

# **PUBLIC DISCLOSURE**

November 30, 2020

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Security Bank  
Certificate Number: 251

401 Main Street  
Mapleton, Iowa 51034

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.

Satisfactory performance under the Lending Test is the basis for the rating. The following points summarize the bank's performance.

- The bank's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the needs of the assessment areas.
- A substantial majority of the small farm loans reviewed were located inside the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among farms of different sizes.
- The institution did not receive any complaints regarding its Community Reinvestment Act (CRA) performance since the previous evaluation. As a result, examiners did not evaluate the bank's record of responding to CRA-related complaints.

## DESCRIPTION OF INSTITUTION

First Security Bank is headquartered in Mapleton, Iowa, and operates one additional full-service branch in Danbury, Iowa. Beulah Bancorporation, Inc., of Sioux Falls, South Dakota, owns the institution, as well as affiliate bank, First Security Bank – West, which is headquartered in Beulah, North Dakota. Lending activity from the affiliate bank is not included in this review. First Security Bank changed its name from Valley Bank & Trust in November 2019. The bank has not opened or closed any branches since the prior CRA evaluation. A “Satisfactory” rating was given to the bank at the January 5, 2015 FDIC Performance Evaluation, which used Interagency Small Institution Examination Procedures.

The bank offers traditional credit products including agricultural, commercial, residential real estate, and consumer loans. Agricultural lending continues to be the bank’s primary focus, as it was at the prior CRA evaluation. The bank offers a variety of deposit products including checking, savings, and certificate of deposit accounts. Alternative banking services include internet banking, mobile banking, automated teller machines, and remote deposit capture.

As of its September 30, 2020 Reports of Condition and Income, the institution reported assets of approximately \$73.2 million, total loans of \$41.9 million, and total deposits of \$60.4 million. The following table reflects the bank’s loan portfolio composition.

<b>Loan Portfolio Distribution as of 9/30/2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction and Land Development	0	0.0
Secured by Farmland	14,911	35.5
Secured by 1-4 Family Residential Properties	2,651	6.3
Secured by Multifamily (5 or more) Residential Properties	191	0.5
Secured by Nonfarm Nonresidential Properties	2,368	5.6
<b>Total Real Estate Loans</b>	<b>20,121</b>	<b>47.9</b>
Commercial and Industrial Loans	3,268	7.8
Agricultural Loans	15,938	37.9
Consumer Loans	2,686	6.4
Other Loans	8	<1
Less: Unearned Income	60	<1
<b>Total Loans</b>	<b>41,961</b>	<b>100</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 assessment area’s credit needs.

## DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. First Security Bank has two assessment areas. The Nonmetropolitan Iowa assessment area consists of Monona County and portions of Crawford and Ida counties. The Sioux City Metropolitan assessment area is comprised of Woodbury County, which is part of the Sioux City, Iowa-Nebraska-South Dakota Metropolitan Statistical Area. Nonmetropolitan Iowa and. More detailed descriptions of the assessment areas are presented later in the evaluation.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation, dated January 5, 2015, to the current evaluation, dated November 30, 2020. Examiners used the Interagency Small Institution Examination Procedures to conduct the evaluation, which includes the Lending Test. Refer to the Appendices later in the evaluation for a description of the criteria used to evaluate the bank's performance under the Lending Test. The bank operates one branch office in each assessment area with similar lending activity. Therefore, examiners performed full-scope reviews of each assessment area. Equal weight was given to the assessment areas when forming overall conclusions.

### Activities Reviewed

Small farm loans represent First Security Bank's primary business line and are central to its overall business strategy. Therefore, examiners selected this product for review to evaluate the bank's performance. Other loan products, such as small business, residential real estate, and consumer loans do not represent major product lines for the bank. As such, examiners did not review these products, since they would not provide material support for conclusions or the rating.

Examiners selected small farm loans originated or purchased by the institution in the 12-month period from September 16, 2019 to September 15, 2020 for review. This period was selected for review instead of calendar year 2019 because the bank provided loan data did not include loans that were originated in 2019 and subsequently paid off prior to evaluation. Furthermore, bank management indicated this review period was a more accurate representation of the bank's lending activity throughout the evaluation period. Examiners used 2019 D&B data as a standard of comparison for the small farm loans reviewed.

