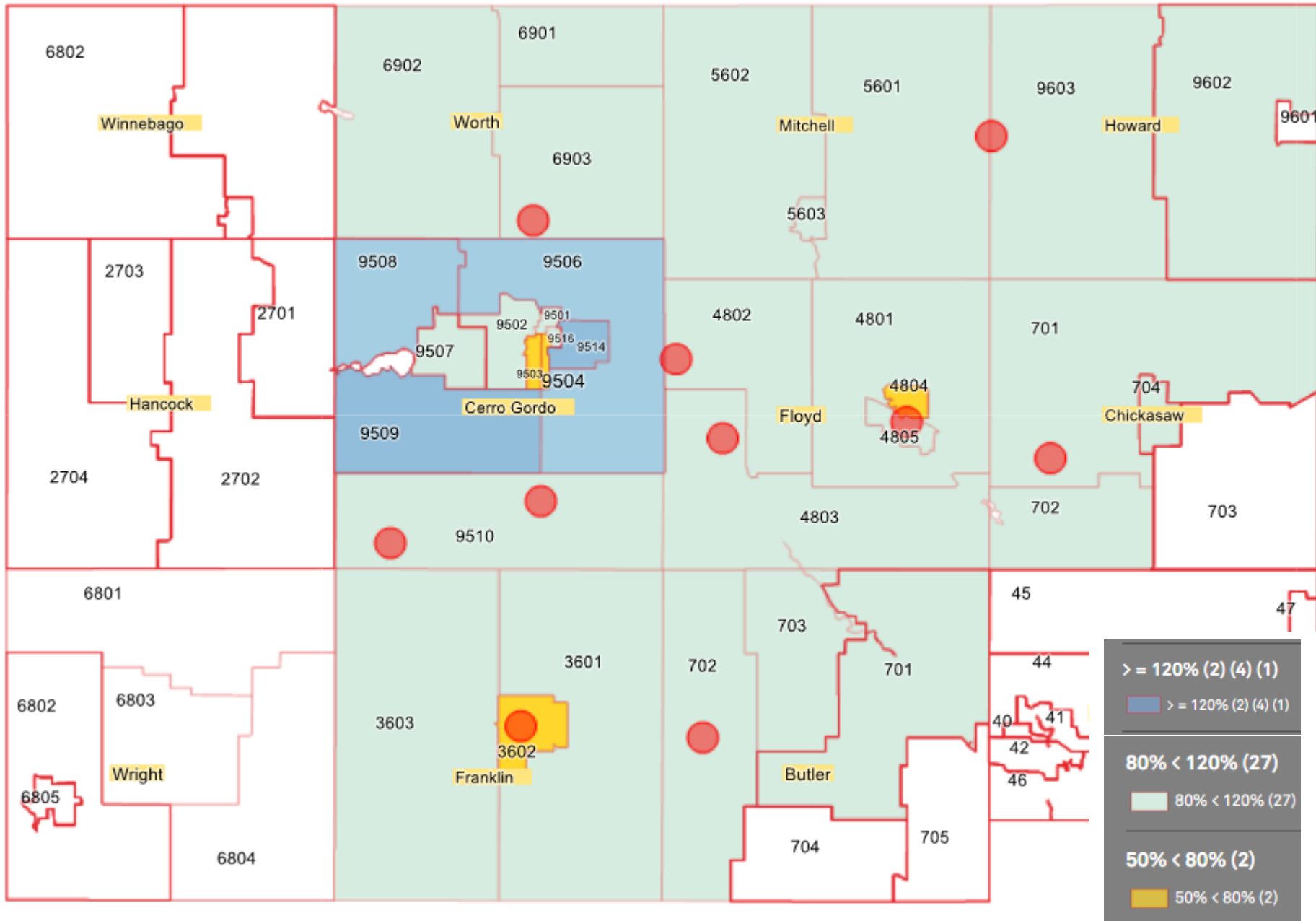


# First Security Bank & Trust Assessment Area



# **PUBLIC DISCLOSURE**

September 21, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Security Bank and Trust Company  
Certificate Number: 1852

809 Clark Street  
Charles City, Iowa 50616

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	2
DESCRIPTION OF ASSESSMENT AREA .....	3
SCOPE OF EVALUATION .....	5
CONCLUSIONS ON PERFORMANCE CRITERIA .....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	14
APPENDICES .....	15
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA .....	15
GLOSSARY .....	16

## 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.

First Security Bank and Trust Company's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the rating. The following points summarize the bank's Lending Test and Community Development Test performance.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area.
- A majority of small business, small farm, and home mortgage loans are inside the bank's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes, as well as individuals of varying income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

**The Community Development Test is rated Satisfactory.**

- Overall, the institution demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity, as well as the need and availability of opportunities in the assessment area.

## DESCRIPTION OF INSTITUTION

First Security Bank and Trust Company is headquartered in Charles City, Iowa. The bank is wholly-owned by Cedar Valley Bankshares, LTD., Charles City, Iowa. The institution received a rating of Satisfactory at its previous FDIC Performance Evaluation dated September 9, 2019, using Interagency Intermediate Small Institution Examination Procedures. The bank operates branches in Aredale, Dumont, Hampton, Ionia, Manly, Marble Rock, Nora Springs, Riceville, Rockford, Rockwell, and Rudd, Iowa. There have been no branch openings or closings, and no merger or acquisition activities since the previous evaluation.

First Security Bank and Trust Company offers various loan products, including commercial, agricultural, residential, and consumer loans. The bank's lending focus is divided equally between commercial, agricultural, and home mortgage lending. The bank also offers long-term home mortgage loans on the secondary market, as well as loans from the Farm Service Agency, U.S. Department of Agriculture (USDA), and Small Business Administration (SBA). In response to the COVID-19 pandemic, First Security Bank and Trust Company offered loans via the SBA Paycheck Protection Program (PPP) to assist business and agricultural-related entities in the area. The bank also offers a number of loan programs targeted to small businesses, small farms, first-time homebuyers, and low- and moderate-income individuals.

