GOLD BANC CORP INC
Form S-3/A
October 15, 2002
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As filed with the Securities and Exchange Commission on October 15, 2002

Registration No. 333-98579

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3
to
Form S-3
REGISTRATION STATEMENT

Under
The Securities Act of 1933

GOLD BANC CORPORATION, INC.

(Exact Name of Registrant as Specified in its Charter)

Kansas **(State of Incorporation)**	**48-1008593** **(I.R.S. Employer Identification Number)**

11301 Nall Avenue
Leawood, Kansas 66211
(913) 451-8050
(Address and telephone number of Registrant s principal executive offices)

Michael W. Gullion
Chairman of the Board and Chief Executive Officer
Gold Banc Corporation, Inc.
11301 Nall Avenue
Leawood, Kansas 66211
Telephone: (913) 451-8050
Fax: (913) 451-8004
(Name, address and telephone number of agent for service)

Copies to:

John A. Granda, Esq. **Michael W. Lochmann, Esq.** **Stinson Morrison Hecker LLP** **1201 Walnut, Suite 2800** **Kansas City, MO 64106** **Phone: (816) 842-8600** **Fax: (816) 691-3495**	**Gregory G. Johnson, Esq.** **Bryan Cave LLP** **1200 Main Street** **Suite 3500** **Kansas City, MO 64105** **Phone: (816) 374-3200** **Fax: (816) 374-3300**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ¨

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

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Subject to completion, dated October , 2002

5,000,000 Shares

Common Stock

We are offering 5,000,000 shares of our common stock. Our common stock is traded on the Nasdaq National Market under the symbol GLDB. The last reported sale price of our common stock as reported on the Nasdaq National Market on September 20, 2002 was $9.86 per share.

Some of our executive officers and directors have indicated their intent to purchase an aggregate of 300,000 shares of common stock in this offering, at the same price and on the same terms as offered to the public.

Investing in our common stock involves risks.
See Risk Factors beginning on page 9.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Gold Banc Corporation, Inc.	$	$

We have granted the underwriters the right to purchase up to an additional 750,000 shares of our common stock to cover over-allotments. The underwriters expect to deliver the shares to purchasers on or about , 2002.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

A.G. Edwards & Sons, Inc.

RBC Capital Markets

Sandler O Neill & Partners, L.P.

Prospectus dated , 2002

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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GOLD BANC LOCATIONS

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus, including the documents incorporated by reference into it, particularly the consolidated financial statements and the notes to the consolidated financial statements and the section entitled Risk Factors beginning on page 9.

Gold Banc Corporation, Inc.

We are a financial holding company that has grown from the acquisition of a single bank with $2.9 million in assets in 1978 to approximately $3.3 billion in assets as of June 30, 2002. We own three commercial banks with 53 offices in 36 communities in Kansas, Missouri, Oklahoma and Florida. Our subsidiary banks are Gold Bank-Kansas, Gold Bank-Oklahoma, and Gold Bank-Florida, which had total assets as of June 30, 2002 of $1.7 billion, $954 million, and $629 million, respectively. We also own non-bank financial services subsidiaries that provide investment management, trust and other fiduciary services, institutional fixed income brokerage, public finance underwriting and advisory services, title insurance, and data processing and information technology services.

We have a community bank style that is built upon creating long-term customer relationships by providing outstanding service, enabling local decision-makers to make prompt lending decisions, delivering a broad array of sophisticated banking and wealth management services, and maintaining extensive community involvement. Our target markets are small- to mid-sized businesses and high net-worth individuals who desire a more personal banking and investment relationship that is responsive to their needs. To continue our growth we are placing increasing emphasis on expanding our presence in metropolitan communities such as Kansas City, Tulsa, Oklahoma City, Sarasota/Bradenton and Tampa, as well as their surrounding affluent areas, including Johnson County, Kansas and the Florida counties of Manatee, Sarasota, Hillsborough and Charlotte. These areas have experienced extensive residential and small- to mid-sized business development, which has enabled our loans and deposits to grow faster in these areas than in our rural markets. In the aggregate, this model has been successful in increasing our loans and deposits per banker, improving market share, enhancing return on equity and assets, and producing a higher percentage of non-interest income from wealth management and other services.

