

Corporate Profile: Year End 2018

ABOUT FRANSDEN BANK & TRUST

Frandsen Bank & Trust was founded in 1982 with the purchase of one bank by entrepreneur Dennis Frandsen.

Today we have over thirty locations throughout Minnesota and border communities in Wisconsin and North Dakota.

Our community-focused, business-savvy bankers are committed to determining needs, developing relationships, and delivering solutions for businesses of any size.

We offer the perfect mix of outstanding personal service and high-tech banking features. Our customers have told us that we are big enough to meet all their needs but small enough to care. We think that says it all.

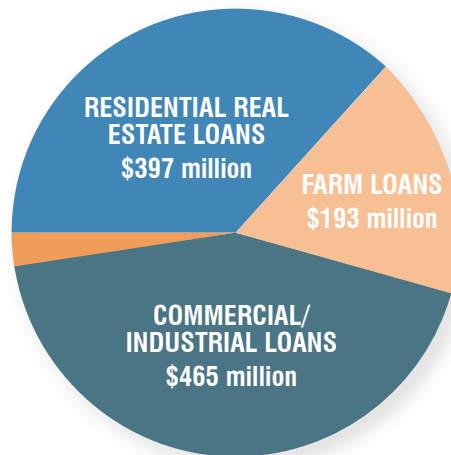
WE OFFER A FULL RANGE OF BANKING SERVICES

- Business and ag lending, including SBA and Farmer Mac
- Commercial and farm real estate lending
- Full suite of treasury management products
- Online banking, remote deposit, and ACH payroll
- Credit/debit card and electronic payment processing
- Business and consumer mobile banking and deposits
- Consumer banking services
- Residential real estate lending
- Wealth Management & Trust services (not FDIC insured • may lose value • no bank guarantee)
- Plus many more personal and business banking services

LOAN DISTRIBUTION

**TOTAL LOANS AS OF
DECEMBER 31, 2018**
\$1.12 billion

**PERSONAL AND
OTHER LOANS**
\$66 million



Financial information (in thousands)

	12.31.18	12.31.17
Total assets	\$1,706,805	\$1,730,366
Total deposits	1,452,672	1,472,039
Gross loans	1,120,795	1,060,861
Total equity capital	204,108	208,090
Tier 1 capital	143,843	142,816
Total regulatory capital	156,815	155,051

Capital ratios

Tier 1 leverage ratio	8.83%	8.72%
Tier 1 risk-based capital ratio	11.11%	11.72%
Total risk-based capital ratio	12.11%	12.73%

Over **30** locations
in three states!

Frandsen Bank & Trust is owned by
**FRANSDEN FINANCIAL
CORPORATION**

frandsencorporation.com

FRANSDEN BANK & TRUST

frandsenbank.com | Member FDIC



**Real people.
Real results.**

THE DENNIS FRANDSEN STORY

Dennis Frandsen has been an entrepreneur his whole life. He grew up on a small dairy farm at Luck, Wisconsin, and attended a country schoolhouse. As a child, he sold cucumbers to the Gedney Pickle Company; the first check he received was for \$3.57. In his teens, he earned money by cutting logs on the family farm and selling them to a yo-yo factory in Luck.



After finishing high school in 1951, Dennis decided he could earn more money logging than going to work for someone else. He already owned the requisite chain saw, and invested in a truck. When the family farm ran out of logs, he contracted with neighbors to harvest their trees. Before long, he was earning much more than he could have made working for someone else in corporate America.

In 1953, at the age of 19, Frandsen heard of 200 acres of virgin timber for sale in Rush City, Minnesota. He hopped on a plane (for the first time in his life) and traveled to Chicago to drop in—with no appointment—on the owner. He emerged with an agreement to purchase the land for \$13,000—not that he had anywhere near the capital to fund the deal. Now doing business as Frandsen Lumber Company, Dennis applied for a loan at his local bank in Luck. Upon being turned down, he walked out of the bank and vowed that someday he would own that bank. He was similarly turned down by a bank in Rush City. But as he drove home after the second try, he stopped at the bank in Grantsburg, Wisconsin, where he met a kindred spirit, banker Walter Jensen. And Jensen

decided to fund the lumber venture.

