



**This is banking  
done right.**

**2025  
ANNUAL REPORT**

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At Security Bank & Trust Co., our mission is simple: to help our customers and their communities thrive. As a 4th generation, family-run bank, loyalty, integrity, and personalized service are in our DNA. We take pride in building genuine partnerships, showing up where it matters, and our personalized, relationship-focused approach ensures our clients get the right solutions and the support they need, exactly when it matters most.



Our success isn't measured by size, but by how far we can go together. Whether it's supporting local businesses, investing in community initiatives, or making decisions quickly to meet our clients' needs, we remain steadfastly independent and deeply connected to the communities we serve. Thank you for trusting us, we're proud to be your local banking partner.

Gale Hoese  
CEO, Security Bank & Trust Co.

## Dear Clients, Friends, and Stakeholders,

We focus on making the complicated simple. We listen to what our clients are trying to build, and then we help them prudently build it. That is the standard we hold ourselves to, and it is the measure by which we ask you to judge us.

2025 was a strong year by every meaningful measure. Transaction deposit accounts grew by \$58.7 million, or 14.12%, reflecting the trust our clients place in us by keeping their personal, business, and public funds operating accounts here. Our efficiency ratio and return on assets both improved substantially. A strong bank is a better partner, and this institution is strong. That strength is what allows us to say yes when it counts, to hold a relationship through a difficult season, and to grow alongside our clients over the long run.

The work we are most proud of does not appear on a balance sheet. It shows up in the conversations our lenders had, the decisions they made, and the clients they stood behind.

Judy Meyer on our Hamburg team helped a client finance a new early learning center in the southwest metro, a \$1 million construction-to-permanent loan that will serve families there for decades. In Isanti County, Joe Schornack helped a growing business purchase its own industrial warehouse through a \$1.45 million commercial real estate loan, giving them the foundation to grow on their own terms. Jeremy Hoese in Minnetonka worked through a complex acquisition to help a client purchase three metro-area daycare centers with a \$10 million loan, expanding access to early childhood care across the region. Ken Munroe in Wayzata extended a \$10 million working capital line to support a business refinance and restructure. And in Glencoe, Adam Lindeman helped a farm family head into the season with a \$2 million farm operating loan and the confidence that comes with having a lender who understands what they are up against.

Each of these conversations started the same way: a client sharing what they wanted to accomplish, and one of our people taking the time to genuinely understand it. That is the standard we keep, and the care we work to provide every client we serve.

In October, on our 90th anniversary, we launched the Local Return Initiative, a five-year, \$1 million commitment to invest \$200,000 annually into the organizations, schools, and nonprofits that strengthen the communities we serve. As I said when we announced it, Local Return is not a new idea. It is what we have been doing for 90 years. We are just making it official.

In 2025 that included a \$40,000 gift in partnership with the FHLB of Des Moines to New Pathways in Cambridge, 625 toys contributed to Toys for Tots, support for the Women of Waconia Toy Drive serving more than 500 families, and Christmas gifts to 45 families through our Family Pathways Giving Tree among many other donations and sponsorships to local organizations. Our team does this work because these are their communities too.

That commitment to our clients and communities was recognized in 2025 by Twin Cities Business magazine, which named us Gold Winner for Best Business Bank in Minnesota, and by Newsweek, which awarded us a 5-Star rating among America's Best Regional Banks. Those honors belong to the people across our 21 offices who earn them every day.

We will keep doing what we do. Making decisions quickly. Standing behind our clients through every stage of their growth. Delivering service that makes people feel known rather than processed. That is the bank we are, and it is the bank we intend to be.

**Thank you for being part of it.**



Andy Schornack  
President, Security Bank & Trust Co.



