



Reliabank Dakota: Since 1920



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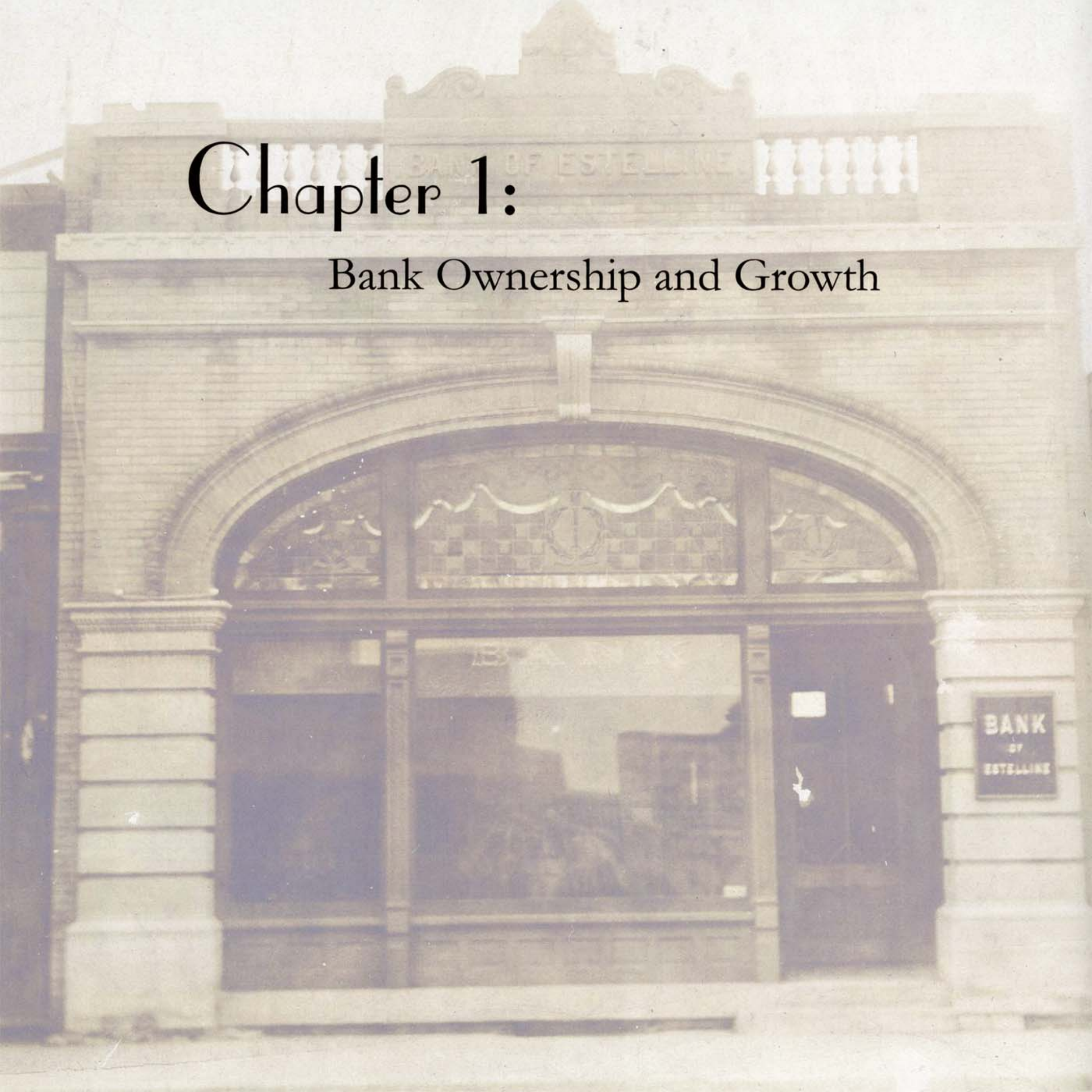
Text by Jan Johnson

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Design by Reid Johnson

Chapter 1:

Bank Ownership and Growth



FRED BESKOW, President
A. J. BOEDER, Vice President

WALTER K. JOHNSON, Cashier
LAURENCE F. GRATZ, Asst. Cashier

FARMERS NATIONAL BANK

ESTELLINE, SOUTH DAKOTA

The **FARMERS** State Bank

LOCATED IN THE HEART OF THE FERTILE SIOUX RIVER VALLEY

ESTELLINE, SOUTH DAKOTA

2010 - Our 90th Year!

