CRA Public File

This Public file contains a map of the primary area where we do business. Also included is a list of products and services we offer, our Banking hours, phone number and address. We have also included the most recent PUBLIC DISCLOSURE from the FDIC. We welcome your comments.

Security State Bank of Wanamingo has not opened or closed any offices in the prior 2 years.

Our Main office is located at:

232 Main Street
Wanamingo, MN 55983

PHONE: 507-824-2265

TOLL FREE: 800-879-6854

FAX: 507-824-2960

Lobby hours:

Monday
8:00 am – 5:00 pm
Tuesday – Friday
8:00 am - 3:00 pm

Drive-Up Hours:

Monday
8:00 am - 5:00 pm
Tuesday - Thursday
8:00 am - 4:00 pm
Friday
8:00 am - 5:00 pm
Saturday
9:00 am - 12:00 pm

*Night Depository located next to drive -up window
*ATM located in Bank entry

Security State Bank of Wanamingo is closed in observance of the following Federal holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day

Online Banking at: *www.ssbwanamingo.com*

Retail Banking Services Generally Offered

Purpose. This section summarizes the Bank's retail banking services, including available deposit products, loan products, and other retail banking services. Branch location information, hours of operation, transaction fees, disclosures, assessment area materials, loan-to-deposit ratio information, and CRA performance evaluation materials are maintained separately in the CRA Public File.

Material branch differences. The Bank operates one office; therefore, material differences in the availability or cost of services among branches are not applicable.

Deposit Products

Product Category	Products Generally Offered
Personal Checking	Regular Checking, Gold Pay Checking; Gold Perks Checking
Personal Savings and Time Deposits	Regular Savings Account; Youth Savings; Money Market Account; Certificates of Deposit; Individual Retirement Accounts; Gold Savings linked to qualifying Gold checking
Business Deposit Accounts	Business Checking; Business Savings; Business Money Market

Loan Products

Loan Category	Products Generally Offered
Consumer / Personal Loans	Auto Loans; Personal Term Loans; Ready Reserve Lines of Credit
Residential Real Estate Loans	Home Mortgage Loans; Home Improvement Loans; Home Equity Loans / Lines of Credit
Business Loans	Commercial Real Estate Loans; Construction Loans; Equipment Loans; Business Lines of Credit; Business Term Loans
Agriculture Loans	Farm Real Estate Loans; Livestock & Dairy Loans; Operating Lines of Credit; Agriculture Equipment Loans; AgBMP Loan Program, subject to program availability and applicable requirements

Other Retail Banking Services

Service	Description
Safe Deposit Boxes	Available at the branch. Sizes and fees are maintained in the current safe deposit box schedule or fee schedule.
Wire Transfers	Domestic and international wire transfer capability. Applicable fees are maintained in the current fee schedule.
Night Depository	24-hour night depository located next to the drive-up window.
ATM Access	24-hour ATM access at the bank location. ATM cards are available for eligible savings accounts and may be used for ATM transactions only.
Debit Cards	Mastercard debit card access for eligible checking accounts. Debit cards may be used for purchases and ATM access, subject to applicable account terms.

Optional Digital Banking Delivery Statement

SSB Wanamingo offers digital banking services to eligible customers, including online banking, bill pay, mobile banking, mobile deposit, and e-Statements. These services provide additional delivery channels for account access, transfers, loan payments, bill payment, statement access, and mobile check deposit, subject to applicable account terms and service requirements.

Security State Bank of Wanamingo

Safe Deposit Box Annual Rental Rates

Effective February 2026

All safe deposit boxes are 21 1/2 inches deep. Box availability may vary.

Rental fees are billed annually and apply at the customer's next annual renewal date.

Box Category	Box Size	Annual Rental Rate
Small	4 1/2" x 2 1/2"	**$25.00**
Medium	4 1/2" x 3 1/2"	**$30.00**
Medium	10" x 2 1/2"	**$40.00**
Medium	10" x 3"	**$45.00**
Large	4 1/2" x 4 1/2"	**$35.00**
Large	10" x 4 1/2"	**$50.00**
Large	10" x 5"	**$60.00**
Deluxe	15 1/2" x 13 1/2"	**$120.00**

FEE SCHEDULE

SSB Wanamingo

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

Check printing fees vary by the style of check ordered.

