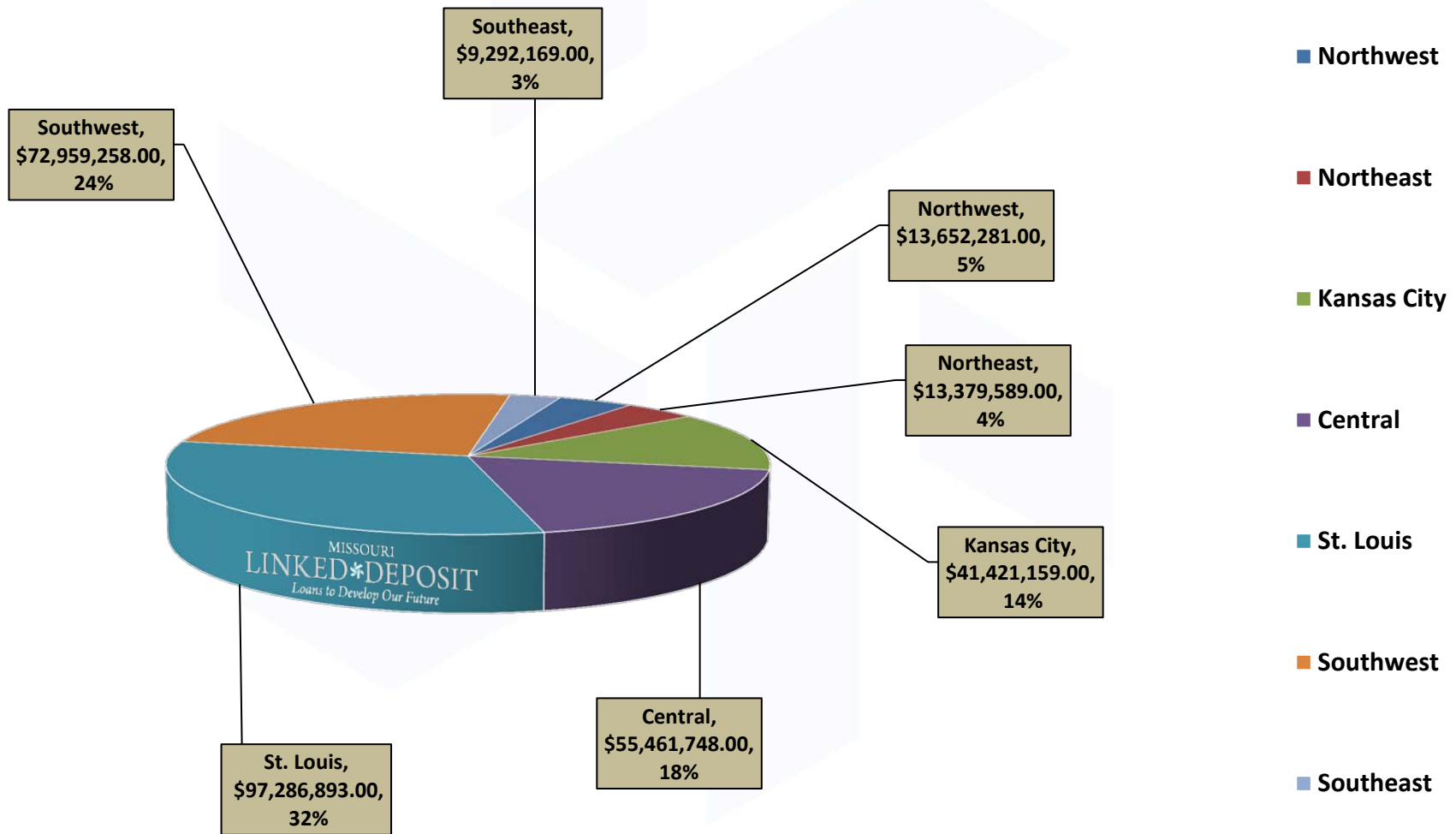
COMPARISON OF TOTAL LOAN AMOUNTS BY CATEGORY