The bank provides a variety of deposit-related products that include checking, savings, certificates of deposit, health savings accounts, and individual retirement accounts. Alternative banking products or services include debit and automated teller machine (ATM) cards, direct deposit, telephone banking, electronic statements, online and mobile bill payment, mobile deposit, and online banking services that enable users to make payments and deposits. The bank also operates full-service ATMs and interactive teller machines at the Charles City, Hampton, Manly, Nora Springs, Riceville, Rockford, Rockwell, and Thornton office locations.

As of June 30, 2022, assets totaled approximately \$607.8 million, representing an increase of 24.6 percent since the June 30, 2019, Consolidated Reports of Condition and Income (Call Report). For the same time period, total deposits equaled approximately \$540.7 million, representing a 33.8 percent increase, and total loans equaled approximately \$351.4 million, representing an increase of 19.8 percent. Portfolio concentrations have remained generally consistent over the review period, with a slight increase in commercial loans and a slight decrease in agricultural loans. Management attributed the increase in assets and deposits to stimulus payments and reduced spending among customers because of the pandemic. Loans increased due to the retention of more home mortgage loans. The following table illustrates the composition of the loan portfolio.

<b>Loan Portfolio Distribution as of 6/30/2022</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	10,280	2.9
Secured by Farmland	85,464	24.3
Secured by 1-4 Family Residential Properties	75,849	21.6
Secured by Multifamily (5 or more) Residential Properties	20,216	5.8
Secured by Nonfarm Nonresidential Properties	67,603	19.2
<b>Total Real Estate Loans</b>	<b>259,412</b>	<b>73.8</b>
Commercial and Industrial Loans	28,431	8.1
Agricultural Production and Other Loans to Farmers	43,312	12.3
Consumer Loans	7,300	2.1
Obligations of State and Political Subdivisions in the U.S.	12,895	3.7
Other Loans	96	<0.1
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(0)	(0.0)
<b>Total Loans</b>	<b>351,446</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its performance. First Security Bank and Trust Company defined one assessment area in northern Iowa. The assessment area is comprised of 33 census tracts, including all of Cerro Gordo, Floyd, Franklin, Mitchell, and Worth counties, as well as portions of Butler (census tracts 701, 702, and 703); Chickasaw (census tracts 701, 702, and 704); and Howard (census tracts 9602 and 9603) counties. All counties within the assessment area are considered nonmetropolitan. Management believes these partial counties appropriately reflect the bank's assessment area due to deposit activity, loan demand, distance from branches, and competition.

### **Economic and Demographic Data**

According to 2015 American Community Survey (ACS) data, the assessment area includes 2 moderate-, 29 middle-, and 2 upper-income census tracts. The following table illustrates select demographic characteristics of the assessment area.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	33	0.0	6.1	87.9	6.1	0.0
Population by Geography	111,723	0.0	6.8	88.3	4.9	0.0
Housing Units by Geography	53,566	0.0	7.5	86.8	5.7	0.0
Owner-Occupied Units by Geography	35,860	0.0	5.4	89.7	4.9	0.0
Occupied Rental Units by Geography	12,026	0.0	14.6	81.1	4.3	0.0
Vacant Units by Geography	5,680	0.0	5.8	80.2	14.0	0.0
Businesses by Geography	10,569	0.0	8.2	87.6	4.2	0.0
Farms by Geography	1,982	0.0	1.2	94.5	4.3	0.0
Family Distribution by Income Level	30,856	18.8	20.0	24.1	37.1	0.0
Household Distribution by Income Level	47,886	23.9	17.0	19.4	39.7	0.0
Median Family Income – Nonmetropolitan Iowa		\$61,681	Median Housing Value			\$110,345
			Median Gross Rent			\$587
			Families Below Poverty Level			8.2%
<i>Source: 2015 ACS and 2021 D&amp;B Data Due to rounding, totals may not equal 100.0%</i>						

According to D&B data, service industries represent the largest portion of businesses in the assessment area, by number, at 30.9 percent; followed by agriculture, forestry, and fishing at 15.8 percent; and retail trade at 11.2 percent. Additionally, 69.8 percent of businesses in the assessment area have four or fewer employees, and 89.1 percent operate from a single location.

The Federal Financial Institutions Examination Council (FFIEC)-estimated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion, and to analyze certain community development activities related to housing. The following table details the low-, moderate-, middle-, and upper-income categories for the assessment area.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Nonmetropolitan Iowa Median Family Income</b>				
2021 (\$70,500)	<\$35,250	\$35,250 to <\$56,400	\$56,400 to <\$84,600	≥\$84,600
<i>Source: FFIEC</i>				

### **Competition**

The assessment area is moderately competitive with regard to the market for financial services. The June 30, 2022 FDIC Deposit Market Share Report indicates that there are 26 institutions operating from 72 locations in the counties that make up the assessment area. Of these institutions, First Security Bank and Trust Company ranks 2<sup>nd</sup> with 10.3 percent of the deposit market share. These institutions range from small community banks to larger financial institutions with branch locations in the assessment area.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs and economic conditions of the area. This information helps determine whether local financial institutions are responsive to community credit needs and provides context regarding available opportunities for area financial institutions. For this evaluation, examiners conducted a community contact interview with a representative from a local economic development organization.