Account Balancing Assistance Fee - (Per Hour)	$20.00
Account Research Fee - (Per Hour)	$20.00
ACH Origination Fee	$25.00
Canadian Checks, Foreign Currency Conversion Fee	$20.00
Cashier's Checks Fee	$5.00
Coin Counting Fee - Non-customer) - Minimum $5.00	5.000% of total amount
Copy From Copy Machine Fee - Per Page - Black and White	$0.25
Copy from Copy Machine Fee - Per Color Page	$0.50
Copy of Check Fee - per page (up to 6 images per page)	$1.00
Copy of Statement Fee	$5.00
Currency/Cross Border Fee - Up to	1.700% of amount withdrawn
Dormant Checking Account Monthly Fee if less than $100.00 and no activity exists for 12 months	$10.00
Dormant Savings Account Monthly Fee if less than $50.00 and no activity exists for 24 months	$10.00
Fax Receiving Fee - (Per Page)	$2.00
Faxing Additional Pages Fee (Each)	$1.00
Faxing First Page Fee	$2.00
Imaged Statement Fee	$5.00
Indemnity Bond Fee	$25.00
IRA Transfer Fee	$30.00
Letter of Credit Fee	1.000% of Credit Limit
Levy & Garnishment Fee - Bank assessed fees may take account into a negative balance.	$50.00
Negative Balance Fee - Every 10 business days even if the negative balance was created by bank or service charges.	$30.00
Notary or Guarantee Fee - (Non-customers)	$5.00
Overdraft Charge Fee (created by Check, In-Person Withdrawal, ATM Withdrawal or other Electronic means) per return and each presentment - Bank assessed fees may take account into a negative balance.	$30.00
Overdraft Charge Fee - Limit Per Day - Bank assessed fees may take account into a negative balance.	$150.00
Reconcile Bank Statement Fee (Per Hour)	$20.00
Replacement ATM/Debit Card Fee	$10.00
Return Item Fee (Created by Check, In-Person Withdrawal, ATM Withdrawal or other Electronic Means) per return and each presentment - Bank assessed fees may take account into a negative balance.	$30.00
Safe Deposit Box Drilling Fee, plus 3rd Party drilling costs	$100.00
Safe Deposit Box Fee - $15.00 - $80.00	
Safe Deposit Box Lost Key Fee	$25.00
Savings Account Minimum Balance Fee (Per Month - Minimum Balance $50.00)	$3.00
Stop Payment Fee - (Check or Electronic Funds Transfer) - Bank assessed fees may take account into a negative balance.	$30.00
Wire Transfer Fee - Domestic Incoming	$20.00
Wire Transfer Fee - Domestic Outgoing	$20.00
Wire Transfer Fee - International Incoming	$50.00
Wire Transfer Fee - International Outgoing	$50.00

SSB Wanamingo

Loans to Deposits

Quarter	Total Deposits	Net Loans & Leases	Percent
2024 Q1	75,796,000	73,084,000	96.19
2024 Q2	77,450,000	74,985,000	96.82
2024 Q3	80,493,000	77,728,000	96.56
2024 Q4	83,273,000	80,301,000	96.43
2025 Q1	87,822,000	81,036,000	92.27
2025 Q2	87,745,000	85,378,000	97.30
2025 Q3	89,494,000	89,379,000	99.87
2025 Q4	98,296,000	93,087,000	94.70

PUBLIC DISCLOSURE

June 10, 2024

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Security State Bank of Wanamingo
Certificate Number: 18378

232 Main Street
Wanamingo, Minnesota 55983

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

1100 Walnut St, 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.

Security State Bank of Wanamingo's Community Reinvestment Act (CRA) performance under the applicable performance criteria supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the assessment area's credit needs.
- The institution made a substantial majority of its small farm and small business loans in its assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Security State Bank of Wanamingo (SSBW) is headquartered in Wanamingo, Minnesota and is owned by Wanamingo Bancshares, Inc., a one-bank holding company also located in Wanamingo, Minnesota. There have be no branching-related changes since the previous evaluation, nor has the bank been involved in any merger or acquisition activities. SSBW received a Satisfactory rating at its previous FDIC Performance Evaluation, dated September 10, 2018, based on Interagency Small Institution Examination Procedures.