\$200m

\$175m

\$150m

\$100m

\$50m

Beskow Family Ownership

1992 | Hamlin Co. Bank purchased

1997 | First Watertown Branch opened

2000 | Raymond James Financial started

2002 | Second Watertown branch opened

2007 | Hartford branch opened

1920

1970

1980

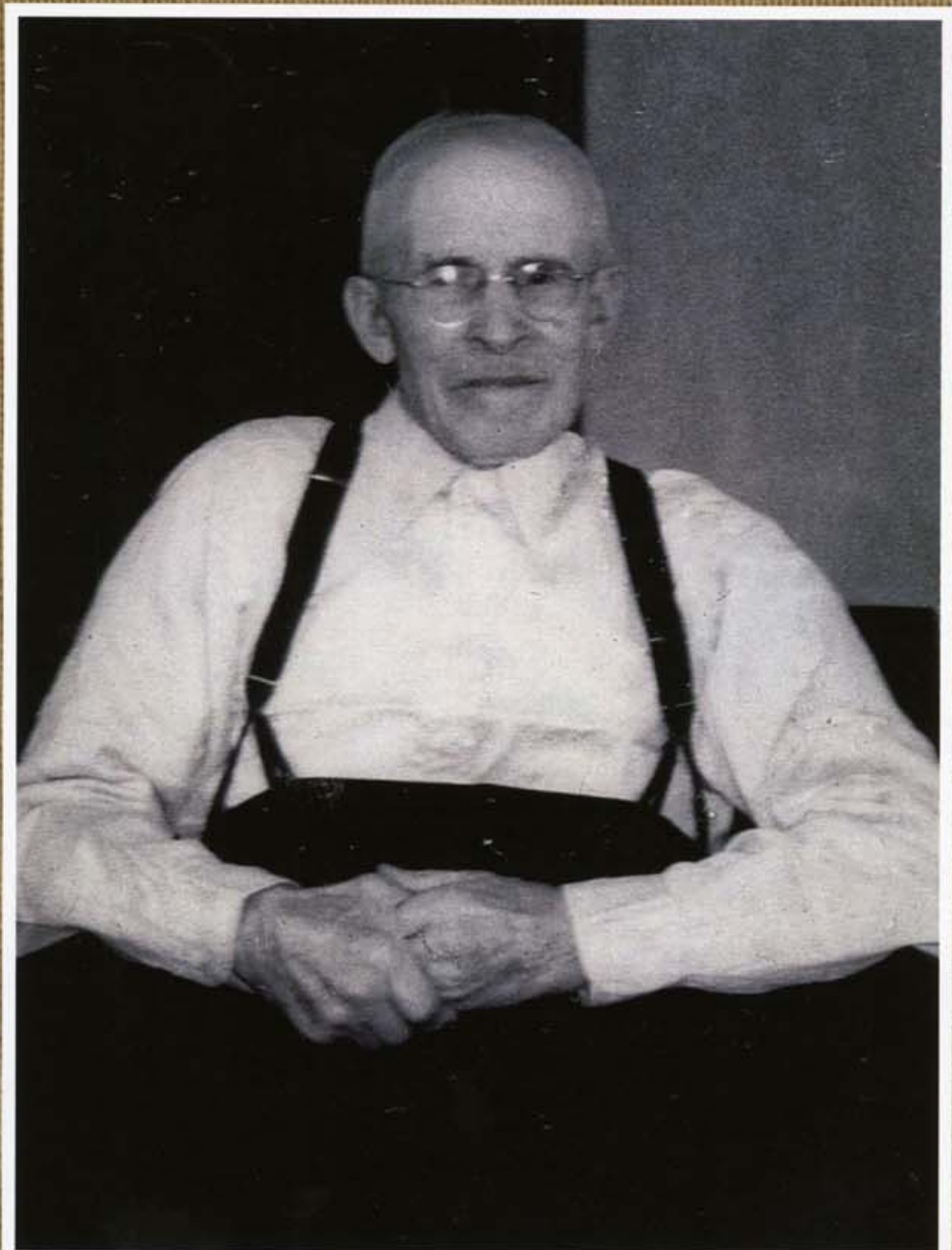
1990

2000

2010



As of June 2011, Reliabank's assets were \$215 million.



Farmer Fred Beskow chartered The Farmers National Bank of South Shore, with capital of \$25,000, Sept. 1, 1920. He brought the bank, with assets of \$69,281, to Strandburg in 1925. Al Boeder, longtime employee, wrote in 1974: "We moved the bank from Strandburg and were open for business in Estelline on Feb. 20, 1928; for some reason I still remember the charter number which was 11689."



The bank became state chartered June 3, 1944. By 1964, directors included (front, left) Fred Beskow, Merlaine Eisnach, Albert Beskow, (back) Lawrence "Boots" Gratz, Alfred Lundberg, and Walter K. Johnson. Myron Beskow, Fred's grandson, said that Fred was embarrassed when his brother Albert attended board meetings not wearing a suit. Fred's comment was: "Look at Albert. He owns bank stock but can't afford a suit." Times have changed!