The contact stated that the area is mixed in terms of demographics, with some younger communities and some older communities. There are also several lower-income areas within the local counties, with some areas meeting the threshold for majority free and reduced lunch. Manufacturing is the largest industry within the area, followed by agriculture. Major employers include businesses in automotive part production, metal fabrication, agricultural processing, paper processing, and food production. The contact stated that small businesses are doing well in all local counties, though some struggle in Worth County due to the smaller population. New businesses are opening up and the local communities are supporting them. There was some downturn with the pandemic, with the biggest remaining effects being reduced hours and a difficulty hiring and retaining employees due to the labor shortage. The contact stated small farms are doing well as a result of high commodity prices and government stimulus payments. While there have been some challenges for farmers due to inflation, there are also resources available for those who are struggling. The contact stated there is a large need for local affordable housing as homes do not stay on the market long. There is also a shortage of daycare available, which creates problems for families with kids. Rising interest rates have slowed the housing market slightly. However, there is not enough local housing to support all the industry that has been brought to the area. The contact stated that local financial institutions are doing an excellent job of meeting local credit needs.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage loans, especially affordable housing, are the primary credit need of the assessment area. Small business loans and small farm loans are also credit needs within the assessment area. Call Reports filed by area financial institutions also support this assertion. Further, opportunities for community development exist in the area.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated September 9, 2019, to the current evaluation dated September 21, 2022. Examiners used Interagency Intermediate Small Institution



Examination Procedures to evaluate the institution’s CRA performance. These procedures include the Lending and Community Development tests, which the Appendices describes in detail.

**Activities Reviewed**

Examiners determined the institution’s major product lines are commercial, agricultural, and residential real estate loans. Examiners based this conclusion on the institution’s business strategy, loan portfolio distribution, and institution records regarding the number and dollar volume of loans originated or renewed during the evaluation period. Therefore, examiners reviewed small business, small farm, and home mortgage lending at the current evaluation. Based on the loan portfolio and volume of loans originated, examiners gave an equal weight to all three product categories.

Examiners evaluated lending performance based on all small business, small farm, and home mortgage loans originated or renewed in 2021, which management indicated was indicative of lending over the entire evaluation period.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. For the Geographic Distribution criterion, examiners evaluated lending performance based on all small business, small farm, and home mortgage loans originated or renewed inside the assessment area. Furthermore, for the Borrower Profile criterion, examiners evaluated samples of small business, small farm, and home mortgage loans originated inside the assessment area. The following table provides universe and sample information.

<b>Loan Products Reviewed</b>						
<b>Loan Category</b>	<b>Universe</b>		<b>Universe Inside the Assessment Area</b>		<b>Sampled</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Small Business	163	10,223	146	9,505	52	3,278
Small Farm	353	27,481	329	25,408	62	5,748
Home Mortgage	423	47,112	345	37,034	62	5,341
<i>Source: Bank Data</i>						

For small business and small farm lending, 2021 D&B data provided a standard of comparison for the bank’s lending performance. For home mortgage lending, 2015 ACS data provided a standard of comparison for the bank’s lending performance. Examiners obtained the data necessary for this evaluation from reported loan data, individual customer loan files, interviews with bank management, and other information gathered as part of the examination process. Examiners analyzed lending performance by both the number and dollar volume of loans; however, examiners emphasized the performance by number of loans, as it is generally a better indicator of the number of businesses, farms, and individuals served.

For the Community Development Test, examiners reviewed management-presented data on community development loans, qualified investments, and community development services provided since the prior CRA evaluation.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

First Security Bank and Trust Company demonstrated satisfactory performance under the Lending Test. The institution's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria support this conclusion. The following is a discussion of each performance criterion and support for the institution's overall rating.

#### **Loan-to-Deposit Ratio**

First Security Bank and Trust Company's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The institution's net loan-to-deposit ratio, calculated from Call Report data, averaged 68.6 percent over the 12 calendar quarters from September 30, 2019, to June 30, 2022. The net loan-to-deposit ratio ranged from a high of 73.8 percent as of September 30, 2019, to a low of 62.1 percent as of March 31, 2022. The ratio generally declined over the period reviewed as gains in total deposits outpaced net loans. Management attributed the influx of deposits to extra cash and reduced spending due to the pandemic.

Examiners compared First Security Bank and Trust Company's average net loan-to-deposit ratio with those of three similarly situated institutions to evaluate the bank's performance. Examiners selected these institutions based on their similarities in lending focus, asset size, and markets served. As shown in the following table, the bank's ratio ranked third highest out of the comparable institutions, and was similar overall.

<b>Loan-to-Deposit Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 6/30/2022 (\$000s)</b>	<b>Average Net Loan-to-Deposit Ratio (%)</b>
<b>First Security Bank and Trust Company, Charles City, Iowa</b>	<b>607,803</b>	<b>68.6</b>
Iowa State Bank, Clarksville, Iowa	421,284	67.3
Clear Lake Bank and Trust, Clear Lake, Iowa	553,104	76.3
NSB Bank, Mason City, Iowa	435,781	84.9

*Source: Reports of Condition and Income 9/30/2019 - 6/30/2022*

The institution also originates mortgage loans that are subsequently sold through secondary market relationships; these loans are not included in the institution's ratio. While the sale of secondary market loans does not influence the average net loan-to-deposit ratio, this activity provides liquidity to originate additional home mortgage loans. Secondary market lending is responsive to the assessment area's credit needs by providing long-term home mortgage financing.

#### **Assessment Area Concentration**

First Security Bank and Trust Company extended a majority of its small business, small farm, and home mortgage loans inside its assessment area, by number and dollar volume, demonstrating a willingness to extend credit in the area the bank serves. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	146	89.6	17	10.4	163	9,505	93.0	718	7.0	10,223
Small Farm	329	93.2	24	6.8	353	25,408	92.5	2,073	7.5	27,481
Home Mortgage	345	81.6	78	18.4	423	37,034	78.6	10,078	21.4	47,112
<b>Total</b>	<b>820</b>	<b>87.3</b>	<b>119</b>	<b>12.7</b>	<b>939</b>	<b>71,947</b>	<b>84.8</b>	<b>12,869</b>	<b>15.2</b>	<b>84,816</b>

Source: Bank Data  
Due to rounding, totals may not equal 100.0%

### Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion. The bank’s reasonable performance in all three product categories supports this conclusion. Examiners focused primarily on the percentage of loans in moderate-income census tracts located in the assessment area.