SSBW offers a wide range of loan products, including agricultural, commercial, home mortgage, and consumer loans. Management stated that agricultural, followed by commercial lending, represent the bank's primary lending focuses. Home mortgage loans include those originated in-house and loans that are referred to a third party. The institution also offers and services various government-sponsored loan programs, such as those offered through the U.S. Department of Agriculture's Farm Service Agency, the State of Minnesota Rural Finance Authority, and Minnesota Department of Agriculture Best Management Practices (AgBMP). Finally, SSBW participated in the Small Business Administration's Paycheck Protection Program (PPP), which assisted businesses struggling with the impact of the Coronavirus Disease 2019 (COVID-19) pandemic. Between 2020 and 2021, the bank originated 198 PPP loans totaling approximately $3.3 million.

SSBW also offers a variety of deposit and alternative banking services. Deposit products include checking, savings, certificates of deposit, and individual retirement accounts. Alternative banking services include online and mobile banking, electronic bill pay and periodic statements, and mobile deposit.

As of March 31, 2024, assets totaled approximately $88.7 million, loans totaled $73.9 million, and deposits totaled $76.0 million. The bank's loan portfolio distribution is illustrated in the following table.

Loan Portfolio Distribution as of March 31, 2024		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	4,404	6.0
Secured by Farmland	28,103	38.0
Secured by 1-4 Family Residential Properties	7,182	9.7
Secured by Multifamily (5 or more) Residential Properties	502	0.7
Secured by Nonfarm Nonresidential Properties	8,676	11.7
Total Real Estate Loans	**48,867**	**66.1**
Commercial and Industrial Loans	9,839	13.3
Agricultural Production and Other Loans to Farmers	14,602	19.8
Consumer Loans	568	0.8
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	0	0
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	0	0
Total Loans	**73,876**	**100.0**
Source: Reports of Condition and Income		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. SSBW has designated one assessment area that contains Dodge, Goodhue, Olmsted, Rice, Wabasha, and Winona counties in Minnesota. This is a change from the previous evaluation when the assessment area included Dodge, Goodhue, and Olmsted counties. Dodge, Olmsted, and Wabasha counties are part of the Rochester Metropolitan Statistical Area (MSA) while Goodhue, Rice, and Winona counties are part of nonmetropolitan Minnesota. SSBW's sole office is located in an upper-income census tract in Goodhue County.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area based on 2020 U.S. Census data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	86	2.3	14.0	48.8	34.9	0.0
Population by Geography	369,451	2.8	11.8	46.6	38.7	0.0
Housing Units by Geography	152,350	2.7	13.4	47.8	36.1	0.0
Owner-Occupied Units by Geography	105,712	1.7	9.8	48.0	40.5	0.0
Occupied Rental Units by Geography	36,978	5.0	22.6	47.4	25.0	0.0
Vacant Units by Geography	9,660	4.6	17.2	47.1	31.1	0.0
Businesses by Geography	31,942	1.6	15.7	43.6	39.1	0.0
Farms by Geography	2,638	0.5	5.5	48.7	45.3	0.0
Family Distribution by Income Level	92,113	16.2	17.4	22.7	43.7	0.0
Household Distribution by Income Level	142,690	20.8	16.2	18.6	44.4	0.0
Median Family Income MSA - 40340 Rochester, MN MSA		$94,698	Median Housing Value			$222,625
Median Family Income Non-metropolitan - MN		$74,737	Median Gross Rent			$919
			Families Below Poverty Level			5.0%

Source: 2020 U.S. Census and 2023 D&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.

D&B data for 2023 indicates that service industries represent the largest portion of businesses in the assessment area at 34.9 percent; followed by non-classifiable establishments (14.8 percent); and retail trade (11.1 percent). In addition, 68.7 percent of area businesses have 4 or fewer employees, and 91.0 percent operate from a single location.

Competition

The assessment area is a moderately competitive market for credit products and financial services. According to Reports of Condition data filed by financial institutions, there were 39 financial institutions operating 117 locations within the assessment area. These institutions range from small community banks to larger national financial institutions. SSBW is ranked 27th with approximately 0.7 percent of the deposit market share.