Walter K. Johnson joins the Beskow family for Fred's wife Toni Beskow's birthday party in November 1961. Family members include (back) Emma Steinacher, Gehard Giese, Bertha Korth, Otto Korth, Fred, Astrid Beskow, Carl Beskow, William Noeldner, George Duman, Cynthia Beskow Duman, Freda Beskow, (middle) Myron Beskow, Lucille Theye, Nettie Beskow Noeldner, Minnie Beskow Giese, Toni, (front) Paul Duman, Janice Beskow, Tammy Duman, Vonnie Giese.





From left: Paul, Walter K., Harriet, David, Gloria, Wanda, and Cynthia Johnson in 1957. Walt became the bank's managing officer in 1944 and shortly after contracted with Fred Beskow to buy the bank after Fred's death. Over twenty years later, when Fred died at age 90, Walt purchased the bank stock, announcing the now "home-owned" institution in the Estelline Journal July 13, 1967. In 1974, when deposits exceeded \$4 million, Walt credited the bank's success to Fred: "A story of this kind would be incomplete...if no mention were made of the one man who has guided (the bank) through its entire history...Fred Beskow... Many there are who have profited by his wisdom..."



Gloria and Walt Johnson in 1970. The Johnson children worked as janitors and tellers to learn about the family business. Banking careers include the following: David and Cynthia, Farmers State Bank ownership; Wanda and Gloria, bank directors; Paul, bank examiner followed by banking in Canistota, SD; Blooming Prairie, MN; and Algona, IA; Harriet's husband, Don Scott, president and board chairman of State Bank of Hendricks and trust officer of First National Bank in Sioux Falls. Several Johnson grandchildren are also involved in the industry. Paul Johnson recalls his first customer as a teller: "Merlaine Eisnach said to me, 'You wait on this customer.' My stomach was upset...but then all that the customer needed was a roll of dimes or nickels. It was the easiest thing. Merlaine was looking out for me."



Johnson family 2010. (Back, left), Harriet Scott, Cynthia, Wanda Lee, (front) Paul, Gloria, David. The sudden death of Walt Johnson Mar. 16, 1976, cast his son David W. Johnson into the management position. David worked for his family until 1988, when he and his sister Cynthia formed Big Sioux Financial, a one-bank holding company, to buy the bank. "(It) is similar to the purchase of the family farm by a farmer who has been in charge of the operation...while owning 80 acres and renting the balance. It is now time for him to...assume responsibility for future improvements."



Reid Johnson, son of David Johnson, at the Hazel branch. Big Sioux Financial purchased Hamlin County Bank of Hayti and Hazel in 1992. The combined assets of the three banks were \$32 million.



Ethan Johnson, son of David Johnson, lays a brick during construction of North Branch in 1999. Big Sioux Financial established a de novo bank in Watertown in 1997 with a second branch in 2002. Other changes included the Reliabank name, the Raymond James Investment Center, and the purchase of the Ron Peterka Insurance Agency.



Reid, Jan, Dave, and Ethan Johnson in 2008. The David W. Johnson family purchased Cynthia Johnson's stock in 2003. Hartford was a de novo branch in 2007, and Humboldt and Tea were acquisitions from Farmers State Bank of Marion in 2010. By 2010, Reliabank had grown to over \$200 million.



Jacoby, Reid, Maddox, Dave, Breanne, Jan, Ethan, and Gavin Johnson in 2010. Reid and Ethan did summer work for the bank while in high school and have contributed since in various capacities. Jan has been a director since 1991. "It's a very personal business," David said. (Photo by ML Portrait)



Chapter 2:

Reasons to Celebrate



Anniversaries

Civic leaders and bankers celebrate the 15th anniversary of the E Bond. Walt Johnson, at the head of the table, was Hamlin County E Bond Chair. Harriet Scott says that as children, they bought ten-cent stamps at school with leftover allowance money. "We put our stamps in a book and registered the full book at the Post Office for a bond to collect interest," she said.



60th anniversary celebrants in 1980 include board members and employees, Don Miller, Cheryl Mitchell, Laurence "Boots" Gratz, Amaine Johnson, Gloria Johnson, David Johnson, Jeanette Foster, Audrey Linneman, Howard Peters, and Merlaine Eisnach.

Several of these individuals represent years of service to the bank. 30+ years: Don Miller, board member; Audrey Linneman (deceased), customer service; and David Johnson, CEO/owner. 40+ years: Laurence "Boots" Gratz (deceased), cashier/senior ag loan officer; Jeanette Foster, customer service; and Amaine Johnson, customer service. 50+ years: Merlaine Eisnach, cashier/senior vice president/board member. Howard Peters, banker from Alpena, SD, served on the Board and as David's mentor for ten years following Walt's death.



Jackie Zuiderhof and Nichole Bjerke, nieces of Dave and Jan Johnson, ride the float in Estelline in 1989 to celebrate South Dakota's Centennial.



