

# **PUBLIC DISCLOSURE**

February 18, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Security Bank-Hendricks  
Certificate Number: 15767

113 South Main Street  
Hendricks, Minnesota 56136

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following points summarize the institution's Community Reinvestment Act (CRA) performance:

- The loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs.
- The bank originated a substantial majority of its small business and small farm loans inside its assessment area.
- The geographic distribution criterion was not evaluated as the bank's assessment area is comprised solely of middle-income geographies. As a result, the analysis would not result in meaningful conclusions.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

First Security Bank-Hendricks continues to operate from its sole office located in Hendricks, Minnesota. Folden Financial Corporation, a one-bank holding company also located in Hendricks, controls the bank. There have been no branching changes and no mergers or acquisitions since the previous evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated June 4, 2019, conducted based on Interagency Small Institution Examination Procedures.

The bank continues to offer traditional credit products, including agricultural, commercial, home mortgage, and consumer loans, with a focus on commercial and agricultural lending. The bank also provides a variety of traditional deposit services, including checking, savings, money market, and certificate of deposit accounts. Alternative banking services include online and mobile banking.

As of December 31, 2024, the institution reported total assets of \$41.9 million, total loans of \$16.5 million, and total deposits of \$36.9 million. The following table illustrates the bank's loan portfolio distribution.

<b>Loan Portfolio Distribution as of 12/31/2024</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	44	0.3
Secured by Farmland	3,778	23.0
Secured by 1-4 Family Residential Properties	1,420	8.6
Secured by Multifamily (5 or more) Residential Properties	151	0.9
Secured by Nonfarm Nonresidential Properties	1,495	9.1
<b>Total Real Estate Loans</b>	<b>6,888</b>	<b>41.9</b>
Commercial and Industrial Loans	3,912	23.8
Agricultural Production and Other Loans to Farmers	1,407	8.6
Consumer Loans	631	3.8
Obligations of State and Political Subdivisions in the U.S.	3,615	22.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
<b>Total Loans</b>	<b>16,453</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0%</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. First Security Bank-Hendricks has designated one contiguous assessment area that consists of nonmetropolitan southwest Minnesota and nonmetropolitan east central South Dakota. The assessment area includes all census tracts in Lincoln County, Minnesota, and Census Tract 9702 in western Yellow Medicine County, Minnesota. Census Tract 9586 in eastern Brookings County, South Dakota, is also included in the assessment area. There have been no changes to the assessment area since the prior evaluation.

### **Economic and Demographic Data**

The following table illustrates select demographic characteristics of the assessment area.



Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	4	0.0	0.0	100.0	0.0
Population by Geography	12,502	0.0	0.0	100.0	0.0
Housing Units by Geography	6,122	0.0	0.0	100.0	0.0
Owner-Occupied Units by Geography	4,054	0.0	0.0	100.0	0.0
Occupied Rental Units by Geography	976	0.0	0.0	100.0	0.0
Vacant Units by Geography	1,092	0.0	0.0	100.0	0.0
Businesses by Geography	1,656	0.0	0.0	100.0	0.0
Farms by Geography	392	0.0	0.0	100.0	0.0
Family Distribution by Income Level	3,212	15.3	22.3	23.3	39.2
Household Distribution by Income Level	5,030	22.2	16.6	20.5	40.7
Median Family Income Non-MSAs - MN		\$74,710	Median Housing Value		\$124,211
Median Family Income Non-MSAs - SD		\$72,374	Median Gross Rent		\$631
			Families Below Poverty Level		5.0%
<i>Source: 2020 U.S. Census and 2024 D&amp;B Data Due to rounding, totals may not equal 100.0%</i>					

According to 2024 D&B data, the service industry represents the largest portion of the business sector in the assessment area at 25.8 percent and is followed by agricultural, forestry, and fishing at 19.1 percent and non-classifiable establishments at 18.4 percent. Most businesses are small, as 91.5 percent operate from a single location and 67.8 percent employ four or less employees. Lastly, Lincoln County, Minnesota, has been underserved every year since the prior evaluation due to its remote location.

