

MO BUCKS



Linked Deposits for small businesses, farms, and communities



VIVEK MALEK
MISSOURI STATE TREASURER

Program Overview

The MO BUCK\$ / Linked Deposit Program is a statutorily created lending program managed by State Treasurer Vivek Malek. The program strives to expand and strengthen Missouri communities by working with Missouri Banking Institutions to provide low-interest loans to qualified borrowers for business enhancement, growth, and development.

Program categories include:

- Small Businesses
- Agriculture
- Multi-Family Housing
- Job Enhancement
- Local Governments
- Alternative-Energy focused programs



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Program Overview *(Continued)*

- In 2022, the Linked Deposit Program went through a rebranding and returned to its original roots with a name change to MO BUCK\$.
- The MO BUCK\$ / Linked Deposit Program has been assisting communities throughout the state since 1985.
- The State Treasurer's Office deposits funds with an approved borrower's qualified banking institution at a below-market interest rate.
- Lowering the market rate on deposits allows the lender to pass along a 30% interest rate reduction on the borrower's loan, resulting in an overall savings to the borrower and economic growth for Missouri communities.



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Program Overview *(Continued)*

Since Treasurer Malek took office, the Treasurer's Office has approved ~\$281 million in new deposits supporting low-interest loans through MO BUCK\$.

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2023 Program Year

- Program Year (PY) runs *October 1, 2022 - September 30, 2023*
- Placed 1,000 loans in the 2023 PY for a total loan amount of \$538,680,927.
 - 96 loans / \$46,640,151 (women-owned businesses)
 - 24 loans / \$38,865,292 (minority-owned businesses)
 - Includes 4 loans / \$10,510,219 (both women/minority-owned businesses)
 - 27 loans / \$12,561,025 (veteran-owned businesses)



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2023 Top 20 Women/Minority/Veteran-Owned Business Loans - \$50,930,130

Loan Amount	Bank Name	Deposit Type	Application Region	WBE/MBE/VET
\$8,008,200.00	Legacy Bank and Trust Co	Housing	6	WBE/MBE
\$6,900,000.00	Central Bank	Small Business	4	MBE
\$6,020,000.00	Hawthorn Bank	Small Business	9	MBE
\$3,000,000.00	Oakstar Bank	Small Business	8	WBE
\$2,621,133.00	Oakstar Bank	Small Business	3	MBE
\$2,530,000.00	Hawthorn Bank	Small Business	4	WBE
\$2,360,019.00	Oakstar Bank	Small Business	8	WBE/MBE
\$1,900,000.00	Wood And Huston Bank	Small Business	7	MBE
\$1,700,000.00	Wood And Huston Bank	Small Business	4	MBE
\$1,679,163.00	Oakstar Bank	Small Business	6	VET
\$1,650,000.00	Hawthorn Bank	Job Enhancement	6	MBE
\$1,648,431.00	Hawthorn Bank	Small Business	4	WBE
\$1,616,000.00	Saint Louis Bank	Small Business	9	WBE
\$1,600,000.00	Equity Bank	Small Business	8	WBE
\$1,450,000.00	Oakstar Bank	Small Business	8	MBE
\$1,425,000.00	Oakstar Bank	Small Business	6	VET
\$1,280,000.00	Commerce Bank	Small Business	6	VET
\$1,250,000.00	Equity Bank	Small Business	8	WBE
\$1,200,000.00	Triad Bank	Small Business	9	WBE
\$1,092,184.00	Oakstar Bank	Small Business	6	MBE/VET



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2023 Women/Minority-Owned Business Loans by Region Totals

Region	Number of Loans	Loan Totals
North West	3	\$1,349,000
North East	3	\$222,000
Kansas City	10	\$3,811,133
Central	36	\$22,548,549
<u>St. Louis</u>	6	1,957,416
South West	27	\$17,794,784
South East	6	\$3,726,464
Jackson	13	\$13,019,521
<u>St. Louis City/County</u>	6	\$9,662,617
Out of State Application (*Project in MO*)	6	\$903,740
Region Totals	116	\$74,995,224