MLDP Category	PY Ending 9/30/2011	PY Ending 9/30/2012	PY Ending 9/30/2013	PY Ending 9/30/2014
Beginning Farmer	\$23,767,427	\$ 18,707,385	\$13,310,775	\$10,185,476
Facility Borrower	0	0	0	0
Farm Operations	\$62,897,936	\$ 38,649,126	\$25,376,973	\$18,153,853
Guaranteed Agri-Business	\$5,843,821	\$ 3,344,905	\$974,877	\$255,347
Livestock	\$1,842,223	\$ 1,320,143	\$557,000	\$249,000
Multi-Family Housing	\$18,315,545	\$ 15,904,099	\$19,393,804	\$25,940,074
Job Creation	\$7,559,658	\$ 8,288,250	\$6,009,783	\$4,456,984
Small Business	\$261,286,143	\$ 283,179,091.79	\$255,975,830	\$243,976,826
Alternative Energy	0	0	0	\$20,000
Government Entity	\$1,059,466	\$ 831,542	\$759,542	\$215,537
Agri-Business	0	\$ 430,000	0	0

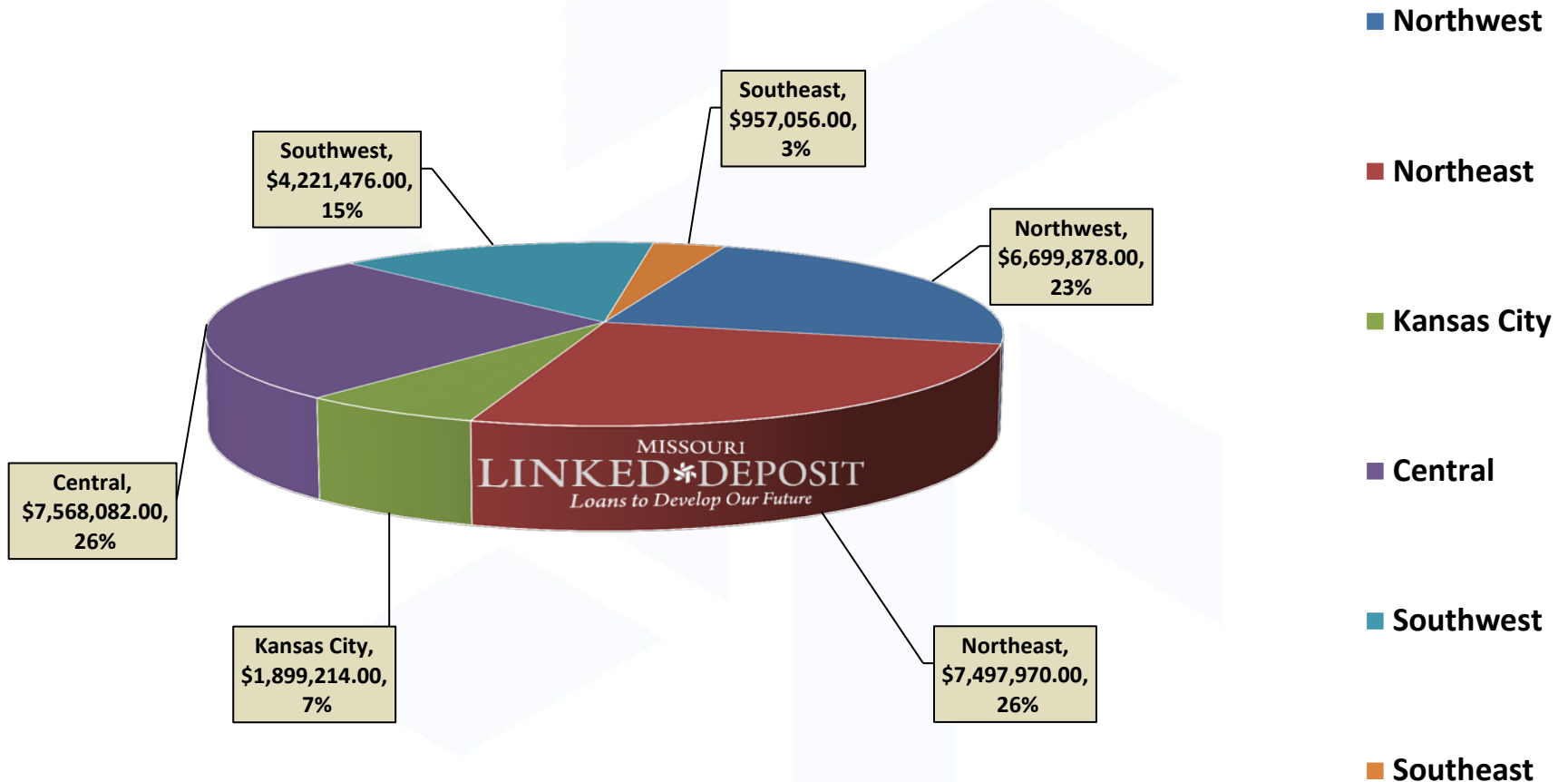
2014 Missouri Linked Deposit Program Loan by Category