#### Small Business Lending

The geographic distribution of small business lending reflects reasonable dispersion. As shown in the following table, the bank’s percentage of lending in the moderate-income areas is slightly higher than demographic data by number of loans and significantly higher by dollar volume.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	8.2	13	8.9	2,230	23.5
Middle	87.6	131	89.7	6,903	72.6
Upper	4.2	2	1.4	372	3.9
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>146</b>	<b>100.0</b>	<b>9,505</b>	<b>100.0</b>

Source: 2021 D&B Data; Bank Data  
Due to rounding, totals may not equal 100.0%

#### Small Farm Lending

The geographic distribution of small farm lending reflects reasonable dispersion, considering additional factors. As shown in the following table, none of the small farm loans reviewed were originated in the moderate-income census tracts, which is slightly below the demographic data. However, the only two moderate-income geographies in the assessment area are located in central Charles City and Mason City, where there is very little agricultural land available and few agricultural businesses. These census tracts are primarily commercial and residential. Given these factors, the institution’s lending to small farm operations in the assessment area is reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	1.2	0	0.0	0	0.0
Middle	94.5	320	97.3	25,192	99.1
Upper	4.3	9	2.7	216	0.9
Not Available	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>329</b>	<b>100.0</b>	<b>25,408</b>	<b>100.0</b>

*Source: 2021 D&B Data; Bank Data.  
Due to rounding, totals may not equal 100.0%*

### Home Mortgage Lending

The geographic distribution of home mortgage lending reflects reasonable dispersion. As shown in the following table, the institution's lending in moderate-income census tracts is slightly higher than the percentage of owner-occupied housing units located in moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	5.4	26	7.5	1,926	5.2
Middle	89.7	312	90.4	33,919	91.6
Upper	4.9	7	2.0	1,189	3.2
Not Available	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>345</b>	<b>100.0</b>	<b>37,034</b>	<b>100.0</b>

*Source: 2015 ACS; Bank Data  
Due to rounding, totals may not equal 100.0%*

### Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes, as well as home mortgage borrowers of differing income levels. The institution's reasonable lending performance in all three product categories supports this conclusion. Examiners focused on the percentage of small business and small farm loans to operations with revenues of \$1 million or less, as well as the percentage of home mortgage loans to low- and moderate-income borrowers.

### Small Business Lending

The institution's distribution of small business loans reflects reasonable penetration among operations of different revenue sizes. As shown in the following table, First Security Bank and Trust Company's lending performance to operations with revenues of \$1 million or less is above demographic data in this revenue category. Additionally, the bank offers SBA loans to meet the credit needs of small businesses.

<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	83.1	46	88.5	2,062	62.9
>\$1,000,000	4.5	6	11.5	1,216	37.1
Revenue Not Available	12.4	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>3,278</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

### Small Farm Lending

The institution's distribution of small farm loans reflects reasonable penetration among operations of different revenue sizes. The following table shows that the institution's lending performance to farms with revenues of \$1 million or less is slightly below demographic data in this revenue category. However, the USDA 2017 Census of Agriculture shows that 52.5 percent of agricultural producers in the counties within the assessment area are "hobby farms," which list their principal occupation as "other than farming." The same report shows that 49.0 percent of farm operations in the counties within the assessment area had no interest expense, indicating that a significant portion of producers in the area have no borrowing need. Given the additional information, the institution's lending performance to small farm borrowers is reasonable.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	98.6	59	95.2	4,769	83.0
>\$1,000,000	0.5	3	4.8	979	17.0
Revenue Not Available	0.9	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>	<b>5,748</b>	<b>100.0</b>
<i>Source: 2021 D&amp;B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

### Home Mortgage Lending

The institution's performance in extending home mortgage loans to borrowers of differing income levels is reasonable, considering additional contextual information. As shown in the following table, First Security Bank and Trust Company's lending performance to low- and moderate-income borrowers is below demographic data. However, approximately one-third of the loans sampled were rental properties with no reported income level. As a result, the bank's level of lending to middle- and upper-income borrowers is also below demographic data. The bank offers secondary market loan programs through several government agencies, which are not included in the universe of home mortgage loans. Several of these programs are targeted to low- and moderate-income borrowers or first-time homebuyers. Additionally, the community contact noted a lack of

affordable housing available in the assessment area. Given these factors, the bank’s level of lending to home mortgage borrowers is reasonable.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	18.8	5	8.1	181	3.4
Moderate	20.0	7	11.3	656	12.3
Middle	24.1	14	22.6	1,301	24.4
Upper	37.1	16	25.8	2,188	41.0
Not Available	0.0	20	32.3	1,015	19.0
<b>Total</b>	<b>100.0</b>	<b>62</b>	<b>100.0</b>	<b>5,341</b>	<b>100.0</b>
<i>Source: 2015 ACS; Bank Data Due to rounding, totals may not equal 100.0%</i>					

### **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.

### **COMMUNITY DEVELOPMENT TEST**

The institution demonstrates an overall adequate responsiveness to the community development needs of the assessment area through community development loans, qualified investments, and community development services. First Security Bank and Trust Company’s activities support community development primarily through economic development efforts that create or retain employment. The institution also provided support for affordable housing, community services targeted to low-and moderate-income individuals, and efforts to revitalize or stabilize low- and moderate-income or underserved, nonmetropolitan middle-income geographic areas. Examiners included community development activities that benefitted the broader statewide and/or regional area in the analysis, as the institution adequately responded to the overall community development needs of its assessment area.

