



## **SOUTH DAKOTA INVESTMENT COUNCIL**

**4009 West 49th Street, Suite 300  
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Phone: (605) 362-2820**

### **MEMORANDUM**

**TO:** South Dakota Investment Council

**FROM:** Sherry Nelson

**DATE:** October 1, 2020

**RE:** South Dakota Certificate of Deposit (CD) Program

Enclosed is a summary of the 2020-21 CD Program. Certificates of deposit were offered to thirty-five financial institutions on September 28 and twenty-three accepted full or partial allocations. The CDs were issued on September 30, 2020, to mature one year later on September 30, 2021.

Nineteen banks accepted \$12.995 million in certificates of deposit, down from twenty-six banks that accepted \$21.298 million last year. The amount accepted was down 39% versus last year.

No savings associations accepted a CD offer versus one at \$250,000 last year.

This is the twentieth year a reoffering has been made to other qualified public depositories in the state. Four credit unions accepted \$1.593 million in CDs, down from five credit unions that accepted \$1.838 million last year.

Any CD larger than \$250,000 is 100% collateralized by government securities. The CD rate of .37% was based on the one-year Treasury note yield at 11:00 a.m. (CST) on September 28, 2020, plus a liquidity and risk premium of .25%. This year's rate compares with 2.08% last year.

If you have any questions or comments, please feel free to give me a call.

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Enclosures

**South Dakota  
Certificates of Deposit  
Due 9/30/21**

| <b>Depository Name</b>             | <b>Location</b>   | <b>2019<br/>Actual<br/>000's</b> | <b>2,020<br/>Offer<br/>000's</b> | <b>2,020<br/>Accepted<br/>000's</b> | <b># of Inst.<br/>Participating</b> |
|------------------------------------|-------------------|----------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| <b><u>Banks</u></b>                |                   |                                  |                                  |                                     |                                     |
| DACOTAH BANK                       | ABERDEEN/EUREKA   | \$4,000                          | 0                                | 0                                   | 0                                   |
| CITIZENS STATE BANK                | ARLINGTON         | \$250                            | 286                              | 0                                   | 0                                   |
| COMMUNITY BANK                     | AVON              | \$250                            | 250                              | \$250                               | 1                                   |
| PIONEER BANK & TRUST/SPEARFISH     | BELLE FOURCHE     | 0                                | 1,538                            | 0                                   | 0                                   |
| FIRST BANK & TRUST                 | BROOKINGS         | \$3,405                          | 5,887                            | 0                                   | 0                                   |
| BRYANT STATE BANK                  | BRYANT            | \$250                            | 250                              | 0                                   | 0                                   |
| ONE AMERICAN BANK                  | CENTERVILLE/SF    | \$0                              | 250                              | \$250                               | 1                                   |
| FIRST FINANCIAL BANK               | DUPREE            | \$250                            | 250                              | \$250                               | 1                                   |
| BANKSTAR FINANCIAL                 | ELKTON            | \$507                            | 621                              | \$621                               | 1                                   |
| SECURITY STATE BANK                | EMERY             | \$250                            | 250                              | 0                                   | 0                                   |
| RELIABANK DAKOTA                   | ESTELLINE         | \$1,027                          | 1,233                            | \$250                               | 1                                   |
| GREAT PLAINS BANK                  | EUREKA/ABERDEEN   | \$327                            | 0                                | 0                                   | 0                                   |
| MERCHANTS STATE BANK               | FREEMAN           | \$440                            | 526                              | \$440                               | 1                                   |
| FIRST STATE BANK                   | GROTON            | \$250                            | 0                                | 0                                   | 0                                   |
| FARMERS STATE BANK                 | HOSMER            | \$250                            | 250                              | \$250                               | 1                                   |
| PLAINS COMMERCE BANK               | HOVEN             | 0                                | 2,052                            | 0                                   | 0                                   |
| PREMIER BANK OF HUDSON             | HUDSON/ROCK VALLE | \$345                            | 372                              | \$372                               | 1                                   |
| IPSWICH STATE BANK                 | IPSWICH           | \$250                            | 250                              | \$250                               | 1                                   |
| FIRST BANK & TRUST/SIOUX FALLS     | MADISON/SF        | 0                                | 3,130                            | 0                                   | 0                                   |
| QUOIN FINANCIAL BANK               | MILLER            | \$441                            | 497                              | \$497                               | 1                                   |
| CORTRUST BANK                      | MITCHELL          | \$2,307                          | 3,055                            | \$3,055                             | 1                                   |
| FARMERS STATE BANK                 | PARKSTON          | 0                                | 462                              | 0                                   | 0                                   |
| BANKWEST                           | PIERRE            | \$2,656                          | 3,221                            | \$3,221                             | 1                                   |
| FIRST NATIONAL BANK                | PIERRE            | \$1,382                          | 1,618                            | \$1,618                             | 1                                   |
| FARMERS & MERCHANTS STATE BANK     | PLANKINTON        | \$310                            | 358                              | \$358                               | 1                                   |
| HEARTLAND STATE BANK               | REDFIELD          | \$250                            | 253                              | \$250                               | 1                                   |
| FRONTIER BANK/IA                   | ROCK RAPIDS       | 0                                | 357                              | 0                                   | 0                                   |
| FIRST STATE BANK OF ROSCOE         | ROSCOE            | \$282                            | 299                              | \$299                               | 1                                   |
| FARMERS & MERCHANTS STATE BANK     | SCOTLAND          | \$250                            | 250                              | \$250                               | 1                                   |
| PIONEER BANK/IA                    | SIOUX CITY        | \$476                            | 264                              | \$264                               | 1                                   |
| FARMERS STATE BANK                 | TURTON            | \$250                            | 250                              | \$250                               | 1                                   |
| SECURITY STATE BANK                | TYNDALL           | \$643                            | 646                              | 0                                   | 0                                   |
| COMMERCIAL STATE BANK              | WAGNER            | 0                                | 472                              | 0                                   | 0                                   |
| FIRST DAKOTA NATIONAL BANK         | YANKTON           |                                  | 5,603                            | 0                                   | 0                                   |
| <b>Totals</b>                      |                   | <b>\$21,298</b>                  | <b>35,000</b>                    | <b>\$12,995</b>                     | <b>19</b>                           |
| <b><u>Savings Associations</u></b> |                   |                                  |                                  |                                     |                                     |
| SECURITY SAVINGS BANK              | CANTON            | \$250                            | 0                                | 0                                   | 0                                   |
| <b>Totals</b>                      |                   | <b>\$250</b>                     | <b>0</b>                         | <b>\$0</b>                          | <b>0</b>                            |

| <u>Depository Name</u> | <u>Location</u> | <u>2019<br/>Actual<br/>000's</u> | <u>2,020<br/>Offer<br/>000's</u> | <u>2,020<br/>Accepted<br/>000's</u> | <u># of Inst.<br/>Participating</u> |
|------------------------|-----------------|----------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
|------------------------|-----------------|----------------------------------|----------------------------------|-------------------------------------|-------------------------------------|

**Credit Unions-reallocations**

|                         |             |       |        |       |   |
|-------------------------|-------------|-------|--------|-------|---|
| HEALTHCARE PLUS FCU     | ABERDEEN    | \$250 | 5,021  | \$250 | 1 |
| CONSUMERS FCU           | GREGORY     | \$251 | 0      |       | 0 |
| MINUTEMAN COMMUNITY FCU | RAPID CITY  | \$494 | 1,748  | \$750 | 1 |
| VOYAGE FCU              | SIOUX FALLS | \$500 | 13,369 | \$250 | 1 |
| AVANTI FEDERAL CU       | WATERTOWN   | \$343 | 1,867  | \$343 | 1 |

|               |  |                |               |                |          |
|---------------|--|----------------|---------------|----------------|----------|
| <b>Totals</b> |  | <b>\$1,838</b> | <b>22,005</b> | <b>\$1,593</b> | <b>4</b> |
|---------------|--|----------------|---------------|----------------|----------|

**CD OFFERS**

|                              |               |
|------------------------------|---------------|
| Offers to Banks              | 35,000        |
| Offers to S&L's              | 0             |
| <b>TOTAL ORIGINAL OFFERS</b> | <b>35,000</b> |

|                           |               |
|---------------------------|---------------|
| Offers to Credit Unions   | 22,005        |
| <b>TOTAL OFFERS GIVEN</b> | <b>57,005</b> |

**CD'S ACCEPTED**

|                           |               |
|---------------------------|---------------|
| Accepted by Banks         | 12,995        |
| Accepted by S&L's         | 0             |
| Accepted by Credit Unions | 1,593         |
| declined by Credit Unions | 20,755        |
| rounding                  | -343          |
| <b>TOTAL</b>              | <b>35,000</b> |

|  |               |
|--|---------------|
| <b>TOTAL CD'S / BANKS, S&amp;L'S, CU'S</b> | <b>14,588</b> |
|--|---------------|

## History of CD Allocations

| Issue Date | Interest Rate | Banks        | Savings Ass'ns | Credit Unions | Total Allocated |
|------------|---------------|--------------|----------------|---------------|-----------------|
| Dec-80     |               | \$28,271,000 | \$1,600,000    | \$0           | \$29,871,000    |
| Dec-81     |               | \$28,600,000 | \$1,500,000    | \$0           | \$30,100,000    |
| Dec-82     |               | \$28,500,000 | \$1,500,000    | \$0           | \$30,000,000    |
| Dec-83     |               | \$29,000,000 | \$1,300,000    | \$0           | \$30,300,000    |
| Dec-84     |               | \$28,900,000 | \$1,100,000    | \$0           | \$30,000,000    |
| Dec-85     |               | \$28,900,000 | \$5,379,000    | \$0           | \$34,279,000    |
| Dec-86     |               | \$28,900,000 | \$6,100,000    | \$0           | \$35,000,000    |
| Dec-87     |               | \$28,900,000 | \$6,100,000    | \$0           | \$35,000,000    |
| Dec-88     |               | \$28,897,000 | \$6,103,000    | \$0           | \$35,000,000    |
| Dec-89     |               | \$28,900,000 | \$6,100,000    | \$0           | \$35,000,000    |
| Dec-90     |               | \$29,900,000 | \$5,100,000    | \$0           | \$35,000,000    |
| Dec-91     |               | \$30,300,000 | \$4,700,000    | \$0           | \$35,000,000    |
| Dec-92     |               | \$30,300,000 | \$4,700,000    | \$0           | \$35,000,000    |
| Dec-93     |               | \$32,329,000 | \$2,771,000    | \$0           | \$35,100,000    |
| Dec-94     |               | \$19,908,000 | \$1,794,000    | \$0           | \$21,702,000    |
| Dec-95     |               | \$23,719,000 | \$1,787,000    | \$0           | \$25,506,000    |
| Dec-96     |               | \$24,651,000 | \$1,613,000    | \$0           | \$26,264,000    |
| Dec-97     | 5.540%        | \$24,901,000 | \$1,643,000    | \$0           | \$26,544,000    |
| Dec-98     | 4.670%        | \$29,756,000 | \$1,570,000    | \$0           | \$31,326,000    |
| Dec-99     | 5.960%        | \$30,048,000 | \$1,678,000    | \$0           | \$31,726,000    |
| Dec-00     | 5.400%        | \$30,643,000 | \$2,138,000    | \$0           | \$32,781,000    |
| Dec-01     | 2.240%        | \$30,218,000 | \$1,793,000    | \$1,397,000   | \$33,408,000    |
| Dec-02     | 1.220%        | \$30,526,000 | \$1,425,000    | \$2,333,000   | \$34,284,000    |
| Dec-03     | 1.230%        | \$31,176,000 | \$1,631,000    | \$1,620,000   | \$34,427,000    |
| Dec-04     | 2.800%        | \$30,402,000 | \$1,674,000    | \$2,050,000   | \$34,126,000    |
| Dec-05     | 4.420%        | \$30,775,000 | \$1,646,000    | \$1,770,000   | \$34,191,000    |
| Dec-06     | 5.010%        | \$29,809,000 | \$1,673,000    | \$2,551,000   | \$34,033,000    |
| Dec-07     | 3.370%        | \$31,228,000 | \$1,815,000    | \$1,508,000   | \$34,551,000    |
| Dec-08     | 0.290%        | \$31,344,000 | \$1,635,000    | \$1,948,000   | \$34,927,000    |
| Dec-09     | 0.855%        | \$22,951,000 | \$1,614,000    | \$3,270,000   | \$27,835,000    |
| Sep-10 *   | 0.780%        | \$19,877,000 | \$1,606,000    | \$2,779,000   | \$24,262,000    |
| Sep-11     | 0.640%        | \$17,458,000 | \$1,544,000    | \$3,450,000   | \$22,452,000    |
| Sep-12     | 0.460%        | \$16,742,000 | \$1,485,000    | \$2,750,000   | \$20,977,000    |
| Sep-13     | 0.370%        | \$18,113,000 | \$1,544,000    | \$4,000,000   | \$23,657,000    |
| Sep-14     | 0.370%        | \$27,646,000 | \$2,411,000    | \$4,943,000   | \$35,000,000    |
| Sep-15     | 0.626%        | \$25,453,000 | \$2,351,000    | \$2,750,000   | \$30,554,000    |
| Sep-16     | 0.900%        | \$25,961,000 | \$250,000      | \$3,000,000   | \$29,211,000    |
| Sep-17     | 1.590%        | \$21,978,000 | \$250,000      | \$1,250,000   | \$23,478,000    |
| Sep-18     | 2.900%        | \$20,583,000 | \$250,000      | \$1,738,000   | \$22,571,000    |
| Sep-19     | 2.080%        | \$21,298,000 | \$250,000      | \$1,838,000   | \$23,386,000    |
| Sep-20     | 0.370%        | \$12,995,000 | \$0            | \$1,593,000   | \$14,588,000    |