

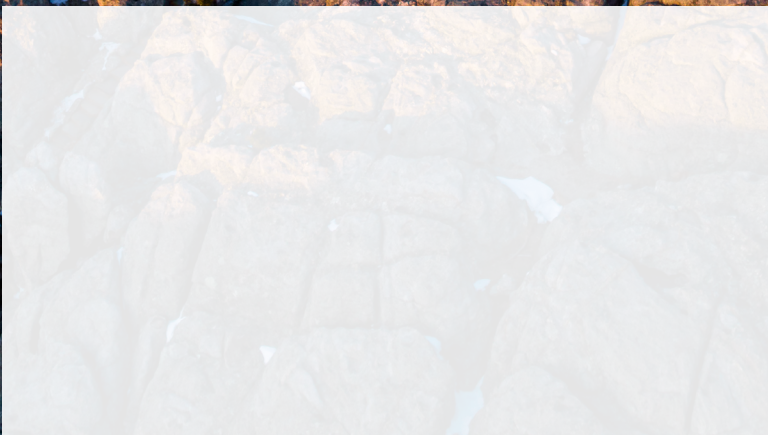
SDBANKER



OFFICIAL PUBLICATION OF THE SOUTH DAKOTA BANKERS ASSOCIATION | DECEMBER 2023



**SDBA Produces First Women
in Banking Newsletter
Feature: Don Kotab Celebrates
60 Years in the Banking Industry**



SDBANKERS
ASSOCIATION

Educate. Advocate. Grow.

ABOUT

The SDBA State Legislative Day is your opportunity to stay up to date on both state and federal legislation which could affect the banking industry. This is your exclusive opportunity to actively participate in shaping the future of banking in our state. This gathering promises insightful conversations, networking, and direct engagement with key policymakers.

2/14

WEDNESDAY

8:30
BOARD MEETING

8:00 - 10:30
EMERGING LEADER HOSTED BREAKFAST

10:00
REGISTRATION

10:30
LEGISLATIVE COMMITTEE MEETING

12:00
LUNCH/GOVERNOR'S ADDRESS (INVITED)

1:00
FIRESIDE CHAT WITH SENATOR MIKE ROUNDS, (CONFIRMED) & SENTATOR JOHN THUNE (INVITED)

1:45
ABA POLICY UPDATE (VIRTUAL)

2:00
SIMPLE CHOICES, BIG REWARDS: VJ SMITH

3:00
HILL VISITS



4:30
EMERGING LEADER HAPPY HOUR

5:30
RECEPTION

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WWW.SDBA.COM



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PO Box 1081 | 109 West Missouri Avenue
Pierre, SD 57501
605.224.1653 | 800.726.7322
www.sdba.com

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SDBA STAFF

Karlon Adam, SDBA President
kadam@sdba.com

Mike Feimer, President of Insurance and Services
mfeimer@sdba.com

Halley Lee, Administrative Vice President
hlee@sdba.com

Haley Juhnke, Communications Coordinator
hjuhnke@sdba.com

Natalie Likness, Member Services Coordinator
nlikness@sdba.com

Dean Franzen, Commercial Lines Specialist
dfranzen@sdba.com

Michelle Guthmiller, Insurance Specialist
mguthmiller@sdba.com

Robin Feimer, Insurance Specialist
rfeimer@sdba.com

Ashley Holec, Insurance Specialist
aholec@sdba.com

EDITORIAL: Published monthly by the South Dakota Bankers Association, SDBANKER Magazine is dedicated to enhancing the state's banking profession by providing useful and timely information on important events and trends in the banking industry. Statements of fact and opinion are made on the responsibility of the authors alone and do not represent the opinion or endorsement of the SDBA. The magazine welcomes news from SDBA members. Articles may be reprinted with permission. Email info@sdba.com.

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COVER PHOTO: Black Elk Peak, Photo by Byron Banasiak

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DECEMBER 2023 | sdba.com



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message from the chair.....

BY DAVE NELSON | President/CEO | First Fidelity Bank, Burke
605.775.2641 | davidnelson@ffb-sd.com

Engage and Advocate- 2024 Legislative Session Fast Approaching

As you read this article, we are in the midst of the holiday season. Christmas is upon us and New Year's is just around the corner. With that, another year is coming to a close and with the new year, we have excitement, enthusiasm, hope, optimism, and anticipation of things to come in the new year. I hope everyone had a successful, productive, and prosperous year and I wish everyone the best in the new year.

As an association, I consider 2023 a great success. Without the involvement and engagement of bankers across the state, YOUR association would not have had that success. It is a direct result of your support and participation in events, conferences, training, convention, peer groups, committees, and calls to action. I want to take this opportunity to thank each and every one of you for your involvement and engagement. I also want to encourage you to continue your efforts moving forward. As you know, the banking industry is ever-changing and evolving and under constant scrutiny by legislators, regulators, and those who don't understand our industry, including those who want to tell our industry how to run our banks and who we can and cannot do business with. We, as bankers, have to stand up and protect our industry. If we don't engage and advocate for our industry, who will?

The 2024 South Dakota Legislative Session is fast approaching. Your engagement and advocacy play a vital role in shaping the laws and regulations that impact our industry. South Dakota bankers who actively engage in the legislative process can strongly influence laws and regulations that impact our industry and influence economic growth and development in our communities. Your engagement in advocacy during the legislative session provides opportunities for bankers to voice their concerns, share their perspectives and expertise, and contribute to meaningful dialogue that can lead to positive changes for our industry.

In a period of rapid technological advancements, ever-changing laws and regulations, and evolving consumer expectations, the banking industry faces numerous challenges. Advocating for our industry has become more important than ever. If the last legislative session was any indication of things to come, please be ready to get involved and encourage everyone to engage and participate. Karl and Brett do a great job staying on

top of issues and trying to explain banks' perspectives when it comes to the various bills being presented. We, as bankers, need to do our best to understand the issues. It is important to have an understanding of the key issues affecting a proposed piece of legislation and its potential impact on our banks, our customers, and our communities.

Have a dialogue with legislators you know personally and try to establish and build relationships with legislators in your district. Also, encourage your coworkers to get involved and participate in advocacy. Collective voices addressing critical issues affecting our industry can be invaluable. We have to remember that there is power in numbers. Keep lines of communication open during the legislative session. Engage in conversations and attend legislative meetings held in your communities to share concerns, insights, and provide expertise on proposed legislation. Explain the potential impact of proposed legislation and share real-world examples. Offer expertise and perspective to educate legislators on important banking legislation and regulation and how it will affect your bank, your customers, and the communities you serve. No matter what the final outcome of a piece of legislation, follow up with legislators to express your appreciation for their support.

Bankers sharing important facts, perspective, and insights, as well as dispelling inaccurate and false information, can significantly influence laws and regulations that affect our industry. Through active engagement during the legislative session, bankers can have a meaningful impact and contribute to shaping a legal and regulatory environment that has a daily impact on our banks, our customers, and our communities.

One last item: I want to encourage you to register for the SDBA State Legislative Day to be held in Pierre on February 14, 2024. We would like to see a great turnout for this event. No one knows what this legislative session holds for our industry, but if the past couple of years is any indication, we could be in for another interesting session that will require banker engagement. By attending the Legislative Day events, we can show that bankers care about our industry and are willing to make our voices heard to protect our industry, our customers, and the communities we serve. Thank you. 🌈



from the executive office.....

BY KARLTON ADAM | President | South Dakota Bankers Association
605.224.1653 | kadam@sdba.com

Happy Holidays from the SDBA



Season's greetings SDBA members and friends. By the time this issue of SDBANKER hits inboxes, our family will have celebrated another special family wedding. Our son Jack was married earlier this month to his longtime girlfriend/fiancé Sydney Steinhoff. The entire Adam family is thrilled and blessed to officially welcome Sydney to our family, making this holiday season extra special.

It's this time of year I find myself in various states of thought. I reflect on the days and months behind us, often thinking and reminiscing about how we got to where we are, who helped us, what were our challenges, and of course, the big one, the WHY of it all. When I'm not in a state of reflection, I get caught up in thinking about what will come of the days and weeks ahead. Again, what roads and pathways will we take to continue advocating for our industry? Who will rise to the occasion to help us achieve those goals? What are my counterparts in other states seeing and preparing for? And again, WHY? Prolific questions, I know, but it all comes down to SDBA's tagline, "Educate. Advocate. Grow."

In just three short weeks, South Dakota's lawmakers will make their annual journey to the capital city to embark on the 99th Session of the South Dakota Legislature. The SDBA's Board of Directors and Legislative Committee met recently to discuss the upcoming legislative session, and there was much discussion about proposals we may encounter, the SDBA's proposal to oppose and reject central bank digital currency (CBDC), measures by which the banking industry could be impacted, and more. I always refer to this time of year as 'legislative preseason,' when we start assembling our playbooks and assigning our rosters to effectively execute our gameplan.

There are federal issues we continue to keep a pulse on as well. The SAFER Banking Act, the Credit Card Competition Act (CCCA or Durbin 2.0), Dodd Frank Section 1071, the CRA Final Rule and the ACRE or Access to Credit for our Rural Economy Act. Friends, I can't stress enough the importance of staying informed and up-to-date on legislation, rules and regulations that not only could, but will, impact our industry and the way some if not most of us serve our customers and communities.

That said, a couple things here: it is imperative that we, together as one united voice and mission, come together to support our industry in the best way we know possible, and that's by attending our upcoming SDBA State Legislative Day on Wednesday, February 14, 2024, in Pierre. This event is your exclusive opportunity to actively participate in shaping the future of banking in our state, and promises a day of insightful conversations, networking, and direct engagement with key policymakers. Hotel blocks have been secured at the Ramkota Hotel and ClubHouse Hotel, both in Pierre, and cut off on Friday, January 12. So, if you plan to make the trip to Pierre, arrange lodging ASAP.

This event is an exceptional opportunity for one cohort of bankers in particular: our Emerging Leaders. While we arrange programming specifically for our emerging leaders at this event every year, the 2024 event is specially designed to engage and develop our emerging leaders to become strong, influential leaders and advocates for the banking industry. Go to www.sdba.com/event-list to review the full agenda and register.

Switching gears with one other item I want to call your attention to before you move on to the rest of the magazine: a new resource the ABA (American Bankers Association) recently debuted, the ABA Check Fraud Directory. Jim Hitchcock, vice president for fraud mitigation at ABA, recently wrote a column in the ABA Banking Journal sharing the unsettling fact that check fraud, although not new to banks, is making a comeback. "Check fraud has proven to be an unwavering, multifaceted threat that banks of all sizes are still struggling to mitigate," Hitchcock said. "The volume at which checks are being stolen from the U.S. mail system, the organization of criminal groups and the convergence of street-level tactics with open access to social media have flooded the multiple check deposit points (remote deposit capture, ATM and branch) at banks with bad checks." As Hitchcock wrote, the use of checks in the American banking system are not going away anytime soon. Although many of our expenses and purchases are done electronically, plenty of transactions are still done using checks.

"Even with consumers writing fewer checks today, the American fraudsters see opportunity in their homeland, as demonstrated by the increased percentage of fraudulent checks among all checks. Fraudsters are creative creatures who adapt to societal behaviors," Hitchcock wrote. "Now, using street level 'mules' or 'walkers' along with the latest social media applications, like Telegram, they are attacking at scale with high rewards with little risk of being caught and prosecuted."

As a collaborative response, the ABA rolled out its Check Fraud Directory, including educational materials. The ABA developed a point of contact directory, available for subscription by both ABA member and non-member banks at no cost. For more details visit aba.com/banking-topics/risk-management/fraud/check-fraud. If you're not already, I encourage you to participate in the directory as it will be helpful to the industry as more banks subscribe and participate.

On that note, from all of us at the SDBA, we wish you the warmest and happiest of holiday wishes. We thank you for your involvement, support, engagement, and friendship in 2023 and we look forward to serving you in 2024 and beyond. Happy holidays and may 2024 find you happy, healthy and prosperous. 🌈



south dakota bankers insurance & services update.....
 BY DEAN FRANZEN | Commercial Lines Specialist | South Dakota Bankers Insurance & Services Inc.
 605.220.4219 | dfranzen@sdba.com

P&C Outlook for 2024

With the current year ending it's time to take a look forward into 2024. What can we expect in the coming year in the Commercial P&C markets? Overall market performance in 2023 suffered from continued weak auto insurance performance and above-average catastrophe losses from a wide number of convective storm events this year. Even with a growth in premiums written, industry analysts project a decrease in earnings of up to 15% for 2023.

However, claims cost volatility from inflation, economic uncertainty and higher litigation activity will add to underwriting and loss reserve risks. Results for Q1 2023 weren't encouraging. The net underwriting loss was the largest in 12 years and resulted in the worst Q1 figure on record. Industry representatives are expecting the hardest market in a generation, despite over four consecutive years of rising premium rates insurers are still struggling to raise prices fast enough to cover record growth in expenses.

The price of single-family residential home construction materials soared 33.9% since the start of the pandemic while contractor services are up 27%. Meanwhile, 2022 was the eighth consecutive year featuring at least 10 US catastrophes, causing over US\$1 billion in losses therefore, driving up property-catastrophe reinsurance costs by 30.1% in 2023. Demand for catastrophe reinsurance is expected to grow as much as 15% for 2024, putting further pressure on prices so reinsurance rates will likely remain elevated. These elevated reinsurance rates will eventually show up in the base rates paid by policyholders.

Commercial property premiums rose by an average of 20.4%. This is the first time that rates rose by more than 20% since 2001. While inflation has been easing somewhat in 2023, commercial insurance rates have continued to increase although at moderating levels. However, some projections indicate by the end of 2024 and into 2025 we could see a softening of this market. Time will tell.

Workers' compensation has been a positive segment. Continuing to resist expectations and the market as a whole, calendar-year results in the segment showed marked improvement from levels that were already favorable. The workers' compensation segment presented a combined loss ratio of 83.9% which represented a decline of nearly 3.3% from 2021. This ranks as the second-lowest such result in the last 25 years. At the same time, commercial property insurers faced the same sort of challenges that confronted residential property insurers. Commercial auto, where loss troubles predate the onset of supply chain-induced inflation, had a 105.4% combined ratio in 2022 after a fleeting sub-100% result in 2021.

AM Best is maintaining its stable market segment

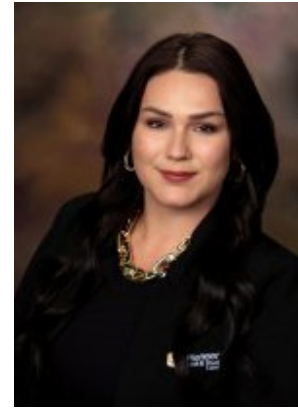
outlook on the U.S. commercial lines insurance for 2024, citing in part the segment's strong underwriting results throughout the pandemic and current economic and capital markets volatility. AM Best is citing several near-term concerns that could affect the U.S. commercial lines segment. Chief among them is that economic inflation remains stubbornly elevated. Also, jury awards and litigation costs continue to rise, affecting loss costs in the casualty lines of business. Domestic and geopolitical risks, including congressional gridlock, are noted as factors that have the potential to sharply heighten commercial and economic risks relevant to the U.S. property/casualty commercial lines segment.

So, how does South Dakota compare to these national trends. If we look at the P&C business for our member banks there are some trends that track the national results described earlier. We have been seeing more aggressive workers' compensation rates from our carriers over the past year, along with general liability rates remaining flat. Commercial auto rates have risen for many of our bank customers but are still below national averages and I would anticipate another increase in this coverage segment in 2024.

Property rates have seen increases due to the cost of labor and materials needed to repair damage. The storm losses incurred in the state in 2022 and 2023 may not yet completely be reflected in the current premium rates so, I would anticipate that as we complete renewals throughout 2024, we should anticipate commercial property rates to increase. The one area that we are seeing the greatest underwriting change from our carriers is the addition of wind/hail deductibles. We are beginning to see these deductibles increase not only in frequency but also in dollar amounts up to \$25,000 but, also the increasing use of percentage deductibles on property, generally around 2% of the locations value. The application of these deductible changes is somewhat dependent on geographic location so not everyone will be affected by these changes. Umbrella coverage premiums have fortunately been flat for the past few years, and I do not anticipate a change in 2024.

In conclusion, we should expect some increases in premiums and deductibles on the property segments of the commercial coverages as well as the commercial auto segments. How much this increase will be is still unknown. The other segments such as workers compensation, general liability and umbrella coverage may help to offset some of these increases if premium/claim trends continue. However, we can't control mother nature, so the claims impact is always an uncertainty. But isn't that why we buy insurance? 🌈

Emerging Leader of the Month: Ashley McCann



As part of the SDBA's mission to grow South Dakota's future bank leaders, we feature a monthly emerging leader. This month's feature is on Ashley McCann from Pioneer Bank & Trust in Buffalo.

First-Ever Job

My first job was at a cotton and grain gin in Sebastian, a small town in south Texas. I was 14 years old, and I helped around the office with any duties that the wonderful ladies handed to me. This job taught me perseverance, basic office skills and how to work with my elders.

Emerging Leader Story

My story started on August 24th, 2021, when I started as a Teller for Pioneer Bank & Trust. I was nervous coming back into the working world after staying home with my kids for a little over three years, and it was also my first time working at a bank. I was a Teller for about five months when I applied for and accepted the opportunity to train as a Personal Banker. Shortly after I completed my training, another opportunity arose, and I was promoted into the role of Operation/Personal Banking Officer. In two short years, these opportunities have helped me grow so much personally and professionally. I am now a supervisor to an amazing team of people I appreciate dearly for all they do to help make the branch run smoothly.

When I started back in 2021, I would have never imagined being in the position I am today. I am so thankful to Pioneer for giving me the opportunity to attend conferences like the Emerging Leaders Summit, so that I could learn and grow into the person and supervisor that I am today.

What She Most Likes About Her Job

My current position is Operation/Personal Banking Officer, I have many duties in the bank both fulfilling Personal Banker and Operations job functions. As a part of the Personal Banker side of my role I manage the opening/closing of accounts, Regulation E disputes, opening/redemption of CDs, stop pays, and more. My Operations duties include supervisory functions such as daily reporting, monthly meetings with the Admin Department, billing for the branch, employee time sheets, and helping my team to ensure the branch runs smoothly. Communication is a major key in this position and I try to drive that upon my team.

Helping customers and working with a great team are the things that I love most about working in the banking industry. Working in a branch in a small town with a population of a little over 400, makes helping anyone in our tight knit community rewarding.

If She Could Have Any Job

If I could have any job in the world, it would be as a Marine Biologist. Growing up next to the Gulf of Mexico in a huge beach family, I fell in love with the ocean and marine animals. I went fishing a lot as a kid and loved when the dolphins would swim up next to the boat, they are one of my favorite marine animals. I find ocean life so intriguing and would love to explore more of it.

Her Life's Passions

My life passions are traveling, personal growth, health, community service and the most important one would be being a role model that my kids will someday be proud of.

How She Unwinds

I unwind by working on house projects and spending time with my family in the outdoors. Any project I can check off my house list is relaxing and rewarding for me. My most favorite days is spent on long drives or hikes in the hills surrounding Buffalo, South Dakota with my family. Don't get me wrong, I do like to soak in a hot bath to help unwind as well.

Little Known Facts About Her

I am just so grateful for where I am at in life personally and professionally. I moved from Texas nine years ago to a tiny town in South Dakota. First working as a waitress, then a stay-at-home mom for a few years to now working for a wonderful company who gave me the opportunity to pave my own way and succeed in my career. 🌈



KNOW AN EMERGING LEADER?
 Nominate them! Send an email to info@sdba.com.

SDBA Produces First Women in Banking Newsletter: BankHER Bulletin

The SDBA released its first publication of an newsletter for women in the banking industry.

The BankHER Bulletin is SDBA's quarterly newsletter dedicated to the extraordinary women in banking. Within its published pages, uncover timely updates and pertinent insights crafted for women professionals in the banking industry. Our goal extends beyond mere information; we seek to enrich it with inspiration, enjoyment, and encouragement.

To find a copy of the newsletter, head to www.sdba.com/wib. If you would like to subscribe for notifications when the next publication is released, email info@sdba.com.



2024 Holiday Signs Available for Member Banks

The SDBA offers holiday signs that banks can print and display to notify customers when the bank will be closed for standard holidays.

The signs are set up to be printed on 8.5" x 11" paper and are provided as a high-resolution pdf file. Banks can print the signs and use them how they see fit.

Find the holiday signs at www.sdba.com/holiday-signs.



SDBA Welcomes New Endorsed Vendor

BPR Services

Contact: Matt Vance, CFO
Address: 600 W. Main Street, Suite 400, Louisville, KY 40202
Phone: 1-833-692-0381
Email: info@bankperformancereport.com
Website: www.bankperformancereport.com



The Bank Performance Report is now available through your membership with South Dakota Bankers Association. Utilizing data from the quarterly FFIEC Call Reports, the BPR ranks overall performance of each bank headquartered in that state. The overall performance ranking is based on each bank's average ranking across 8 different performance categories - Net Interest, Non-Interest Income, Non-Interest Expense, Efficiency, NPA's/Equity & Reserve, Asset Quality Index, Return on Assets and Return on Equity. The BPR has been a proven strategic planning tool for the last 20 years serving multiple uses, including:

- Strategic Profit Planning
- Board Reporting
- Measurement for Performance Incentives
- Competition Analysis
- Trends in the Market

They offer a wealth of benchmarking data that can assist in helping banks identify areas for improvement and ultimately improve their overall performance.

The standard annual BPR subscription includes a quarterly printed, bound, and tabbed report, plus two electronic reports (PDF and Excel versions). Electronic versions of the report will allow you to share the data with other members of your team and to promote further data-sorting and analysis for your own purposes. The annual subscription fee includes four (4) quarters, with your first report being the next quarter published upon subscribing. Custom reports are also available, pricing to be commensurate with request complexity.

If you are not already a subscriber and would like to sign up, please contact info@bankperformancereport.com.

2024 Advertising & Sponsorship Planning Guide Available

The SDBA's 2024 Advertising & Sponsorship Planning Guide is now available. The guide contains information about advertising in the SDBANKER Magazine, the weekly SDBA eNews, the Women in Banking and Emerging Leader newsletters, the Bank Directory, the BankSquawk podcast, and classified advertising. It also provides information on sponsorship and exhibit opportunities at SDBA events throughout the year. The SDBA encourages business partners to view the guide to see how they can get involved in the SDBA in 2024. Visit www.sdba.com/assets/2024PlanningGuide.pdf to view the guide.



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SOUTH DAKOTA HOUSING

SDBA Adds New Peer Groups

Peer groups are generally informal but a good way to stay connected to cohorts from other banks across South Dakota. The newest addition to the SDBA Peer Groups includes Bank Trainers/Education as well as CRE and C&I.

The SDBA now offers the following Peer Groups:

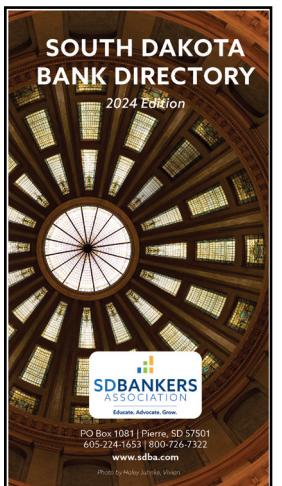
- CRA
- Fraud
- Enterprise Risk Management
- HR
- Security
- Tech
- Bank Trainers/Education
- CRE and C&I

To get involved with the SDBA, such as committees, work groups and peer groups, go to www.sdba.com/committees-work-groups-peer-groups or contact the SDBA at info@sdba.com.

2024 SD Bank Directory Available

The SDBA's 2024 South Dakota Bank Directories are now available.

The directory provides detailed information on all South Dakota banks, including addresses, telephone numbers, important contact names and additional pertinent information. The directory also contains information on the SDBA, banking associations, regulatory agencies, endorsed vendors, associate members and South Dakota officials.



All SDBA member banks and branches receive one complimentary directory. Associate members will receive a complimentary directory when they pay their 2024 membership dues.

Additional copies are available for purchase. The member cost is \$35 plus tax for a single copy, or \$30 each plus tax for multiple copies. The non-member cost is \$50 plus tax for a single copy, or \$45 each plus tax for multiple copies. Orders can be placed online at www.sdba.com/bank-directory.

Any inaccuracies in the 2024 directory should be brought to the attention of the SDBA, and corrections will be made in the next edition. Banks will also receive a survey in the fall requesting current information.

Clarkson Shares CDIAC National Meeting Summary

November and April are my Community Depository Institutions Advisory Council (CDIAC) meeting months and I thought it would be relevant to report to my fellow South Dakota Bankers as this is certainly another form of Community Bank Advocacy. I chair the 9th District Minneapolis Fed CDIAC, which then enables me to represent at the National CDIAC as the 9th district representative. We met in Minneapolis as a working group and then with President Kashkari on the 8th in Minneapolis. The following week, the 12 of us (from each Fed district) meet as a working group to prepare our presentations to Chair Powell, Vice Chair Jefferson, and Governor Bowman. The financial institutions ranged in asset size from 230M to 8.8B with the bulk of the district representatives being 1B or smaller in total asset size. These meetings came on the heels of the CRA Modernization Act final rule publishing on 10/24 so there was ample discussion on the topics.

The national meetings were held at the Fed in DC where the actual FOMC meets and consisted of the twelve of us spending two evenings and a day and a half preparing our presentations for Chair Powell, Vice Chair Jefferson, and Governor Bowman on the morning of the 16th. Our meetings with them were sincere, humbling, and worthwhile. Having three of them for a total of three hours, considering their and our

schedules is meaningful to me and our industry. I really do not feel like this was simply a "check the box" type of meeting for them. Their questions and comments were sincere and on point. It is important to have a seat at the proverbial and very large FOMC table. The topics that we presented on were:

- Overall economic conditions with more discussion on indicators that included
- Inflation
- Housing
- Labor Markets
- Consumer Confidence
- Current Banking Conditions
- Small Business Lending
- Commercial Real Estate Lending
- Construction Lending
- Home Mortgage Lending
- Consumer Lending
- Agricultural Lending
- Deposit
- M&A Activity
- Community Reinvestment Act: Modernization (TIMELY)
- Recent Examination Practices
- Regulatory & Payments Matters
- Additional Matters
- Liquidity Pressure
- Continuation of the Bank Term Funding Program

Please do not hesitate to reach out to me with any industry concerns you may have. Between the CFPB, Basel III endgame, CRA Modernization Act and more pending regulation or legislation we have plenty of Dragons that need slaying and I do not intend to waste any opportunity to advocate on behalf of our industry. 🦁



GSBC to Award Scholarship to SDBA Member Banks

As a co-sponsor of the Graduate School of Banking at Colorado (GSBC), the SD Bankers Association has partnered with GSBC to recognize community banks across South Dakota for their innovative approaches to serving their customers and communities with a new, nomination-based scholarship.

The scholarship is called the Bolder Banking Scholarship and is an extension of GSBC's Bolder Banking campaign, which aims to highlight bold leaders in the community banking industry by sharing innovative information and ideas with fellow bankers.

The Bolder Banking Scholarship will afford the SDBA the opportunity to recognize and reward our member banks displaying innovative approaches to banking. GSBC will fund the scholarship for a rising star within the recipient bank to use toward tuition at GSBC's Annual School Session.

SDBA member banks may nominate themselves or another bank to be a Bolder Banking Scholarship recipient.

There is one of these bank-wide scholarships given annually. To submit a Bolder Banking Scholarship nomination for your or another bank displaying innovative, out-of-the-box initiatives, complete the nomination form by February 15, 2024. The recipient bank will be decided on by March 1.

<https://www.sdba.com/scholarships>

Take the first step on the path to becoming

FedCash® E-Manifest Ready...

Connect with the Rochester Armored Car Team at go.rochesterarmoredcar.com/cashvisibilitypreparation

Part of the industry-wide Cash Visibility initiative, Fed Cash E-Manifests create a way for financial institutions and CIT carriers to electronically process deposits and payments in real-time with the Federal Reserve.

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from the archives.....

1976

NEW TAX BILL HITS EVERYONE

The Tax Reform Act of 1976, signed into law on October 4, contains provisions that will affect the amount of taxes paid by virtually everyone filing a return, according to H. P. Mogen, President of the State Bank of Waubay.

"The new tax law contains so many provisions that can affect taxpayers in middle and lower income levels, as well as high income individuals, we feel that everyone should be aware of the general nature of the changes in the tax laws that could affect him," said Mogen.

A prime consideration of those preparing the Tax Reform Act of 1976 was the restriction of the use of so-called tax shelters. These were the investment possibilities in certain situations which could be very beneficial for individuals with high annual incomes. They consisted chiefly of investments in such areas as cattle and farming operations, oil and gas operations, real estate, motion pictures, equipment leasing, and, to some extent, sports franchises. The main thrust of these tax shelter programs was that they could postpone taxes owed to a later taxable year and generally produced tax deductions for the individuals who invested in them exceeding the amount of the individual's cash investment. Various provisions in the new tax law have quite effectively removed these advantages.

There are many other portions of the new law that will affect many average taxpayers in varying degrees. It is advisable that anyone who is affect-

ed by the new law, or thinks that he may be affected, should obtain additional information from an accountant, attorney, or his local banker.

"We're afraid that some taxpayers could make some expensive mistakes in computing their tax if they are not aware of the changes in the tax laws that may affect them," said Mogen. According to the South Dakota Bankers Association, the following is a brief summary of some of the provisions in the new tax law that appear likely to affect many individual taxpayers:

Changes in the \$30,000 Lifetime Gift Tax Exemption.

The \$30,000 lifetime gift tax exemption will not be available after 1976. It will be replaced by a \$30,000 tax credit in the second half of 1977 which will increase by stages to \$47,000 in 1981. Gift plans should be reviewed as soon as possible since it may be desirable to make additional gifts before the end of 1976.

Changes Concerning Generation-Skipping Transfers of Property.

The advantage of generation-skipping in the transfer of property has in some cases been reduced by the new law.

Changes in Capital Gains and Losses Provisions.

Under the new law, the holding period to qualify for long term capital gains treatment will be lengthened from the current six months to nine months in 1977, and 12 months thereafter. The timing of security sales at the end of 1976 and 1977 may be affected by this change. The amount of net

capital losses that can be deducted from ordinary income will be increased from the present \$1,000 to \$2,000 in 1977, and to \$3,000 in 1978 and subsequent years.

Elective Methods for Valuing Farm and Business Real Estate.

Under the new law, farm and business real estate can be valued for estate purposes at present use rather than highest and best use if certain conditions exist.

Deferred Payment of Estate Tax.

Alternatives for the deferred payment of the estate tax are provided by the Tax Reform Act if a farm or small business is a substantial part of the estate. Extensions on the payment of estate taxes can also be obtained if there is a "reasonable cause" for the extension.

Tax Shelters Virtually Eliminated.

Provisions in the new tax law have eliminated the tax shelter features in such areas as

farming and cattle operations, oil and gas operations, motion pictures, and equipment leasing that made investment in these areas desirable. The new 'at risk' limitation does not apply to real estate.

New Restrictions on Deducting Home Office Space.

Under the new law, effective for 1976 and subsequent years, deductions for business related use of residences have been severely restricted.

New Restrictions on Deducting Vacation Home Expenses.

Effective for 1976 and sub-

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Waubay Clipper

sequent years, the new law severely restricts the deductions that can be taken on vacation or second homes that are also rented out to others.

Changes in Allowable Deductions for Moving Expenses.

The amounts that can be deducted for house-hunting and moving expenses have been increased and the mileage requirement has been reduced from 50 to 35 miles.

Individual Retirement Accounts (IRA) for Unemployed Spouses.

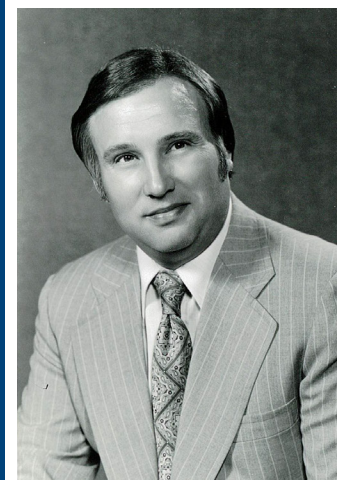
Beginning in 1977, an IRA can be established for an unemployed spouse with payments being made into it by the employed spouse.

Change in Alimony Deduction.

Beginning in 1977, the treatment of alimony payments by payors is changed so that deduction of alimony payments may now be claimed whether or not other deductions are itemized. This makes individuals paying alimony eligible to use the standard deduction if they wish.

Deduction of Child Care Expenses.

The new law liberalizes this area by allowing, starting in 1976, tax credits for 20% of qualifying child care expenses, with certain limits, to allow a parent to seek gainful employment. The expenses must be incurred for the care of a child under 15 years of age or for an incapacitated dependent or spouse.



J.I. Milton Schwartz



Bankers Association officers, from left: Winter, O'Donnell, Schwartz



The SDBA would like to extend our sincerest condolences to the family of J.I. Milton Schwartz II and his wife Delores 'Judy'. Mr. Schwartz served the SDBA as the Association's Executive Manager from 1972-1988. According to his obituary, Milt eventually retired in 2004. On Saturday, November 11, 2023, Milt passed away. Nine days later, his beloved Judy passed away, too.

bankers in action.....

Bankers Give Back This Holiday Season

Bankers from multiple member banks across the state gave their time, energy, and resources to help others this holiday season.



First National Bank

With the theme of "Give Back This Holiday Season", First National Bank branches are hosting and participating in several projects to help those in need during the holidays. The two Pierre branches have organized a Holiday Food Drive to support the Governor Grocery. Governor Grocery is a student pantry program hosted at Georgia Morse Middle School to help students who have food shortages at home.

Additionally, the Pierre branch has volunteered for the Southeast Pierre Community Banquet. The banquet is a weekly dinner for community members held at the SE Methodist Church. They've also donated and volunteered with the PARS Backpack Program to provide easy-to-prepare weekend meals and snacks for school children who may not have enough food to eat at home. Pierre employees also volunteer at Countryside Memory Center with their OMA (Opening Minds Through Art) program for people with dementia. Volunteers spend an hour a week creating art with them focusing on imagination.

The Fort Pierre branch is hosting two collection projects this holiday season. The first is an Angel Tree to provide donated gifts to local children in need. The second project is a collection box to support Veterans at the Veteran's Home in Hot Springs, SD. The Fort Pierre staff also participated in a Chili Cookoff at the Fort Pierre Tree Lighting event which raised money for local families needing assistance with paying their utility bills this winter. The branch was excited to win first place in the chili cookoff as well.

The Newell branch is also hosting an Angel Tree to provide Christmas gifts for local grade school students who also participate in their school's backpack food donation program. Down the road in Rapid City, that branch is hosting their own Angel Tree which supports the local Salvation Army toy drive. The Rapid City branch is also collecting items for the Humane



Society of the Black Hills to provide food for animals and supplies for their shelter. Several talented Rapid City staff members also created beautiful tie blankets to be donated to the Children's Home Society Child Advocacy Center for children to use this winter. A group of Rapid City employees will also be preparing meals for the WAVI (Working Against Violence) shelter for women and children on Dec 19th.



First Bank & Trust

Our Technology and Mortgage Depts. recently did a Sleep in Heavenly Peace build. About 35 members of the Technology & Brookings Mortgage departments built 25 beds in about 1 hour! The FBT Community Fund paid for the materials so 25 more kids in the Brookings area now have a bed to sleep on!

Sleep in Heavenly Peace (SHP) is a nationwide organization with local chapters that provides free beds to kids who don't have one. Their motto is No Kid Sleeps on the Floor in Our Town! It's hard to believe, but there are kids in our towns who sleep on the floor each night because they don't have a bed.



First PREMIER Bank

The First PREMIER Main Bank retail team got "crafty" this holiday season with their community service. After their staff meeting, the team spent time making blankets for Sanford Children's Hospital in Sioux Falls. They also braided dozens of dog toys out of old T-shirts for the Sioux Falls Area Humane Society and Aberdeen Area Humane Society. This isn't the first time First PREMIER's banking teams have served together. Other group projects have included serving meals at the Banquet, raking leaves for non-profits, gathering supplies and volunteering at various organizations. Together with PREMIER Bankcard, employees annually give an average of 30,000+ hours of volunteer time. Making a difference and giving back to our communities is the PREMIER Way. Member FDIC.



Pioneer Bank & Trust

Pioneer Bank & Trust employees spent several hours packing food boxes for the Salvation Army! Although it took longer than expected, they were able to pack around 1,400 very full boxes to be distributed to local communities in the Black Hills region, including: Rapid City, Sturgis, Spearfish, Belle Fourche, etc.



Reliabank

Reliabank is serving as a donation drop off location for several organizations this holiday season. All 10 Reliabank locations will be taking part in the donation drives and the organizations that will be benefitting are; Volunteers of America Dakotas, Human Service Agency, Salvation Army, Humboldt Community Food Pantry, Estelline Nursing and Care Center, and Hamlin PACH Program. Each organization is receiving different donations that include toys, non-perishable food items, toiletries, books, clothes, household items, and monetary donations. Contact a Reliabank location to find out more information about donation items and drop off deadlines. 🇺🇸



IMPACTING YOUR COMMUNITY?

Share how your banks are making a difference! Submit your stories and photos to info@sdba.com.

Don Kotab Celebrates 60 Years in the Banking Industry

Written by Don Kotab

I joined the Commercial State Bank in Wagner, SD, on June 3, 1963. Prior to this I had been employed as a teacher: one year in a rural school followed by three years in the Wagner School system. A desire to serve customer needs and to become more involved in my community prompted me to look into the banking industry which I found very fulfilling. My association with customers, bank management and fellow employees prompted me to stay in banking. I enjoy staying involved by continuing to serve on the bank's Board of Directors and Board of Commercial Holding Company. I completed my sixtieth (60th) year at the bank, June 2023. I held almost every title in the bank and retired as president of the bank in 2005. My passion and priority is to ensure that the bank's customers and community are adequately served.

Having been involved in the industry for many decades required adapting to change to keep up with technological advances and customer expectation. I've always appreciated and cherished the opportunity to be involved in the progression of the evolving landscape of banking.

Things were quite basic in the industry at the time I got involved. We used adding machines that had a hand crank that needed to be pulled to enter each amount to arrive at a total. Transactions from the tellers and loan officers were entered manually at the proof machine. Each transaction entered was proven for accuracy and sorted into pockets to accumulate checks, deposits, out of town checks, cash, loan transactions, etc. Those stacks of items were totaled manually at the end of the day. If a transaction did not balance the proof operator would have to back each item out of the machine and locate the staff member who made the entries to determine the error; make the necessary corrections and reenter the transaction.

The general control of all the day's business was



on a large handwritten ledger sheet. The days business was summed up in columns of credit and debit figures that needed to balance at the end of each day. That was a far cry from the automated figures which are now organized and provided electronically.

All entered checks and deposits were manually sorted at the end of the day so they could be posted on each customer's statement and ledger. This was done by two separate employees in a process called double posting. This not only proved accuracy, but also provided a statement to be mailed to the account holder along with all cancelled checks and deposits which had been microfilmed, then sorted in files daily. Each check was manually handled multiple times in the clearing process. The second posting provided a ledger to be retained as the permanent record for the bank.

Automation brought in many advances in handling transactions. The computer could automatically read items which were magnetically encoded at the proof machine. Most banks provided counter checks to businesses so that an account holder could write a check on a check blank that was found on the checkout counters of businesses. The proof machine operator at the bank would enter the account number and amount that had been written in by the customer. The

computer could then read and post each item to each account holders statement by reading the magnetically encoded account number and check amount. The introduction of personalized checks considerably sped up this process as the account number was already encoded on each check. The automation process continued to evolve and improve the process to the system we now use to manage customer accounts and eliminated the number of times each item needed to be handled. In the process, we were among the first banks to implement "check imaging" to provide the most up-to-date technology to our depositors.

Automation and internet banking allows for distant banking relationships. With those opportunities come many challenges for the safety of customer assets and information. We keep hearing new terms like phishing, ransomware, social engineering, malware, etc. I remember attending SDBA-IBA conferences over the years and talking shop with officers of much larger banks. When asked the size of our bank and the number of employees we had, they were astonished by the low number of employees accomplishing our admirable success. This speaks volumes about the work ethic and dedication of the people I have had the privilege with which to work and continues to this day.

Despite the many challenges, I would encourage young professionals aspiring to build a career in banking, to follow your dreams, to have a rewarding and fulfilling experience of a lifetime.

My association with the bank led me to becoming involved in supporting the community through organizations like: Rotary International, Jaycees, Chamber of Commerce, The American Legion, Wagner Labor Day Committee, Knights of Columbus Third and Fourth degree and serving my church my entire life as CCD teacher, offices, Eucharistic minister and lector. I continue to remain involved in The American Legion and active by serving as Chaplain, Scholarship and Americanism chairman and serve on the Honor Guard providing military rites for deceased Veterans. I recently made my last trip as a DAV van driver delivering patients to the Veterans Administration Hospital in Sioux Falls on my 83rd birthday.

Having earned the title of Master Gardener, I enjoy: gardening not only to provide fresh food

for our table but lots of extras for sharing; lawn maintenance and encouraging flowers to bloom.

Traveling with my wife, Dolores, has been a big part of my leisure time since retirement. We will be attending an Assembly for Bank Directors conference on Maui, HI at the end of January and flying to CA in May to attend our grandson's high school graduation.

I am so grateful for having had the opportunity to be a part of the Commercial State Bank family and to be involved in the progress and growth of the Wagner area. This bank was one of three (3) banks in Wagner and was the only bank that survived the great depression. Having been chartered in 1902, it has been and continues to be a pillar of the Community of Wagner.

The Frei family has maintained majority ownership during my years of employment there and continues to work towards the future with dedication to serving the area. In my forty-two and a half years there, I had the privilege of working with four generations of the Frei family. My connection to the family continues, as our son, David, an attorney and Vice-President of the Commercial State Bank married Ericka Frei and blessed us with two grandsons (one deceased). Our oldest son, Dominic, also an attorney and the managing partner of Zilka-Kotab a patent attorney firm in the Silicon Valley in San Jose, CA. He and wife, Gretchen, have blessed us with three grandchildren. 🌈



In recognition of Don Kotab's milestone of 60 years in banking, David Kotab presents him with an award for his years of service.



Dana Dykhause, Chm. of SDBA presented Don Kotab a Banking Industry Plaque for 40 years of service.

"I will just tell you a story on Don..."

In June of 2010, Robert L. Frei, CEO, (my father) was diagnosed with cancer. He died on September 10, 2010. I was 35 years old. Don had retired as President of CSB, but remained as a director on the board and also the holding company. The current president of the bank at the time had announced their retirement. Don was instrumental in mentoring me through that difficult time. Without his experience and knowledge, our bank would have been very susceptible to a sale.

It is just another story of how Don has helped the organization through his 60 years of service."

-Michael L. Frei, President, Commercial State Bank

UPCOMING EVENTS

SDBA's IRA Basics

January 9, 2024 | Virtual

Plan to attend the SDBA IRA Basic Webinar via Zoom on Tuesday, January 9, 2024. This is a full-day seminar that is designed as "very basic" and aims to build a solid IRA foundation.

The seminar will start with the differences between a Traditional and a Roth IRA, and then discuss how to set up a new IRA and the eligibility rules to contribute to an IRA. The biggest topic for people new to IRAs to discuss is the moving of money from one financial institution to another. This involves IRA transfers and rollovers, plus the direct rollovers from a qualified plan. Discussion will go thru the 13 exceptions to taking money out of an IRA before age 59.5 to avoid the penalty tax, and how RMD is calculated in a traditional IRA. There will be an introduction into death distributions. Finally, we will cover how to take money out of a Roth IRA. You should attend this seminar if you need to learn the basics of Traditional and Roth IRAs or want an updated, general refresher on IRA rules. The seminar will be recorded.

For more information visit www.sdba.com.

Virtual Understanding Bank Performance

January 10-February 1, 2024 | Virtual

The UBP is a comprehensive training program to help bankers better understand financial performance analysis. Throughout this program, you will learn how to analyze your bank's financial statements, understand the key drivers of performance, and make informed decisions that will drive growth and profitability.

The program is divided into eight sessions, each focusing on a different bank performance analysis aspect. The January session will cover topics such as:

- Analyzing the balance sheet, income statement, and cash flow statement
- Understanding key performance ratios and benchmarks
- Evaluating loan quality and credit risk
- Identifying areas for improvement and growth

The UBP is a valuable investment in your professional development and your bank's success. We encourage you to join us next year and take the first step towards improving your financial performance analysis skills.

For more information visit www.sdba.com.

2024 Midwest Economic Forecast Forum

January 11, 2024 | Virtual

Prepare for 2024 by joining an economic discussion with Federal Reserve Bank of Minneapolis First Vice President Ron Feldman. Time will be allowed for open Q&A during this virtual event. Bankers and community leaders are encouraged to invite their business clients to virtually share these economic insights. Individuals or group registration rates are available.

Presented on Thursday, January 11, 11:00 a.m. - 12:00 p.m. CST (10-11:00 a.m. MST), by the Wisconsin Bankers Association, in partnership with the Illinois Bankers Association, Michigan Bankers Association, Minnesota Bankers Association, and the Wisconsin Bankers Foundation. Don't miss this unique economic forecast for 2024!

For more information visit www.sdba.com.

SDBA State Legislative Day

February 14, 2024 | Pierre

The SDBA State Legislative Day will be held on Feb. 14, 2024, in Pierre. This event is your opportunity to stay up-to-date on both state and federal legislation which could affect the banking industry, visit with state legislators and constitutional officers, and make sure our industry is heard.

The day will include an SDBA Board meeting, SDBA Legislative Committee meeting, lunch, SDBA update, the chance to visit with state legislators at the State Capitol, and an evening reception with state legislators and constitutional officers.

Register now at www.sdba.com/events.

ANTICIPATING AN EVENT?

View all upcoming events and details under the Events tab at www.sdba.com

Get Involved!
Set up your SDBA profile to receive communications, register for events, and engage with the SDBA!



Signal Your Positive Intent in Situations Where it May Not be Clear



When a driver near you changes lanes without using their blinker, how does it feel? We cause a similar feeling for those we work with when we take action without "using our blinker"—without signaling our intent.

You know that you want to be helpful. But the positive intention behind your "helpful" actions might not be apparent to your colleagues. This is especially true when you're challenging an idea or giving tough feedback, when they don't know you well, or when you don't have a strong relationship. Sharing your intent will help them understand that you care and want the best for everyone.

How do to it:

1. Identify when to share your positive intent.

There are times that are particularly suitable for sharing your positive intent—like when you:

- Start a project or meeting.
- Send an email or other written communication where people may infer something you didn't intend.
- Ask a difficult question or challenge an idea.
- Give tough feedback.
- Share an idea that could be controversial.
- Make a decision that affects others.

With a new colleague or someone who doesn't trust you as much as you'd like, you may want to share your positive intent more often.

2. Plan how you could share your positive intent in those situations.

For example:

- "I realize it will take time away from your work to update the progress dashboard. My intent in keeping the dashboard current is to make communication so transparent that we can limit our meetings to 15 minutes every other week."
- "There were a few times in your presentation when I struggled to follow your point, and I noticed a couple of people glancing at their phones. I'm sharing this because you have such valuable expertise to share, and I want to be sure others don't tune you out."
- "A few vocal customers have asked for this change, but I'm concerned that most customers won't like it. I'm raising this now to help us avoid spending a lot of time on something that flops."

3. Create a "share my intent" reminder note and put it where you'll see it.

To help you remember to share your intent, you could add a note in your meeting prep materials or add a sticky note to the side of your computer screen or other visible place.

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Security First Bank in Rapid City Announces Promotion of Dan Scheurer to Branch President



Dan Scheurer

Security First Bank in Rapid City is pleased to announce the promotion of Dan Scheurer to Branch President. This strategic decision reflects Dan's exceptional dedication, leadership skills, and significant contributions to the success of our organization.

Scheurer began his banking career in 2003 after graduating from Black Hills State University with a Bachelor of Science in business administration. He joined Security First Bank as a commercial lender in 2011 and has been an integral part of our Rapid City team for the past 12 years. Most recently, Dan graduated from the Graduate School of Banking at Colorado in 2016.

As Branch President, Dan will play a pivotal role in overseeing daily branch operations, implementing strategic initiatives, and ensuring the continued delivery of exceptional community banking services to our valued customers.

Scheurer resides in Rapid City with his wife and four children.

Security First Bank in Spearfish Announces Promotion of Brent Russ to Branch President



Brent Russ

Security First Bank is pleased to announce the promotion of Brent Russ to Branch President in Spearfish. In his new role, Brent will be responsible for loan and deposit growth and the market development of a new bank branch in the Spearfish area.

Brent has over 32 years of banking experience and has worked in various positions with Security First

Bank since 2009. He has served in his current role of Senior Commercial Lender in Rapid City since 2020. Before joining Security First Bank, Brent served as a commercial lender for ANB Bank and Bank of Wyoming.

Security First Bank currently operates as a loan production office in Spearfish. Under Brent's leadership, the Spearfish location will transition into a full-service bank branch with construction expected to start within the next 18-24 months.

Security First Bank is a Nebraska-chartered, privately-held community bank with 25 branch locations and 12 insurance offices throughout Nebraska and southwest South Dakota. Security First Bank provides community banking services from the farm and ranch towns in rural Nebraska to the hub cities of Lincoln and Rapid City. Find us online at www.security1stbank.com. Member FDIC.



Jacqson Collins Hired as BankWest Regional President



Jacqson Collins

Jacqson Collins of Mitchell has been named Eastern South Dakota Regional President for BankWest. As Eastern South Dakota Regional President, he oversees management of BankWest branches in Mitchell, Madison and Colman. Collins has 20 years of banking experience, most recently as Director of Commercial and Agribusiness banking for First National Bank of Omaha in

Mitchell.

BankWest Chairman, President and CEO Charles H. Burke III said, "Jacqson's extensive experience in the financial services industry will not only make him an asset to BankWest but will also contribute to the economic growth and prosperity of the Mitchell, Madison and Colman areas."

Collins is a graduate of Dakota Wesleyan University and a Mitchell native. He and his wife Melissa have a daughter, Charleigh, and son, Regan. Jacqson is active in his hometown, serving on several boards including Dakota Resources, Mitchell Area United Way, Mitchell Area Chamber of Commerce and Mitchell Area Housing.

"I'm grateful to move into this Regional President role with BankWest," Collins said. "I get great satisfaction knowing this organization helps serve the community I have grown up in, and I will continue to fulfill BankWest's mission of helping our area customers and communities succeed."

Jacqson's office is located at BankWest's Mitchell South branch at 1200 East Spruce Street.

BankWest is a full-service, independent community bank with 19 branches in 16 South Dakota communities including: Armour, Colman, Delmont, Geddes, Gregory, Kadoka, Kennebec, Madison, Mitchell, Onida, Pierre, Rapid City, Selby, Spearfish, Tripp and Winner. It also has stand-alone insurance offices in Murdo, Philip, Presho, Rapid City, Salem and Spearfish.

HAVE AN ANNOUNCEMENT?

Share information from your bank or business about promotions, achievements and other news! Submit your Bank Notes stories and photos to info@sdba.com.



SDBA Members Named Top Lenders by SBA's South Dakota District Office

In an announcement made in early December, the U.S. Small Business Administration South Dakota District Office shared it is recognizing four lenders for their commitment to small businesses in the fiscal year, which ended September 30, 2023, during a virtual celebration on Wednesday, January 10, 2024, at 10:30 a.m. CST. Of the four lenders recognized, three of them are members of the South Dakota Bankers Association (SDBA).

- First Bank & Trust achieved the highest dollar volume of SBA 7(a) lending in South Dakota making nine loans for a total of \$15 million. These loans support 193 jobs in the arts, entertainment and recreation, educational services, transportation and warehousing.
- Dakota Business Finance, an SBA Certified Development Company (CDC), was the top producer for both loan number and loan dollar volume for 504 loans in South Dakota in FY23. Dakota Business Finance made 25 SBA 504 loans across the state, totaling \$27 million. The loans support 240 jobs in healthcare, manufacturing, and the arts, entertainment and recreation industry.
- First Dakota National Bank is the third-party 504 lender award recipient with six loans totaling \$45 million. A third-party lender financial institution partners with a Certified Development Corporation to provide up to 50% of the total project cost.

Jaime Wood, SBA South Dakota District Director, said in a statement, "In Fiscal Year 2023, approximately \$113 million of SBA guaranteed lending was made available to South Dakota businesses through a variety of SBA lending programs including 504, 7(a), and micro loans. SBA partners directly with community and national banks, credit unions, and micro lender partners to provide needed capital for small business startup and growth. The SBA guarantee and decreased upfront fees helps the lenders and the borrowers to get to the 'yes' at the lending table."

Wood added there is active participation in SBA loan programs statewide including in rural South Dakota. The 7(a) loan program is the SBA's primary program for providing financial assistance to small businesses and offers guarantees on loans to small businesses of up to \$5 million on reasonable terms and conditions. SBA 7(a) loans are commonly used for acquiring land, purchasing equipment, or working capital. The following SDBA member banks are among the top 10 7a lenders in South Dakota in FY2023: 1) First Bank & Trust; 3) First Interstate Bank; and 10) Security Savings Bank.

The 504 Loan Program provides long-term, fixed rate financing of up to \$5 million for major fixed assets that promote business growth and job creation. 504 loans are available through Certified Development Companies, SBA's community-based partners who regulate nonprofits and promote economic development within their communities. CDCs are certified and regulated by the SBA. The Top 10 SBA 504 Third Party Lenders FY2023 are all SDBA members:

- Top 10 SBA 504 Third Party Lenders FY2023:
 1) First Dakota National Bank, 2) First International Bank & Trust, 3) First Bank & Trust, 4) BankWest, 5) First PREMIER Bank, 6) Black Hills Community Bank, 7) First National Bank, 8) Dacotah Bank, 9) American Bank & Trust, 10) Frontier Bank

The microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. SBA provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers. GROW South Dakota is SBA's Microloan intermediary in South Dakota. More information on SBA's lending programs is available at <https://www.sba.gov/funding-programs/loans>.



Carlson Wins Bell Bank Hole-in-One Golf Cart Giveaway

Bell Bank congratulates Michael Carlson, a partner in the financial institutions practice at Wipfli LLP in Roseville, Minn., who was the winner of the 2023 Bell Bank golf cart giveaway.

Carlson played in the BankIn (formerly known as ICBM) golf tourney, held at Roseville's Midland Hills Golf Club during BankIn Minnesota's annual convention in July.

This year's winner was randomly selected from among the entrants who were closest to the pin in qualifying association events in 2023. Carlson received a 2023 E-Z-GO RXV Elite golf cart, valued at \$13,500.

Entrants were from 9 states - Arizona, South Dakota, Nebraska, Minnesota, Wyoming, Iowa, Minnesota, North Dakota and Wisconsin - served by Bell Bank's correspondent banking team, which offers expanded lending capacity through loan participations, as well as bank stock and ownership loans and a range of other financial services, to community banks.

"This is the fifth year we've held our golf cart challenge," said Jeff Restad, Bell's SVP/correspondent banking business development manager. "In celebration, we decided someone would win the cart, despite no hole-in-one over the five-year span. Thanks to all who participated in this year's challenge, which has been a fun way to connect with our colleagues and customers!"

Bell Bank (Member FDIC), headquartered in Fargo, N.D., is one of the nation's largest privately held banks, with assets totaling more than \$13 billion. Through its correspondent banking department, Bell does business with banks in multiple states, providing commercial and agriculture participation loans, bank stock and ownership loans, bank building financing, equipment lending, and business and personal loans for bankers.



classifieds.....

Compliance Officer, First Bank & Trust, Brookings or Sioux Falls, S.D. or Remote (within FB&T locations)

First Bank & Trust is looking to fill a Compliance Officer position. This person performs compliance reviews of each business unit's activities related to compliance with all applicable laws and regulations based on established compliance program. This person reviews marketing materials to ensure compliance with all applicable laws and regulations, answers compliance questions from throughout the organization, and conducts compliance training sessions for small and large groups. This person should have a bachelor's degree and two years of experience as a compliance professional or experience in dealing with compliance risk in other areas of banking or the equivalent. In addition, this individual should have a compliance certification from at least one bank trade association. Strong written and verbal communication skills are required, along with strong analytical and problem-solving skills. This individual should have an above average knowledge of Microsoft Office. For more information about this position and to apply online, please visit our website at www.bankeasy.com/careers. ■

Mortgage Loan Officer, Sundance State Bank, Spearfish, S.D.

Sundance State Bank Loan Production Office is looking for a career oriented and motivated individual to join their team in Spearfish, South Dakota as a mortgage lender. We are looking for a candidate that is well-versed in secondary market origination, as well as in-house mortgage, real estate, construction, and home equity lending. This position will be responsible for developing new business, structuring and closing real estate loans, as well as maintaining current customer relationships.

This is an exciting opportunity to join our family-owned community bank and be an integral part of the future branch in Spearfish. We strive to offer custom financial solutions made possible by our responsiveness, expertise, ease of doing business and local philosophy. This is a full-time position with competitive salaried pay and excellent benefits. To apply, please submit cover letter and resume to mbarth@sundancestate.bank or to Sundance State Bank LPO, 725 N. 12th Street, Spearfish, SD 57783.

Sundance State Bank is an Equal Opportunity Employer. Member FDIC. Equal Housing Lender. ■

Branch Manager - Loan Officer, First Fidelity Bank, Presho, S.D.

We are seeking a highly motivated and skilled individual with a passion for community banking for the Branch Manager/ Loan Officer position at our Presho branch.

Responsibilities include:

- Lead, mentor, and inspire branch staff to achieve high performance and excellent customer service.
 - Oversee daily branch operations, manage staff, and ensure regulatory compliance.
 - Develop and maintain a quality loan portfolio of agricultural, commercial and consumer loans.
 - Represent and promote the positive image and reputation of the Bank through involvement in the community.
- First Fidelity Bank offers a competitive compensation and benefits package.

Resumes will be accepted until position is filled. Submit to:

Steve Hayes | First Fidelity Bank | PO Box 190 | Presho, SD 57568 or e-mail - stevehayes@ffb-sd.com
First Fidelity Bank is an Equal Opportunity Employer
FOR A MORE DETAILED DESCRIPTION PLEASE VISIT OUR WEBSITE - www.ffb-sd.com/idelity ■

Commercial Loan Officer, First Fidelity Bank, Fort Pierre, S.D.

The successful candidate should have strong communication, financial analysis, decision-making, and organizational skills along with a commitment to building and maintaining client relationships.

Responsibilities include:

- Identify potential commercial loan clients and assess their financing needs.
- Collaborate with clients to understand their business plans and provide tailored financial solutions.
- Structure loan terms and conditions that meet the client's needs and the Bank's lending guidelines.
- Participate in community events and networking activities to seek opportunities to grow the bank's commercial loan portfolio and promote the bank's services.

First Fidelity Bank offers a competitive compensation and benefits package.

Resumes will be accepted until position is filled. Submit to: Steve Hayes | First Fidelity Bank | PO Box 190 | Presho, SD 57568 or e-mail - stevehayes@ffb-sd.com

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Mortgage Loan Officer, First Fidelity Bank, Fort Pierre, S.D.

As a Mortgage Loan Officer, you will be responsible for helping individuals and families secure residential mortgages to purchase or refinance their homes.

Responsibilities include:

- Meet with clients to understand their financial needs and goals and provide expert advice on residential mortgage options.
- Build and maintain strong relationships with clients throughout the loan process and beyond, providing excellent customer service.
- Assist clients in completing loan applications, collecting necessary documentation, and guiding them through the loan process from start to finish.
- Build and maintain relationships with local real estate professionals, builders, and other community stakeholders to grow the bank's mortgage business.

First Fidelity Bank offers a competitive compensation and benefits package.

Resumes will be accepted until position is filled. Submit to: Steve Hayes | First Fidelity Bank | PO Box 190 | Presho, SD 57568 or e-mail - stevehayes@ffb-sd.com

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HAVE A JOB OPENING?

Post your classified ad in SDBANKER Magazine and at sdba.com. The fee is \$55 per ad (200 word limit) for SDBA members or \$105 per ad (200 word limit) for non-members.

To place an ad, visit www.sdba.com/classifieds.

education calendar.....

Events/Schools/Webinars

For more details and to register for a training, visit the SDBA's online event calendar at www.sdba.com/events.
Questions, contact the SDBA's Halley Lee at events@sdba.com or 605.224.1653.

SDBA EVENTS

IRA Basics Webinar

January 9, 2024 | Virtual

Understanding Bank Performance

January 10-February 1, 2024 | Virtual

Midwest Economic Forecast Forum

January 11, 2024 | Virtual

SDBA State Legislative Day

February 14, 2024 | Pierre

Breaking into Banking 101: Fundamentals of Commercial Banking

February 22, 2024 | Virtual

ABA Washington Summit

March 18-20, 2024 | Washington, D.C.

Breaking into Banking 201: Analyzing Repayment Sources

March 27, 2024 | Virtual

SDBA New Accounts Seminar

April 23, 2024 | Sioux Falls

SDBA FDIC Directors' College

May 8, 2024 | Sioux Falls

NDBA/SDBA Annual Convention

June 3-5, 2024 | Fargo, N.D.

SDBA Ag Credit Conference

July 17-18, 2024 | Pierre

SDBA Digital Innovations Conference

August 27, 2024 | Sioux Falls

SDBA Lead Strong: Women In Banking Conference

September 26, 2024 | Sioux Falls

SCHOOLS

Dakota School of Lending Principles

April 2-5, 2024 | Bismarck, N.D.

National School for Beginning Ag Lenders

June 24-27, 2024 | Spearfish

Graduate School of Banking - Wisconsin

July 28-August 9, 2024 | Madison, W.I.

WEBINARS

For a complete list of webinars, visit www.sdba.com/online.

2023 Call Report Recap and Look Into 2024

December 19, 2023

8 Keys to Teller Excellence

January 3, 2024

Consumer Lending Underwriting 101: From Application to Approval

January 4, 2024

Bank Accounting: Boot Camp on the Basics - 5 Part Series

January 4, 2024

The Gift of Feedback

January 5, 2024

Basic Real Estate Loan Documentation

January 8, 2024



Handling Deceased Deposit Accounts

January 9, 2024

Overview of New CRA Rules

January 10, 2024

You've Been Served: Best Practices In Processing Subpoenas, Garnishments and Tax Levies

January 10, 2024

Fair Lending Essentials

January 11, 2024

Current Matters and Top Questions Surrounding the 2024 Call Report

January 12, 2024

Suspicious Activity Report (SAR): Line-by-Line

January 16, 2024

Elder Financial Exploitation - Protecting Our Elders

January 17, 2024

Hiring the Right Fit for Your FI

January 17, 2024

Compliance Management

January 18, 2024

Creating the Right Enterprise Risk Management (ERM) Program for YOUR Community Bank

January 18, 2024

Escrows

January 19, 2024

SDBA's Fun Photo of the Month!



Karl Adam and Doug Wareham received 2nd place in the cornhole tournament at the annual State Executives Workshop held in November in Charleston, SC.



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EARN 9.25% on credit with a 744 FICO average



The BHG Loan Hub: Higher-than-market returns, historically high credit quality.

The ideal combination of yield and asset quality is on the BHG Loan Hub right now. Our credit quality is at an all-time high and currently yielding 9.25%! Several hundred of your peers have taken advantage of this opportunity in the past few months—your bank can, too. Credit enhancements available.

*Image is an example only
and does not reflect actual
customer information.*



Keith Gruebele
EVP, Institutional Relationships
954.263.6399
KGruebele@bhg-inc.com
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