Examiners used information from CRA performance evaluations of six intermediate small institutions conducted during the review period for comparison purposes under the Community Development Test. Examiners selected these institutions because of similarities in asset size, business focus, and types of assessment areas served. Overall, First Security Bank and Trust Company’s performance was comparable to the performance of these institutions.

### **Community Development Loans**

First Security Bank and Trust Company originated 1,421 community development loans totaling approximately \$45.6 million during the evaluation period, which represents 13.2 percent of net loans and 7.5 percent of total assets, as of June 30, 2022. A significant number of these loans resulted from lending conducted as part of the SBA PPP, which helped businesses keep their workforce employed during the COVID-19 pandemic. Examiners evaluated the referenced comparable intermediate small institutions, only two of which participated in the PPP. First

Security Bank and Trust Company’s performance was comparable to these institutions, whose community development loans ranged from 5.7 percent to 25.4 percent of net loans, and 3.4 percent to 14.3 percent of total assets. The following tables reflect the number and dollar volume of community development lending in each category by assessment area and activity year. These tables also identify lending activities in the broader statewide or regional areas that received consideration.

<b>Community Development Lending by Assessment Area</b>										
<b>Assessment Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Assessment Area	3	759	2	9,371	1,298	23,230	2	8,877	<b>1,305</b>	<b>42,237</b>
Statewide Activities	4	1,376	0	0	103	1,820	0	0	<b>107</b>	<b>3,196</b>
Regional Activities	0	0	0	0	9	166	0	0	<b>9</b>	<b>166</b>
<b>Total</b>	<b>7</b>	<b>2,135</b>	<b>2</b>	<b>9,371</b>	<b>1,410</b>	<b>25,216</b>	<b>2</b>	<b>8,877</b>	<b>1,421</b>	<b>45,599</b>
<i>Source: Bank Data</i>										

<b>Community Development Lending</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
September – December 2019	0	0	0	0	0	0	0	0	<b>0</b>	<b>0</b>
2020	6	1,951	0	0	415	9,154	0	0	<b>421</b>	<b>11,105</b>
2021	1	184	1	7,892	995	16,062	1	877	<b>998</b>	<b>25,015</b>
YTD 2022	0	0	1	1,479	0	0	1	8,000	<b>2</b>	<b>9,479</b>
<b>Total</b>	<b>7</b>	<b>2,135</b>	<b>2</b>	<b>9,371</b>	<b>1,410</b>	<b>25,216</b>	<b>2</b>	<b>8,877</b>	<b>1,421</b>	<b>45,599</b>
<i>Source: Bank Data</i>										

### **Qualified Investments**

The institution made 65 qualified investments totaling approximately \$4.7 million during the evaluation period, which represents 0.8 percent of total assets and 2.4 percent of total securities, as of June 30, 2022. Qualified investment activity included 57 donations totaling approximately \$128,000. Comparable institutions reported qualifying investment activity that ranged from 0.7 to 1.7 percent of total assets, and 2.8 to 12.2 percent of total securities. First Security Bank and Trust Company compares reasonably to these institutions. Please see the following tables.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Assessment Area	3	6	4	384	13	82	11	1,957	31	2,429
Statewide Activities	0	0	30	589	2	1,166	2	484	34	2,239
<b>Total</b>	<b>3</b>	<b>6</b>	<b>34</b>	<b>973</b>	<b>15</b>	<b>1,248</b>	<b>13</b>	<b>2,441</b>	<b>65</b>	<b>4,668</b>
<i>Source: Bank Data</i>										

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	2	956	1	736	2	484	5	2,176
September – December 2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	1	634	1	634
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	1	430	1	1,300	2	1,730
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>956</b>	<b>2</b>	<b>1,166</b>	<b>4</b>	<b>2,418</b>	<b>8</b>	<b>4,540</b>
Qualified Grants & Donations	3	6	32	17	13	82	9	23	57	128
<b>Total</b>	<b>3</b>	<b>6</b>	<b>34</b>	<b>973</b>	<b>15</b>	<b>1,248</b>	<b>13</b>	<b>2,441</b>	<b>65</b>	<b>4,668</b>
<i>Source: Bank Data</i>										

### **Community Development Services**

The institution received consideration for 105 community development services that primarily consisted of providing support to organizations that provide community services or work to revitalize or stabilize low- and moderate-income geographic areas in the assessment area. First Security Bank and Trust Company personnel provided technical or financial expertise to these organizations in many ways, all related to the same or similar skills used in their employment with the institution. Personnel have dedicated their time and resources to 24 different organizations over the review period. Most employees providing qualified services did so in an officer, committee member, or Board member capacity.

The comparable institutions provided a range of 23 to 110 community development services. First Security Bank and Trust Company compares reasonably to these institutions. The following table illustrates the bank's community development services in each category by activity year. All 105 community development services were performed with organizations within the bank's assessment area.



<b>Community Development Services</b>					
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
September – December 2019	1	15	2	8	<b>26</b>
2020	2	15	2	8	<b>27</b>
2021	1	16	2	7	<b>26</b>
YTD 2022	2	15	2	7	<b>26</b>
<b>Total</b>	<b>6</b>	<b>61</b>	<b>8</b>	<b>30</b>	<b>105</b>
<i>Source: Bank Data</i>					

The bank offers various small business and personal retail credit and deposit products, including no- or low-cost savings and checking accounts for retail customers. First Security Bank and Trust Company maintains a transactional website, through which consumers can access online banking, permitting them to check account balances, transfer funds between accounts, pay bills, submit mortgage applications, and open deposit accounts. Electronic access is also available through mobile banking, mobile deposit, and electronic statements. These services are generally free of charge to bank customers, which is beneficial to low- and moderate-income individuals. The bank supports an underserved nonmetropolitan middle-income area through branch locations in Aredale and Dumont, which are in Butler County.