### **Competition**

First Security Bank-Hendricks operates in a competitive banking market. FDIC Deposit Market Share data as of June 30, 2024, indicates that 14 financial institutions operate 25 offices within Lincoln, Yellow Medicine, and Brookings counties. Of these institutions, First Security Bank-Hendricks ranked 11<sup>th</sup> with a deposit market share of 1.3 percent.

### **Community Contact**

As part of the evaluation process, examiners contact third parties in the assessment area to assist in identifying the credit needs of the area. This information helps determine what credit opportunities are available and whether local financial institutions are responsive to credit needs.

Examiners reviewed a recent community contact interview that was conducted with a representative from a regional development entity. Information received from the contact indicated that the local area is very rural and is primarily supported by the agricultural and manufacturing industries. Although farm income has been steady over the past few years, recent trends in the agricultural industry are adversely affecting local farmers. Specifically, crop prices are low, and production costs are high, making it difficult to maintain or recoup a sustained profit. In addition, rising interest rates are making it difficult for small farming operations to maintain current equipment

and/or purchase new equipment, and increased land prices are making it difficult for smaller operations to grow. Furthermore, the contact noted that businesses in the area continue to struggle to hire and retain employees, which is especially challenging for small locally owned businesses. Overall, the contact feels that local financial institutions are meeting area credit needs and are actively engaged in the communities being served.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that commercial and agricultural lending represent the primary credit needs in the assessment area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated June 4, 2019, to the current evaluation dated February 18, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance.

### **Activities Reviewed**

The bank's primary lending focus is commercial and agricultural lending. This conclusion considered the institution's business strategy, volume of loans originated during the evaluation period, and data from the Reports of Condition and Income. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners analyzed small business and small farm loans originated, extended, renewed, or purchased in 2024. Both products were weighted equally when drawing overall conclusions. Home mortgage loans were not included in the review, as this type of lending is not a major product line for the bank.

Examiners reviewed 28 small business loans totaling \$2.7 million and 16 small farm loans totaling \$1.2 million for the Assessment Area Concentration criterion. For the Borrower Profile criterion, examiners reviewed all loans originated in the assessment area, which includes 24 small business loans totaling \$2.3 million and 12 small farm loans \$897,000. D&B data for 2024 provided a standard of comparison for small business and small farm lending.

While both the number and dollar volume of loans are presented, examiners emphasized performance by number of loans, because the number of loans is generally a better indicator of the number of businesses and farms served.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

First Security Bank-Hendricks demonstrated satisfactory performance under the Lending Test. The bank's performance under all evaluated criteria supports this conclusion.



**Loan-to-Deposit Ratio**

First Security Bank-Hendricks' LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Reports of Condition and Income data, averaged 45.6 percent over the past 23 calendar quarters from June 30, 2019, through December 31, 2024. The ratio ranged from a low of 37.7 percent as of December 31, 2023, to a high of 52.2 percent as of June 30, 2019. The bank's average LTD ratio slightly declined since the previous evaluation when it was 50.0 percent. Examiners compared the bank's average LTD ratio to two other financial institutions. The comparable institutions were selected based on their asset size, geographic location, and lending focus. As shown in the following table, the bank's LTD ratio is generally comparable to these institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 12/31/2024 (\$000s)	Average Net LTD Ratio (%)
First Security Bank - Canby, Canby, Minnesota	79,025	59.7
<b>First Security Bank-Hendricks, Hendricks, Minnesota</b>	<b>41,871</b>	<b>45.6</b>
Richland State Bank, Bruce, South Dakota	40,310	44.7

*Source: Reports of Condition and Income 6/30/2019 – 12/31/2024*

**Assessment Area Concentration**

As detailed in the following table, First Security Bank-Hendricks made a substantial majority of its small business and small farm loans inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business	24	85.7	4	14.3	28	2,340	87.6	332	12.4	2,672
Small Farm	12	75.0	4	25.0	16	897	77.1	266	22.9	1,163

*Source: Bank Data*

**Geographic Distribution**

The bank's assessment area does not contain any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

**Borrower Profile**

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. The bank's reasonable small business lending and excellent small farm lending supports this conclusion. Examiners focused on the percentage of loans to businesses and farms with gross annual revenues of \$1 million or less.