According to 2022 aggregate CRA data (most recent available), 20 CRA data reporters collectively reported 1,103 small farm loans within the assessment area. The top 5 lenders by number originated 82.8 percent of the market share. These figures do not include a high number of loans originated by smaller or mid-sized institutions, such as SSBW, that are not required to report small farm lending data but that operate within the assessment area. The overall volume of small farm lending reflects a competitive market.

According to 2022 aggregate CRA data (most recent available), 85 CRA data reporters collectively reported 5,637 small business loans within the assessment area. The top 5 lenders by number originated 66.2 percent of the market share. These figures do not include a high number of loans originated by smaller or mid-sized institutions, like SSBW, that are not required to report small business lending data but that operate within the assessment area. The overall volume of small business lending reflects a competitive market.

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

Examiners conducted a contact focusing on agriculture within the assessment area. The contact stated that farm expenses remain high and land prices continue to drive upwards, although the increase has slowed when compared to increases in the past. Commodity prices have also declined over the past two years. Therefore, farmers are experiencing lower profitability, especially when yields are impacted, such as in 2023 when drought issues adversely impacted average yields. The contact stated that agricultural credit needs include operating loans, farm real estate loans, or refinance loans to provide for cash flow given the rising costs and lower commodity prices. Financing has also become more expensive as interest rates have risen. The contact indicated that the vast majority of farmers have off-farm income that is needed to help support the farm. The contact stated there is agricultural lending competition among financial institutions, including large regional institutions, and non-bank lenders. Finally, there are agricultural financing programs that financial institutions can participate in for local farmers, including beginning farmers.

Credit Needs
Considering information from the community contact, and demographic and economic data, examiners determined that small farm and small business lending represents the primary credit needs for the assessment area.

SCOPE OF EVALUATION

General Information
This evaluation covers the period from the prior evaluation dated September 10, 2018, to the current evaluation dated June 10, 2024. Examiners used Interagency Small Institution Examination Procedures to evaluate SSBW's CRA performance.

Activities Reviewed
Examiners determined that the bank's major product lines are agricultural and commercial loans. This conclusion considered discussions with management regarding the bank's business strategy, review of bank records of the number and dollar volume of loans originated during the evaluation period, and a review of the Reports of Condition data. Small farm lending received more weight when deriving overall conclusions. This is consistent with management's stated business focus and Report of Condition data. Examiners did not review residential real estate lending because it represents a minimal portion of the loan portfolio, is not a major product line, and would provide no material support for conclusions.

Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period. Therefore, examiners reviewed all small farm and small business loans originated or extended in 2023, as this period was considered representative of the bank's performance during the entire evaluation period. D&B data for 2023 provided a standard of comparison for the bank's small farm and small business lending performance.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All loans inside the assessment areas were further reviewed to evaluate the Geographic Distribution criterion, and a sample of loans inside the assessment area was used to evaluate the Borrower Profile criterion. The following table details the loan universe and the volume of loans sampled under the Borrower Profile criterion. While both the number and dollar volume of loans are presented, examiners emphasized performance by the number of loans, because the number of loans is a better indicator of the number of farms and businesses served.

Loan Products Reviewed				
Loan Category	**Universe**		**Borrower Profile Sample**	
	#	**$(000s)**	**#**	**$(000s)**
Small Farm	109	14,429	47	5,490
Small Business	136	16,161	47	4,237
Source: Bank Data				

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

SSBW demonstrated satisfactory performance under the Lending Test. The bank's performance under all evaluated criteria supports this conclusion.

Loan-to-Deposit Ratio
The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs in the assessment area. The bank's ratio, calculated from Report of Condition data, averaged 83.0 percent over the past 24 calendar quarters from June 30, 2018, to March 31, 2024. The ratio ranged from a low of 63.9 percent as of December 31, 2019, to a high of 98.3 percent as of December 31, 2023. SSBW's ratio is much higher than one comparable institution and similar to the other similarly situated institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	**Total Assets as of 12/31/2023 ($000s)**	**Average Net LTD Ratio (%)**
Security State Bank of Wanamingo, Wanamingo, Minnesota	**75,976**	**83.0**
Janesville State Bank, Janesville, Minnesota	71,569	85.0
Root River State Bank, Chatfield, Minnesota	70,776	45.8
Security State Bank of Kenyon, Kenyon, Minnesota	61,722	79.6
Source: Reports of Condition and Income 06/30/2018 – 3/31/2024		

Assessment Area Concentration

SSBW originated a substantial majority of its small farm and small business loans within its assessment area, as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans $(000s)				Total $(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		$	%	$	%	
Small Farm	108	99.1	1	0.9	109	14,349	99.5	80	0.5	14,429
Small Business	120	88.2	16	11.8	136	12,527	77.5	3,634	22.5	16,161
Source: Bank Data.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable small farm and small business lending performance supports this conclusion. Examiners focused on the percentage of loans made in low- and moderate-income census tracts.

