

MO BUCK\$



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)*

- 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.
- Demand for the program has increased over the last few years and, as a result, the program was temporarily closed multiple times during the year as it was approaching the cap.
- In August 2024, the Program cap was increased to \$1.2 billion (from \$800 million).



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Program Overview *(Continued)*

Since Treasurer Malek took office, the Treasurer's Office has approved ~\$457 million in new deposits supporting low-interest loans through MO BUCK\$.



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2024 Program Year

- Program Year (PY) runs *October 1, 2023 - September 30, 2024*
- Placed 975 loans in the 2024 PY for a total loan amount of \$583,875,130.
 - 91 loans / \$52,582,231 (women-owned businesses)
 - 26 loans / \$41,134,702 (minority-owned businesses)
 - Includes 3 loans / \$10,356,267 (women/minority-owned businesses)
 - 15 loans / \$8,347,901 (veteran-owned businesses)
 - Includes 1 loan / \$377,845 (women/veteran-owned business)



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2024 Women/Minority-Owned Business Loans by Region Totals

Region	Number of Loans	Loan Totals
North West	4	\$1,402,200
North East	1	\$127,000
Kansas City	13	\$6,005,588
Central	35	\$24,464,493
<u>St. Louis</u>	7	1,973,273
South West	24	\$19,577,633
South East	8	\$10,032,917
Jackson	10	\$10,518,035
<u>St. Louis City/County</u>	7	\$8,542,197
Out of State Application (*Project in MO*)	5	\$717,330
Region Totals	114	\$83,360,666



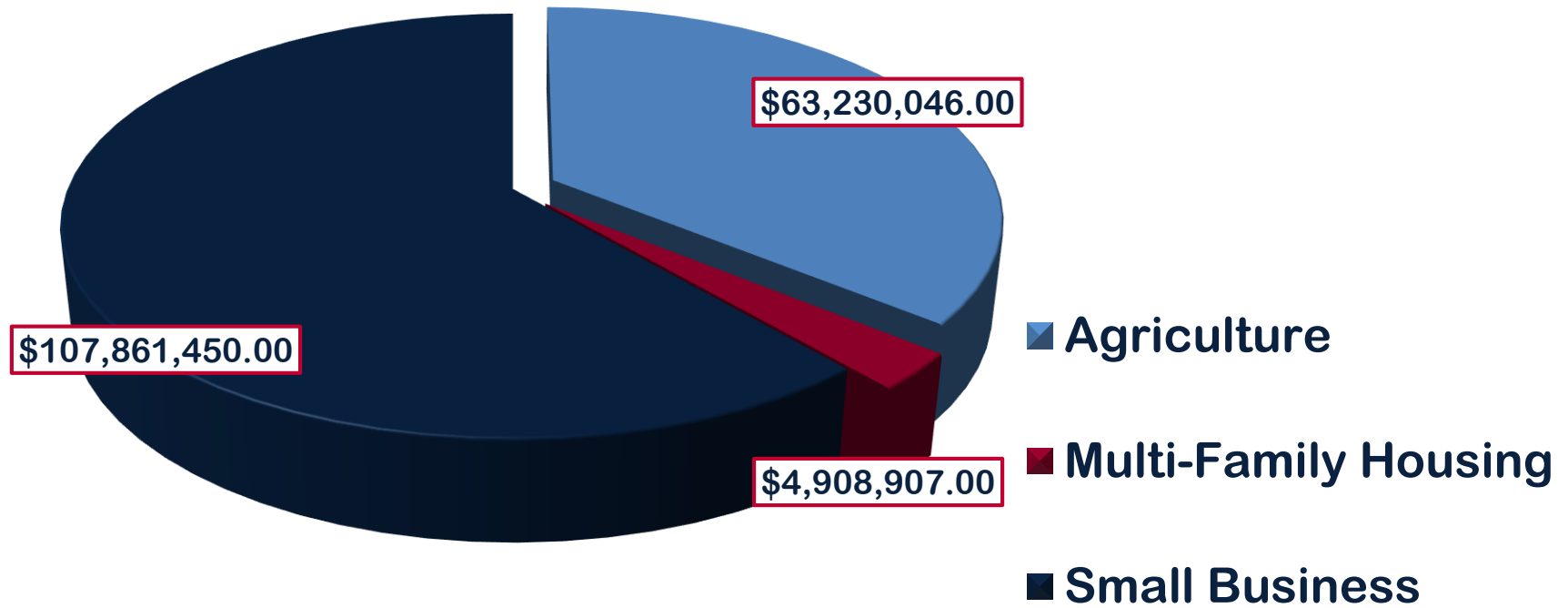
Veteran Loans

PY	Veteran Loans	% of MLDP Portfolio
2024	\$8,347,901	1.43%
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%



New Deposits

During the 2024 PY, the program issued 253 new deposits/loans totaling \$176,000,403.