For the Assessment Area Concentration analysis, examiners reviewed all small farm loans from the review period mentioned above, which consisted of 90 loans totaling approximately \$7.7 million. For the Geographic Distribution analysis, examiners reviewed all small farm loans located inside the Nonmetropolitan Iowa assessment area, which consisted of 48 loans totaling approximately \$6.9 million. The Sioux City Metropolitan assessment area does not include any low- or moderate-income census tracts; therefore, examiners did not conduct a Geographic Distribution analysis in this area. For the Borrower Profile analysis, examiners sampled small farm loans from inside each assessment area. Specifically, the review included 28 loans totaling approximately \$4.6 million for the Nonmetropolitan Iowa assessment area and 22 loans totaling approximately \$2.9 million for the Sioux City Metropolitan assessment area.

While examiners reviewed both the number and dollar volume of loans and presented both figures throughout the evaluation, they emphasized performance by the number of loans because the number of loans is a better indicator of geographies and businesses served.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

First Security Bank demonstrated satisfactory performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria support this conclusion.

#### Loan-to-Deposit Ratio

First Security Bank's net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the credit needs of the assessment areas. The bank's net loan-to-deposit ratio, calculated from Reports of Condition and Income data, averaged 75.6 percent over the past 23 quarters from March 31, 2015 to September 30, 2020. The ratio was relatively consistent throughout the evaluation period, ranging from a low of 67.3 percent to a high of 82.8 percent, and represents an increase since the previous evaluation when it was calculated at 69.0 percent.

Examiners compared the First Security Bank's average net loan-to-deposit ratio to three other similarly-situated financial institutions to evaluate the bank's performance. The institutions were selected based on their asset size, geographic location, and lending focus. Each of these institutions' loan-to-deposit ratios were considered reasonable at their previous CRA evaluations. As shown in the table below, First Security Bank's loan-to-deposit ratio is comparable to the similarly-situated institutions.

<b>Loan-to-Deposit Ratio (LTD) Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 9/30/2020 \$(000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>First Security Bank, Mapleton, IA</b>	<b>73,282</b>	<b>75.6</b>
Defiance State Bank, Defiance, IA	35,407	80.3
Sloan State Bank, Sloan, IA	58,551	51.2
Community Bank, Dunlap, IA	95,275	86.2
<i>Source: Reports of Condition and Income 3/31/15 through 9/30/20.</i>		

#### Assessment Area Concentration

A substantial majority of small farm loans reviewed were located inside the assessment area. The following table provides details.

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 Farm	87	96.7	3	3.3	90	11,316	98.7	151	1.3	11,467
<i>Source: 9/16/2019 – 9/15/2020 Bank Data            Due to rounding, totals may not equal 100.0%</i>										

### **Geographic Distribution**

The geographic distribution of loans reflects reasonable dispersion throughout the Nonmetropolitan Iowa assessment area. As previously mentioned, examiners did not conduct a Geographic Distribution analysis in the Sioux City Metropolitan assessment area. Detailed discussion of the bank's performance is included in the Nonmetropolitan Iowa assessment area section of this evaluation.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms of different sizes. The bank had reasonable performance for this criterion in both assessment areas. Examiners focused on the percentage of small farm loans to farms with gross annual revenues of \$1 million or less. Detailed discussion of the bank's performance is included in the individual assessment area sections of this evaluation.

### **Response to Complaints**

The institution has not received any complaints regarding its CRA performance since the previous evaluation. As a result, this criterion did not affect the Lending Test rating.

## **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.

## NONMETROPOLITAN IOWA ASSESSMENT AREA - Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NONMETROPOLITAN IOWA ASSESSMENT AREA

The Nonmetropolitan Iowa assessment area is comprised of eight census tracts across three counties in northwest Iowa. Specifically, the assessment area includes all four census tracts (9601, 9602, 9603, and 9604) in Monona County, two census tracts (9702 and 9703) in Crawford County, and two census tracts (9902 and 9903) in Ida County. The assessment area contains seven middle-income census tracts and one moderate-income census tract according to the 2015 American Community Survey (ACS). The moderate-income census tract (9603) is located in Monona County and changed from middle-income to moderate-income in 2017. The bank's headquarters is located in census tract 9601 in Monona County, which is a middle-income census tract.

#### Economic and Demographic Data

The following table provides select demographic data for the Nonmetropolitan Iowa assessment area.