Reliabank celebrates its 90th anniversary with a 1919 Model T Ford Depot Hack in the Watertown July 4, 2010, Parade. Representing the bank are Gary Grewing, Hugh Bartels, Reid Johnson and his sons Gavin and Maddox.

Special Occasions



Walt Johnson hands out 18 K. Gold Ignition Keys to Howard Lee, First National Bank of Volga, and Charles Johnson, Bank of Bruce, during Farmers State Bank's 40th Anniversary celebration Sept. 24, 1960, while Walt cuts the ribbon, joined by Gloria Johnson, Art Ornes, Merlaine Eisnach, and Boots Gratz, for the remodeled bank April 6, 1974.





David Johnson, Doris Koisti, Pat Biederstadt, Arlene Tarum, and former owner Al Hegglund hold the sign showing the new ownership in 1992, while Carmen Jankord, Pat Biederstadt, and Cathy Smith enjoy a bank-sponsored trip to see the Minnesota Timberwolves in 1996. Several employees made the transition from Hamlin County Bank to Farmers State Bank.



Board members and employees dress in 1920's garb for the grand opening of the remodeled Farmers State Bank at Hayti in June 1993. Reid Johnson cuts the ribbon. Hazel's Grand Opening followed in 1996.



Breaking ground for Watertown North Branch in 1999 include Lavere Trowbridge and Randy Walkins of Gray Construction and bank employees Cindy Goette, David W. Johnson, Jan Johnson, Merlaine Eisnach, Jane Swenson, Hugh Bartels, Larry Peterson, Jim Knadle, and Don Miller. According to David, the key to success was the wealth of experience that came to Watertown North Branch. Six former F & M bankers came to work for Reliabank, including Hugh Bartels, Jane Swenson, Cindy Goette, Jim Knadle, Willis DeWitt, and Sandy Peterson, while Larry Peterson brought insurance experience.



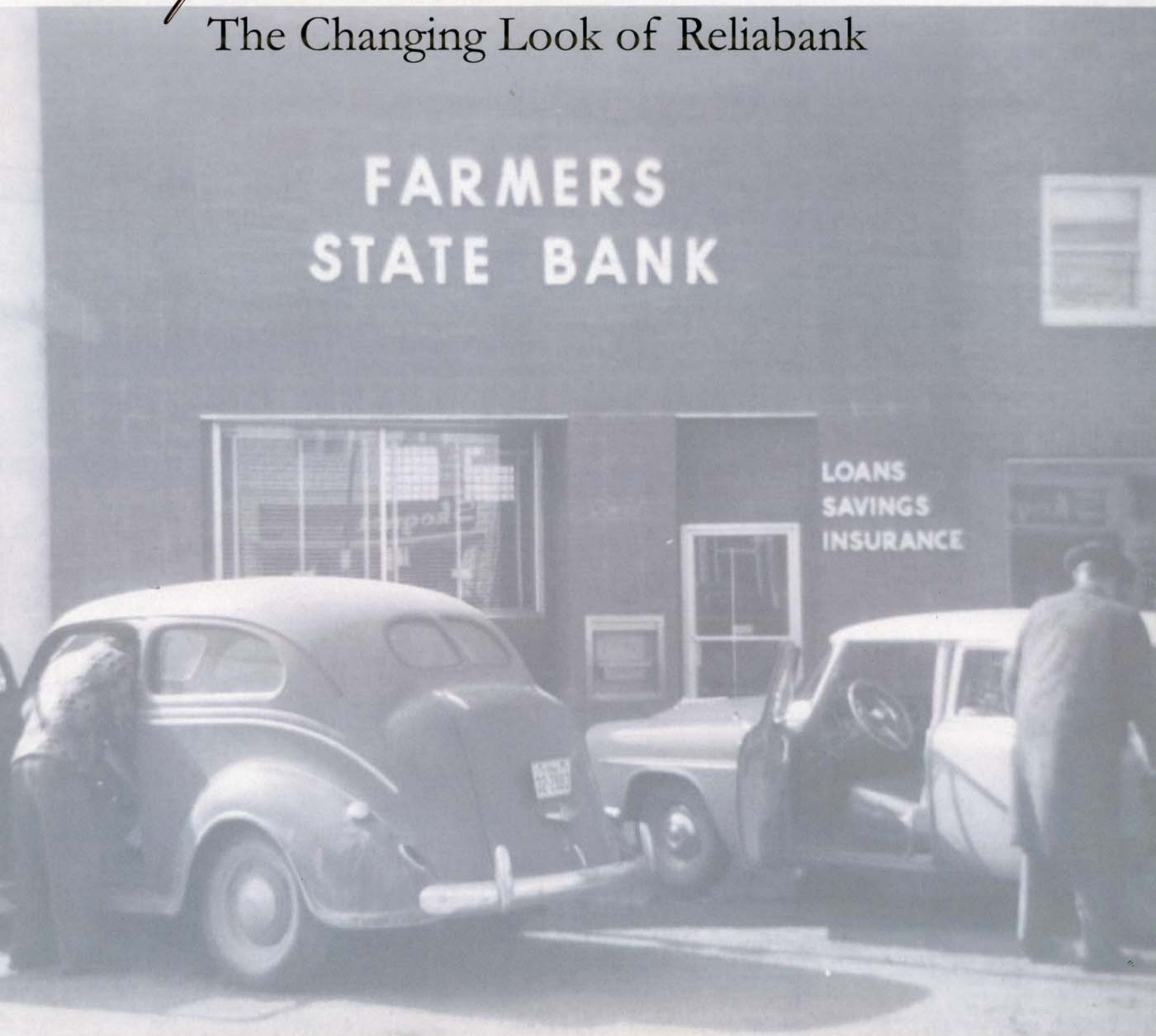
Watertown Chamber and Reliabank employees watch as Ron Peterka and David Johnson hold the ribbon for Hugh Bartels to cut at Watertown North Branch Grand Opening in January 2000. Walt Johnson purchased Watertown property and began branching in 1976, but the bank abandoned the plan after Walt's death and sold the property. Twenty years later Watertown North Branch started. Reliabank celebrated the second branch opening in Watertown in 2002 and hosted a Chamber After Five event to highlight the Watertown North Branch addition in 2007.