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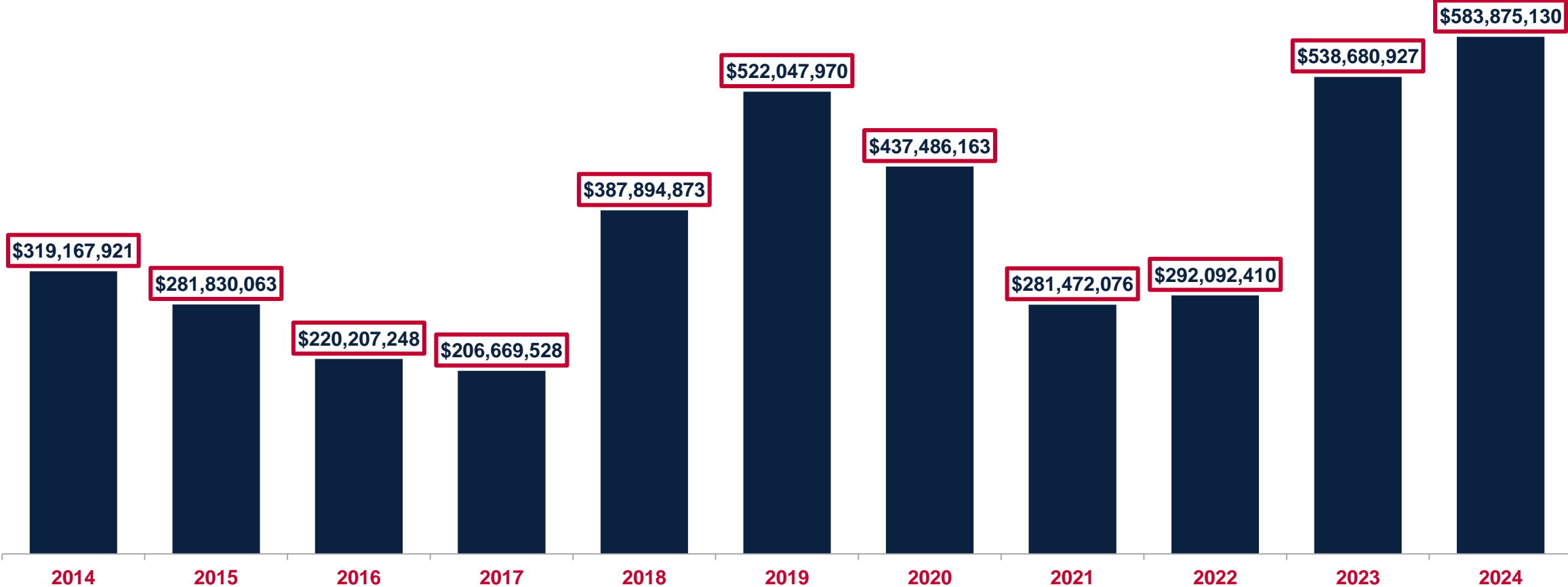
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2024 showed an 8% increase in program use from 2023.

PROGRAM YEAR	TOTAL LOAN AMOUNTS	PERCENT INCREASE/DECREASE
PY2024	<u>\$583,875,130</u>	8%
PY2023	\$538,680,927	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%



Annual Totals by Program Year



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Annual Totals by Category

MLDP Category	PY 2018	PY 2019	PY2020	PY2021	PY2022	PY2023	PY2024
Agriculture	\$109,894,675	\$190,050,304	\$187,098,565	\$170,091,834	\$201,383,185	\$159,304,804	\$146,225,078
Multi-Family Housing	\$30,107,304	\$43,286,367	\$33,087,328	\$13,639,700	\$8,349,862	\$45,667,203	\$47,727,758
Job Enhancement	\$700,000	\$700,000	\$0	\$0	\$0	\$1,650,000	\$1,595,000
Small Business	\$238,027,410	\$274,786,750	\$209,752,941	\$97,110,542	\$82,359,363	\$330,509,987	\$387,307,634
Alternative Energy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Government Entity	\$9,165,484	\$13,224,549	\$7,547,329	\$630,000	\$0	\$1,548,933	\$1,019,660
Totals	\$387,894,873	\$522,047,970	\$437,486,163	\$281,472,076	\$292,092,410	\$538,680,927	\$583,875,130