Demographic Information of the Assessment Area Assessment Area: Nonmetropolitan Iowa						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	12.5	87.5	0.0	0.0
Population by Geography	17,986	0.0	16.2	83.8	0.0	0.0
Housing Units by Geography	8,927	0.0	16.0	84.0	0.0	0.0
Owner-Occupied Units by Geography	5,829	0.0	11.9	88.1	0.0	0.0
Occupied Rental Units by Geography	2,026	0.0	28.6	71.4	0.0	0.0
Vacant Units by Geography	1,072	0.0	14.5	85.5	0.0	0.0
Businesses by Geography	1,445	0.0	20.1	79.9	0.0	0.0
Farms by Geography	360	0.0	5.6	94.4	0.0	0.0
Family Distribution by Income Level	5,013	22.3	20.8	22.5	34.4	0.0
Household Distribution by Income Level	7,855	28.0	17.1	19.1	35.7	0.0
Median Family Income Non-MSAs - IA		\$61,681	Median Housing Value			\$77,534
			Median Gross Rent			\$501
			Families Below Poverty Level			11.0%
<i>Source: 2015 ACS and 2019 D&amp;B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.</i>						



The assessment area is primarily rural in nature. The three largest communities in the assessment area are Onawa (2,998), Ida Grove (2,142), and Mapleton (1,224). The assessment area has experienced a slight decline in population and housing units since the previous evaluation. Economic conditions are highly dependent on agricultural production as evidenced in data obtained from the 2017 Census of Agriculture. Farming operations within Crawford, Ida, and Monona counties reported total commodity sales in excess of \$815 million. The area also supports a number of non-farm businesses. According to 2019 D&B data, the three largest business segments, by number, are services, agriculture, and retail trade; representing 29.3, 19.9, and 11.9 percent of the businesses and farms in the assessment area.

Overall, the assessment area experienced a trend of smaller farm operations consolidating into larger farm operations since the previous evaluation. According to 2019 D&B data, the number of farms in the assessment area declined by 37.7 percent. Farms with gross annual revenues of \$1 million or less declined from 576 to 358, while the number of farms (two) with gross annual revenues of more than \$1 million remained the same. Although the number of farms in the area declined, 2017 Census of Agriculture data indicates the total number of acres in operation remained stable.

### **Competition**

Competition for financial services is moderate in the assessment area. Per 2019 FDIC Deposit Market Share data, 11 financial institutions operated 21 offices within the assessment area. Of these institutions, First Security Bank ranked seventh with a market share of 5.1 percent of total assessment area deposits. Additionally, there is agricultural financing competition from Farm Credit Services, as well as nontraditional creditors and dealers.

### **Community Contact**

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

Examiners reviewed a recent community contact interview conducted in October 2020 with a representative from the agricultural sector. The contact described the area as having an aging population as younger residents move out of the area to seek better employment options. Additionally, a lack of affordable housing negatively impacts retention of younger residents in the area. The contact stated that there are less farms and farmers due to the consolidation of small farm operations and the agricultural economy was adversely affected by recent droughts that resulted in lower crop yields. The contact stated that agricultural lending continues to be the largest credit need in the area. Finally, the contact stated that businesses have been negatively impacted by COVID-19 due to temporary, non-essential business closures, particularly within the hospitality, restaurant, and retail industries.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural lending represents the assessment area's primary credit need.

## CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN IOWA ASSESSMENT AREA

### LENDING TEST

First Security Bank demonstrated satisfactory performance under the Lending Test in the Nonmetropolitan Iowa assessment area. Reasonable performance under the Geographic Distribution and Borrower Profile criteria support this conclusion.

### Geographic Distribution

The geographic distribution of small farm loans is reasonable. Although the bank did not originate any small farm loans in the assessment area's only moderate-income census tract, the opportunity to make small farm loans in this area is limited. This census tract is comprised of the community of Onawa. There are only 20 farming operations in the census tract, which represents 5.6 percent of all the farms in the Nonmetropolitan Iowa assessment area. Onawa is located 21 miles from the closest branch and contains four competing financial institutions, which also limits the bank's potential for obtaining small farm loans from this census tract. Given the limited opportunity to lend to small farms in this area during the evaluation period, the geographic distribution of small farm loans is considered reasonable. The following table provides details.

### Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms of different sizes. Examiners reviewed a sample of small farm loans located inside the assessment area to evaluate the bank's performance. The bank's performance reasonably compares to the available demographic data. The following table provides details.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Nonmetropolitan Iowa</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	99.4	25	89.3	3,929	85.1
>1,000,000	0.6	3	10.7	688	14.9
<b>Totals</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>4,617</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 9/16/2019 – 9/15/2020 Bank Data Due to rounding, totals may not equal 100.0%</i>					

## SIoux CITY METROPOLITAN ASSESSMENT AREA - Full-Scope Review

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SIOUX CITY METROPOLITAN ASSESSMENT AREA

The Sioux City Metropolitan assessment area is comprised of two census tracts (31 and 35) in Woodbury County. While the census tracts are located in the Sioux City, Iowa-Nebraska-South Dakota Metropolitan Statistical Area, they are located outside the city limits of Sioux City and are primarily rural in nature. According to the 2015 ACS, the assessment area contains one upper-income and one middle-income census tract. The upper-income census tract (35) changed from middle-income to upper-income in 2019. The bank's Danbury branch is located in census tract 31, which is a middle-income census tract.