As mentioned previously, the bank participates in various lending programs that aid small businesses, small farms, and potential homeowners. First Security Bank and Trust Company also implemented measures to accommodate customers affected by the COVID-19 pandemic, including waived early withdrawal fees for certificates of deposit, reduced interest rates for overdraft lines of credit, and loan modifications.

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

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

## APPENDICES

### INTERMEDIATE 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).

#### **Community Development Test**

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

## 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.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
  - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

**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.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**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 Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**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.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**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 Products & Services**

Loan Products	Deposit Products	Other Products & Services
<i>Agricultural Loans</i>	<i>Personal Banking - Checking</i>	
Operating Loans- including but not limited to feed, grain production and repair expense	Kasasa Cash Back -Minimum opening deposit of \$100.00. Credit back up to 1.5% (cash back rate) on debit card purchases that post to and settle the Kasasa Cash Back account up to a total cash back of \$6.00 and nationwide ATM fee refunds up to \$25.00 per qualification cycle when requirements are met during the monthly qualification cycle.	ACH Origination
Livestock Loans	Kasasa Cash Back with Saver -Minimum opening deposit of \$100.00. Credit back up to 1.5% (cash back rate) on debit card purchases that post to and settle the Kasasa Cash Back account up to a total cash back of \$6.00 and nationwide ATM fee refunds up to \$25.00 per qualification cycle when requirements are met during the monthly qualification cycle. (Monthly cash back and ATM surcharge reimbursements credited to Kasasa Saver account)	Remote Deposit
Machinery and equipment purchases	Kasasa Cash - Minimum opening deposit of \$100.00. Interest earning checking account. Receive interest and nationwide ATM fee refunds up to \$25.00 per qualification cycle if requirements are met during the monthly qualification cycle.	Debit Cards
Farm capital improvements	Kasasa Cash with Saver - Minimum opening deposit of \$100.00. Interest earning checking account. Receive interest and nationwide ATM fee refunds up to \$25.00 per qualification cycle if requirements are met during the monthly qualification cycle. (Monthly interest and ATM surcharge reimbursements credited to Kasasa Saver account.)	Online Banking
Livestock Facilities	Interest Checking - Interest earning checking, \$1,000 minimum balance requirement, \$6.00 minimum balance fee per statement cycle if minimum balance is not maintained.	Mobile Deposit
Grain storage facilities and grain in storage	Health Savings Account - Minimum opening deposit of \$50.00. Interest earning account. Set-up Fee-\$25.00, Manual Withdrawl Fee-\$4.00, Close Account Fee-\$25.00 (Distributions can only be used for qualified medical expenses.)	Bill Pay
Farm buildings	<i>Personal Banking - Savings</i>	Telephone Banking
Vehicles	Investors Advantage-Minimum opening deposit of \$10,000.00 No Minimum balance requirement.Interest earning.	Investment and Trust Services
Down payment loans on farm purchases collateralized on assets other than real estate being purchased	Kasasa Saver-Must be linked to Kasasa Cash Back or Kasasa Cash checking account. Minimum opening deposit of \$100.00. Receive interest if qualification requirements are met in the Kasasa Cash Back or Kasasa Cash account during the monthly qualification cycle.	Bank by Mail
Soil conservation programs of various kinds	Regular Savings - \$100.00 minimum opening balance.	Identity Theft Services
	Better Bee Savings Club - For ages 10 and under. No minimum balance requirement. Incentive of \$5.00 per quarter for 5 minimum deposits of \$5.00 each quarter.	Safe Deposit Boxes
	Limited Edition Savings Account - Minimum opening deposit \$2500.00. Only deposits allowed are from maturing CDs.	
	Companion Savings Account - Minimum opening deposit \$2500.00. Deposits can only be made if opening a Certificate of Deposit on the same day.	

Loan Products	Deposit Products	Other Products & Services
<b>Commercial Loans</b>	<b>Certificate of Deposits</b>	Wire Transfers
Operating loans to furnish necessary operating capital, including loans needed to cover required inventory and accounts receivable financing.	7 Day Certificate of Deposits-\$15,000.00 minimum opening deposit required. Substantial penalty for early withdrawals may be assessed.	Notary Services
Capital loans to assist in the purchase of a business	3-60+ Month Certificate of Deposits-\$2500.00 minimum opening deposit required. Substantial penalty for early withdrawals may be assessed.	Night Deposit
Machinery and equipment loans	Goal Getter Add-On Certificate of Deposit -\$10.00 minimum opening balance required. 12 month term with automatic transfers from a First Security checking or savings account required. Minimum monthly deposits of \$25.00. Only allow 2 per consumer (per SSN). Maximum deposit of \$10,000.00 for each Certificate of Deposit. Once balance goes over \$10,000.00, amount exceeding \$10,000.00 will be transferred back into the checking account it was originally transferred from. Substantial penalty for early withdrawals may be assessed.	Cash Advances
Furniture and fixtures and vehicle loans	Burial Trusts-36-Month CD \$1,000 minimum opening deposit required.	Mobile Banking
Building and leasehold improvement loans	<b>Individual Retirement Accounts</b>	ATM Deposit for FSBT customers
Floor plan loans	IRA 12 Add-on 36 Unlimited Deposit Certificate of Deposit - Substantial penalty for early withdrawals may be assessed.	Cashier's Checks
Safety Check Overdraft Protection	IRA 60 Month Certificate of Deposits-Substantial penalty for early withdrawals may be assessed.	Personal Money Orders
<b>Consumer Loans</b>	<b>Business Banking - Checking</b>	Integrated Teller Machines (ITM)
Loans for purchase of vehicles, consumer goods, personal expenses, or home improvement	Business Checking-\$100.00 Minimum opening deposit.\$5.00 base charge per statement cycle if receiving printed statement, \$3.00 base charge if receiving estatements.Debit transactions after the first 20 are \$.15 each per statement cycle, credit transactions after the first 20 are \$.05 each per statement cycle. Maximum fee charged per statement cycle is \$50.00. Receive an earnings credit on your average balance each statement cycle of \$.10 for every \$100 not to exceed amount of charges for statement cycle.	Card Valet
Dealer Contracts	Business Interest Checking - \$1,000.00 minimum balance requirement, \$6.00 minimum balance fee per statement cycle if minimum balance is not maintained.	Apple Pay, Samsung Pay, Android Pay
School Employee Computer Loan Program - Available to employees of school districts to be used toward purchases of computer hardware and peripherals.	Business Advantage Checking-\$100.00 Minimum opening deposit.No transaction limitations.Interest earning checking account based on qualifications being met.	Zelle Person to Person Payment
Safety Check Overdraft Protection	<b>Business Banking - Savings</b>	
Small Dollar Loan Program	Business Savings - \$100.00 minimum opening balance. Debit transactions limited to six during any calendar month.	