### ***Small Business Loans***

The distribution of borrowers reflects reasonable penetration among businesses of different sizes throughout the assessment area. As illustrated in the following table, the bank's performance lags demographic data. However, the data is somewhat skewed since all 24 loans were originated to only 12 different borrowers. Of these borrowers, 66.6 percent had gross annual revenues of \$1 million or less, which demonstrates the bank's efforts to lend to small businesses. Furthermore, the most recently available aggregate data (2023) revealed that 56.6 percent of small business loans were to businesses with gross annual revenues of \$1 million or less. Aggregate data spanning from 2021 through 2023 has remained stable. Considering these factors, the bank's performance is reasonable.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	84.5	11	45.8	747	31.9
>\$1,000,000	4.0	13	54.2	1,593	68.1
Revenue Not Available	11.5	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>2,340</b>	<b>100.0</b>

*Source: 2024 D&B and Bank Data*

### ***Small Farm Loans***

The distribution of borrowers reflects excellent penetration among farms of different sizes throughout the assessment area. All 12 small farm loans originated in the assessment area were to farms with gross annual revenues of \$1 million or less. The comparable D&B data reveals that 98.2 percent of farms in the assessment area have gross annual revenue of \$1 million or less.

### **Response to Complaints**

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

## **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.



## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary



counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

# **First Security Bank – Hendricks**

## **Banking Location**

**January 2025**

113 South Main Street  
P.O. Box 7  
Hendricks, Minnesota 56136

Census Tracts = 2010.01  
2010.02  
9586.00  
9702.00

The First Security Bank – Hendricks has not closed or opened any branches during the prior five (5) years.



## **CREDIT & DEPOSIT SERVICES AVAILABLE TO CUSTOMERS**

Check Cashing

Night Depository

Cashier's Checks

Wire Transfers

Visa Debit Card

Notary Public

Remote Deposit Capture

ACH Origination

Online Banking & Mobile  
Banking

Bill Pay

Mobile Deposit

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Ready Reserves

Consumer Loans

Agriculture Production Loans

Farm Land Loans

Home Improvement Loans

Home Equity Lines of Credit

Commercial Loans

Home Purchase Financing

Personal Accounts Including:

- Regular Checking
- Security Club Checking
- NOW Checking
- Passbook Savings
- Money Market Savings

Business Accounts Including:

- Checking
- Small Business  
Checking
- Savings
- Money Market

Certificates of Deposit

Safe Deposit Boxes

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Lobby Hours:

Monday – Thursday

8:30 am to 3:00 pm

Friday

8:30 am to 6:00 pm

ATM access

24 hours a day/

7 days a week

Updated 1/1/2025

## COMMON FEATURES

FIRST SECURITY BANK - HENDRICKS  
MAIN BANK  
113 SOUTH MAIN ST PO BOX 7  
HENDRICKS, MN 56136  
January 24, 2025

This disclosure contains information about terms, fees, and interest rates for some of the accounts we offer.

### MISCELLANEOUS FEES AND CHARGES

#### NSF/Non Sufficient Funds Return Item (each)

Non Sufficient Funds Return item may be created by check, in-person, or other electronic means: NSF/Non Sufficient Funds Return Item Fee (each): \$35.00 (Maximum charge per day) 3 items

#### Overdraft Fee (each item)

An overdraft item may be created by check, in-person withdrawal, or other electronic means. Overdraft Fee (each): \$35.00 (Maximum charge per day) 3 items

#### Continuous Overdraft Fee

After ten (10) business days and every ten (10) business days thereafter that the account remains overdrawn a continuous overdraft fee will be assessed. (Con't OD Charge): \$35.00

A continuous overdraft fee can result from other bank charges

#### Deposit Item Return Charge

Deposit Item Return Charge: \$4.00

#### ATM/Debit Card

Replacement Card or PIN Fee: \$10.00

ATM Surcharge Fee: \$2.00 per transaction at any terminal not in our network

#### Debit Card/ATM Card International Fee: 1% of International Transaction

Visa USA charges us an 0.8% International Service Assessment on all international transactions regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. The fee we charge you for international transactions/currency conversion is disclosed as follows: 1%. The 1% international transaction fee will already be included in the international transactions appearing on your periodic statement.