#### Economic and Demographic Data

The following table provides select demographic data for the Sioux City Metropolitan assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Sioux City Metropolitan						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	0.0	0.0	50.0	50.0	0.0
Population by Geography	7,983	0.0	0.0	50.1	49.9	0.0
Housing Units by Geography	3,627	0.0	0.0	48.8	51.2	0.0
Owner-Occupied Units by Geography	2,552	0.0	0.0	49.8	50.2	0.0
Occupied Rental Units by Geography	680	0.0	0.0	52.2	47.8	0.0
Vacant Units by Geography	395	0.0	0.0	36.7	63.3	0.0
Businesses by Geography	584	0.0	0.0	45.9	54.1	0.0
Farms by Geography	179	0.0	0.0	55.9	44.1	0.0
Family Distribution by Income Level	2,271	15.3	17.0	27.3	40.3	0.0
Household Distribution by Income Level	3,232	21.8	15.2	20.5	42.5	0.0
Median Family Income MSA - 43580 Sioux City, IA-NE-SD MSA		\$59,402	Median Housing Value			\$99,896
			Median Gross Rent			\$538
			Families Below Poverty Level			5.9%
<i>Source: 2015 ACS and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(* ) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area is primarily rural in nature, with no communities having a population that exceeds 1,000 residents. According to the 2015 ACS, the population and availability of housing have both remained stable since the previous evaluation.

According to 2019 D&B data, the two largest business segments, by number, are agriculture and services; representing 31.4 and 29.3 percent of the farms and businesses in the assessment area. Agriculture plays a significant role in the local economy. Similar to other rural areas in Iowa, a trend of smaller farm operations consolidating into larger farm operations has occurred in this assessment area since the previous evaluation. According to 2019 D&B data, there was a decline in the number of farms in the assessment area by 38.2 percent. The number of farms with gross annual revenues of \$1 million or less declined by 111; however, the number of farms with gross annual revenues of more than \$1 million was unchanged at three. According to the 2017 Census of Agriculture, the total number of acres in operation in the assessment area has remained stable, even as the total number of farms has declined. Further emphasizing the significant economic role the agricultural industry maintains in the assessment area, farms within the whole county of Woodbury reported total commodity sales in excess of \$368 million.

### **Competition**

The Sioux City Metropolitan assessment area is not overly competitive for financial services. Per 2019 FDIC Deposit Market Share data, 7 financial institutions each operated 1 office within the assessment area. Of these institutions, First Security Bank ranked fourth with a market share of 12 percent of total assessment area deposits. Some competition exists with other financial institutions offering similar loan products. Additionally, there is agricultural financing competition from Farm Credit Services, as well as nontraditional creditors and dealers.

### **Credit Needs**

Considering information from bank management and demographic and economic data, examiners determined that agricultural lending represents the assessment area's primary credit need.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN SIOUX CITY METROPOLITAN ASSESSMENT AREA**

### **LENDING TEST**

First Security Bank demonstrated satisfactory performance under the Lending Test in the Sioux City Metropolitan assessment area. Reasonable performance under the Borrower Profile criterion supports this conclusion.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms of different sizes. Examiners reviewed a sample of small farm loans located inside the assessment area to evaluate the bank's performance. The bank's performance reasonably compares to the available demographic data. The following table provides details.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Sioux City Metropolitan					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.8	20	90.9	2,573	87.3
>1,000,000	1.7	2	9.1	375	12.7
Revenue Not Available	0.6	0	0.0	0	0.0
<b>Totals</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>2,948</b>	<b>100.0</b>
<i>Source: 2019 D&amp;B Data; 9/16/2019 – 9/15/2020 Bank Data Due to rounding, totals may not equal 100.0%</i>					

## 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 institution'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 institution 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**

**MAIN BANK**

First Security Bank  
401 Main Street  
Mapleton, IA 51034

Monona County

Census Tract=9601

9602

9603

9604

**BRANCHES**

First Security Bank  
123 Main Street  
Danbury, IA 51019

Woodbury County

Census Tract= 31

35

**FIRST SECURITY BANK**

**401 Main Street**

**Mapleton, IA 51034**

Branch Offices Opened and Closed

2024

Opened

NONE

Closed

NONE

**FIRST SECURITY BANK**

**401 Main Street**

**Mapleton, IA 51034**

Branch Offices Opened and Closed

2023

Opened

NONE

Closed

NONE

**FIRST SECURITY BANK**

**401 Main Street**

**Mapleton, IA 51034**

Branch Offices Opened and Closed

2022

Opened

NONE

Closed

NONE

**FIRST SECURITY BANK  
401 MAIN STREET  
MAPETON, IA 51034**

Hours of Operation:

Mapleton Office

Lobby

Monday through Thursday 9:00 AM – 4:00 PM

Friday 9:00 AM - 5:00 PM

Drive Up

Monday through Thursday 8:00 AM – 4:00 PM

Friday 8:00 AM – 5:00 PM

Danbury Office

Monday through Thursday 9:00 AM – 4:00 PM

Friday 9:00 AM – 5:00 PM

Closed daily from 11:45 AM – 12:30 PM

## FIRST SECURITY BANK SERVICES OFFERED

Certificates of Deposit ranging in term from 91 days to 60 months

Classic Checking

First Security Interest Checking

First Security Money Market

First Security Savings

Health Savings

IRA

Non-Consumer Checking

Non-Consumer Savings

Non-Consumer Ice Jet Savings

Debit Cards

Online Banking

Mobile Deposit

Bill Pay

Cashier Checks

Money Orders

Wires

ACH

ATM's located at Cenex, 306 N 4<sup>th</sup> St, Mapleton, IA 51034 or the Danbury Office Vestibule



## COMMON FEATURES

FIRST SECURITY BANK  
MAIN OFFICE  
401 MAIN  
PO BOX 183  
MAPLETON, IA 51034

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): \$30.00 (Maximum charge per day) 4 items

#### Overdraft Fee (each item)

An overdraft item may be created by check, in-person withdrawal, or other electronic means. Overdraft Fee (each): \$30.00 (Maximum charge per day) 4 items

#### Deposit Item Return Charge

Deposit Item Return Charge: \$4.00

#### ATM/Debit Card

Replacement Chip Card or PIN Fee: \$10.00 \* \*\*

Replacement Contactless Card or PIN Fee: \$15.00 \* \*\*

ATM Surcharge Fee: \$1.00 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: \$75.00 plus cost of drilling and lock replacement

Key Replacement: current cost of replacement plus \$25.00

#### 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: \$30.00 \* \*\*

#### IRA

IRA Plan Fee: \$10.00 Annually

IRA Closure Fee: \$50.00

#### Ready Reserve

Annual Fee: \$30.00

#### ID TheftSmart Fee

Identity Theft Protection (Consultation/Restoration): \$2.00 Per month (covers your entire household) \* \*\*

Single Bureau Credit Monitoring (Notification/Consultation/Restoration): \$5.00 per person per month \* \*\*

3 Bureau Credit Monitoring (Notification/Consultation/Restoration): \$8.00 per person per month \* \*\*

#### Miscellaneous Fees

Account Activity Printout: \$3.00

Account Research and Balancing Assistance: \$50.00 per hour with a one hour minimum