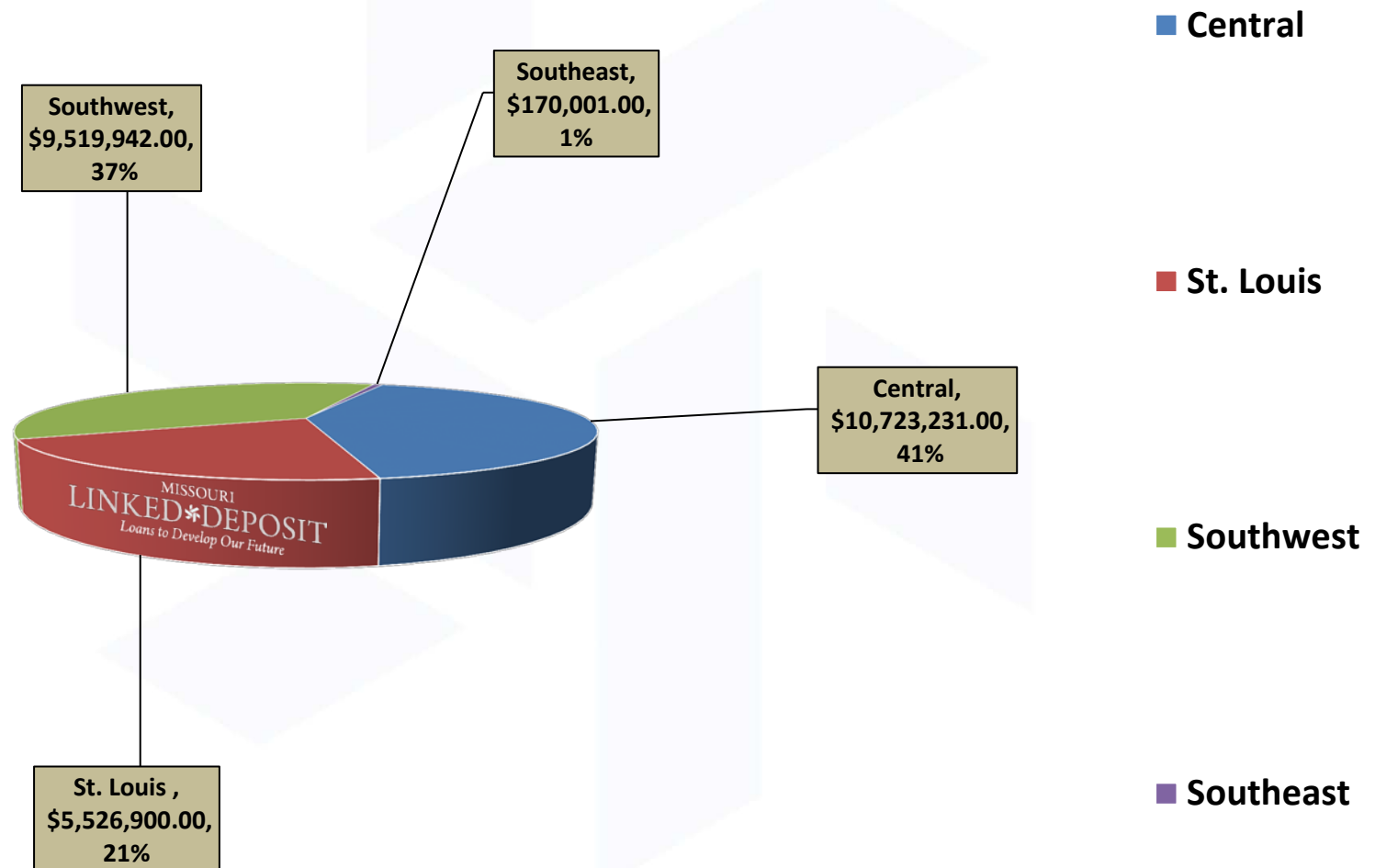
2014 Missouri Linked Deposit Loan Program by Region