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Category Breakdown

MLDP Category	2022	2023	2024
Small Business	28%	61%	66%
Agriculture	69%	30%	25%
Multi-Family Housing	3%	8%	8%
Job Enhancement	0%	0.3%	0.3%
Government Entity	0%	0.3%	0.2%
Alternative Energy	0%	0%	0%



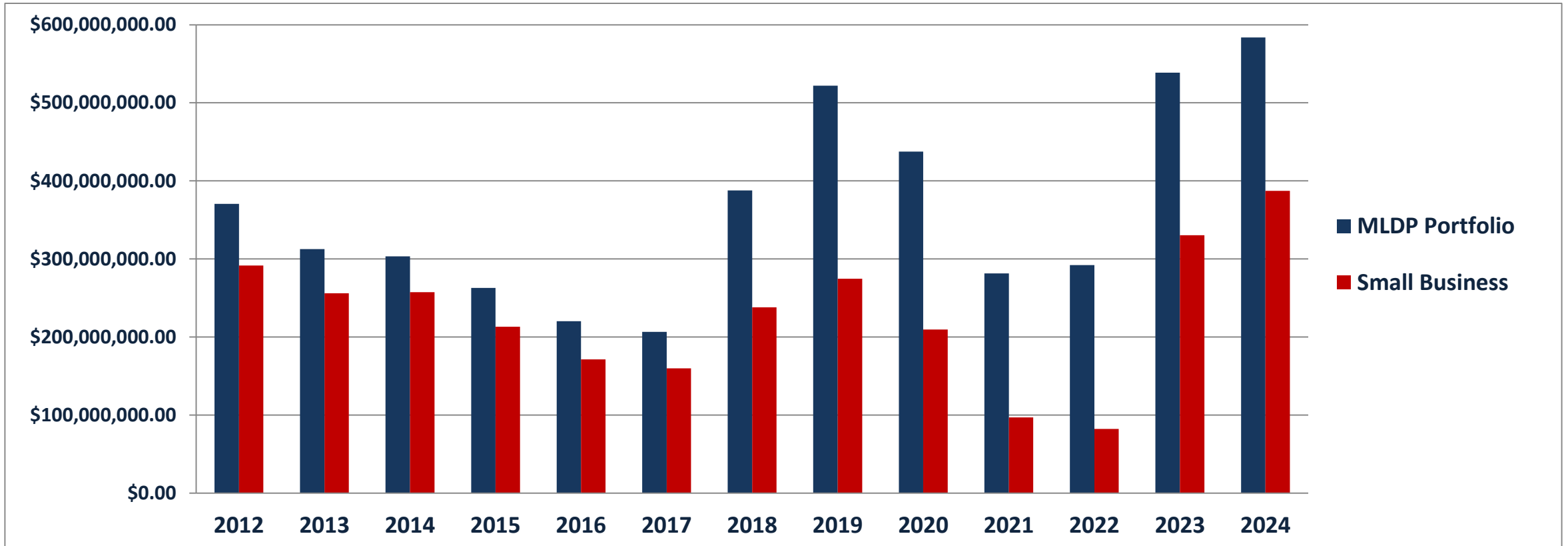
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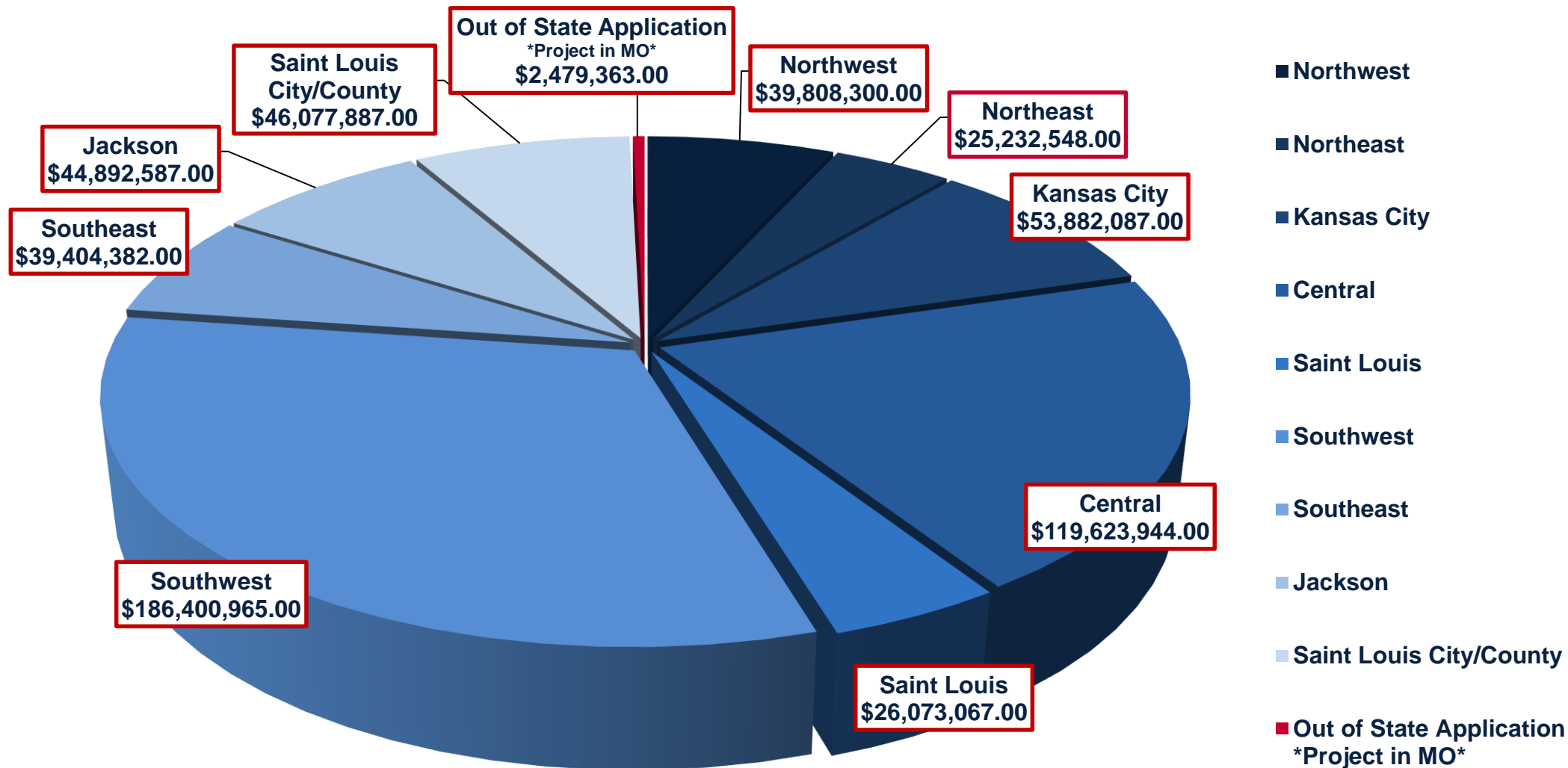
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Small Business Participation by Program Year

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



2024 Regional Breakdown



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Top 20 Participating Banks

Bank Name	Total Amount of Deposits	Number of Deposits
Oakstar Bank (380)	\$124,510,351.00	128
FCS Financial (900)	\$100,765,000.00	237
Hawthorn Bank (258)	\$45,372,891.00	61
Mid Missouri Bank (46)	\$38,200,200.00	91
Legends Bank (357)	\$25,954,570.00	67
Equity Bank (325)	\$24,553,761.00	34
BTC Bank (31)	\$21,741,626.00	75
Belgrade State Bank (25)	\$20,752,419.00	33
Wood And Huston Bank (382)	\$20,583,000.00	13
First State Community Bank (170)	\$16,756,649.00	30
Triad Bank (839)	\$15,468,000.00	9
First State Bank Of St. Charles (555)	\$15,436,000.00	17
Legacy Bank and Trust Co (469)	\$14,902,969.00	7
Saint Louis Bank (179)	\$11,116,945.00	6
Heritage Bank of the Ozarks (365)	\$10,849,304.00	10
Community National Bank and Trust (136)	\$7,915,000.00	6
Central Bank (259)	\$7,883,510.00	12
Farm Credit Southeast Missouri (901)	\$6,020,000.00	12
Bank Star (699)	\$5,599,926.00	11
Commerce Bank (289)	\$5,329,719.00	14



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In Summary...

- Due to overwhelming demand, MO BUCK\$ was temporarily closed to all new applicants for much of the year as it was approaching the cap.
- In addition to the *Farm Relief Loan Program* (August 13th - October 31st of 2023), the program was opened up on January 2nd (one day) and July 29th – August 29th (one month).
- 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 from March 2022 to July 2023.
- During PY2024, the program experienced an increase of 8% in the total deposits outstanding.
- We expect rates to continue to decrease moderately in 2025 while demand should remain elevated during this higher rate environment.



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