



2025 ANNUAL REPORT

INVESTING IN OUR EMPLOYEES, COMMUNITIES, AND CLIENTS

BOARD OF DIRECTORS

Jack Kaiser, Chair
(Since 2009)

Chuck Forster
(Since 2013)

Bob Komro
(Since 2015)

Jim Kusilek
(Since 2024)

Jim Mayo
(Since 2006)

Mark Oldenberg
(Since 2022)

Jim Price
(Since 2014)

Jeanne Szepieniec
(Since 2024)

Andy Wieser
(Since 2020)

SHAREHOLDER LETTER

To Our Shareholders,

I am pleased to report that 2025 was one of the most successful years in our bank’s history. In a time of continued change across the banking industry, we stayed focused on what has always guided our organization—serving our customers, supporting our communities, and creating long-term value for our shareholders. Because of the trust our clients place in us and the dedication of our employees, **the bank surpassed \$1 billion in assets** this year while also achieving record net income.

Our growth continues to be driven by relationships. Businesses, farmers, and families across our communities rely on our team for sound financial guidance and access to capital. Loan growth during the year reflected steady demand across commercial and agricultural sectors and the strength of the local economies we are proud to serve. We remain committed to responsible lending that supports local businesses and communities while maintaining the strong credit quality our shareholders expect.

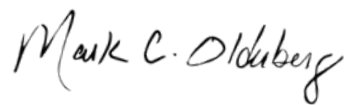
We also saw strong deposit growth as more customers chose to do more of their banking with us. Our local decision-making, responsive service, and expanding treasury management capabilities helped deepen relationships and strengthen the foundation of our bank.

Our commitment to community banking also was recognized this year with an outstanding rating under the Community Reinvestment Act. This distinction reflects the many ways our employees support affordable housing initiatives, small businesses, and community organizations throughout our markets.

As we look ahead, we remain optimistic about the future of the communities we serve. Our focus will continue to be building strong relationships, supporting local economic growth, and operating a bank our clients and shareholders can count on for years to come.

On behalf of our leadership team and employees, thank you for your continued confidence and support.

Sincerely,



Mark C. Oldenberg
President & CEO



INVESTING IN OUR EMPLOYEES, COMMUNITIES, AND CLIENTS

Ladysmith Branch Updates:

New Office Added
Beverage Station
Waiting Area/New Carpet



River Falls Branch Updates:

New Enclosed Offices
Removed Island
New Carpet



Eau Claire Branch Updates:

New Office Added
Enclosed Existing Offices



INVESTING
IN OUR EMPLOYEES

INVESTMENTS ACROSS OUR COMMUNITIES

We continued to bring our vision to life by investing meaningfully in both our communities and our employees. Across our footprint, we made thoughtful updates to our branch environments—enhancing spaces to better serve our customers while creating more functional, welcoming workplaces for our teams.

In Alma Center, improvements included a new kitchen, expanded office space, an updated teller entrance, and a refreshed lobby. In Ladysmith, we added a new office, a beverage station, and a fully updated waiting area with new carpet, furniture,

and fresh paint throughout the bank. In River Falls, we enclosed offices, remodeled the lobby, including new carpeting. In Eau Claire, we added a new office and enclosed existing workspaces to better support our growing team.

As we look ahead, we are moving forward with plans for a new 25,000-square-foot corporate office scheduled to open in March 2027. Along with modern offices and meeting spaces, the new location also will feature a full-service bank branch, providing more convenient access for our clients in Eau Claire, Altoona, Chippewa Falls, Lake Hallie, and surrounding communities.

This investment represents an important step in supporting our continued growth and enhancing collaboration across our organization. Just as

importantly, it reflects our ongoing commitment to invest across all the communities we serve—ensuring our growth remains balanced, intentional, and centered on supporting both our customers and our employees.





**Alma Center
Branch Updates:**
New Kitchen
Expanded Office Space
Teller Area Entrance
Lobby Update

BALANCE SHEET SUMMARY

Our balance sheet continued to strengthen during 2025, reflecting solid growth and the confidence our customers place in our bank. During the year, we achieved meaningful expansion in both loans and deposits, driven by strong demand from local businesses and households and our continued focus on relationship banking. Loan growth supported economic activity across the communities we serve, while deposit growth demonstrated the value customers place on a trusted, community-focused financial partner. Together, these trends contributed to a larger, well-balanced balance sheet and positioned the bank to support future opportunities while maintaining our longstanding commitment to prudent financial management.