**Reliably on the Ball Consciously Local Loudly Independent Refreshingly Familiar**

# Investing in People

# 21

New Employees

# 74%

Female Employees

# 45%

Female Officers



# 68%

Volunteer  
Outside of Work

# 1,909

Volunteer Hours

# Executive Team



Gale Hoese  
CEO



Andy Schornack  
President



Rachel Schuette  
COO



Brian Wagner  
Chief Lending Officer



Marilee Vacek  
Corporate Secretary



Julie Schornstein  
EVP - Retail Banking



Kellie Oestrich  
HR



Lynn Rhodes  
Chief Risk Officer



Marc Hoffmann  
EVP - Trust

# New Senior Lenders

Claudia brings over 25 years of commercial lending and relationship management experience to the bank. She enjoys building trusting long term relationships with her clients by offering seamless banking experience and creative financing solutions. Claudia is a member of Minnesota Commercial Real Estate Women (MNCREW) and serves on their finance committee. Outside of work, Claudia enjoys spending time with her husband and children, volunteering as the Treasurer for both her daughter’s figure skating club and her son’s robotics team and when the weather allows can be found in her backyard trying to find more space to grow her garden.



**Claudia Stegora**  
SVP - Commercial Banking

Michelle joined the team with over 25 years of banking experience—which is “banker speak” for having seen just about every economic cycle imaginable. With a background spanning credit analysis, branch management, and commercial lending, Michelle specializes in translating complex financial hurdles into growth opportunities for business owners. She is driven by a genuine passion for making connections and building relationships through a foundation of trust. When not dissecting balance sheets or helping local enterprises scale, Michelle can be found in the wild—usually at a child’s sporting event, on a horse, or hiking a trail- activities that, much like commercial lending, require equal parts patience, stamina, and a high tolerance for unpredictable terrain.



**Michelle Thatcher**  
SVP - Business Banking

# More Than a Job

Our workplace philosophy is rooted in people-first values, collaboration, and growth. We believe in creating an environment where every team member feels supported, respected, and empowered to do their best work. By fostering strong relationships, encouraging innovation, and staying true to our community-focused mission, we grow together, professionally, personally, and as a bank committed to making a difference.



**Holiday Open Houses**



**Birthday Milestones**



**Halloween Costumes**

## New to the Crew

Becca Olson - Personal Banker

Cade Herrmann - Banker/Teller

Cameron Longie - Credit Analyst

Carmi Florin - Personal Banker

Chad Kabes - Loan Processor

Claudia Stegora - SVP Commerical Banking

David Taberko - Banker/Teller

Emily Wessel - Personal Banker

Grace Walter - Teller

Jessica Jones - Personal Banker

Jessie Peterson - Loan Admin

Kayla Stowell - Personal Banker

Lisa Baker - Sr. Personal Banker

Loralei Melcher - Personal Banker

Louis Rios - Internal Auditor

Michelle Thatcher - SVP Business Banking

Olivia Towey - Marketing Intern

Susie Christianson - Business Systems Admin

Wyatt Reishus - Banker/Teller

# Midwinter Ag Roundup



Our 2025 Ag Roundup at the Glencoe City Center was a wonderful day spent connecting with the farmers and ag partners who are at the heart of our community. We welcomed approximately 70 clients along with 20 of our team members for an engaging and informative 2.5-hour presentation from Roach Ag Marketing, who provided valuable insights into today's agricultural landscape. Guests enjoyed a hearty meal catered by Unhinged! Pizza, featuring roast beef and mashed potatoes, and everyone went home with a soft-sided cooler as a thank-you for their continued partnership. It was a great night of conversation, learning, and growing together.

# Employee Milestones

## 1 Yr

Abigail Heryla  
Aleisha Teubert  
Alexander Pemberton  
Alice Schweigert  
Anastasia Kukacka  
Brian Nosbush  
Brooklyn Bangasser  
Emma Dolney  
Jalyn Macy

Jeremy Johnson  
Kenna Kranz  
Meghan Hill  
Nicole Radtke  
Sam Platt  
Sara Mitchell Palm  
Scott Norman  
Sean Payer  
Ward Greeley

## 5 Yr

Alex Hoese  
Chelsea Bottelberghe  
Greg Dershem  
Joy Frisch-Schmoll  
Julie Eilts  
Kayla Tarrant  
Ken Munroe  
Pam Kurtz