#### Dormant Account

Dormant Fee: \$5.00 per statement cycle

An account is dormant if for one (1) year

There have been no deposits or withdrawals to the account.

There has been no communication about the account.

There has been no communication about any account.

#### Safe Deposit Box

Safe Deposit Box Rent per year: Fee depends on the size of the box

Box Drilling: \$100.00 plus cost of drilling and lock replacement

Key Replacement: current cost of replacement plus \$50.00

#### Wire Fee

Customer Incoming: \$15.00

Customer International Wire: \$50.00

Non Customers: First Security Bank does not process wire transfers for non customers

Customer Outgoing: \$30.00

#### Stop Payment

All items: \$35.00

#### Ready Reserve

Annual Fee: \$30.00

#### Miscellaneous Fees

Account Activity Printout: \$3.00

Account Research and Balancing Assistance: \$60.00 per hour with a one hour minimum

ACH Same Day Electronic Funds Transfer: \$20.00

Amortization Schedule: \$10.00

Check Cashing: Non Customer On Us Checks Only: \$5.00 per \$100.00, Minimum \$10.00

Check Printing: Fee depends on the style of checks ordered - First order of corporate image checks free with Security Club Account, 25% off corporate image checks after the first order

Collection Items: \$15.00

Copy of Statement: \$4.00 per statement

Faxing Service: Customers: \$1.00 per page (Free with Security Club Account)

Non Customers: \$4.00 per page

Levies, Garnishments, and Executions: \$100.00

\*Fee is subject to account balance

Monthly Mailed Statement Fee: \$3.00 per statement

Notary Fee: Non Customer: \$10.00

Official Checks: Money Order/Cashier's Check: \$10.00 (Free with Security Club Account)

Photocopies: \$0.25 per page (Free with Security Club Account)

Member  
FDIC

**COMMUNITY REINVESTMENT ACT  
ASSESSMENT AREA**

**for**

**First Security Bank - Hendricks  
56136**

Lincoln County, MN:

Census Tract Numbers	2010.01
	2010.02

Yellow Medicine County, MN:

Census Tract Number	9702.00
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Brookings County, SD:

Census Tract Number	9586.00
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9537.00

YELLOW MEDICINE

9702.00

▲ Canby

Porter

Brandt

LINCOLN

Taunton

Minnesota

Toronto

Astoria

BROOKINGS

Hendricks

▲

2010.01 ▲ Ivanhoe

▲ ARCO

White

▲

9586.00

▲ Bushnell

▲ Aurora

▲ Lake Benton

2010.02

▲ Tyler

Florence

Elkton



89.00

90.00

**FIRST SECURITY BANK - HENDRICKS  
113 SOUTH MAIN STREET  
HENDRICKS, MN 56136**

January 24, 2025

As of January 24, 2025, there have been no written comments received from the public in relation to the bank's performance in helping meet community credit needs for 2024.