David Johnson cuts the ribbon for the grand opening at Tea in 2011. Participants include Tea civic leaders (back, 2nd, 3rd, and 4th from left) Todd Boots, Herman Otten and Chris Lane, (back, 2nd from right) Wayne Larson, and (front, right) Janelle Boots. Reliabank employees include (back) Hugh Bartels, Alex Jensen, Sandy Krauth, John Roers, Gary Grewing, Janelle Miller, (front) Freeman Park, Jeremy Keizer, David Johnson, Jan Johnson, Julie Johnston, Lisa Loomis, and Jeanette Miller. Humboldt held its grand opening a week later, and Hartford's grand opening celebrations included a thank you meal in 2008 and hot dog feed in 2009.

Chapter 3:

The Changing Look of Reliabank



Growing through the years



The Farmers National Bank, 1920. The building was located in the center of Main Street in South Shore, SD.

The laying of the foundation was captured in film in 1925 as Farmers National Bank prepared to move to Strandburg. Another bank, First State, was across the street. Farmer's National Bank building is now the American Legion.





Farmers National Bank moved into the Bank of Estelline building in 1926.

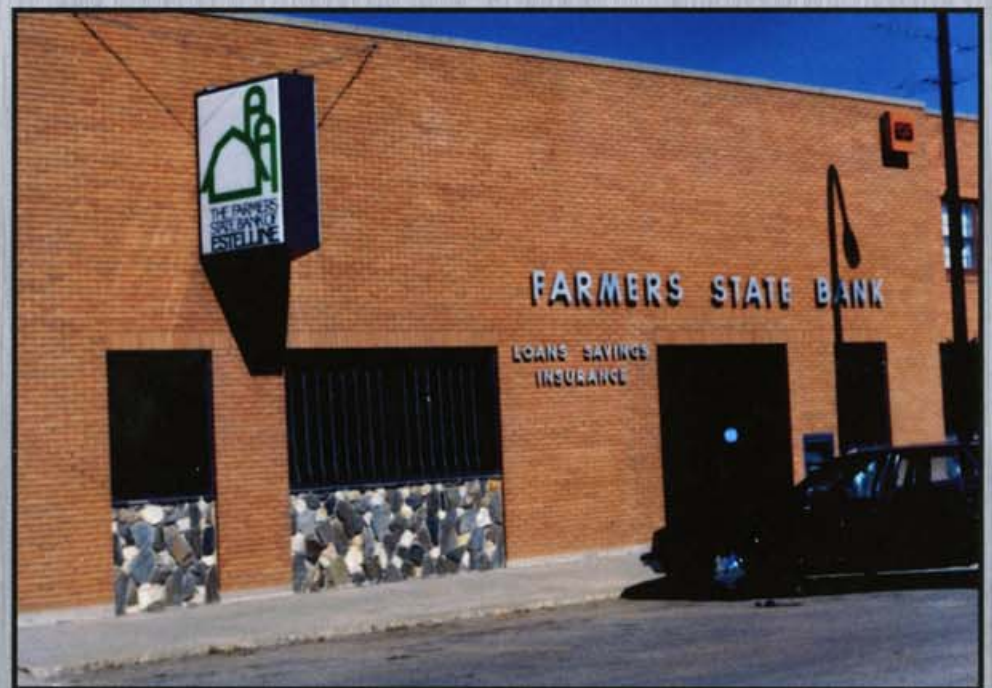
The bank façade was radically altered in 1948 after the archway began to give way.