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. The following table indicates the bank did not originate small farm loans in low-income census tracts; however, this is comparable to demographic data, which notes that less than one percent of farms are located in that area. The bank's lending in moderate-income census tracts is slightly lower than demographic data; however, a majority of the moderate-income census tracts in the assessment area are approximately 25 miles or more from the bank's sole location and examiners confirmed that there are several other financial institutions serving these areas. The area is also competitive for agricultural loans as illustrated by small farm aggregate lending data. Considering these factors, overall performance is reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	$(000s)	%
Low	0.5	0	0.0	0	0.0
Moderate	5.5	1	0.9	325	2.3
Middle	48.8	57	52.8	8,197	57.1
Upper	45.2	50	46.3	5,827	40.6
Not Available	0.0	0	0.0	0	0.0
Total	**100.0**	**108**	**100.0**	**14,349**	**100.0**
Source: 2023 D&B Data; Bank Data					

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion. The following table illustrates that SSBW's lending in low-income census tracts greatly exceeds the demographic data. However, examiners note that all 23 loans originated in low-income census tract were to the same borrower. The table also illustrates that the bank's lending in moderate-income census tracts lags demographic data; however, as mentioned previously, a majority of the moderate-income census tracts in the assessment area are approximately 25 miles or more from the bank's sole location and examiners confirmed that there are several other financial institutions serving these areas. Additionally, as stated previously, there is competition for small business loans in the assessment area affecting lending opportunities as confirmed by CRA small business aggregate lending data. Considering these factors, overall performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low	1.6	23	19.2	1,273	10.1
Moderate	15.7	5	4.2	1,001	8.0
Middle	43.6	31	25.8	4,268	34.1
Upper	39.1	61	50.8	5,985	47.8
Not Available	0.0	0	0.0	0	0.0
Total	**100.0**	**120**	**100.0**	**12,527**	**100.0**
Source: 2023 D&B Data; Bank Data					

Borrower Profile

The distribution of borrowers reflects reasonable penetration overall. The bank's reasonable small farm and small business lending performance supports this conclusion. Examiners focused on the percentage of loans to farms and business with gross annual revenues less than or equal to $1 million.

Small Farm Loans

The distribution of small farm loans reflects reasonable lending penetration to farms with gross annual revenues of $1 million or less. As shown in the following table, the bank's record of lending to farms with gross annual revenues of $1 million or less slightly lags demographic data. The difference may be explained by the amount of farmers that did not pay interest, according to 2022 Agricultural Census Data (most recent available). Specifically, the percentage of farmers that did not pay interest in the counties comprising the assessment area was approximately 57.8 percent. Therefore, there is a large population of farms that do not appear to have credit needs. Further, the bank offers special loan programs to serve farmers, including smaller operations. Considering these factors, overall performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Farms**	**#**	**%**	**$(000s)**	**%**
≤ $1,000,000	98.0	42	89.4	4,832	88.0
> $1,000,000	1.4	5	10.6	658	12.0
Revenue Not Available	0.6	0	0.0	0	0.0
Total	**100.0**	**47**	**100.0**	**5,490**	**100.0**
Source: 2023 D&B Data; Bank Data					

Small Business Loans

The distribution of small business loans reflects reasonable lending penetration to businesses with gross annual revenues of $1 million or less. As shown in the following table, the bank's record of lending to businesses with gross annual revenues of $1 million or less is comparable to demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
≤ $1,000,000	86.8	39	83.0	3,766	88.9
> $1,000,000	3.8	8	17.0	471	11.1
Revenue Not Available	9.4	0	0.0	0	0.0
Total	**100.0**	**47**	**100.0**	**4,237**	**100.0**
Source: 2023 D&B Data; Bank Data					