## 10 Yr

Luke Baker  
Joe Schornack  
Julie Schornstein

# Bank Legends

## Celebrating 20+ Years!

21 Yrs Adam Lindeman  
26 Yrs Amy Gatz  
38 Yrs Ann Nix  
22 Yrs Ben Haselhorst  
25 Yrs Carol Norman  
25 Yrs Cindy Dahlke  
29 Yrs Dawn Rodin  
51 Yrs Gale Hoese  
30 Yrs Gina Duehn

20 Yrs Jennifer Mathews  
20 Yrs Jon Dahlke  
25 Yrs Julie Weinzierl  
24 Yrs Julie Kranz  
25 Yrs Karla Shoutz  
22 Yrs Linda Lynch  
46 Yrs Marilee Vacek  
27 Yrs Mary Stoltenburg  
38 Yrs Nancy Morris

24 Yrs Paula Schons  
39 Yrs Penny Lindeman  
39 Yrs Rhonda Decker  
22 Yrs Robin Fink  
24 Yrs Sharon Ehrich  
21 Yrs Stacy Klitzke  
27 Yrs Steffie Gronlund  
29 Yrs Sue Willems  
22 Yrs Terry Ottinger  
27 Yrs Tina Rosckes

# Investing in Small Business

In addition to supporting local nonprofits and community events, Security Bank & Trust Co. sponsors Minnesota entrepreneurship groups like EO Rally and Coalition9, connecting business owners with resources through workshops and seminars. This year, we continued our participation in local chambers of commerce and sponsored chamber events across Mcleod County, Carver County, and the Twin Cities Metro Area, hosting networking opportunities to foster collaboration and valuable connections. We also offer a robust set of free online resources for businesses and individuals, including guides on investment real estate, personal loans and mortgages, cash management, business financing, acquisitions, and online and mobile banking.

**“Business lending isn’t just about transactions, it’s about relationships. We take time to understand our customers so we can deliver real solutions.”**

**-Brian Wagner  
Chief Lending Officer**



**237 Businesses Helped**

**\$622,959**

**Average Loan Size**

**297**

**Total loans funded**



“Security Bank offers the capabilities and strength we need, with a degree of traditional old school partnership that we value and enjoy.”  
-Mike Cebulla



We are proud to partner with CC Steel, LLC, supporting their continued growth as a municipal utility contractor where bonding capacity is critical to daily operations. We provide the working capital, equipment financing, and flexible lending solutions needed to help align their financial position with bonding requirements and expansion goals. With the size and strength to deliver meaningful capacity, combined with a relationship focused, traditional banking approach, we work alongside their team to provide thoughtful, responsive solutions that go beyond simply running numbers, because to us, it truly is a partnership.

# DW Companies

For decades, the Strandlund family has trusted Security Bank for their banking needs; a relationship built on local roots, shared values, and a commitment to supporting local businesses. Today, that partnership continues with DW Companies LLC, where President Steve Strandlund Jr. leads a team focused on delivering high-quality dirt work while building a strong and growing business.

Steve and his team rely on Security Bank for day-to-day banking services like checking and savings, as well as equipment financing when opportunities rise. Quick approvals and responsive service help ensure DW Companies

can keep projects moving and make important business decisions without unnecessary delays.

What stands out most to the DW Companies team is the personal relationship they have with their bank. With a dedicated point of contact and a team that truly understands their goals, Security Bank has been able to support DW Companies as they grow, pivot, and continue doing what they do best. For Steve, partnering with a local bank that genuinely wants their business to succeed has been an invaluable part of that journey.

**“In business, finding a bank that truly supports our mission by taking the time to understand our perspective and explain the why about how things function has been an integral piece to our success!”**