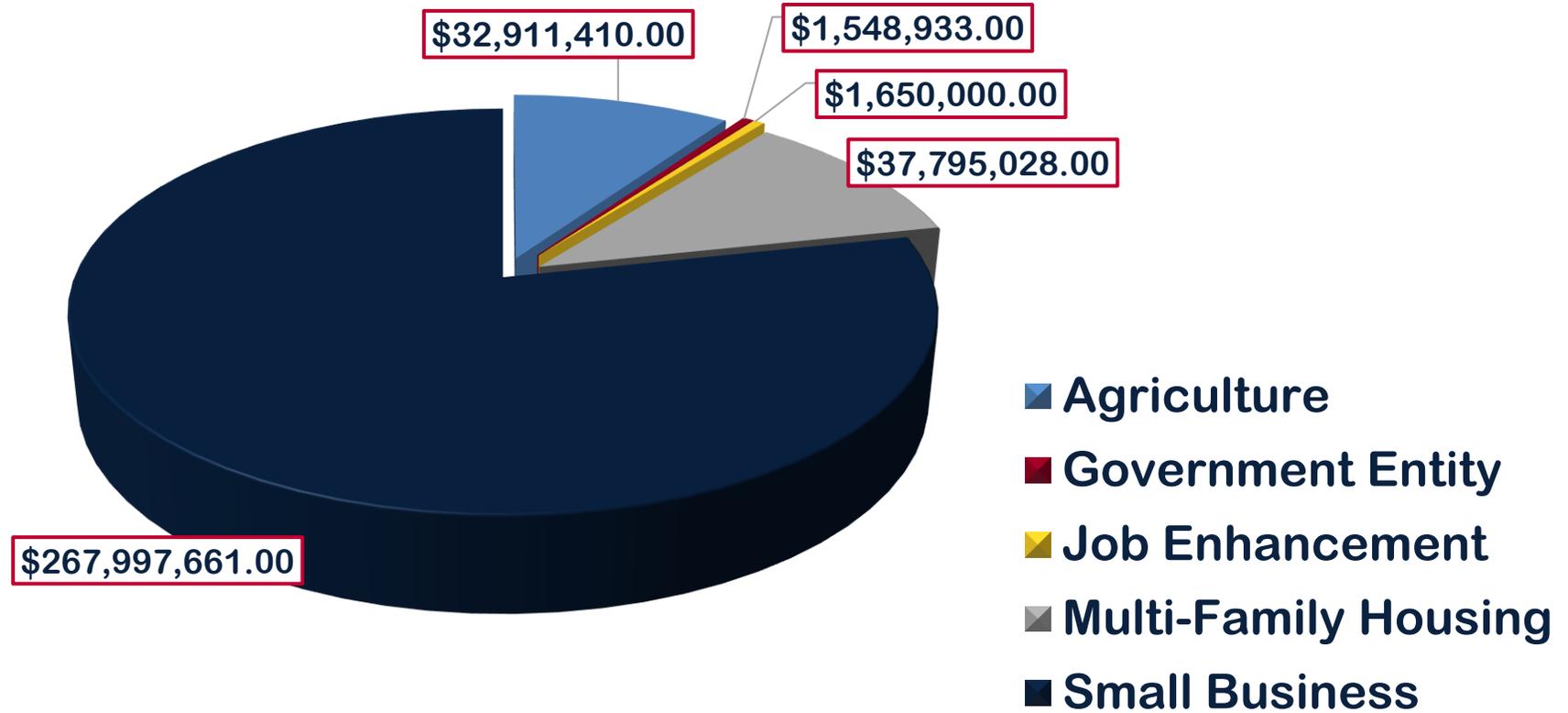
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Veteran Loans

PY	Veteran Loans	% of MLDP Portfolio
2023	\$12,561,025	2.33%
2022	\$5,595,779	1.92%
2021	\$1,729,603	0.61%
2020	\$6,508,127	1.54%
2019	\$8,497,145	1.63%
2018	\$11,749,767	3.03%
2017	\$4,869,048	2.36%

New Deposits

During the 2023 PY, the program issued 450 new deposits/loans totaling \$341,903,032.