The consolidation of financial institutions in our markets, driven by larger regional and national banks, has resulted in decision-making being centralized away from the local markets that these acquired banks served. As a result, we have been able to attract and retain as customers those owner-operated and other businesses that require flexible and prompt lending decisions and desire a more personal banking relationship. We have experienced significant loan growth, particularly in Kansas and Florida, by applying our community banking style and personalized customer service in these higher growth markets without compromising our strong credit standards. We have also hired additional experienced bankers in these markets who are involved in the communities they serve and who subscribe to our credit culture and operating philosophy. They bring to us new banking relationships that are seasoned and familiar to such bankers.

Our principal executive offices are located at 11301 Nall Avenue, Leawood, Kansas 66211, and our telephone number is (913) 451-8050.

Principal Operating Businesses. We conduct our operations through our subsidiary banks and several non-bank subsidiaries.

> *Gold Bank-Kansas*. Gold Bank-Kansas has 22 banking offices located throughout the state of Kansas, as well as two locations in Kansas City, Missouri and two locations in St. Joseph, Missouri. It is

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headquartered in Leawood, Kansas, an affluent suburb of Kansas City. Our focus on growth in Gold Bank-Kansas metropolitan markets is evidenced by the increase in deposits and loans located in the Kansas City metropolitan market from 42.6% of deposits and 51.2% of loans as of December 31, 1999, to 66.0% of deposits and 54.4% of loans as of June 30, 2002. To continue this positive trend, we are locating our new branches in the more affluent and higher growth areas of the metropolitan markets where our target customers reside or are headquartered. As of June 30, 2002, Gold Bank-Kansas had $1.7 billion of total assets, $1.3 billion of loans, $1.3 billion of deposits and $149 million of stockholders equity.

Gold Bank-Oklahoma. Gold Bank-Oklahoma has 17 banking offices located in Oklahoma and one location in Kansas. Its headquarters is located in Oklahoma City. As of June 30, 2002, approximately 70% of the deposits and approximately 50% of the loans of Gold Bank-Oklahoma were located in rural markets. We are focusing on growing Gold Bank-Oklahoma s deposits and loans in the Tulsa and Oklahoma City markets. Gold Bank-Oklahoma has had a more stable deposit base and a lower cost of funds than our other banks. As of June 30, 2002, Gold Bank-Oklahoma had $954 million in total assets, $710 million of loans, $729 million of deposits and $79 million of stockholders equity.

Gold Bank-Florida. Gold Bank-Florida is headquartered in Bradenton, Florida, and operates eight other banking offices in the Sarasota/Bradenton market, one of the fastest growing metropolitan areas of the United States. We are in the process of opening new banking offices in Tampa and Sarasota. As of June 30, 2002, 99% of the deposits and 99% of the loans of Gold Bank-Florida were located in metropolitan markets. Since we acquired Gold Bank-Florida in March 2000, we have increased the deposits and loans of the bank from $412 million and $372 million, respectively, on December 31, 2000, to $465 million and $418 million, respectively, as of June 30, 2002. We have also increased Gold Bank-Florida s return on assets and return on equity from 0.48% and 7.99%, respectively, for the year ended December 31, 1999, to 1.14% and 16.09%, respectively, for the year ended December 31, 2001, and to 1.21% and 17.57%, respectively, on an annualized basis, for the six months ended June 30, 2002. As of June 30, 2002, Gold Bank-Florida had $629 million in total assets, $418 million of loans, $465 million of deposits and $46 million of stockholders equity.

Financial services subsidiaries. Our wealth management capabilities complement our community banking style by enabling us to meet more of our customers needs for financial services. Our wealth management services include individually managed equity and fixed income investment portfolios, trust and other fiduciary services, institutional fixed income brokerage, public finance underwriting and advisory services, proprietary equity and money-market mutual funds, and estate planning. These activities are principally conducted through Gold Capital Management, Inc. and Gold Trust Company.

Gold Capital Management, Inc., which we acquired in January 1998, is a broker-dealer and investment advisor marketing fixed income investments to commercial banks and high net-worth individuals located in Kansas, Missouri and contiguous states.