**-Steve Strandlund Jr**

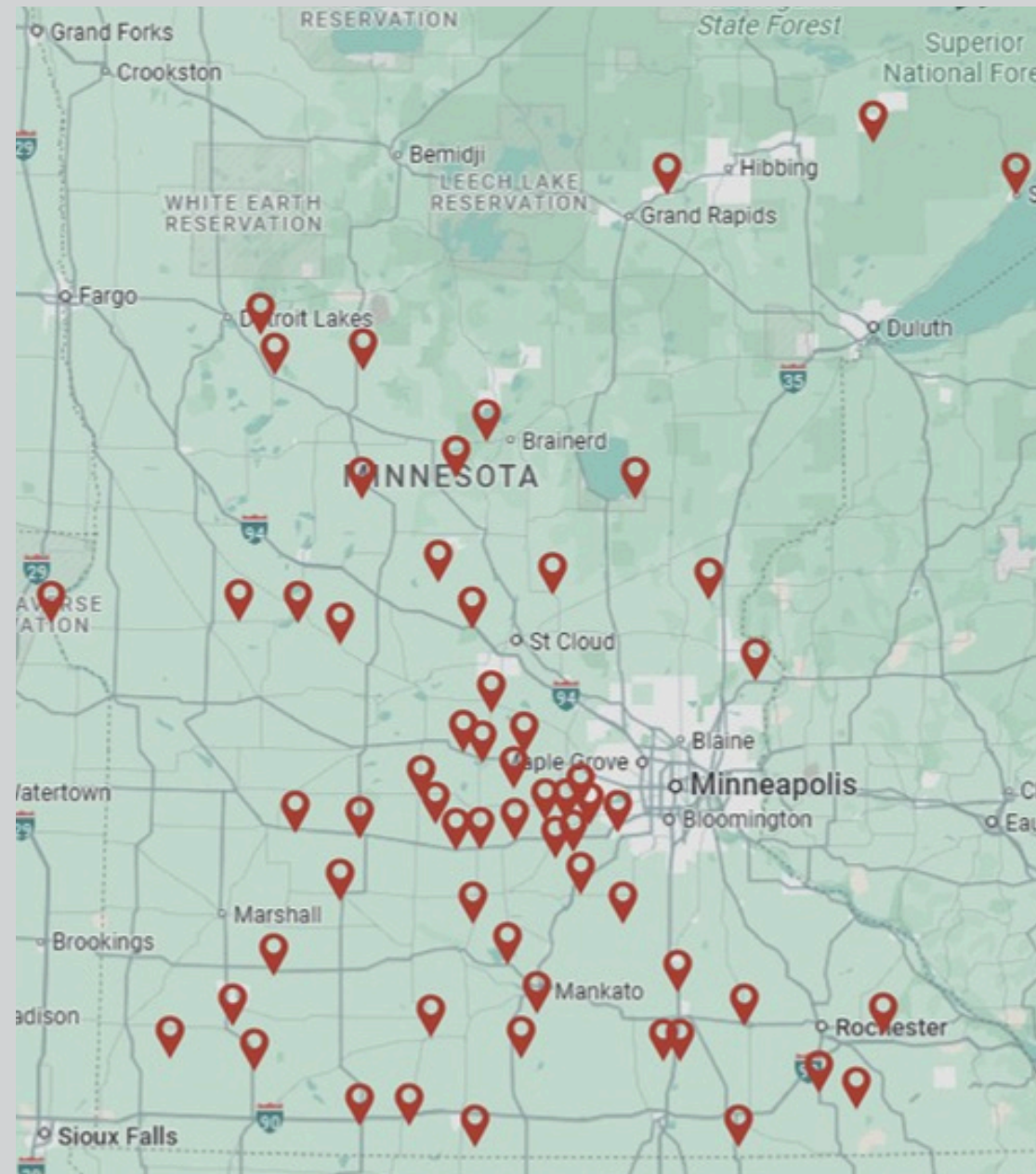


Pictured: (Left to Right) Steve Strandlund Jr (DW Companies), Kayti Bjorklund Strandlund (DW Companies), Jennifer Schmiege (Security Bank), Joe Schornack (Security Bank)

# Investing in Stronger Communities

Security Bank & Trust Co. has a proud history of serving cities, towns, school districts, water and sewer districts, and other governmental entities with trusted financial services. More than 40 local government agencies and organizations rely on us for their banking needs, and we remain committed to finding innovative ways to support both their daily operations and long-term goals.

Our dedication includes providing access to low-cost capital through the purchase of tax-exempt bonds and lease obligations, helping communities thrive. With bonds impacting 60 cities and counties across Minnesota, our reach extends statewide, reinforcing our commitment to reinvesting in the places we call home. Together, we continue building stronger, more resilient communities.



Albany  
 Amboy  
 Brooten  
 Browns Valley  
 Brownton  
 Chaska  
 Chisago Lakes  
 Cologne  
 Cyrus  
 Dassel-Cokato  
 Dodge Center  
 Eagle Bend  
 East Gull Lake  
 Edgerton  
 Ellendale  
 Eyota  
 Frazee  
 Fulda  
 Geneva  
 Gilman  
 Glencoe  
 Hamburg  
 Howard Lake  
 Hoyt Lakes  
 Hutchinson  
 Isle  
 Jackson  
 Kimball  
 Lake Shaminea  
 Lafayette

Laketown Township  
 Le Sueur  
 Lyle  
 Marble  
 Mayer  
 McLeod County  
 Medford  
 Minneota Township  
 Montgomery  
 Nessel  
 New Germany  
 Nicollet  
 Olivia  
 Perham  
 Racine  
 Redwood Falls  
 Sacred Heart  
 Sebeka  
 Sherburn  
 Silver Bay  
 Skyline  
 South Haven  
 Stewart  
 Tracy  
 Trosky  
 Upsala  
 Waconia  
 Winsted  
 Wykoff

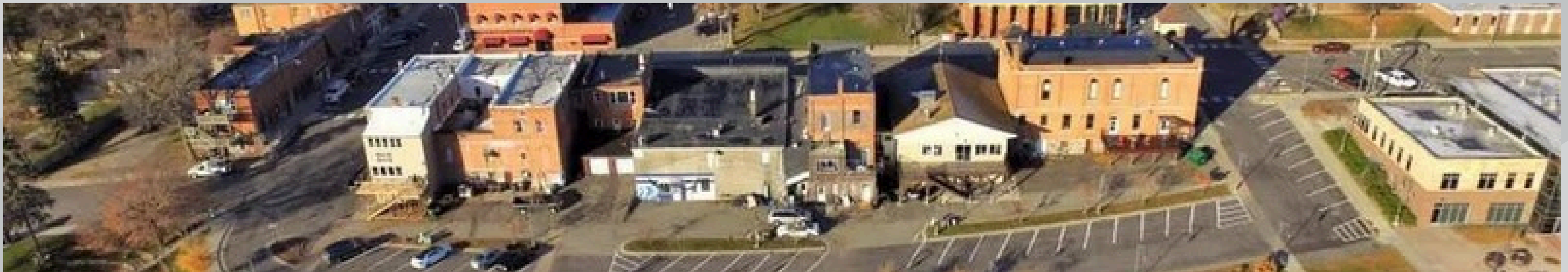
# City of Winsted

“Security Bank & Trust Co. has been a great partner for the City of Winsted. The bank has highly competitive investment rates. Adam Birkholz has been an invaluable resource as well. His history working in the public sector has given him valuable insight on how to structure municipal bonds. The city is proud to have Security Bank & Trust Co. as a partner.”

**-Neil Schlagel**



Pictured: (Left to Right) Gale Hoese (Security Bank), Jeff Albers (Mayor of Winsted), Adam Birkholz (Security Bank)



# Investing in Community Spirit

We brought over 1,500 residents together in Glencoe for the 2025 Block Party, celebrating community, food, and fun. Inspired by the bank's pig roasts from the 1980s, the event featured live music by @billlitzau, ribs from Alsleben Meats smoked by Emanuel Lutheran Church, sides from Unhinged!, and ice cream from Wright Farms Market. Families enjoyed face painting, a bounce house, and a "chalk zone," while longtime residents and newcomers alike connected and shared memories. Thanks to our team and community partners, the event was a resounding success, and we can't wait to bring even more excitement and community spirit to Glencoe in 2026!



# Investing in Our Neighbors

# \$278,459

in sponsorships & donations



# 625

Toys Donated to Toys 4 Tots

# 45

Families supported through our Family Pathways Tree

# 500+

Families helped at Women of Waconia gift giving event

# \$40,000

In Partnership with the FHLB Des Moines, we donated to the New Pathways in Cambridge, MN

# Local Return Initiative

On its 90th anniversary, Security Bank & Trust Company launched its Local Return commitment, a \$1 million investment over five years dedicated to strengthening the Minnesota communities it serves. Rooted in a 90-year tradition of keeping money local and putting it to work, the initiative formalizes the bank's long-standing mission: when communities grow, the bank grows too.

## Local Return at a Glance:

- \$1 million commitment over five years
- \$200,000 invested annually into local organizations, schools, and community projects
- Focused on counties Security Bank serves
- Designed to create lasting impact for Minnesota families, farmers, small businesses, and entrepreneurs
- Built on the belief that investment should multiply and come back home

“Ninety years in, our purpose hasn't changed. We grow when our communities grow; that's what Local Return is all about.”

**\$1,000,000**  
committed in the next 5 years

“When people trust us with their deposits, that money fuels the next business on Main Street, the next school upgrade, the next generation of growth,” said Andy Schornack, President of Security Bank & Trust Company “That's the heartbeat of a community bank. Local Return isn't a new idea — it's what we've been doing for 90 years. We're just making it official.”

**\$100,000+**  
given back to our communities  
since the announcement

# 50+ Community Partners



Carver County  
McLeod County  
Sibley County  
Wright County



AMERICAN SWEDISH INSTITUTE

**randy shaver**  
CANCER RESEARCH & COMMUNITY FUND



**RIDGEVIEW**  
Foundation

**EP**  
COMMUNITY FOUNDATION

**WINSTOCK**  
HLWW  
**LAKERS**

**EO**  
MINNESOTA

*Glencoe*  
COUNTRY CLUB



COALITION 9

**BETA** EDEN PRAIRIE LOCAL NEWS



**VFW**  
VETERANS OF FOREIGN WARS



**AMERICAN LEGION**



- 2B Continued Dancing Like the Stars
- BETA Startup Week
- Biodiesel Open - MN Soybean Growers
- Bloomington-Richfield Mite Jamboree
- Bluejacket Blueliners Golf Tournament
- Bradford Days
- Braham Future Fest
- Breakfast on the Farm
- Brownton Bruins Golf Tournament
- Brownton Days

- Cambridge Customer Appreciation Event
- Cambridge-Isanti Bluejacket Football Golf Tournament
- Carver County Fair
- Chaska Cares Music Festival
- Chaska Christmas in May
- Chaska First Responders Luncheon
- Chaska River City Days
- EO Rally
- EP Lions Pancake Breakfast
- Glencoe Dairy Days

- Glencoe Days
- Haunted Harvest at Oak Leaf
- Isanti Jubilee Days
- Isanti Rodeo
- KGLB Farm & Ag Day
- Magnus & Friends Festival
- McLeod Alliance Bowl-a-thon
- McLeod County Fair
- Minnesota Holstein Show
- Minnesota Regional Summer Classic
- Minnesota State Amateur Baseball Tournament

- Nickle Dickle Day (Waconia)
- NYA Stiftungsfest
- Ramsey EDA Golf Tournament
- Sibley County Fair
- Stiftungsfest
- Taste of Isanti
- Taste of Chaska
- Waconia Frozen Fairway Open
- Winsted Summerfest
- Winsted Winter Festival
- Winstock Festival

# Community Events

# Financial Summary

**\$123.8M**

Tier 1 Capital - Reserves

**8.91%**

Tier 1 Capital Ratio

**4.63%**

Loan Growth Since 2024

ASSETS	2024	2025
Cash and Cash Equivalents	\$48,669,000	\$42,493,000
Investments	302,639,000	378,925,000
Net Loan	800,153,000	837,640,000
Fixed Assets	11,646,000	11,383,000
Other Assets	18,155,000	16,267,000
<b>Total Assets</b>	<b>\$1,181,262,000</b>	<b>\$1,286,708,000</b>

LIABILITIES & SHAREHOLDERS' EQUITY	2024	2025
Deposits	\$1,074,235,000	\$1,161,514,000
Interest Payable	2,167,000	1,745,000
Other Liabilities	982,000	805,000
<b>Total Liabilities</b>	<b>\$1,077,384,000</b>	<b>\$1,164,064,000</b>
Shareholders' Equity	\$103,878,000	\$122,644,000
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$1,181,262,000</b>	<b>\$1,286,708,000</b>