The 1956 remodeling gave the bank a "modern look," according to newspaper articles. A one-family, 1939 Plymouth is in the foreground. Oscar Johnson, Walt's father, purchased the car new, and David and Jan Johnson own it today.



The 1974 remodeling expanded the bank's size. The sign with the logo was added in 1978.





The bank completed the remodeling of the Hayti building in 1992 and the restoration of the Hazel building in 1995. Hazel's bank was restored to its 1901 appearance, when it was the First State Bank of Hazel, and placed on the National Register of Historic Places.



A temporary facility gave way to Watertown North Branch in 2000. Ethan and Reid Johnson stand in front of the sign showcasing the bank's new name, Reliabank Dakota, which was effective August 25, 1999. In letters to customers, bank officials stated that although the previous name had served them well, it was time for a change as business expanded. "To remain a viable, independent bank, we need to appeal to a variety of customers," the letter stated.



The 2002 Watertown branch at the corner of Highways 212 and 20 mirrored the North Branch architecturally, while the Hartford branch was conveniently located in a strip mall on the edge of town.



"This is a great opportunity to add to a trade territory we entered in 2007 when the bank started a branch in Hartford," David Johnson said at the time of the acquisition of Tea and Humboldt. "Having banks in three growing communities that are so close together and in the proximity of Sioux Falls makes this all the more attractive."



Keeping Abreast of a Changing Industry



The 1928 series National Bank Note, featuring the signatures of A. J. Boeder and Fred Beskow, was part of \$25,200 dollars in circulated Estelline currency. The National Banking Act of 1863 empowered national banks to issue currency subject to federal oversight. The government retired the notes in 1935 in favor of Federal Reserve Notes and Silver Certificates.



The first DeBold Night Depository was installed in 1956. The depository was seen as "a progressive forward step" by the Estelline Journal and is still in use at the Estelline location today.



As a service to customers, the bank purchased a livestock scale in the mid-60's. Burt McKay, Walter K. Johnson, "Boots" Gratz, Merlaine Eisnach, Mary Ann Rector, and Amaine Johnson are at the scale.



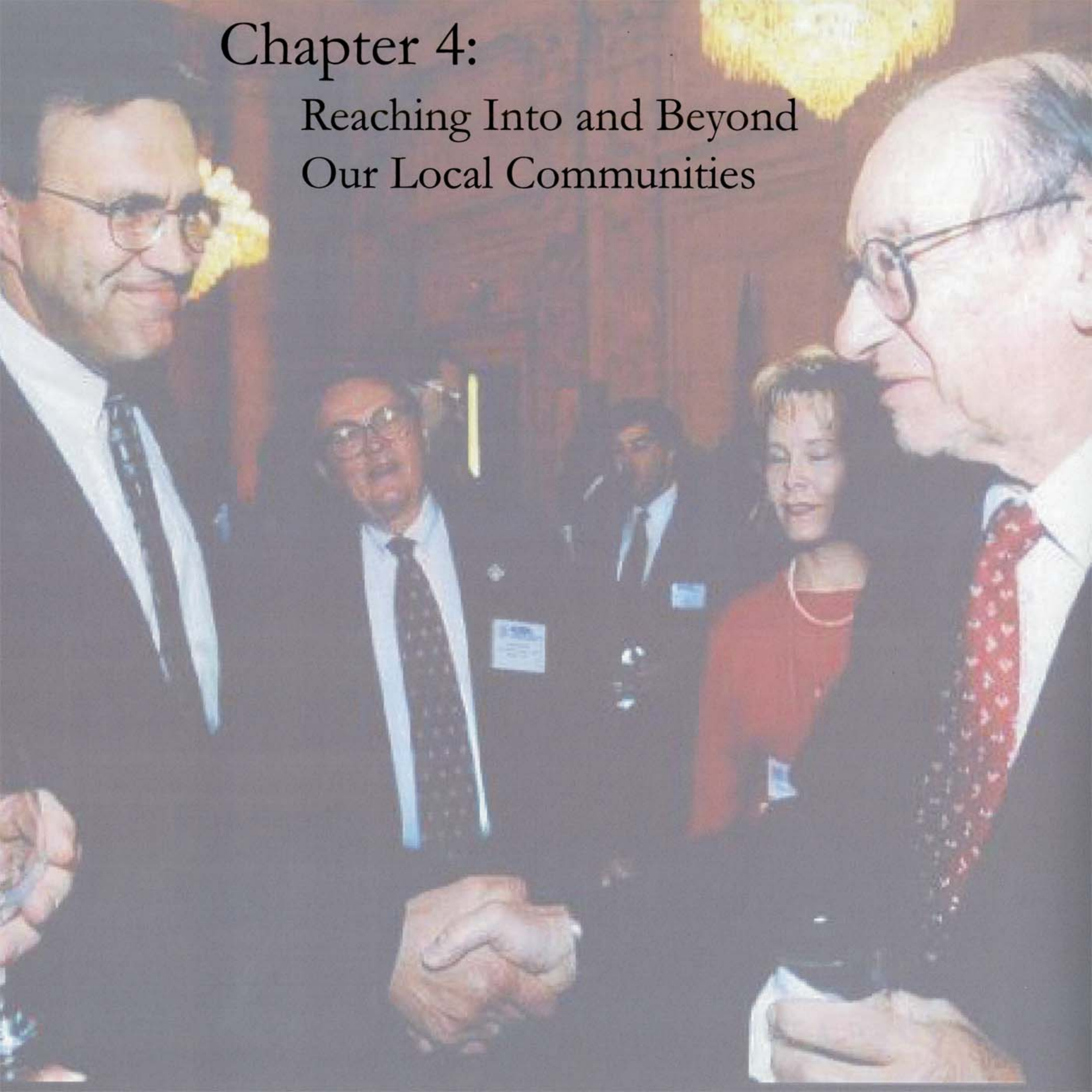
Board members Arlen Berwald, Don Miller, David Johnson, Merlaine Eismach, and Jan Johnson showcase the newly installed ATM in the mid-90's, and David Johnson uses it for the first time.