# HENDRICKS

## STRATEGIC PLAN WORKSHEET

2025

**FOCUS AREA: Growth/Financial Management\***

OBJECTIVE	GOAL	STRATEGY	ACTION PLAN	RESPONSIBLE PARTY	DATE	BUDGET	PROGRESS REVIEW
1. A financial management plan for business growth, increasing revenue while managing expenses.	Budget and plan to achieve:	Earning asset growth	*Wholesale funding (FHLB, Brokered CD's, Performance Trust)	Matt	Ongoing	0	2024 goals were met.
	4% total asset growth	Loans	*Piper Sandler	Board of Directors	Ongoing		
	*ROA 1.50%	Bonds/Investments	*Remote Deposit	Staff	Ongoing		
	*ROE 12.00%	Low cost funds/mngt.	*Additional loan relationships		Ongoing		
	*Maintain 12.00% Capital	Expand fee relationships	*Word of mouth		Ongoing		
	*Maintain < 55% Efficiency	*From Free to Fee	*Municipal Tax-Exempts		Ongoing		
*Improve NIM above 3.5%	*Brokerage		*Utilize balance sheet strategy presented by ALMEdge.	Matt	ongoing	= \$3000	NIM is tough.
	*Office Rental			Matt			
	*Promote						
	*Best Service						

### MISSION STATEMENT

*A professional delivery of relevant financial products and services within our trade area.*



# HENDRICKS

## STRATEGIC PLAN WORKSHEET

2025

**FOCUS AREA: Marketing\***

OBJECTIVE	GOAL	STRATEGY	ACTION PLAN	RESPONSIBLE PARY	DATE	BUDGET	PROGRESS REVIEW
*Identify best niches to achieve growth strategy.	Assess Products and Services	*Personal visits and/or focus groups to determine needs.	*Summary of needs and identification of product options.	Matt			Review
	*Seniors market *Farmers *Investment *Baby boomers *Lake & snow birds *New residents *Land *Solar *Residential Real Estate *Leases	*Develop/select new products where possible.  *Show and be known as hands on!  *Do deals and others find out.  *Word of mouth *Increase Social Media	*Email cell #'s *Print Ads  *Social Meida  *Apply existing products.  *Promote sales objectives *Debit cards  *Pork/Park	Entire bank staff   Cora/Jen    Matt/Barb	Ongoing      Tentative 8/24	\$4,000      \$2500	Setup Annual Newspaper Contracts Bill Boards  On Going  85 in '25 Campaign  Setting Up
	Maintain uniform existing products and services.	Generic product/ service description document.  Branded as easily understood	Branding  *Mobile Banking *Remote Deposit *Bill Pay *Debit Cards *Sell Online Products Loan Pay, PTP, Interbank Bank Transfers		Matt  Matt   Staff	Quarterly	\$2,500
ATM Network Awareness	Relationship building Keep customers	Agents/Brokers/ Accountants	Keep connected	Staff	Ongoing		

# HENDRICKS

## STRATEGIC PLAN WORKSHEET

2025

### FOCUS AREA: Information Technology\*

OBJECTIVE	GOAL	STRATEGY	ACTION PLAN	RESPONSIBLE PARY	DATE	BUDGET	PROGRESS REVIEW
Effectively market our technology capability.	*Electronic payment *Increased debit card use *Real Time debit use	Promote: *E-banking	*Develop brochures *Customer Contact	Jen All of us		0	On Hand
Better use of technology for staff	*On-line banking *On-line account opening *E-statements	*Remote deposit *Faster information	*Promote *Electronic payment --- Train staff to identify opportunities and process procedures	Entire Staff Matt All Staff	Ongoing	0 0	Advertise DONE Continue DONE
*Review ATM Upgrades	*Raised Limits *Mobile App	*Good sales tool *Promote Technology					
*New Debit Card Support	*Faster Info Retrieval	*Social Media	*More consistant use	Matt			DONE
*Internet Banking	*Mobile Deposit *Remote Deposit			Scantron	ongoing		
*New Windows 11	*Install All		*Upgrade all work stations	Chelcie	2025	\$2000	Begins in '25
Technology Knowledge	Expand service skills to staff .	Personal banking through customer intimacy encouraged, but electronic use available.	*Training of all staff members. *New staffing *Implementation of service.	Matt Matt	Ongoing	0 0	Know B4
Improve overall sales & service skills of all staff. (Cont'd)	Develop streamlined sales culture with well informed staff.	Training & Involvement	Skill assessment and progress review - each staff member	Mark G. Zack Chelcie	Mark G. Zack Chelcie	\$1,000	We have Precision meetings in Sioux Falls, SD along with operations staff.
Upgrade Systems "DocuSign"	More User Friendly	Loan & deposit platforms	Continue to Evolve	Jen/Chelcie	Jen/Chelcie	\$2000	Monthly NCR meetings to develop better understanding Implement