INCOME & EXPENSES	2024	2025
Net Interest Income	\$37,551,000	\$44,346,000
Noninterest Income	5,517,000	7,357,000
<b>Total Revenue</b>	<b>\$43,068,000</b>	<b>\$51,703,000</b>
Provision for Loan Loss	1,339,000	1,692,000
Occupancy and Equipment Expenses	2,661,000	2,851,000
Personnel Expenses	15,029,000	15,317,000
Other Expenses	8,578,000	9,618,000
<b>Income Before Income Taxes</b>	<b>\$15,459,000</b>	<b>\$22,225,000</b>
Provisions for Income Taxes	1,104,000	1,996,000
<b>NET INCOME</b>	<b>\$14,355,000</b>	<b>\$20,229,000</b>

FINANCIAL RATIO	2024	2025
Pre-tax Return on Average Assets	1.34%	1.80%
Pre-tax Return on Average Equity	17.63%	19.57%
Efficiency Ratio	60.74%	52.00%
Net Charge-offs as a % of Average Loans	0.08%	0.20%
Nonperforming Assets as a % of Total Assets	0.38%	0.20%

# Investing in Excellence



## 2025 Best Business Bank

Best Commercial Lender  
Bronze Winner

Best Wealth Management  
Bronze Winner

### 5 Star

Best Regional Bank & Credit Union Rankings  
Newsweek

### #3

Best Banks in Minnesota  
GOBankingRates

### Best Mortgage Lender

Best of Carver County  
The Sun Patriot

### Best Bank

Best of Glencoe Area  
The Mcleod County Chronicle



# Board of Directors



Gale Hoese



Andy Schornack



Binh Le



Troy Williams



Chad Hoese



David Schornack



Brian Wagner



Tom Ollig

# Corporate Officers

- Adam Birkholz • VP - Branch Manager
- Adam Lindeman • SVP - Ag Banking
- Alex Brown • Operations Manager
- Amy Gatz • AVP - Real Estate Loan Officer
- Andy Schornack • President
- Athina Thornton • VP - BSA/AML/OFAC Officer
- Ben Haselhorst • Credit Manager
- Brian Nosbush • VP - Business Banking
- Brian Wagner • Chief Lending Officer
- Claudia Stegora • SVP - Commercial Banking
- Dan Wilson • VP - Portfolio Manager
- Don Kleinschmidt • SVP - Business Banking
- Eric Thalmann • Loan Officer
- Gale Hoese • Chief Executive Officer
- Geri Vanderlinde • Branch Manager
- Jacob Vasek • Loan Officer
- Jeremy Hoese • VP - Business Banking
- Jillian Johnson • VP - Treasury Management
- Joe Schornack • VP - Business Banking
- Joel Ebert • VP - Ag/Commercial Loan Officer
- Jon Dahlke • VP - Ag/Commercial Loan Officer
- Judy Meyer • VP - Branch Manager
- Julie Schornstein • EVP - Retail Banking
- Katie Meyers • Digital Operations Manager
- Kellie Oestrich • Human Resources
- Ken Munroe • SVP - Business Banking
- Kevin Hegland • SVP - Senior Lending Officer
- Lisa Domogalla • VP - Loan Operations Manager
- Luke Baker • SVP - Senior Lending Officer
- Lynn Rhodes • Chief Risk Officer
- Marc Hoffmann • EVP - Trust
- Marilee Vacek • Corporate Secretary
- Mary Stoltenburg • VP - Real Estate Loan Officer
- Michelle Thatcher • SVP - Business Banking
- Mitch Steckler • VP - Accounting Officer
- Pam Kurtz • VP - Loan Officer
- Penny Lindeman • Compliance Manager
- Rachel Schuette • Chief Operating Officer
- Samantha Vine • VP - Audit & Compliance
- Scott Norman • VP - Business Banking
- Scott Zacharias • VP - Loan Officer
- Sean Payer • VP - Business Banking
- Shane Haggerty • VP - Business Banking
- Tina Rosckes • SVP - Trust, CISP, CTFA
- Ward Greeley • SVP - Senior Lending Officer



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