Response to Complaints

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

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

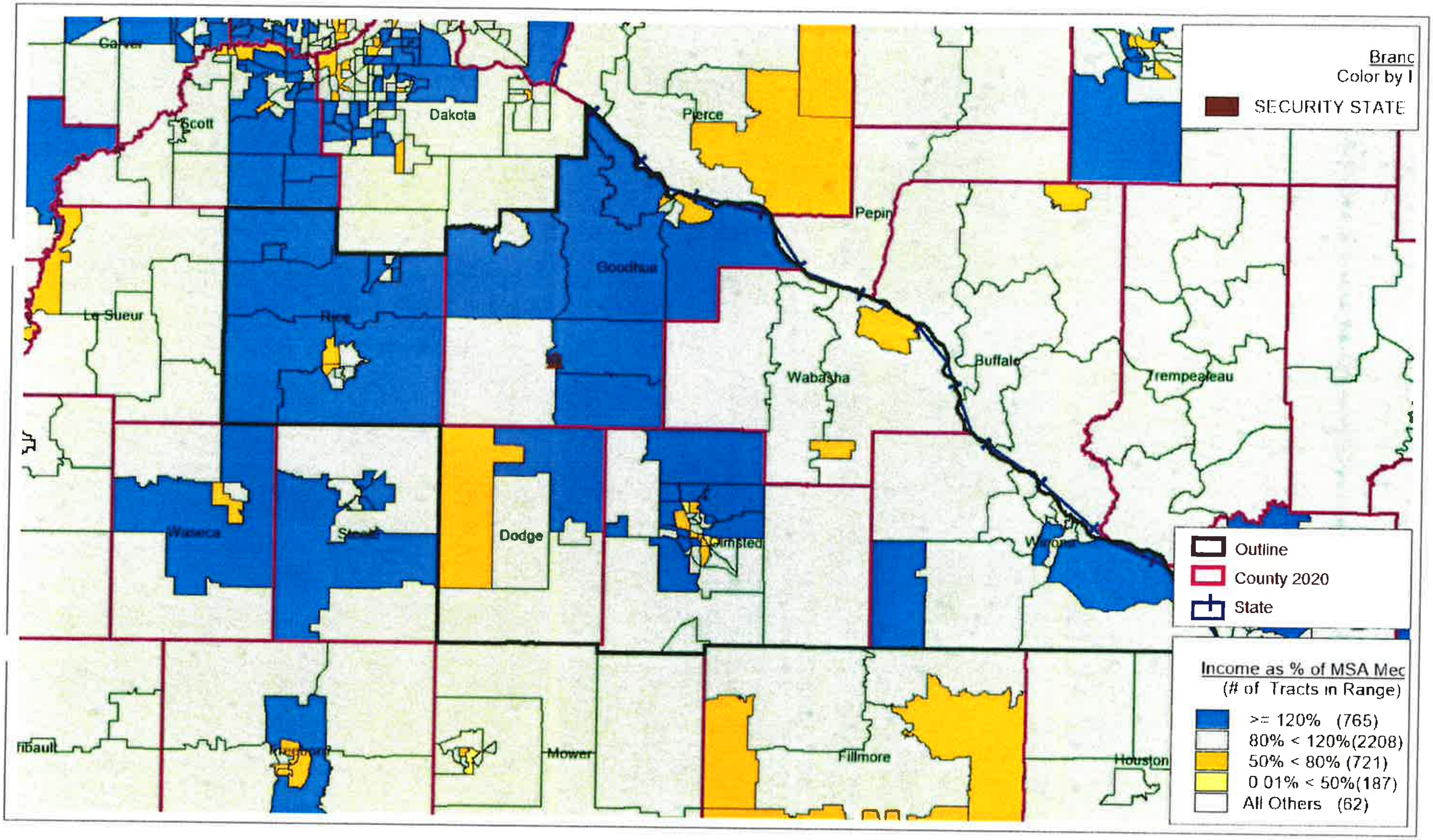
Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements,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

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

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

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

Security State Bank of Wanamingo, Wanamingo, MN Cert#18378 – Map Based on MFI of Census Tract (Zoom)



Security State Bank of Wanamingo, Wanamingo, MN Cert#18378 – Map Based on MFI of Census Tract With Town Names