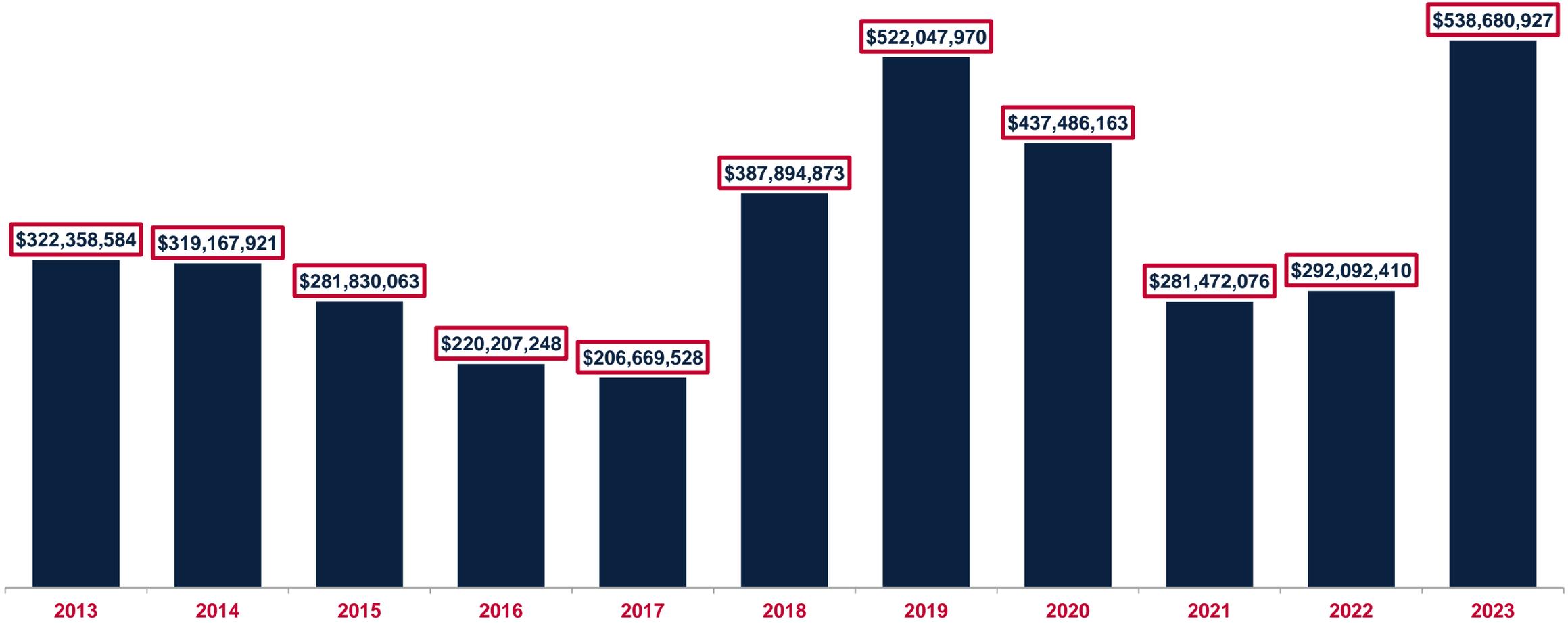
2023 showed an 84% increase in program use from 2022.

PROGRAM YEAR	TOTAL LOAN AMOUNTS	PERCENT INCREASE/DECREASE
PY2023	<u>\$538,680,927</u>	84%
PY2022	\$292,092,410	4%
PY2021	\$281,472,076	-36%
PY2020	\$437,486,163	-16%
PY2019	\$522,047,970	35%
PY2018	\$387,894,873	88%
PY2017	\$206,669,528	-6%
PY2016	\$220,207,248	-22%
PY2015	\$281,830,063	-12%
PY2014	\$319,167,921	-1%
PY2013	\$322,358,584	-16%
PY2012	\$382,037,950	-5%



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Annual Totals by Plan Year



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Annual Totals by Category

MLDP Category	PY 2017	PY 2018	PY 2019	PY2020	PY2021	PY2022	PY2023
Agriculture	\$25,575,146	\$109,894,675	\$190,050,304	\$187,098,565	\$170,091,834	\$201,383,185	\$159,304,804
Multi-Family Housing	\$17,535,003	\$30,107,304	\$43,286,367	\$33,087,328	\$13,639,700	\$8,349,862	\$45,667,203
Job Enhancement	\$0	\$700,000	\$700,000	\$0	\$0	\$0	\$1,650,000
Small Business	\$159,921,379	\$238,027,410	\$274,786,750	\$209,752,941	\$97,110,542	\$82,359,363	\$330,509,987
Alternative Energy	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0
Government Entity	\$3,630,000	\$9,165,484	\$13,224,549	\$7,547,329	\$630,000	\$0	\$1,548,933
Totals	\$206,669,528	\$387,894,873	\$522,047,970	\$437,486,163	\$281,472,076	\$292,092,410	\$538,680,927