ACH Originations-One time set-up fee: \$30.00

ACH Same Day Electronic Funds Transfer: \$20.00

Amortization Schedule: \$10.00

Balance Inquiry: In excess of 2 per month: \$1.00

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

Collection Items: \$15.00

Copies of Checks and Deposits: \$3.00 per copy

Copy of Statement: \$3.00 per statement

Credit/Debit Card Cash Advance (if available): \$5.00 per cash advance

Faxing Service: Customers: \$1.00 per page

Non Customers: \$4.00 per page

Levies, Garnishments, and Executions: \$100.00

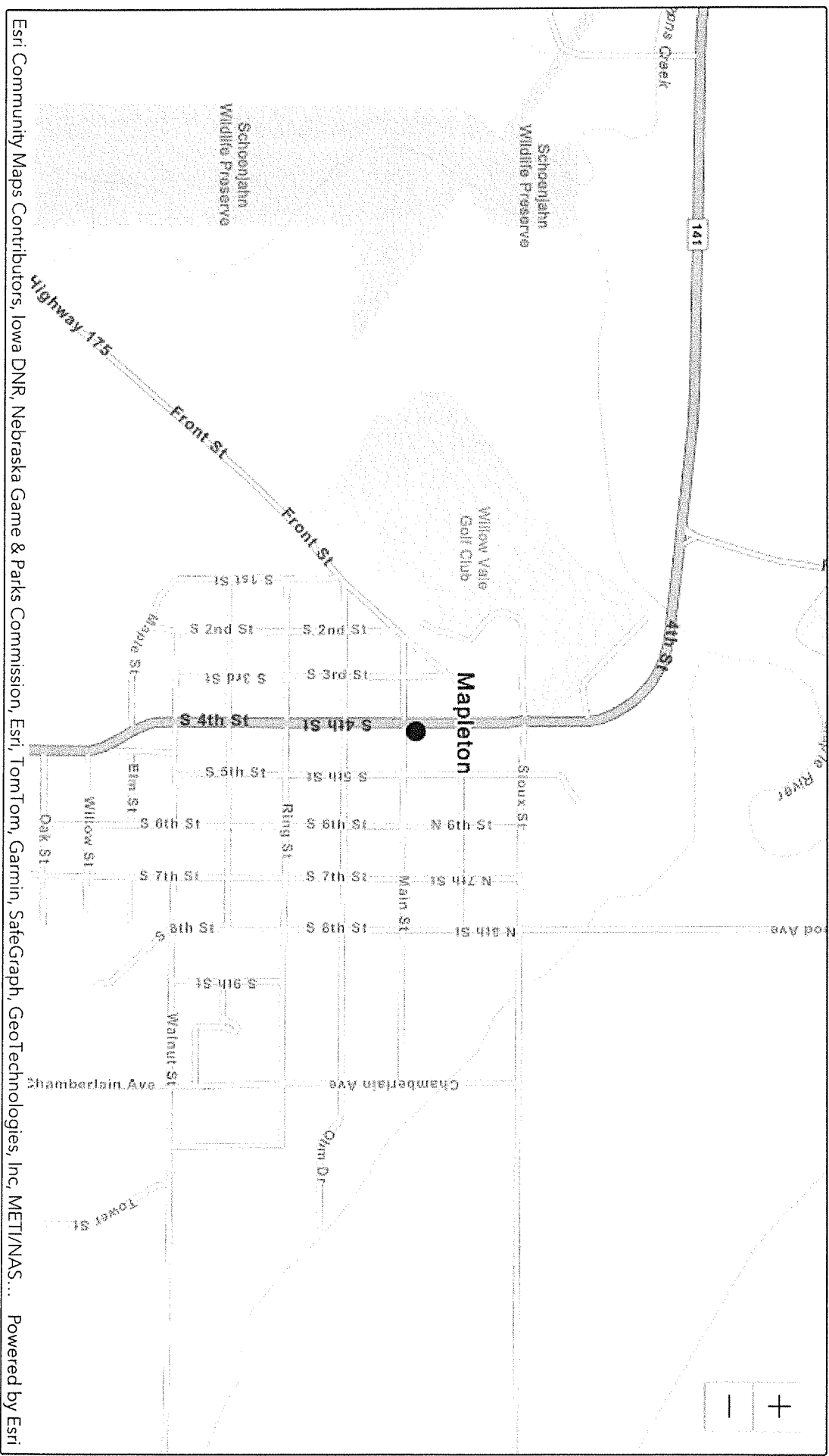
\*Fee is subject to account balance

Monthly Mailed Statement Fee: \$2.00 per statement  
Notary Fee: Non Customer: \$5.00  
NSF/Non-Sufficient Funds Returned Loan Payments: \$30.00  
Official Checks: Money Order/Cashier's Check: \$10.00  
Photocopies: \$0.25 per page  
Prepaid Visa Gift Card: \$5.00 per card

\* All fees marked with an asterisk (\*) are subject to Iowa state sales tax of 6.000%.

\*\* All fees marked with two asterisk (\*\*) are subject to Iowa local sales tax of 1.000%.