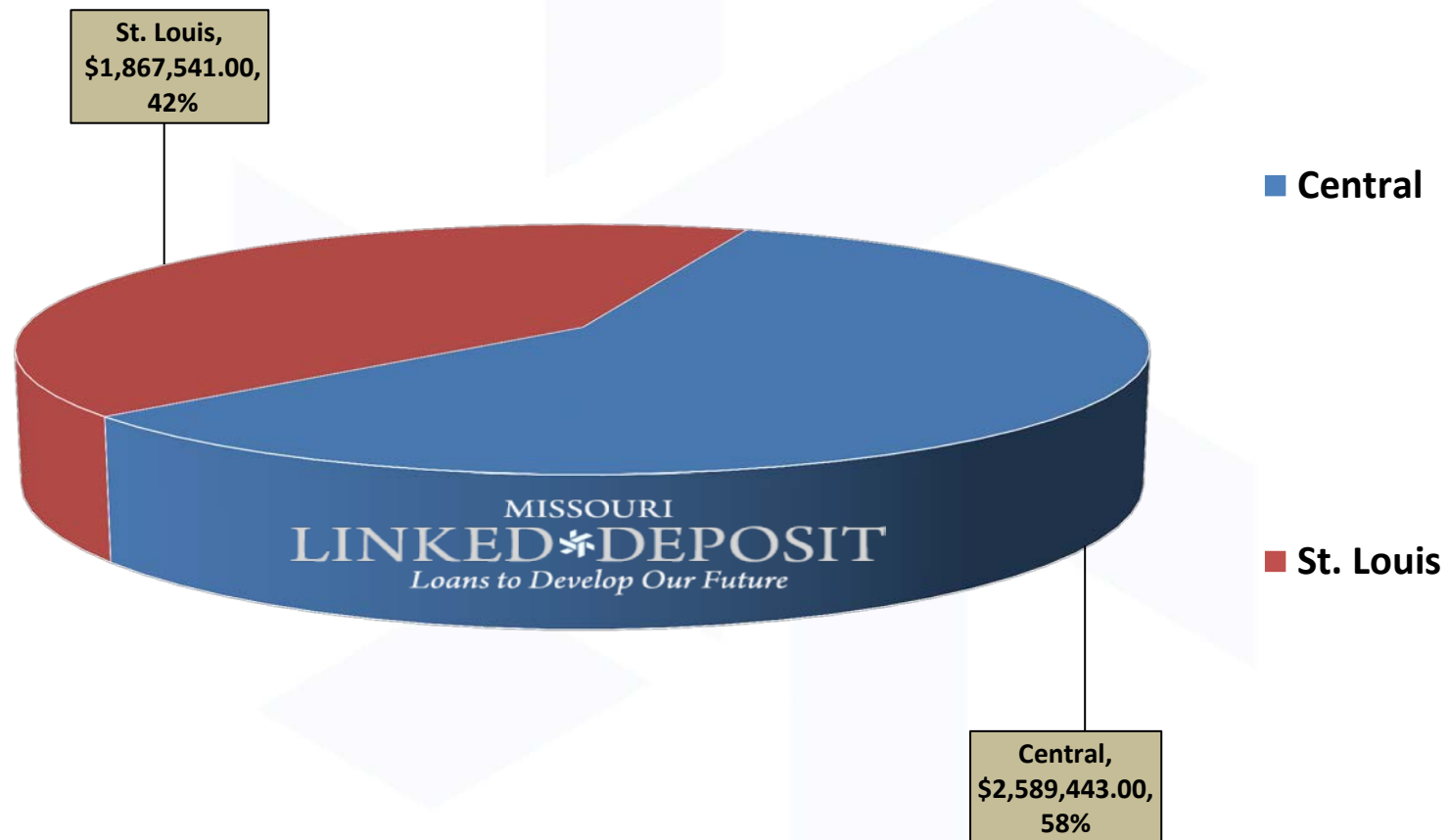
2014 Agriculture by Region



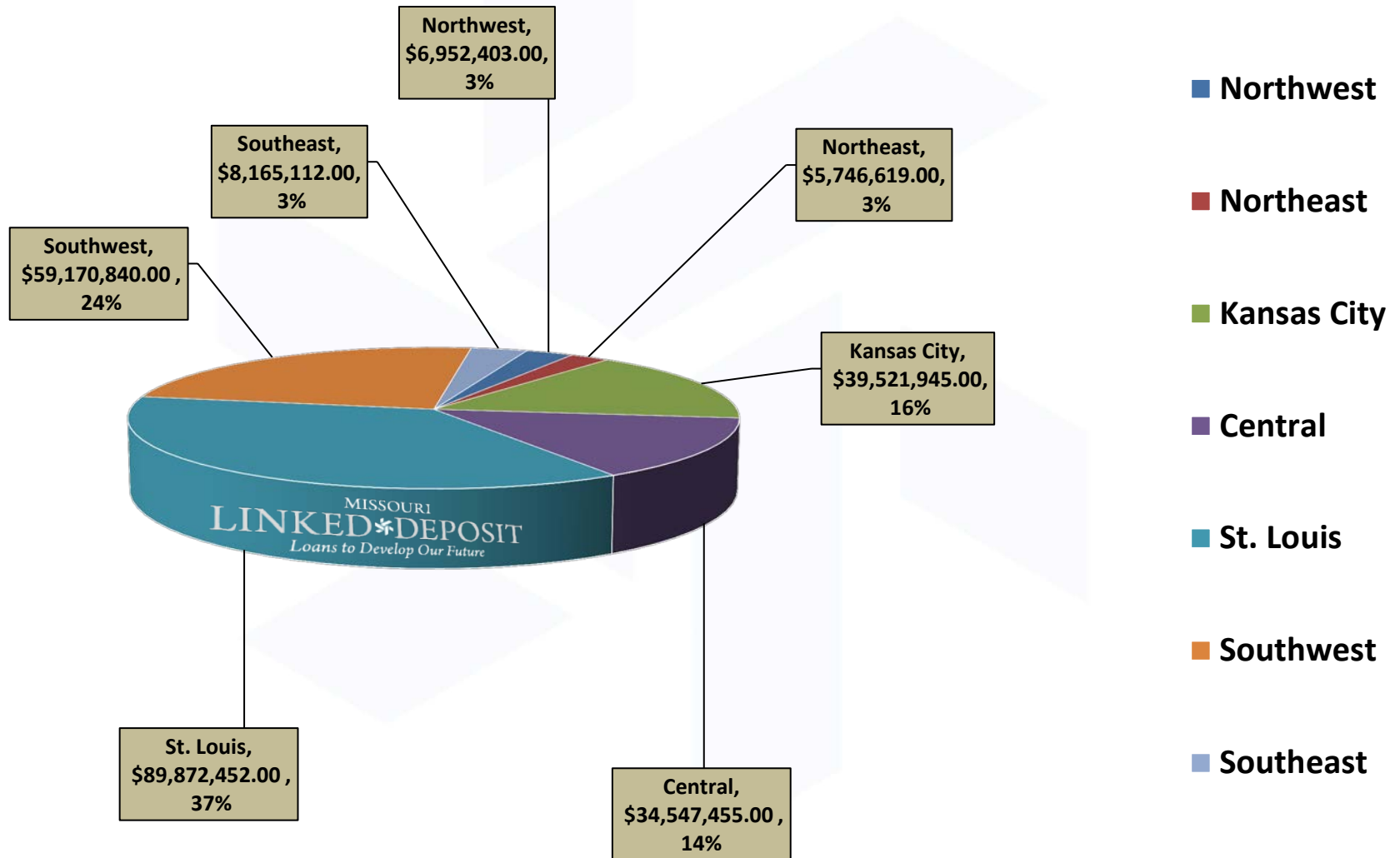
2014 Multi-Family Housing by Region



2014 Job Creation by Region



2014 Small Business by Region



Lender Information

2014 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 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.