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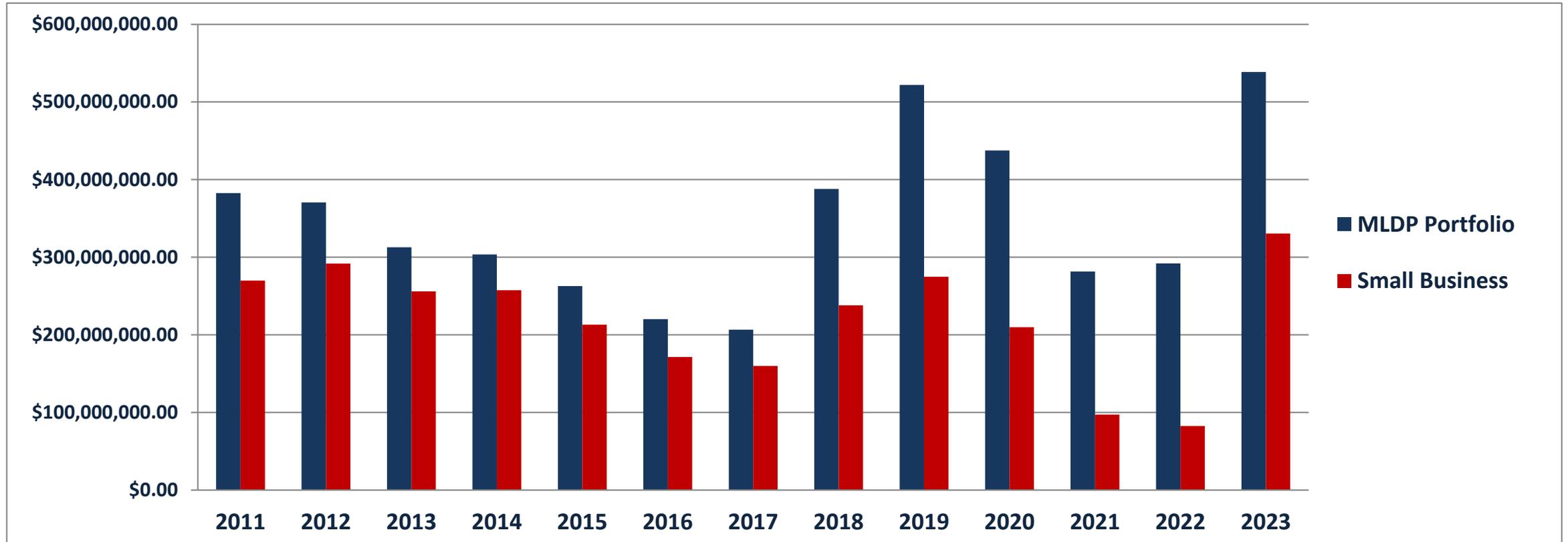
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Category Breakdown

MLDP Category	2021	2022	2023
Small Business	35%	28%	61%
Agriculture	60%	69%	30%
Multi-Family Housing	5%	3%	8%
Job Enhancement	0%	0%	0.003%
Government Entity	0.22%	0%	0.003%
Alternative Energy	0%	0%	0%