With customer convenience in mind, Reliabank developed its website, introduced internet banking and bill pay, went "real time" with phone and internet banking, created digital images of checks, and offered mobile banking in the first decade of the 21st Century.



Chapter 4:

Reaching Into and Beyond Our Local Communities



Local Involvement



Reid and Ethan Johnson in front of the Estelline "spec" house in 1996. Farmers State Bank helped form the Estelline Development Corporation in 1987, which, under the guidance of David Johnson, began a new housing project. Several Estelline residents invested in the "spec" house to jump start the venture.

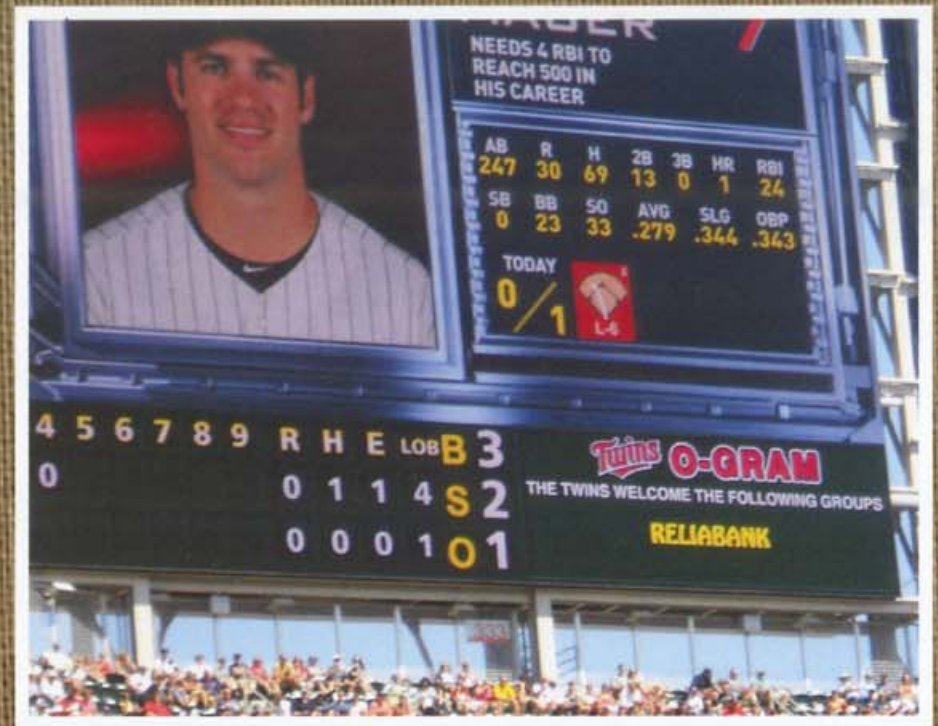
Staff members Gladys Johnson, David Johnson, Joyce Freesemann, and Lisa Loomis join Linda Thomas in refinishing woodwork at the Estelline Library in 1996. Reliabank staff is involved in many projects and organizations across the communities it serves.



SERVICE



Jan Johnson with scholarship winner Jess Freesemann in 1999. Reliabank awards several scholarships annually in its trade area. "Tying my involvement in our family business to my life's work in education is very rewarding. Shaping the scholarship program has allowed me to connect the two," Jan Johnson said.