Missouri Linked Deposit Program Preferred Partners

PY 2012 PREFERRED PARTNERS	PY 2013 PREFERRED PARTNERS	PY 2014 PREFERRED PARTNERS
Adams Dairy Bank	Adams Dairy Bank	Adams Dairy Bank
Bank of Kirksville	Bank of Kirksville	Bank of Kirksville
Bank of Monticello	Bank of Monticello	Bank of Monticello
Bank Of St. Elizabeth	Bank Of St. Elizabeth	Bank Of St. Elizabeth
Belgrade State Bank	Belgrade State Bank	Belgrade State Bank
Central Bank	Central Bank	Central Bank
Citizens Bank of Edina	Citizens Bank of Edina	Citizens Bank of Edina
Citizens-Farmers Bank of Cole Camp	Citizens-Farmers Bank of Cole Camp	Citizens-Farmers Bank of Cole Camp
Commerce Bank	Commerce Bank	Commerce Bank
Community First Bank	Community First Bank	Community First Bank
Enterprise Bank & Trust	Enterprise Bank & Trust	Enterprise Bank & Trust
F&C Bank	F&C Bank	F&C Bank
FCS Financial	FCS Financial	FCS Financial
First State Bank of St. Charles	First State Bank of St. Charles	First State Bank of St. Charles
Hawthorn Bank	Hawthorn Bank	Hawthorn Bank
Independent Farmers Bank	Independent Farmers Bank	Independent Farmers Bank
Legends Bank	Legends Bank	Legends Bank
Maries County Bank	Maries County Bank	Maries County Bank
Mid America Bank	Mid America Bank	Mid America Bank
Mid-Missouri Bank	Mid-Missouri Bank	Mid-Missouri Bank
O'Bannon Bank	O'Bannon Bank	O'Bannon Bank
Paris National Bank	OakStar Bank	OakStar Bank
Progressive FCS	Paris National Bank	Paris National Bank
Pulaski Bank	Progressive FCS	Progressive FCS
Regional Missouri Bank	Pulaski Bank	Pulaski Bank
Southern Bank	Regional Missouri Bank	Regional Missouri Bank
United State Bank	Southern Bank	Southern Bank
	United State Bank	United State Bank

Please view your Missouri Linked Deposit Program Loan Amounts by Lender Handout

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2014-Missouri Linked Deposit Program Loan Amounts by Lender

Lender	Amount
Commerce Bank	\$79,870,858.00
OakStar Bank	\$25,810,098.00
Mid Missouri Bank	\$21,910,460.00
Enterprise Bank & Trust	\$20,814,527.00
Pulaski Bank	\$15,479,000.00
Legends Bank	\$15,002,263.00
Hawthorn Bank	\$11,278,514.00
First State Bank Of St. Charles	\$10,569,000.00
Midwest BankCentre	\$7,852,349.00
FCS Financial	\$7,022,000.00
Business Bank of St. Louis	\$6,300,000.00
Belgrade State Bank	\$6,076,818.00
Central Bank	\$5,375,615.00
Maries County Bank	\$5,310,657.00
Guaranty Bank	\$4,785,000.00
Bank of Kirksville	\$4,683,555.00
Eagle Bank & Trust Co of Missouri	\$4,554,941.00
First State Community Bank	\$4,408,816.00
Morrill & Janes Bank and Trust Co	\$3,876,000.00
Adams Dairy Bank	\$3,629,633.00
United Bank Of Union	\$3,505,000.00
Central Bank	\$3,042,000.00
Bank of Missouri	\$2,957,056.00
Mid America Bank	\$2,732,097.00
Independent Farmers Bank	\$2,205,000.00
Bloomsdale Bank	\$2,050,000.00
Regional Missouri Bank	\$1,952,700.00
Community First Bank	\$1,896,288.00
Bank of St Elizabeth	\$1,741,662.00
First National Bank	\$1,572,730.00
O'Bannon Banking Company	\$1,414,211.00
Alliance Bank	\$1,383,722.00
Empire Bank	\$1,196,021.00
Pony Express Bank	\$1,175,000.00
Heritage Bank of the Ozarks	\$1,050,000.00
Peoples Bank	\$938,289.00
Progressive Farm Credit Services	\$887,000.00

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2014-Missouri Linked Deposit Program Loan Amounts by Lender

Lender	Amount
Equity Bank	\$885,000.00
First Missouri Bank	\$755,000.00
United State Bank	\$667,700.00
Paris National Bank	\$540,272.00
Citizens-Farmers Bank of Cole Camp	\$446,000.00
Regions Bank	\$388,000.00
Tri County Trust Company	\$360,000.00
HomePride Bank	\$326,297.00
Citizens Bank Of Edina	\$318,988.00
Macon Atlanta State Bank	\$306,665.00
Bank Of Sullivan	\$269,250.00
Heritage Community Bank	\$259,728.00
Montrose Savings Bank	\$240,000.00
Carrollton Bank	\$240,000.00
UMB Bank, Kansas City	\$230,000.00
First State Bank Of Purdy	\$218,580.00
Farmers Bank Of Lincoln	\$166,500.00
BTC Bank	\$162,478.00
F & C Bank	\$120,000.00
Home Exchange Bank	\$88,000.00
HNB National Bank	\$77,093.00
Bank Of Urbana	\$48,266.00
Carroll County Trust Company	\$30,400.00
Lender Total	\$303,453,097.00