# HENDRICKS

## STRATEGIC PLAN WORKSHEET

2025

**FOCUS AREA: Communications\***

OBJECTIVE	GOAL	STRATEGY	ACTION PLAN	RESPONSIBLE PARY	DATE	BUDGET	PROGRESS REVIEW
1. Communication - Effective, efficient and regular communication throughout the bank.	Compliance and IT Updates  Sales/Marketing	Training  Staff Development	*Develop agenda and training plans for each weekly meeting  *Selection of presenters  *On-going evaluation of meetings effectiveness	Staff   Matt	Ongoing		Weekly/meetings
2. Expand product and procedures knowledge and skill of all staff	Maintain training for:	Weekly Agenda	*Identify knowledge and skill gaps	Matt	Weekly	0	On-going weekly E-learning
	*all products	Improve Staff Awareness	*Utilize video - Internet options	All Staff			
	*technology processes		*Quizing				
*administrative processes			*Implement employee demonstration test				
*Phone Etiquette							
*Sales			*Ask for the business	Everyone	Daily	0	

# HENDRICKS

## STRATEGIC PLAN WORKSHEET

2025

**FOCUS AREA: Human Resources\***

OBJECTIVE	GOAL	STRATEGY	ACTION PLAN	RESPONSIBLE PARY	DATE	BUDGET	PROGRESS REVIEW
1. Ensure continuity of management succession with capable staff	A replacement and succession plan for staff:  *branch manager  *vice president *cashier	Succession Education  *Develop in house	*Skill assessment and training plan for each person.  *For all other positions one back-up person trained	Matt, Chelcie, Jen  Board of Directors	Ongoing  Continued	0	Cross-training in bank continues.
2. Compensation to be competitive for all positions.	*Recruitment  *Retention	Outside vendor and local contacts.  Benefits/401(K)  New suite of products	*Investigate most accurate and economical source of information  *Inform staff as appropriate  *Review all benefits tied to compensation  *Policies  *Remain flexible for scheduling	Matt Board of Directors      President/Board of Directos   Matt	Ongoing	0	Ongoing   We increased our portion of medical insurance premiums to 70%. 11/24



# HENDRICKS STRATEGIC PLAN WORKSHEET

2025

**FOCUS AREA: Regulatory**

OBJECTIVE	GOAL	STRATEGY	ACTION PLAN	RESPONSIBLE PARY	DATE	BUDGET	PROGRESS REVIEW
Ensure compliance with all regulatory guidelines	Maintain CRA/compliance efficiency	Distribute necessary risk information	*Continue training *Maintain on-going weekly training *Better utilize compliance officer, training and communication	Chelcie	On-going	0	Never Stops
	*CIP			Chelcie	Weekly		*FDIC Compliance Exams 2/3/25
	*CRA			Matt			
	*Privacy			All Staff	Ongoing		
	*Fairlending						
	*TIS						
	*TIL						
	*BSA						
*IT							

**FIRST SECURITY BANK – HENDRICKS  
113 SOUTH MAIN STREET  
PO BOX 7  
HENDRICKS, MN 56136**

**Loan To Deposit Ratio**  
*(Quarterly)*

<b>Year: 2022</b>	<b>Qtr</b>	
March 31, 2022	1	42%
June 30, 2022	2	47%
September 30, 2022	3	48%
December 31, 2022	4	48%

<b>Year: 2023</b>	<b>Qtr</b>	
March 31, 2023	1	48%
June 30, 2023	2	47%
September 30, 2023	3	45%
December 31, 2023	4	38%

<b>Year: 2024</b>	<b>Qtr</b>	
March 31, 2024	1	43%
June 30, 2024	2	49%
September 30, 2024	3	49%
December 31, 2024	4	44%