Customers, with tour guide/marketing director Lisa Loomis (front, 2nd from left), enjoy the Tulip Festival in Orange City, IA, in 1997, and the Twins welcome a group in 2011. Reliabank sponsors many activities for seniors through the Golden Connections Club, organized by Lisa, who has been with the bank since 1992.



The youngest customers, who are part of the Super Eagles Club, enjoy a day at Bramble Park Zoo.



Reliabank owns artwork from many local artists. An example is Hayti artist Peggy Prouty's "Neighbors."



Workers at the 2010 Watertown Chamber Farm-Business Appreciation Banquet include (back) David Ebbers, Gary Grewing, Willis DeWitt, Larry Peterson, Mike Sonne, David Johnson, Mark Tetzlaff, Hugh Bartels, (front) Lynn Phillips, Sandy Peterson, Lisa Loomis, Michelle O'Farrell, Cindy Fugere, and Jan Johnson. Reliabank sponsors events in its communities and prides itself on its connection to agriculture. "When I was a kid, I didn't know much about farming," Cynthia Johnson said. "When I worked at the bank, Dad and I would drive out in the fields to look at the crops. He tried to teach me what everything was, but I wasn't a very good student. Dave would also teach me. He would hold barley and wheat and ask me which was which."



Senior officers highlight WWYB: "We Want Your Business." From left, David W. Johnson, Mark Tetzlaff, Jane Swenson, David Ebbers, Jim Knadle, Willis DeWitt, and Hugh Bartels. Hugh became president-elect of the Watertown Chamber in 2011.

State, National, and International



Walter K. Johnson inspired his children to become good public servants. All three pictured, Paul, Walter K. and David W., held offices in state and national trade associations. Paul was president of the Iowa Bankers Association 1996-97, served as director and on various Iowa state committees 1982-1998, and served on Bankpac and Membership committees of the American Bankers Association (ABA) at various times from 1984-2005.

Gloria and Walter K. Johnson register at a bankers convention in the 60's. Walt was the president of the South Dakota Bankers Association 1954-55, served on the legislative committees of the ABA and the Independent Bankers Association of America, and was the South Dakota representative of the American Bankers Association Legislative Council.





Reid and Ethan Johnson interact with Johnny Bench, Hall of Fame baseball player, at the Independent Community Bankers Association (ICBA) convention in 1998, and David Johnson sings the national anthem at the 2002 ICBA convention. (Photo by David Haithcox). Both conventions were in Honolulu. Like his mentor, Howard Peters, who served as treasurer, David Johnson became active in the ICBA. David served two terms in the 1980's on the board of directors of the Independent Community Bankers of South Dakota (ICBSD) and as its president 1995-96. He served on the board of directors of the ICBA 1997-2003. At the time of his service, ICBA represented 5500 independent banks with more than 15,000 locations across the United States.



David W. Johnson shakes hands with Alan Greenspan, Federal Reserve Chairman, at a Washington, D.C. reception in 1999.



ICB-SD Executive Director Ginger Adams presents David W. Johnson with artwork in 2004 at the annual retreat at Sylvan Lake Lodge in the Black Hills in appreciation of his six years of service on the board of directors of the ICBA.

The Johnson and Ebbers families dress for the theme party at the ICB-SD Retreat at Sylvan Lake Lodge in 2000 with the slogan: "Reliabank is right on track for the new millennium." David Ebbers, branch president, joined Farmers State Bank in 1984 and served as president of ICB-SD 2003-2004.



David - Thank you for your
So. Dak. Banking
Leadership!
[Signature]
2005

South Dakotans meet with their senator, Tim Johnson, Senate Banking Committee member, in 2005. From left(back), Jack Hopkins, ICBA President Cam Fine, Senator Johnson, Bob Laird, Jill Laird, David Johnson, Hugh Bartels, (front left), Wayne Olsen, Ginger Adams, Peg Behl, and Dick Behl. Both David Johnson and Hugh Bartels, who joined the bank in 1996 and is president of the bank, served on ICBA committees. Hugh Bartels was also a director on the South Dakota Bankers Association Board 2000-2006 and has been on the South Dakota Investment Council since 2010.



Walter K. Johnson in the South Dakota Senate Chambers. Walt served two terms in the South Dakota Senate 1957-1961. He and Gloria were active in local politics, serving as Hamlin County party chairmen for several years. "Walt and I rang every doorbell in Hamlin and Kingsbury County when Walt campaigned for the Senate," Gloria Johnson said.



Cynthia Johnson, former partner of David W. Johnson, develops a campaign theme with her nephew Ethan Johnson for her run for South Dakota House of Representatives in 2008. Like Cynthia, Wanda Lee was also inspired by her parents' political involvement. "I can remember my folks going to a Lincoln Day banquet and the speaker was (former U.S. Senator) Karl Mundt," Wanda said. "When they came home, they brought him along to meet the kids. We were all in bed but got up to meet him...When (former U.S. Representative) