



COMMUNITY REINVESTMENT ACT CRA PUBLIC FILE

In accordance with the Community Reinvestment Act (CRA) regulation, we have made our CRA Public File available here on our website. If you would like a hard copy of the Public File, please contact either of our Bank Locations.

Located in this file are:

- Community Reinvestment Act Notice-Main Branch-Harmony**
- Community Reinvestment Act Notice-Branch-Canton**
- Community Reinvestment Act Performance Evaluation**
- Public Comments**
- Branch Office Locations and Hours of Operation**
- Loan to Deposit Ratios**
- Product and Service Offerings**
- Fee Schedule**
- Assessment Area Map**



**FIRST
SOUTHEAST
BANK**

COMMUNITY REINVESTMENT ACT NOTICE
January 30, 2025

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA evaluation, prepared by the FDIC, Division of Depositor and Consumer Protection, 1100 Walnut Street, Suite 2100, Kansas City, MO 64106, and a list of services provided at this branch. You may also have access to the following information, which we will make available to you at this branch within five calendar days after you make the request to us: 1) a map showing the assessment area containing this branch, which is the area in which the FDIC evaluates our CRA performance in this community; 2) information about our branches in this assessment area; 3) a list of services we provide at those locations; 4) data on our lending performance in this assessment area; and 5) copies of all written comments received by us that specifically relate to our CRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan. If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at First Southeast Bank, located at 3 Main Avenue North, Harmony, MN 55939.

At least 30 days before the beginning of each quarter, the FDIC publishes a list of the banks that are scheduled for CRA examination by the FDIC in that quarter. This list is available from the Regional Director, Division of Depositor and Consumer Protection, Federal Deposit Insurance Corporation, 1100 Walnut Street, Suite 2100, Kansas City, MO 64106. You may send written comments about our performance in helping to meet community credit needs to Christopher J. Skaalen, President, First Southeast Bank, 3 Main Avenue North, PO Box 429, Harmony MN 55939 and to the Regional Director. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director, an announcement of our applications covered by CRA filed with the FDIC. We are an affiliate of First Southeast Banc Group Inc., a bank holding company. You may request from the Federal Reserve Bank of Minneapolis, 90 Hennepin Avenue, Minneapolis, MN 55401, an announcement of applications covered by the CRA filed by bank holding companies.



MAIN OFFICE

COMMUNITY REINVESTMENT ACT NOTICE January 30, 2025

Under the Federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided by them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, Division of Depositor and Consumer Protection, Federal Deposit Insurance Corporation, 1100 Walnut Street, Suite 2100, Kansas City, MO 64106

You may send written comments about our performance in helping to meet community credit needs to Christopher J. Skaalen, President, First Southeast Bank, 3 Main Avenue North, P.O. Box 429, Harmony, MN 55939 and to the Regional Director. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra .

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director, an announcement of our applications covered by CRA filed with the FDIC. We are an affiliate of First Southeastern Banc Group Inc., a bank holding company. You may request from the Federal Reserve Bank of Minneapolis, 90 Hennepin Avenue, Minneapolis, MN 55401, an announcement of applications covered by the CRA filed by bank holding companies.

PUBLIC DISCLOSURE

January 21, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Southeast Bank
Certificate Number: 10576

3 Main Avenue North
Harmony, Minnesota 55939

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.

First Southeast Bank's satisfactory 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 more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small farm, small business, and home mortgage loans in the assessment area.
- The geographic distribution of small farm, small business, and home mortgage loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among farms and businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

First Southeast Bank is chartered in Harmony, Minnesota. First Southeastern Banc Group, Inc., a one-bank holding company, continues to own 100 percent of the bank's outstanding stock. The bank did not open or close any branches, and no merger or acquisition activities have occurred since the previous evaluation. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation dated February 3, 2014, which was based on Interagency Small Institution Examination Procedures.