Loan Products		Deposit Products		Other Products & Services
<b>Real Estate Loans</b>				
Construction Loans				
Loans on buildings containing 1 to 5 family dwelling units				
Loans on commercial buildings				
Loans on farmland				
Housing rehabilitation loan				
Interim financing loans subject to permanent take-out commitments				
<b>Governmental Assistance Loans</b>				
Farm Service Agency guaranty loan program for farmers for various purposes including emergency livestock and crop disaster loans				
Small Business Administration guaranty loan program involving financing of area businesses				
United States Department of Agriculture (USDA) - Guaranteed Rural Housing program				
Federal Home Loan Bank (FHLB) - Rural Homeownership program				
State of Iowa Lift -Small Business Program				
Iowa Finance Authority Loan Programs				

# First Security Bank & Trust Co.

## General Information

### Main Office – Charles City

809 Clark Street  
 Charles City, IA 50616  
 Census Tract 4804 & 4805 in Floyd County  
 www.1stsecurity.bank.  
 Phone 641.228.2343 Toll Free 800.272.0159  
 Fax 641.228.2318  
 Telephone Banking 641.228.2500 Toll Free 888.532.2500

	<u>Lobby</u>	<u>Drive-Up</u>	<u>ITM</u>	<u>24 Hour ATM (deposit taking)</u>
Mon-Thu	8:30-4:00	7:30-11:00	7:00-6:00	Bank Drive-Up 809 Clark Street
Friday	8:30-5:00	7:30-11:00	7:00-6:00	ITMs at Bank Drive-Up
Saturday	Closed	Closed	8:00-1:00	

### Rockford

201 West Main Avenue (PO Box 187)  
 Rockford, IA 50468-1213  
 Census Tract 4803 in Floyd County

	<u>Lobby</u>	<u>ITM</u>
Mon-Thu	8:30-3:00	7:00-6:00
Friday	8:30-5:00	7:00-6:00
Saturday		8:00-1:00

641.756.3361 Phone  
 641.756.3745 Fax

24 Hour ATM at Bank Drive-Up (deposit taking)  
 ITM at Bank Drive-Up

### Rockwell

319 Main Street (PO Box 380)  
 Rockwell, IA 50469-1073  
 Census Tract 9510 in Cerro Gordo County

	<u>Lobby</u>	<u>ITM</u>
Mon-Thu	8:30-3:00	7:00-6:00
Friday	8:30-5:00	7:00-6:00
Saturday		8:00-1:00

641.822.4828 Phone  
 641.822.4848 Fax

24 Hour ATM at Bank Drive-Up (deposit taking)  
 ITM at Bank Drive-Up

### Nora Springs

26 West Congress (PO Box 306)  
 Nora Springs, IA 50458-0306  
 Census Tract 4802 in Floyd County

	<u>Lobby</u>	<u>ITM</u>
Mon-Thu	8:30-3:00	7:00-6:00
Friday	8:30-5:00	7:00-6:00
Saturday		8:00-1:00

641.749.5356 Phone  
 641.749.5330 Fax

24 Hour ATM at Bank Drive-Up (deposit taking)  
 ITM at Bank Drive-Up

### Riceville

109 Woodland Avenue (PO Box F)  
 Riceville, IA 50466  
 Census Tract 5601 in Mitchell County and  
 Census Tract 9603 in Howard County

	<u>Lobby</u>	<u>ITM</u>
Mon-Thu	8:30-3:00	7:00-6:00
Friday	8:30-5:00	7:00-6:00
Saturday		8:00-1:00

641.985.2442 Phone  
 641.985.2017 Fax

24 Hour ATM at Bank Drive-Up (deposit taking)  
 ITM at Bank Drive-Up

**Hampton**

100 First Street NW  
Hampton, IA 50441-1702  
Census Tract 3602 in Franklin County

	<u>Lobby</u>	<u>Drive-up</u>
Mon-Thu	8:30-4:00	7:30-11:00
Friday	8:30-5:00	7:30-11:00
Saturday	Closed	Closed