Member  
**FDIC**



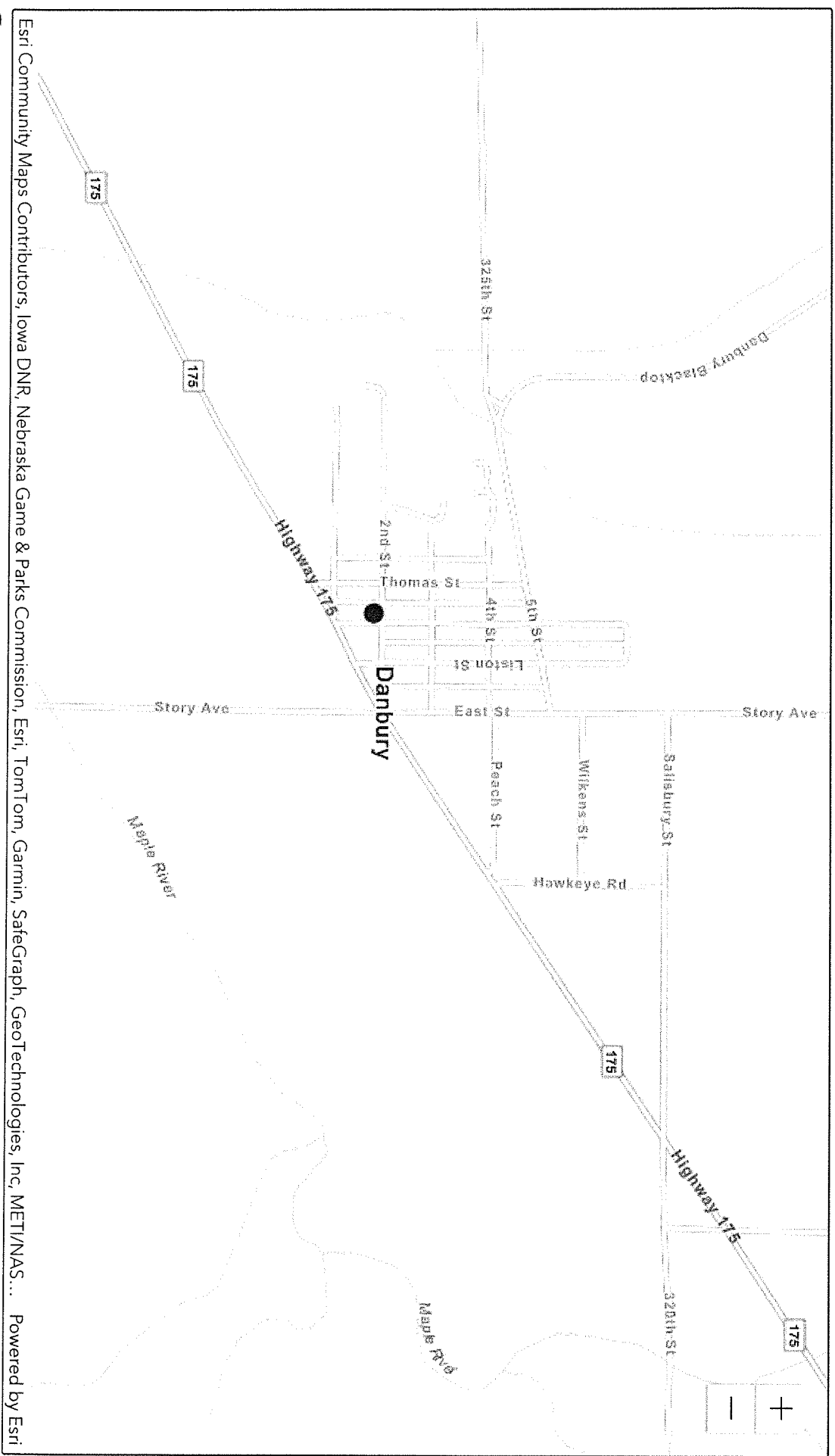
Esri Community Maps Contributors, Iowa DNR, Nebraska Game & Parks Commission, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, MET/INAS... Powered by Esri

● Matched Address: 401 Main St, Mapleton, Iowa, 51034

MSA: NA - NA (Outside of MSA) || State: 19 - IOWA || County: 133 - MONONA COUNTY || Tract Code: 9601.00

● Selected Tract

MSA: || State: || County: || Tract Code:



Esri Community Maps Contributors, Iowa DNR, Nebraska Game & Parks Commission, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, MET/INAS... Powered by Esri

● Matched Address: 123 Main St, Danbury, Iowa, 51019  
MSA: 43580 - SIOUX CITY, IA-NE-SD || State: 19 - IOWA || County: 193 - WOODBURY COUNTY || Tract Code: 0031.00

● Selected Tract  
MSA: || State: || County: || Tract Code:

**COMMUNITY REINVESTMENT ACT  
ASSESSMENT AREA**

**for**

**First Security Bank  
Mapleton, IA                      Danbury, IA  
51034                                      51019**

Monona County:  
    Block Numbers            9601  
                                     9602  
                                     9603  
                                     9604

Crawford County:  
    Block Numbers            9702  
                                     9703

Woodbury County:  
    Census Tract Numbers    31  
                                     35

Ida County:  
    Block Numbers            9902  
                                     9903

**FIRST SECURITY BANK**

**401 MAIN STREET**

**MAPLETON, IA 51034**

March 26, 2024

As of March 26, 2024, there have been no written comments received from the public in relation to the bank's performance in helping meet community credit needs for 2023.