First Southeast Bank operates two full-service offices in Harmony and Canton, Minnesota, and a limited-service office in Granger, Minnesota. The bank offers various loan products including agricultural, residential real estate, commercial, and consumer loans. The bank offers loans through the Farm Service Agency and Small Business Administration and long-term financing options are available for qualifying home mortgage loans. The institution provides a variety of deposit services including checking, savings, individual retirement accounts, health savings accounts, and certificates of deposit. In addition to traditional banking services, customers have access to automated teller machines; online banking, including electronic bill pay; periodic statements; and mobile banking, including mobile deposit.

As of September 30, 2019, assets totaled approximately \$101,414,000, loans totaled \$88,766,000, and deposits totaled \$76,672,000. The following table indicates that agricultural lending is the bank's primary focus.

Loan Portfolio Distribution as of 9/30/2019		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	1,121	1.3
Secured by Farmland	35,646	40.2
Secured by 1-4 Family Residential Properties	9,250	10.4
Secured by Multifamily (5 or more) Residential Properties	0	0.0
Secured by Nonfarm Nonresidential Properties	8,693	9.8
Total Real Estate Loans	54,710	61.7
Commercial and Industrial Loans	9,689	10.9
Agricultural Production and Other Loans to Farmers	21,391	24.1
Consumer Loans	2,942	3.3
Obligations of State and Political Subdivisions in the U.S.	34	<1.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	88,766	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. First Southeast Bank designated a single assessment area located in southeastern Minnesota and northeastern Iowa, which has changed since the previous performance evaluation. Specifically, instead of the assessment area only including a portion of Fillmore County, the assessment area was expanded to include all of Fillmore County.

Economic and Demographic Data

The assessment area includes all census tracts in Fillmore County, Minnesota; census tracts 9601 and 9602 in Howard County, Iowa; and census tract 9501 in Winneshiek County, Iowa. Fillmore County is part of the Rochester, Minnesota Metropolitan Statistical Area (MSA) while Howard and Winneshiek counties are part of the nonmetropolitan area of Iowa. According to 2015 American Community Survey (ACS) data, the assessment area is comprised of three moderate-income and six middle-income census tracts. The assessment area does not contain any low-income or upper-income census tracts. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	33.3	66.7	0.0	0.0
Population by Geography	30,917	0.0	29.9	70.1	0.0	0.0
Housing Units by Geography	14,518	0.0	31.7	68.3	0.0	0.0
Owner-Occupied Units by Geography	10,027	0.0	30.4	69.6	0.0	0.0
Occupied Rental Units by Geography	2,613	0.0	30.7	69.3	0.0	0.0
Vacant Units by Geography	1,878	0.0	40.4	59.6	0.0	0.0
Businesses by Geography	2,263	0.0	31.1	68.9	0.0	0.0
Farms by Geography	604	0.0	34.9	65.1	0.0	0.0
Family Distribution by Income Level	8,417	22.3	22.0	25.8	29.9	0.0
Household Distribution by Income Level	12,640	27.6	18.4	20.2	33.7	0.0
Median Family Income MSA - 40340 Rochester, Minnesota MSA	\$81,036	Median Housing Value			\$136,367	
Median Family Income Nonmetropolitan - Iowa	\$61,934	Median Gross Rent			\$585	
		Families Below Poverty Level			7.2%	

*Source: 2015 ACS Census and 2018 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.*

According to 2018 D&B data, service industries represent the largest portion of farm and business operations at 31.1 percent; followed by agriculture, forestry, and fishing at 21.1 percent; and retail trade at 11.4 percent. Additionally, 74 percent of assessment area farms and businesses have 4 or fewer

employees, and 90.5 percent operate from a single location. Moreover, according to the 2017 Census of Agriculture, the number of farm operations in Fillmore and Winneshiek counties decreased while the number of farm operations in Howard County increased. Bank management indicated the largest employers in the area are Harmony Enterprises, local schools, and Gundersen Care Center.

The Federal Financial Institutions Examination Council-updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Rochester, Minnesota MSA Median Family Income (40340)				
2017 (\$84,100)	<\$42,050	\$42,050 to <\$67,280	\$67,280 to <\$100,920	≥\$100,920
2018 (\$86,200)	<\$43,100	\$43,100 to <\$68,960	\$68,960 to <\$103,440	≥\$103,440
Iowa Nonmetropolitan Median Family Income (99999)				
2017 (\$63,900)	<\$31,950	\$31,950 to <\$51,120	\$51,120 to <\$76,680	≥\$76,680
2018 (\$67,800)	<\$33,900	\$33,900 to <\$54,240	\$54,240 to <\$81,360	≥\$81,360

Source: FFIEC

Competition

First Southeast Bank operates in a competitive banking environment. According to FDIC Deposit Market Share data as of June 30, 2019, 14 banks operate either a main office or a branch office within the assessment area. First Southeast Bank ranks 3rd and holds approximately 9.1 percent of the deposit market share. Management also stated that there is strong competition for agricultural loans from alternative forms of financing.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the 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 two recently completed community contacts for this performance evaluation. The contacts were representatives of agricultural-based organizations in the area. One contact stated that the agricultural economic conditions in Fillmore County have been challenged in recent years. The crops have been high quality and the yields have been strong, but with high input costs and relatively low commodity prices, farmers continue to struggle. The contact also stated that farm sizes are transitioning from smaller to larger operations. Small farm owners are selling to larger operations and leaving the industry. Some farmers are stressed financially and cannot afford to continue their operations. Further, the next generation is not able or willing to take over the family farm. Another contact indicated that besides agriculture, tourism contributes to the area's economy. Both contacts indicated that banks in the assessment area are meeting the credit needs of the community.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that agricultural loans represent the primary credit need of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated February 3, 2014, to the current evaluation dated January 21, 2020. Examiners used Interagency Small Institution Examination Procedures to evaluate First Southeast Bank's CRA performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria appendix.

Activities Reviewed

Examiners determined that the bank's major product lines are small farm loans followed by small business and home mortgage 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 Consolidated Report of Condition and Income (Report of Condition). Small farm lending received the most weight when deriving overall conclusions. This is consistent with the bank's loan portfolio composition and volume of loans recently originated.

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 2018, as this period was considered representative of the bank's performance during the entire evaluation period. D&B data for 2018 provided a standard of comparison for the bank's small farm and small business lending performance. In addition, examiners reviewed all home mortgage loans reported as originated or purchased on the bank's 2017 and 2018 Home Mortgage Disclosure (HMDA) Loan Application Registers (LARs). The 2015 ACS data and 2017 and 2018 HMDA aggregate data provided a standard of comparison for the bank's home mortgage lending performance. Examiners focused on the comparison to the aggregate data, since it is more representative of the loans originated and purchased by reporting lenders. While HMDA data for 2017 and 2018 was reviewed and is included in the Assessment Area Concentration analyses, only 2018 data is presented throughout the remainder of the evaluation. The review of 2017 HMDA data did not identify any trends that are different from 2018, or that would materially affect conclusions.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. All loans inside the assessment area were further reviewed to evaluate the Geographic Distribution criterion. Finally, examiners reviewed all home mortgage

loans, and samples of small farm and small business loans originated inside the assessment area, to evaluate the Borrower Profile criterion. The small farm loan sample included 55 loans totaling \$3,851,000, and the small business loan sample included 51 loans totaling \$2,010,000. The table below indicates the loan universes for this evaluation.

Loan Universes Reviewed		
Loan Category	#	\$ (000s)
Small Farm*	321	17,557
Small Business*	194	11,661
HMDA 2017	44	7,144
HMDA 2018	20	1,600

Source: 2017 and 2018 HMDA Reported Data ; () 2018 Bank Records*

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

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

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

Loan-to-Deposit Ratio

The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's ratio, calculated from Report of Condition data, averaged 112.7 percent over the past 23 calendar quarters from March 31, 2014, to September 30, 2019. The ratio ranged from a low of 99.3 percent as of December 31, 2015, to a high of 120.9 percent as of September 30, 2017. As shown in the following table, First Southeast Bank's average loan-to-deposit ratio is higher than comparable institutions. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison			
Bank	Total Assets as of 9/30/2019 (\$000s)		Average Net Loan-to-Deposit Ratio (%)
First Southeast Bank, Harmony, Minnesota	101,414		112.7
Root River State Bank, Chatfield, Minnesota	69,256		58.5
First Farmers & Merchants, Grand Meadow, Minnesota	71,115		96.5
First State Bank Minnesota, Le Roy, Minnesota	66,881		70.8
Citizens Savings Bank, Spillville, Iowa	109,855		69.3

Source: Reports of Condition and Income 3/31/2014 – 9/30/2019

Assessment Area Concentration

First Southeast Bank originated a majority of small farm, small business, and home mortgage 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	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Small Farm*	220	68.5	101	31.5	321	13,684	77.9	3,873	22.1	17,557		
Small Business*	159	82.0	35	18.0	194	8,493	72.8	3,168	27.2	11,661		
Home Mortgage												
2017	41	93.2	3	6.8	44	5,904	82.6	1,240	17.4	7,144		
2018	17	85.0	3	15.0	20	1,402	87.6	198	12.4	1,600		
Subtotal	58	90.6	6	9.4	64	7,306	83.6	1,438	16.4	8,744		

Source: 2017 and 2018 HMDA Reported Data ; () 2018 Bank Records*

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's excellent small farm, small business, and home mortgage lending performance supports this conclusion. Examiners focused on the percentage of lending by number of loans in moderate-income census tracts. As previously stated, the assessment area does not include any low-income census tracts.

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion. The following table shows that the bank's lending performance in the moderate-income census tracts exceeds demographic data.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	34.9	176	80.0	10,465	76.5
Middle	65.1	44	20.0	3,219	23.5
Upper	0.0	0	0.0	0	0.0
Total	100.0	220	100.0	13,684	100.0

Source: 2018 D&B Data; 2018 Bank Data

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion. The following table shows that the bank's lending performance in the moderate-income census tracts exceeds demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	31.1	138	86.8	7,505	88.4
Middle	68.9	21	13.2	988	11.6
Upper	0.0	0	0.0	0	0.0
Total	100.0	159	100.0	8,493	100.0

Source: 2018 D&B Data; 2018 Bank Data

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion. The following table shows that the bank's lending performance in the moderate-income census tracts exceeds both demographic and aggregate data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2018	30.4	35.0	15	88.2	1,167	83.2
Middle						
2018	69.6	65.0	2	11.8	235	16.8
Upper						
2018	0.0	0.0	0	0.0	0	0.0
Not Available						
2018	0.0	0.0	0	0.0	0	0.0
Totals						
2018	100.0	100.0	17	100.0	1,402	100.0

Source: 2015 ACS Census, 1/1/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Borrower Profile

The bank's lending performance demonstrates reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels. The bank's reasonable small farm lending performance is the primary driver for this conclusion; although, the bank's small business and home mortgage lending performance is excellent. Examiners focused on the percentage of small farm and business loans to operations with gross annual revenues of \$1 million or less. They also focused on the percentage of home mortgage loans to low- and moderate-income borrowers.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to farms with gross annual revenues of \$1 million or less. As shown in the following table, the bank's performance is comparable to D&B data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤ \$1,000,000	98.7	53	96.4	3,656	94.9
> \$1,000,000	1.1	2	3.6	195	5.1
Revenue Not Available	0.2	0	0.0	0	0.0
Total	100.0	55	100.0	3,851	100.0

Source: 2018 D&B Data; Bank Data

Small Business Loans

The distribution of small business loans reflects excellent penetration of loans to businesses with gross annual revenues of \$1 million or less. As shown in the following table, the bank's performance exceeds comparable data in this revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	81.8	50	98.0	1,840	91.5
> \$1,000,000	5.3	1	2.0	170	8.5
Revenue Not Available	12.9	0	0.0	0	0.0
Total	100.0	51	100.0	2,010	100.0

Source: 2018 D&B Data; Bank Data

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is excellent. As shown in the following table, although the bank's lending performance to moderate-income borrowers lags aggregate data, the bank's lending performance to low-income borrowers far exceeds aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	22.3	22.6	11	64.7	898	64.0
Moderate						
2018	22.0	25.9	3	17.6	174	12.4
Middle						
2018	25.8	20.8	2	11.8	280	20.0
Upper						
2018	29.9	21.5	1	5.9	50	3.6
Not Available						
2018	0.0	9.3	0	0.0	0	0.0
Totals						
2018	100.0	100.0	17	100.0	1,402	100.0

*Source: 2015 ACS Census, 1/1/2018 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0*

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

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

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 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;
- 4) The geographic distribution of the bank's loans; 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.

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

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

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

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

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

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

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in

information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

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

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

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

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

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**FIRST
SOUTHEAST
BANK**

COMMUNITY REINVESTMENT ACT(CRA) CUSTOMER COMMENTS

No customer comments regarding CRA were received in:

- **2020**
- **2021**
- **2022**
- **2023**
- **2024**
- **2025**

Branch Offices

HARMONY - MAIN BRANCH OFFICE



3 Main Ave N | PO Box 429
Harmony, MN 55939

Phone: 507-886-6922
Toll Free: 1-877-886-6922
Fax: 507-886-2459
Email: fsebinfo@fsebg.com

Hours

Lobby:

Monday - Friday 8:30 - 3:30

Drive-Up:

Monday - Friday 8:30 - 5:30

Saturday 8:30 - 12:00

CANTON - BRANCH OFFICE



111 N Main St
Canton, MN 55922

Phone: 507-743-2204
Toll Free: 1-877-457-5977
Fax: 507-743-8377
Email: fsebinfo@fsebg.com

Hours

Lobby:

Monday - Friday 8:30 - 3:30

Drive-Up:

Monday - Friday 8:30 - 4:00

Saturday 8:30 - 12:00

**Please do not send account or confidential personal information via email*

GRANGER - LIMITED SERVICE BRANCH OFFICE

10139 County 116
Harmony, MN 55939

ATMS ARE LOCATED AT HARMONY & CANTON LOCATIONS



**FIRST
SOUTHEAST
BANK**

LOAN TO DEPOSIT RATIOS 2008-2013

2008

03-31-08	104.56%
06-30-08	98.10%
09-30-08	96.12%
12-31-08	90.31%

2009

03-31-09	88.81%
06-30-09	93.47%
09-30-09	91.81%
12-31-09	90.80%

2010

03-31-10	99.25%
06-30-10	102.52%
09-30-10	95.67%
12-31-10	88.12%

2011

03-31-11	94.13%
06-30-11	99.41%
09-30-11	94.04%
12-31-11	84.59%

2012

03-31-12	87.47%
06-30-12	91.37%
09-30-12	93.17%
12-31-12	83.51%

2013

03-31-13	90.80%
06-30-13	97.84%
09-30-13	105.01%
12-31-13	97.74%



**FIRST
SOUTHEAST
BANK**

LOAN TO DEPOSIT RATIOS 2014-2019

2014

03-31-14	106.14%
06-30-14	112.21%
09-30-14	110.51%
12-31-14	103.16%

2015

03-31-15	107.15%
06-30-15	113.33%
09-30-15	112.07%
12-31-15	99.21%

2016

03-31-16	108.73%
06-30-16	115.77%
09-30-16	118.02%
12-31-16	114.02%

2017

03-31-17	119.54%
06-30-17	118.71%
09-30-17	120.87%
12-31-17	111.80%

2018

03-31-18	116.45%
06-30-18	116.58%
09-30-18	113.99%
12-31-18	107.63%

2019

03-31-19	114.54%
06-30-19	116.11%
09-30-19	114.18%
12-31-19	106.01%



FIRST
SOUTHEAST
BANK

LOAN TO DEPOSIT RATIOS 2020-2025

2020

03-31-20	109.92%
06-30-20	98.26%
09-30-20	94.62%
09-12-20	87.45%

2021

03-31-21	80.30%
06-30-21	81.42%
09-30-21	79.43%
12-31-21	72.01%

2022

03-31-22	68.16%
06-30-22	72.35%
09-30-22	70.39%
12-31-22	81.97%

2023

03-31-23	85.19%
06-30-23	87.81%
09-30-23	94.61%
12-31-23	89.40%

2024

03-31-24	97.82%
06-30-24	102.31%
09-30-24	98.15%
12-31-24	110.78%

2025

03-31-25	106.59%
06-30-25	115.71%
09-30-25	115.47%
12-31-25	



FIRST SOUTHEAST BANK

"Quality Service
With a Personal
Touch"

FIRST SOUTHEAST BANK Product and Service Offerings

December 2025

PERSONAL BANKING

Checking

- Liberty Checking
- Liberty Plus Checking
- Liberty Club Checking
- Liberty Elite
- NOW Checking
- Super NOW Checking

Savings

- Personal Savings
- IRA Savings (Traditional & ROTH)
- Health Savings Account (HSA)
- Money Market Deposit Account (MMDA)
- Certificate of Deposits

Lending

- Conventional Fixed Rate Residential Financing
- In House Residential Financing
- USDA Rural Development (First-Time Home Buyers)
- Secondary Market Fixed Rate
- MN Housing Fix-Up Loans
- In-House Balloon
- Bridge & Construction Loans
- Auto Loans
- VA Loans
- Personal Loans

Online & Mobile Banking

- Mobile Banking App
- Online Bill Pay
- Mobile Deposit
- eStatements

AG & BUSINESS BANKING

Checking

- Agriculture & Business

Lending

- Operating Lines of Credit
- Real Estate Loans
- Small Business Administration Loans
- Rural Finance Authority Program Loans
- Farm Service Agency Farm Loan Programs
- Farmer Mac
- In-House Balloon
- Investment Property Loans

Additional Products & Services:

- Credit Cards
- Instant Issue Debit & ATM Cards
- Safe Deposit Boxes
- Cashier's Checks
- Wire Transfers
- Notary
- Fax & Copy
- Coin Counting
- Night Depository
- Visa Gift Cards
- 24-Hour ATMs
- 24-Hour Telephone Banking



FIRST SOUTHEAST BANK

FEE SCHEDULE

NOVEMBER 2024

First Southeast Bank uses the terms "CHARGE" and/or "FEE" interchangeably throughout all documentation provided to our customers.

Miscellaneous

Account Balancing/Checkbook Reconciliation.....	\$20/hour
Account Research (statements with images).....	\$30/hour
Bill Pay.....	*FREE
Cashier's Check.....	\$1/hundred(\$2 min/\$20 max)
Check Printing.....	varies
Closed Account.....	\$20 if closed within 90 days of opening
Coin Counting.....	5% (\$5 min-non customer)
Dormant Account.....	\$3/month after 15 months inactivity
eStatements.....	FREE
Fax.....	\$2/Page (incoming/outgoing)
Mobile Banking.....	FREE
Mobile Deposit.....	FREE
Notary.....	\$1/document
Online Banking.....	FREE
Photo Copy.....	\$0.25/page
Special Statement (without images).....	\$1/statement
Stop Payment.....	\$25
Tax Levy/Garnishments.....	\$100

Debit/ATM Cards

ATM Card.....	FREE/\$20 replacement
Debit Card.....	FREE/\$20 replacement
Foreign (not owned or operated by First Southeast Bank) ATM Withdrawal.....	\$1

Overdraft Charge/Returned Item Fee

Overdraft Charge.....	\$28/presentment or re-presentment (\$140 max per day)
Returned Item.....	\$28/presentment or re-presentment (\$140 max per day)
Continuous Overdraft.....	\$25 every 5 th business day

Transfers

ACH (automatic clearing house).....	\$3 payroll file \$0.15/file
Fee Transfer (account to account).....	\$1/transfer
Fee Transfer (balance protection).....	\$1/transfer
Fee Transfer (telephone assisted).....	\$1/transfer
Online Banking Transfer.....	FREE
Telephone Banking Transfer.....	FREE
Wire-Incoming.....	*FREE
Wire-Outgoing.....	\$25
Wire-International.....	\$50

Safe Deposit Box

Annual Rental Rate.....	varies by box size
Drilling (in the event of lost keys).....	\$200 per box
Key Deposit.....	\$10

*Fees may apply

Canton

111 N Main St
Canton, MN 55922
Phone: 507.743.2204

Harmony

3 Main Ave N
Harmony, MN 55939
Phone: 507.886.6922



FIRST SOUTHEAST BANK TRADE AREA

Attachment A