Security Financial Services Corporation (SFSC) ended the year with \$1.03 billion in total assets, an increase from \$953 million at the end of 2024. The growth in the balance sheet was primarily attributable to growth in loans and on-balance sheet cash and was funded by deposit growth and earnings.

Loans totaled \$724.8 million at the end of 2025, which was an increase of \$65 million (9.85%) from 2024. Commercial and commercial real estate loans comprised 56% of the growth, agriculture and agriculture real estate contributed 10%, and residential real estate contributed 34%.

Credit quality of the loan portfolio remained strong throughout 2025. The allowance for credit losses was adequately funded at \$10.5 million or 1.43% of gross loans. While nonaccrual loans increased from \$1.3 million to \$11.2 million during the year, the increase was primarily driven by a small number of relationships and represented 1.52% of gross loans. Loans past due remained low at 0.85% of gross loans.

The banking industry continued to experience increased competition for deposits in 2025 from other financial institutions, fintech companies, investment brokers, and from the Federal Reserve Bank monetary policies; however, deposits of \$836 million were up \$56.2 million (7.2%) from one year ago. The rate environment continued to benefit customers who moved funds from lower yielding non-maturity deposits to higher yielding time deposits; however, due to the rate cuts in late 2024 and late 2025, the bank experienced decreased interest expense year-over-year.

SFSC debt related to the acquisition of Jackson County Bank continued to be reduced ahead of schedule. Principal paydowns of \$2.9 million during the year resulted in the debt being paid off at the end of 2025.

Total equity at the end of 2025 was \$96.9 million, an increase of \$18.4 million from 2024. Of this increase, \$8.4 million was due to unrealized losses related to the bank's investment portfolio declining due to maturities and shifts in interest rates. The other \$10 million increase was due to earnings in excess of shareholder distributions.

6,876

CUSTOMER SERVICE
CHATS IN APP

\$34 MM

BILL PAYMENTS

2.5 MM

MOBILE & ONLINE
BANKING LOGINS

\$840 MM

IN MOBILE TRANSFERS

INCOME STATEMENT

Our financial performance in 2025 reflected both strong growth and disciplined execution. The bank delivered solid earnings for the year, supported by expanding net interest margins and continued balance sheet growth. Higher asset yields, combined with thoughtful management of funding costs, contributed to improved profitability and strengthened core operating performance. These results highlight the effectiveness of our relationship-based banking model and our team's focus on managing growth responsibly while delivering long-term value to our shareholders, customers, and communities.

Interest income increased \$7.6 million (16.81%) from the prior year. This increase was a result of reinvesting maturing investments into higher yielding investments and our strong loan growth over the past couple of years at higher current market interest rates.

Interest expense decreased from \$20 million in 2024 to \$19.8 million in 2025, a decrease of \$177,000 or 0.89%. Due to the Federal Reserve Board decreasing rates in late 2024 and late 2025, deposit rates decreased slightly starting in late 2024 and continued throughout 2025. The combination of decreasing deposit costs and refinancing borrowings at lower market rates led to the bank's cost of funds declining in 2025.

Net interest income increased \$7.8 million in 2025 due to the items mentioned above. Due to the repricing and the growth, along with the Federal Reserve Board decreasing short-term interest rates, monthly net interest income experienced increases throughout 2025.

Non-interest income of \$2.8 million was \$192,000 (6.3%) less in 2025. Non-interest income experienced a slight decrease due to lower service charge fees and the continued decline in mortgage-related income. The housing market experienced a decline in mortgage originations and refinances due to the higher mortgage interest rate environment throughout 2025.

Non-interest expense of \$21.1 million was \$1 million (5.07%) more than 2024. The reason for the increase was primarily due to performance bonuses, increased investments in personnel, and software. Although these strategies increased non-interest expense, they were investments for future growth of the company. Due to the strong growth of the loan portfolio over the past several years, a \$900,000 provision for credit losses was recorded in 2025 as well. Also, based on the recent legislation passed by the state of Wisconsin that eliminated Wisconsin income tax on interest income for commercial and agricultural loans, SFSC shareholders realized a benefit of approximately \$1.15 million in 2025.