**FOCUS AREA:**

Employees

<u>OBJECTIVE</u>	<u>GOAL</u>	<u>STRATEGY</u>	<u>ACTION PLAN</u>	<u>RESP PARTY</u>	<u>DATE</u>	<u>BUDGET</u>	<u>PROGRESS REVIEW</u>
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Provide all employees the chance to expand responsibilities and empower them to make decisions.

Find employees niche and continue to work on growing that.

**Employee Growth**

Management

Daily

Provide the

employees with a place to do online training, acceptable meeting times and a comfortable place to learn.

Keep all employees well trained and knowledgeable

Offer internal and external training  
Maintain updated pay scales. Provide

**Training**

Management

Daily

Provide reasonable compensation and personal recognition. Regularly

continuous feed back on employee performance. Offer effective

**Retention**

Management

Annually

communicate items that employees need to know. Keep lines of communication via email, phone calls or in person meetings.

**Communication**

Management

Daily

**FOCUS AREA**  
**Product Offering**



<u>OBJECTIVE</u>	<u>GOAL</u>	<u>STRATEGY</u>	<u>ACTION PLAN</u>	<u>RESP PARTY</u>	<u>DATE</u>	<u>BUDGET</u>	<u>PROGRESS REVIEW</u>
<b>Mobile Banking/Mobile Deposit</b>	Provide reliable mobile applications to customers. Market the product whenever possible.	Evaluate applications for functionality and customer use.	Continuously update the apps to allow them to work properly. Advertise in lobby's, website and when deemed necessary on billboards or newspaper ads.	Management/ISO			Monthly
		Evaluate ATM and debit card use to make sure ATM machine placement and debit cards are known to customers.	Offer the most cost effective products and services for debit cards/ATM machines				
<b>ATM/Debit</b>	Provide reliable internet banking to customers. Market the product whenever possible	Evaluate internet banking for functionality and customer use.	Keep the internet banking up to date. Market the product in lobby's or billboards and newspaper ads when deemed necessary.	Management/ISO			Monthly
<b>Internet Banking</b>							

<p>Ensure the website provides useful information and is a working tool to promote the bank and its products.</p>	<p>Make the site user friendly so that customers return and promote use of the site.</p>	<p>Keep the site fresh with promotional information and user information that will cause customers to return to the site.</p>	<p>Monthly</p>
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Website Management/ISO

**FOCUS AREA:**  
Regulations/Policies

<u>OBJECTIVE</u>	<u>GOAL</u>	<u>STRATEGY</u>	<u>ACTION PLAN</u>	<u>RESP PARTY</u>	<u>DATE</u>	<u>BUDGET</u>	<u>PROGRESS REVIEW</u>
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<p><b>Policy Book</b></p>	<p>Maintain up to date policies.</p>	<p>Communicate with ADC and internal compliance to make sure policies are updated when changes occur.</p>	<p>When changes occur, make internal policy changes in a timely fashion. When changes occur, make internal policy changes in a timely fashion.</p>	<p>Management</p>			<p>Annually</p>
<p><b>Reg CC</b></p>	<p>Keep up on the ever changing Reg CC guidelines.</p>	<p>Use IBA, internal compliance and other regulation bulletins.</p>	<p>Train regularly on BSA requirements and make sure items are corrected if noted in an exam.</p>	<p>Operations</p>			<p>Whenever Necessary</p>

<p><b>BSA</b></p>	<p>Maintain good BSA procedures.</p>	<p>Communicate regularly with all staff on BSA requirements.</p>	<p>Train regularly on BSA requirements and make sure items are corrected if noted in an exam.</p>	<p>BSA Officer</p>			<p>Whenever Necessary</p>
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<b>ACH</b>	Keep up on the ever changing ACH guidelines.	Use IBA, internal compliance and other regulation bulletins.	When changes occur, make internal policy changes in a timely fashion.	Whenever Necessary
			Continue to reassess risk assessment and communicate changes to Management and the Board.	Operations
	Properly assess risk to the bank.	Complete annual risk assessments and review at board level.		
<b>Risk Assessments</b>				Annually

<b>COMMUNITY REINVESTMENT ACT</b>			
	<b>LOANS</b>	<b>DEPOSITS</b>	
12/31/2022	43026094.15	59644877.74	72.14%
3/31/2023	35673516.63	65457461.72	54.50%
6/30/2023	36038452.79	60427720.27	59.64%
9/30/2023	38392841.64	62702862.69	61.23%
12/30/2023	42028785.83	62650238.21	67.08%
3/31/2024	40273438.14	67643628.16	59.54%