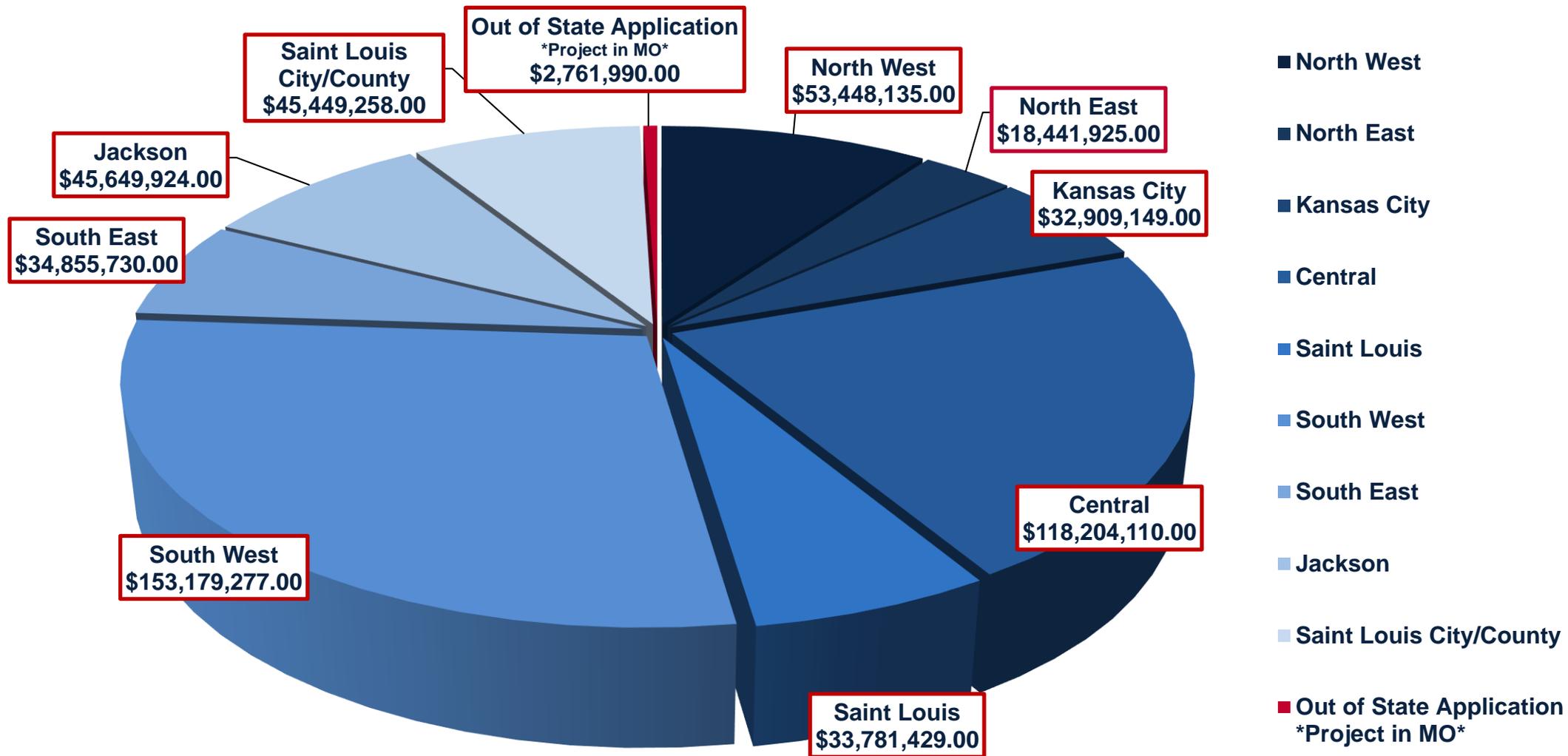
Small Business Participation by Plan Year

- Small Business is currently the largest category in the program and continues to be an important factor in strengthening local communities statewide.



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2023 Regional Breakdown



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Top 20 Participating Banks

Bank Name	Total Amount of Deposits	Number of Deposits
FCS Financial (900)	\$104,707,400.00	283
Oakstar Bank (380)	\$82,534,008.00	97
Hawthorn Bank (258)	\$49,537,133.00	67
Mid Missouri Bank (046)	\$37,443,200.00	107
BTC Bank (031)	\$28,711,649.00	97
Legends Bank (357)	\$28,034,505.00	59
Equity Bank (325)	\$24,150,782.00	28
Belgrade State Bank (025)	\$18,354,419.00	24
Triad Bank (839)	\$18,218,767.00	9
First State Community Bank (170)	\$16,298,244.00	27
First State Bank Of St. Charles (555)	\$16,210,000.00	17
Legacy Bank and Trust Co (469)	\$15,046,367.00	7
Busey Bank (117)	\$10,312,918.00	3
Farm Credit Southeast Missouri (901)	\$9,309,000.00	16
Central Bank (259)	\$8,514,237.00	13
Wood And Huston Bank (382)	\$7,736,500.00	11
Heritage Bank of the Ozarks (365)	\$7,518,088.00	5
Maries County Bank (642)	\$7,185,886.00	28
Saint Louis Bank (179)	\$7,062,500.00	3
Commerce Bank (289)	\$6,641,779.00	16



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In Summary...

- Due to overwhelming demand, MO BUCK\$ was temporarily closed to all new applicants in May 2023 as it was approaching the cap.
- The primary driver of participation over the years has been the interest rate environment.
- The program is more attractive in rising/higher rate environments and entered another growth cycle with the unprecedented increase in interest rates since March 2022.
- The program was opened up for the *Farm Relief Loan Program* (August 13th - October 31st of this year) to provide financial assistance to Missouri farmers impacted by the recent drought.
- During PY2023, the program experienced an increase of 84% in the total deposits outstanding.
- We expect rates to level off in 2024 while demand should remain elevated during this higher rate environment.



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