Frandsen paid off the note in five months, with half the timber still unharvested—resulting in a very healthy profit on the lumber. When that was sold, he converted the land into another level of profit. Dennis relocated to Rush City, where he soon met his wife, Jeanette. He then purchased land for a home on Rush Lake, started a family, turned the excess land into lakeshore lots, and sold them at a profit.

In 1963 Frandsen once again turned to Jensen to finance his purchase of Plastech Corporation, which today sells \$50 million a year in plastic parts and is a component of Frandsen Corporation, a holding company that provides support to his many enterprises.

From the late 1960s through the 1980s, Dennis bought and developed thousands of acres of land in east central Minnesota. He subdivided the land into smaller parcels, built roads and cabins, and sold them as recreational properties—and netted several million dollars.



In 1981, serendipity put

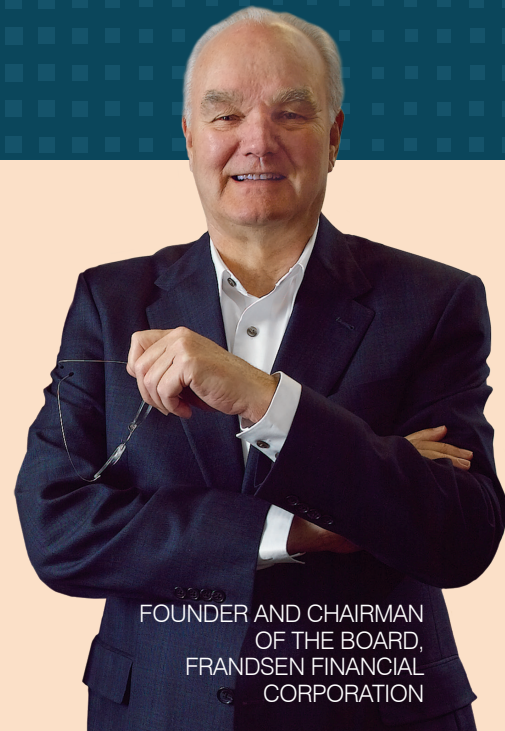
Frandsen in touch with another banker friend who informed him that his hometown bank in Luck was for sale—the very bank that turned him down for his first loan. Dennis bought that bank, and started what is now Frandsen Financial Corporation, a bank holding company with more than thirty locations in three states.

And there's more. Frandsen—still the farm boy at heart—purchased Miller Manufacturing in 1996. The company has grown, through expansion and acquisitions, to become the world's top supplier of



livestock prods and a leading producer of American-made farm, ranch, and pet supplies. Miller's product line today includes about 1,000 products. Three years later, Dennis and his son Greg purchased Industrial Netting, which is now the world's largest custom fabricator and distributor of plastic netting and mesh.

Over sixty-five years after launching his business career, Dennis



FOUNDER AND CHAIRMAN OF THE BOARD, FRANDSEN FINANCIAL CORPORATION



still isn't finished. He has surrounded himself with a group of talented business people who are charged with running his companies with the same entrepreneurial spirit.

Frandsen entities have a reputation for honesty, fairness, and accountability. Dennis's unique management style holds senior management accountable but allows them freedom to run the businesses. That style has earned him recognition as one of Minnesota's leading entrepreneurs.

As his organization continues to grow by expansion and acquisition, Frandsen's uniqueness stands out. He believes that well-run enterprises can benefit employees, shareholders, communities, and clientele. Employees and customers in nearly forty communities in the Upper Midwest continue to benefit from that philosophy. Recent examples of such benefits include Frandsen's offer of full two-year scholarships to community college for every graduate of the high schools in his two home



towns of Rush City, Minnesota, and Luck, Wisconsin;

and his funding of improvements and major donations of buildings and equipment for Lakes Region EMS ambulance service.