Earnings Per Share (EPS) for the year were \$1,049.19, which represented a return of 14.14% on the book value per share on December 31, 2025.



BECKY Gudis
COMMUNITY FIRST®
ACCELERATE
GRANT RECIPIENT
FHLBank Chicago

Evy Ivy Over Flowers, Framing & Gifts was awarded a \$30,000 grant through the Federal Home Loan Bank of Chicago for the renovation and expansion of its storefront.

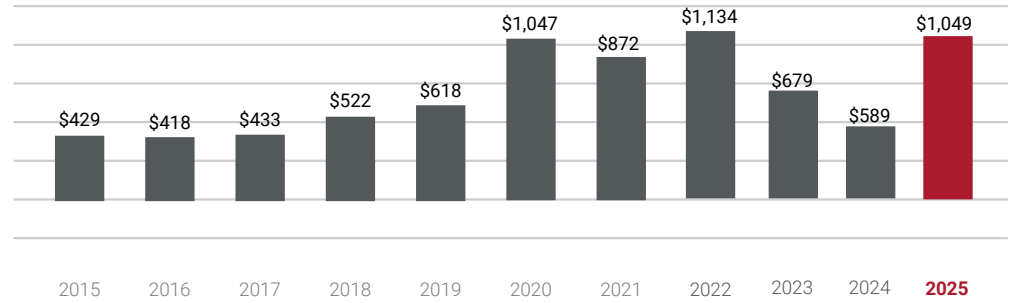
SFB Relationship Manager Jacob Bauer was a true partner in the application process and answered any questions I had.
– Becky Gudis

Evy Ivy Over is housed in a historic building in Chippewa Falls dating back to 1908.

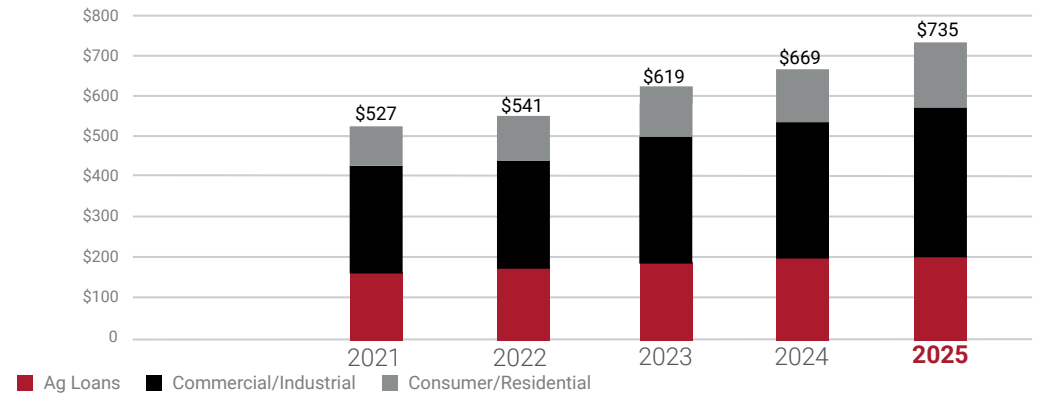


INVESTING
IN OUR CLIENTS

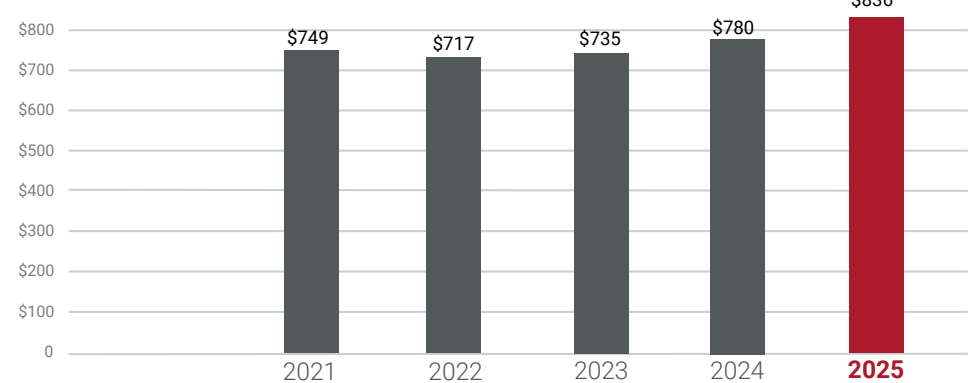
EARNINGS PER SHARE OVER THE LAST DECADE



LOAN BALANCE (IN MILLIONS)