Gold Trust Company, which we acquired in December 1998, provides trust and investment management services to customers in Kansas, Missouri, Oklahoma and Florida. As of June 30, 2002, Gold Trust Company had approximately $373 million in discretionary trust assets under management and approximately $134 million in non-discretionary trust assets under administration.

CompuNet Engineering, Inc. In March 1999, we acquired CompuNet Engineering, Inc., which provides information technology, e-commerce services and networking solutions for banks and other businesses, including the design and implementation of local- and wide-area networks. CompuNet is headquartered in Overland Park, Kansas and serves customers primarily in the Midwest. CompuNet s gross revenues for the years ended December 31, 1999, 2000 and 2001 were $3.8 million, $4.4 million and $13.3 million, respectively, and $9.7 million for the six months ended June 30, 2002. Included in this growth are the

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results of CompuNet s 2001 acquisition of the assets of Information Products, Inc., a networking services provider. In addition to its strong and growing external client base, CompuNet is a key strategic provider of technology and systems support to us and our subsidiary banks.

Our Strategy. Our strategic focus is commercial banking and wealth management delivered with a community banking style. Our target markets in each of our service areas are small- and medium-sized businesses and high net-worth individuals. We offer a full range of financial products and services that are tailored to meet the needs of these types of customers. We emphasize personal relationships with customers, involvement in local community activities and responsive lending decisions. We strive to maintain responsive community banking offices with local decision makers. Allowing senior management at each banking location to make credit and pricing decisions within specified guidelines enables us to retain a local identity and expand our banking relationships at each bank. In addition, through our non-bank subsidiaries, we seek to increase our non-interest income above its already strong current level.

The principal elements of our strategy are:

Emphasize personalized customer service and community involvement. We believe that customer loyalty and service are the most important competitive factors in most of our market areas. Our primary goal is to provide exceptional and personalized customer service, making tangible Gold Banc s marketing slogan: More Than Money® Our focus is to combine commercial banking and wealth management in order to become the Financial Services Company of Choice. Our banks management and other employees participate actively in a wide variety of community activities and organizations in order to develop and maintain customer relationships. Our banks seek to retain and recruit the best available banking talent to deliver the quality of personal banking services required to meet customer expectations and to permit us to meet our goals for long-term profitable growth.

Capitalize on changing market conditions. Our management continually monitors economic and other developments in our market areas in order to tailor our operations to the evolving strengths and needs of the local communities. In recent years, consolidation of community banks in our markets has resulted in their conversion to branches of regional and national banks. We believe this trend has created a significant opportunity for our community banking style due to the resulting loss of local decision making, de-emphasis of the customer base we are seeking, and decline in personalized service to those customers.

Consolidate operations. To improve operating efficiencies and allow our bankers to focus on sales and customer service, we have centralized certain management and administrative functions, including data processing, human resources, internal audit, loan review and regulatory administration. Other specific consolidation initiatives include:

the consolidation in the first quarter of 2000 of ten subsidiary banks located in Kansas and Missouri into a single Kansas-chartered bank

the consolidation in the fourth quarter of 2000 of three subsidiary banks located in Oklahoma into a single Oklahoma-chartered bank

the merger in the third quarter of 2001 of our thrift subsidiary, Provident Savings, F.S.B. of St. Joseph, Missouri, into our Kansas-chartered bank

the ongoing centralization of operations at our technology center in Overland Park, Kansas

a company-wide migration to a common data processing platform, begun in 2001 and scheduled for completion in the second quarter of 2003

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Continue building a strong loan portfolio. A central element of our strategic focus on commercial banking is the development of a strong, diversified loan portfolio in each of our subsidiary banks. We emphasize commercial and real estate lending in each of our metropolitan markets and have enjoyed strong loan demand, attractive yield opportunities and generally high asset quality in our lending activities. For the year ended December 31, 2001, our loan portfolio grew by $256.3 million, or 13.4%, before reflecting the impact of the sale of $40.0 million of single family mortgage loans in the secondary market in May 2001. For the six months ended June 30, 2002, our loan portfolio grew by an additional $274.8 million, or 12.8%. As of June 30, 2002, our loan portfolio composition, excluding mortgage loans held for sale, was as follows:

	Amount	%
	(dollars in thousands)	
Real estate		
Commercial	$ 837,425	34.5%
Construction	268,757	11.1
1 to 4 family residential	296,968	12.2
Agricultural	87,087	3.6
Commercial	697,412	28.8
Agricultural	164,704	6.8
Consumer and other	72,720	3.0
Total loans	2,425,073	100.0%
Less allowance for loan losses	30,459	
Total	$ 2,394,614	

Maintain and enhance high asset quality. We believe the success of our banking activities depends to a significant extent on the quality of our assets, particularly our loans. We have endeavored to build a strong credit culture throughout the Gold Banc organization, with a stringent underwriting and loan approval process, centralized loan administration and early, close attention to any deterioration in current or prospective performance of loans. For a more detailed description of our lending process, see Business Lending Activities, and Loan Origination and Processing in Amendment No. 1 to our Annual Report on Form 10-K/A for the year ended December 31, 2001. We actively manage our past due and non-performing loans in each bank in an effort to minimize credit loss and related expenses and to ensure that our allowance for loan losses is adequate.

During 2000 and 2001, our levels of non-performing loans rose, and during 2001 we increased our provision for loan losses significantly over historic levels. This increase in non-performing loans, and the corresponding increase in provision for loan losses, was primarily the result of unexpected non-performing loans at Gold Bank-Oklahoma, arising principally from a bank we acquired in early 2000. We have taken aggressive action to address the issues identified in Oklahoma, and for the six months ended June 30, 2002, Gold Bank-Oklahoma s non-performing loans declined by $2.9 million, or 22.3%, from their December 31, 2001 levels.

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Selected ratios related to asset quality and our allowance for loan losses are set forth below:

	As of or for the years ended December 31,					As of or for the six months ended June 30,	
	1997	1998	1999	2000	2001	2001	2002
						(unaudited)	
Ratios:							
Allowance for loan losses to non-performing loans	270.20%	278.38%	331.65%	126.34%	113.42%	135.68%	168.28%
Allowance for loan losses to total loans	1.37%	1.32%	1.43%	1.35%	1.21%	1.24%	1.25%
Non-performing loans to total loans	0.51%	0.47%	0.43%	1.06%	1.06%	0.91%	0.74%
Non-performing assets to total assets	0.46%	0.47%	0.42%	0.90%	0.91%	0.73%	0.60%
Net loan charge-offs to average loans (1)	0.30%	0.28%	0.48%	0.24%	0.78%	0.68%	0.46%

(1) Ratios for interim periods have been annualized.

Minimize impact of interest rate fluctuations. As part of our efforts to minimize fluctuations in net interest income caused by changes in market interest rates, we continually manage the repricing of interest rate-sensitive assets and liabilities, and we regularly use asset/liability management modeling to monitor any mismatch in our current gap position.

While we have not historically used interest rate swaps or other derivative instruments to manage our interest rate exposure, in August 2002 we entered into three interest rate swap agreements with an aggregate notional amount of $82.5 million. The swaps effectively converted our fixed interest rate obligations under our three outstanding series of trust preferred securities to variable interest rate obligations, decreasing the asset sensitivity of our balance sheet by more closely matching our variable rate assets with variable rate liabilities. Each swap has a notional amount equal to the outstanding principal amount of the related trust preferred securities, together with the same payment dates, maturity date and call provisions as the related trust preferred securities. Under each of the swaps, we pay at a variable rate equal to a spread over 90-day LIBOR, adjusted quarterly, and receive a fixed rate equal to the interest we are obligated to pay on the related trust preferred securities.

Under our asset/liability management model, which assumes a static balance sheet, instantaneous upward and downward parallel shifts in interest rates and the effect of the interest rate swap agreements as if they had been in effect, as of June 30, 2002, an increase in interest rates of 200 basis points would increase our net interest income by approximately 1.27%, while a decrease in interest rates of 200 basis points would decrease our net interest income by approximately 8.32%.

Develop branches in existing metropolitan markets. The loan demand in metropolitan Kansas City, as well as in Tulsa, Oklahoma City, and Bradenton/Sarasota, Florida, is greater than that experienced in our rural market areas. As a result, our revenues and earnings will depend primarily on our growth in metropolitan markets. Our strategy is therefore focused on developing new branches and selectively acquiring branches in metropolitan markets. We have been implementing this strategy by:

- opening a new branch in northwestern Oklahoma City
- opening four new branches in the Kansas City metropolitan market
- filing regulatory applications to open new branches in Sarasota and Tampa, Florida
- acquiring a branch facility located in Leawood, Kansas, with $51 million of deposits
- selling four rural Kansas branches with $67 million of deposits
- acquiring four additional branch facilities, with approximately $144 million of deposits, located in Johnson County, Kansas

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Pursue selected acquisitions. We completed numerous bank acquisitions during the period from 1996 to 2000 to build profitable market share, achieve economies of scale and implement our strategy of entering higher-growth metropolitan markets. In the future, we may supplement our internal growth by acquiring financial institutions or individual branches located in metropolitan areas with higher growth opportunities, primarily in the Midwest and the west coast of Florida. Such acquisition candidates would have to fit strategically within our growth objectives and would generally be expected to be accretive to our earnings per share within twelve months after closing.

Recent Developments

We expect to meet or exceed consensus analyst earnings estimates of $0.21 per share for the third quarter of 2002. We also expect non-performing loans and other asset quality measures to be in line with or better than those announced in the second quarter of 2002.

The Offering

Common stock offered	5,000,000 shares
Offering price per share	$
Common stock outstanding after the offering	38,714,009 shares (1)
Use of proceeds	The net proceeds from the sale of 5,000,000 shares of our common stock in this offering are estimated to be approximately $46.3 million after deducting the underwriting discount and the aggregate offering expenses payable by us. We estimate the offering expenses payable by us to be approximately $315,000. If the underwriters exercise their over-allotment option in full, the net proceeds will be approximately $53.3 million. We are conducting this offering to raise capital that we will contribute to our subsidiary banks to maintain their well capitalized status. We intend to use approximately $20.0 million of the net proceeds to increase the capital of our subsidiary banks to support their asset growth, approximately $23.0 million of the net proceeds to pay down our line of credit (substantially all of the proceeds of which have been invested in the capital of our subsidiary banks), and the remaining net proceeds for general corporate purposes.
Purchases by our directors and officers	Some of our directors and officers have indicated their intent to purchase up to 300,000 shares of common stock in this offering. For more information, see Underwriting.
Nasdaq National Market symbol	GLDB

(1) The information above assumes that the underwriters do not exercise the option that we have granted to them to purchase additional shares in the offering and is based on the shares outstanding as of September 20, 2002.

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Summary Financial Data
(in thousands, except per share data and ratios)

The summary consolidated financial data presented below, as of or for each of the years in the five-year period ended December 31, 2001, are derived from our audited historical financial statements. The summary data presented below as of or for the six-month periods ended June 30, 2001 and 2002, are derived from our unaudited consolidated financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of results as of or for the six-month periods have been included. This information should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto incorporated by reference into this prospectus from Amendment No. 1 to our Annual Report on Form 10-K/A for the year ended December 31, 2001, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002. Results for past periods are not necessarily indicative of results that may be expected for any future period, and results for the six-month period ended June 30, 2002 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2002.

	As of or for the years ended December 31,					As of or for the six months ended June 30,	
	1997	1998	1999	2000	2001	2001	2002
						(unaudited)	
Statement of Operations Data:							
Net interest income	$ 64,087	$ 78,800	$ 88,185	$ 93,460	$ 89,078	$ 43,775	$ 49,732
Provision for loan losses	4,921	5,111	11,586	4,673	15,314	4,340	9,955
Net interest income after provision for loan losses	59,166	73,689	76,599	88,787	73,764	39,435	39,777
Non-interest income	12,660	17,731	29,449	28,837	45,048	19,872	30,754
Non-interest expense (1)(2)(3)(4)(5)	46,569	63,962	83,373	116,803	89,639	41,462	52,279
Earnings before income taxes	25,257	27,458	22,675	821	29,173	17,845	18,252
Income taxes	7,738	6,792	7,900	5,275	4,820	5,798	5,133
Net earnings (loss)	17,519	20,666	14,775	(4,454)	24,353	12,047	13,119
Less pro forma tax expense (6)	1,579	2,797					
Add back goodwill amortization (7)	634	609	1,996	2,464	1,917	1,060	