641.456.2559 Phone  
641.456.4776 Fax

Drive-up: 220 First Street NW  
Hampton, IA 50441

**ITM**

Mon-Thu	7:00-6:00
Friday	7:00-6:00
Saturday	8:00-1:00

24 Hour ATM at Bank Drive-Up (deposit taking)  
ITM at Drive-up

**Thornton**

308 Main Street (PO Box 60)  
Thornton, IA 50479-0060  
Census Tract 9510 in Cerro Gordo County

	<u>Lobby</u>	<u>ITM</u>
Mon-Fri	9:00-12:00	7:00-6:00
Saturday		8:00-1:00

641.998.2312 Phone  
641.998.2562 Fax

24 Hour ATM in Bank Lobby (deposit taking)  
ITM in Bank Lobby

**Manly**

3598 Orchid Avenue (PO Box 220)  
Manly, IA 50456  
Census Tract 6903 in Worth County

	<u>Lobby</u>	<u>ITM</u>
Mon-Thu	8:30-3:00	7:00-6:00
Friday	8:30-5:00	7:00-6:00
Saturday		8:00-1:00

641.454.2255 Phone  
641.454.2605 Fax

24 Hour ATM at Bank Drive-Up (deposit taking)  
ITM at Bank Drive-Up

**Dumont**

511 Main Street (PO Box 309)  
Dumont, IA 50625-0309  
Census Tract 702 Butler County

	<u>Lobby</u>
Mon-Thu	8:30-3:00
Friday	8:30-5:00

641.857.3204 Phone  
641.857.3236 Fax

**Ionia**

404 West Main Street (PO Box 99)  
Ionia, IA 50645-9607  
Census Tract 701 in Chickasaw County

	<u>Lobby</u>
Mon-Fri	9:00-12:00

641.394.3505 Phone  
641.394.4565 Fax

**FIRST SECURITY BANK & TRUST**

809 CLARK STREET

CHARLES CITY, IA 50616

800-272-0159 or 641-228-2343

**FEES AND CHARGES** - The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.	
Counter Checks (per check)	\$ 1.00
Check Copies**	\$ 1.00
Interim Statements (per statement)**	\$ 1.00
Duplicate Statements (per statement)**	\$ 3.00
Stop Payment (per request) **	\$ 28.00
Overdraft Fee (applies to overdrafts created by check, in-person withdrawal, or other electronic means)	\$ 30.00
Return Item Fee (NSF) per item per presentment (Combined daily maximum for Overdraft Fee & Returned Item Fee is \$90)	\$ 30.00
Post Dated Checks (per item) **	\$ 28.00
Collection Items (per item)	\$ 25.00
Credit Monitoring Service (per month)	\$ 6.00
Transfer Charge(per transfer)**	\$ 3.00
Safety Check Opening Fee **	\$ 30.00
Safety Check Fee (per year)**	\$ 30.00
Account Reconciliation and Record Searches ** (\$10 minimum, \$35 per hour; No charge for most recent statement)	\$ 10.00
Debit Card (card replacement) **	\$ 10.00
Money Order (per item)	\$ 3.00
Photocopies (each copy)	\$ 0.25
Fax (\$2.00 for the first page, \$.50 for each additional page)	\$ 2.00
Non-Customer Check Cashing 1% of check amount	\$ 25.00 minimum
Non-Customer Coin Exchange Fee	10% of total
TransferNow (Standard Delivery)	\$ 3.00
TransferNow (Expedited Delivery)	\$ 5.00
Wire Transfers – Outgoing (per wire)	\$ 30.00
Wire Transfers – Incoming (per wire)	\$ 10.00
Wire Transfers – International (per wire Plus applicable fees)	\$ 50.00
Foreign Check Processing – Provisional Credit (per check)	\$ 5.00
Foreign Check Processing – Final Collection (per check)	\$ 50.00
HSA Set-up Fee*	\$ 25.00
HSA Manual Withdrawal Fee*	\$ 4.00
HSA Close Account Fee*	\$ 25.00
IRA Plan Liquidation Fee	\$ 50.00
Escheatment Fee	\$ 25.00
Burial Trust Closing Fee	\$ 30.00

\*\*Plus sales tax for those fees related to checking accounts

Garnishment, levy or other execution fees will be assessed at \$50.00 per order, or the legal maximum allowed, whichever is smaller.

**Safe Box Rental Fees:**

A discount can be earned for automatic payment from a First Security account.

1x5	\$ 15.00
2x5	\$ 18.00
3x5	\$ 24.00
4x5	\$ 32.00
5x5	\$ 40.00
3x10	\$ 50.00
5x10	\$ 70.00
10x10	\$150.00
Auto Pay	\$ 3.00
Lost Key	\$ 25.00
Forced Entry	\$226.00 minimum

**DORMANT ACCOUNT STATUS**

A checking or savings account is dormant if for one year there have been no deposits or withdrawals to the account, no communication about the account, or account statements returned for an incorrect address.

# First Security Bank & Trust

## Loan to Deposit Ratio

Date	Net Loans	Deposits	Loan/Deposit Ratio
Mar-23	\$ 377,543	\$ 423,419	89%
Jun-23	\$ 364,964	\$ 413,502	88%
Sep-23	\$ 362,765	\$ 423,814	86%
Dec-23	\$ 365,618	\$ 423,520	86%

**FIRST SECURITY BANK & TRUST**  
**BRANCHES OPENED/CLOSED BETWEEN**  
**JAN. 1, 2022 THROUGH MARCH 1, 2024**

**The following branches were closed December 16, 2022**

Aredale  
101 East Main Street  
Aredale, IA 50605-8402  
RSSD# 2105208  
Census Tract 702 in Butler County

Marble Rock  
101 South Main Street  
Marble Rock, IA 50653-9601  
RSSD# 2096708  
Census Tract 4803 in Floyd County

Rudd  
412 Chickasaw Street  
Rudd, IA 50471-0164  
RSSD# 2078218  
Census Tract 4802 in Floyd County

**The following branch was relocated on April 17, 2023**

Ionia  
201 West Main Street  
Ionia, IA 50645-9622  
RSSD# 2076447  
Census Tract 701 in Chickasaw County

to

404 West Main Street  
Ionia, IA 50645-9622  
RSSD# 2076447  
Census Tract 701 in Chickasaw County