DEPOSIT BALANCE (IN MILLIONS)



STATEMENT OF CONDITION

Here's how we add up (without the extra 000s)

	2025	2024	2023	2022	2021
Assets					
Cash and Cash Equivalents	\$41,666	\$26,483	\$15,666	\$19,733	\$36,418
Securities	\$212,717	\$221,947	\$212,361	\$229,748	\$265,534
Gross Loans	\$735,250	\$669,336	\$619,337	\$541,846	\$526,658
Allowance for Credit Losses	(10,478)	(9,561)	(9,528)	(7,735)	(7,745)
Bank Building, Furniture/Fixtures	\$12,575	\$8,996	\$9,030	\$8,902	\$9,230
Goodwill	\$6,122	\$6,122	\$6,122	\$6,122	\$6,122
Other Real Estate Owned	\$465	\$465	-	-	\$85
Cash Value of Life Insurance	\$15,638	\$15,169	\$19,749	\$19,175	\$15,660
Other Assets	\$14,720	\$14,502	\$13,368	\$10,565	\$11,701
Total Assets	\$1,028,675	\$953,459	\$886,105	\$828,356	\$863,663
Liabilities and Equity					
Total Deposits	\$836,013	\$779,779	\$734,936	\$716,843	\$748,641
Short-Term Borrowings	-	-	\$1,965	\$15,395	\$1,454
Borrowed Funds - Bank	\$88,678	\$85,000	\$75,000	\$30,000	\$27,998
SFSC Debt	-	\$2,886	\$7,000	\$9,000	\$12,000
Other Liabilities	\$7,037	\$7,270	\$5,269	\$5,230	\$4,890
Total Liabilities	\$931,728	\$874,935	\$874,170	\$776,468	\$794,983
Common Stock	1,385	\$1,385	\$1,200	\$1,200	\$1,200
Surplus	28,354	\$28,229	\$18,547	\$18,463	\$18,419
Undivided Profits	77,090	\$67,063	\$62,883	\$58,952	\$51,356
Accumulated Other Comprehensive Income (Loss)	(7,031)	(15,447)	(17,989)	(23,990)	(423)
Treasury Stock (at Cost)	(2,851)	(2,706)	(2,706)	(2,737)	(1,872)
Total Equity	\$96,947	\$78,524	\$61,935	\$51,888	\$68,680
Total Liabilities and Equity	\$1,028,675	\$953,459	\$886,105	\$828,356	\$863,663

COMPARATIVE STATEMENT

136 EMPLOYEES
LIVE IN 47 MUNICIPALITIES
THROUGHOUT WISCONSIN

16 EMPLOYEES
WITH 20 OR MORE YEARS
WITH SFB

1,207 YEARS
COMBINED YEARS
OF SERVICE

★★★★★
46 GOOGLE 5-STAR
CUSTOMER REVIEWS

STATEMENT OF INCOME

Here's how we add up (without the extra zeros)

	2025	2024	2023	2022	2021
Interest Income					
Interest Income - Securities	\$6,123	\$4,074	\$3,358	\$3,647	\$2,524
Interest Income - Loans	\$44,885	\$39,525	\$31,156	\$27,542	\$25,942
Interest Income - Other	\$1,651	\$1,483	\$763	\$477	\$277
Total Interest Income	\$52,659	\$45,082	\$35,277	\$31,666	\$28,743
Interest Expense					
Less Interest Expense - Bank	\$19,722	\$19,647	\$12,275	\$3,108	\$3,097
Less Interest Expense - SFSC	\$86	\$338	\$583	\$496	\$512
Total Interest Expense	\$19,808	\$19,985	\$12,858	\$3,604	\$3,609
Net Interest Income	\$32,851	\$25,097	\$22,419	\$28,062	\$25,134
Plus Noninterest Income	\$2,835	\$3,027	\$3,084	\$3,168	\$4,930
Total Income Less Interest Expense	\$35,686	\$28,124	\$25,503	\$31,230	\$30,064
Noninterest Expense					
Salaries & Employee Benefits	\$12,614	\$11,641	\$10,463	\$10,758	\$11,154
Occupancy	\$2,187	\$2,137	\$2,102	\$2,559	\$2,203
Other Operating Expenses	\$5,860	\$5,478	\$5,087	\$4,230	\$4,644
Total Noninterest Expense	\$20,661	\$19,256	\$17,652	\$17,547	\$18,001
Net Income from Operations	\$15,025	\$8,868	\$7,851	\$13,683	\$12,063
Provision for Credit Losses	\$900	\$450	-	-	\$575
Net Securities (Gains) Losses	\$412	\$800	328	56	-
Income Tax Expense (Benefit)	-	-	(94)	901	\$1,598
Net Income	\$13,713	\$7,618	\$7,617	\$12,726	\$9,890

OUR VISION

To be the best business and ag bank and top employer in each of the markets we serve.

OUR MISSION

To grow by deliberately investing in our clients, our employees, and our communities.



INVESTING
IN OUR COMMUNITIES

Ladysmith
Park clean up



OUTSTANDING CRA RATING

Security Financial Bank was honored to receive an Outstanding rating under the Community Reinvestment Act (CRA) – the highest rating awarded to financial institutions for their performance in meeting the credit needs of the communities they serve. This recognition reflects our strong commitment to community lending, investment, and service across all of our markets.

Key contributions to this achievement in 2025 include:

- **Community Investment:** SFB donated \$296,943 to local nonprofit organizations, a 17% increase from the previous year, supporting initiatives that strengthen the communities we serve.
- **Volunteer Grant Program:** SFB introduced a new program recognizing employees who volunteer at least 50 hours annually. In its first year, the program awarded \$5,650 in grants to 21 nonprofit organizations.
- **Volunteer Hours:** SFB employees volunteered 3,689 hours in the community.
- **Community Fund** – SFB established a donor-advised fund at the Eau Claire Community Foundation, helping to ensure lasting support for the community.
- Through our **Mascot Debit Card program**, \$3,475 was donated to area school districts, helping support programs in our local schools.

These efforts—combined with our strong record of lending to individuals, families, farmers, and businesses throughout our communities—demonstrate SFB's ongoing commitment to helping our communities grow and thrive.

\$296,943

DONATED TO
COMMUNITY GROUPS

3,689

EMPLOYEE
VOLUNTEER HOURS

21

EMPLOYEE VOLUNTEER
GRANTS

\$3,475

MASCOT DEBIT CARD
DONATIONS



Alma Center/Black River Falls
Strawberry Festival prep



Eau Claire
Sunny Valley School clean up



Bloomer
Library spruce up



River Falls
Animal rescue clean up



Durand
Food pantry cleaning

Thank You

FOR BEING PART OF THE TEAM Notable Retirements in 2025



Marcia Berger
48.5 Years



Curt Van Auken
17 Years



Lynn Embertson
17 Years



Jennifer Dutton
14.5 Years



Rose Glatczk
10 Years

You will be missed!



INVESTING IN OUR EMPLOYEES, COMMUNITIES, AND CLIENTS

LOCATIONS

Alma Center

141 W Main St
Alma Center, WI 54611
715.964.2311

Black River Falls Motor Bank

660 Hwy 54 E
Black River Falls, WI 54724
715.284.3560

Black River Falls Main

8 Main St
Black River Falls, WI 54615
715.284.5341

Bloomer

1401 Main St
Bloomer, WI 54724
715.568.1100

Corporate Office

4813 Keystone Crossing
Eau Claire, WI 54701
888.254.0615

Durand

212 W Prospect St
Durand, WI 54736
715.672.4237

Eau Claire

4217 Southtowne Dr
Eau Claire, WI 54701
715.833.7685

Ladysmith

200 Miner Ave W
Ladysmith, WI 54848
715.532.5551

River Falls

1561 Commerce Ct
River Falls, WI 54022
715.426.6600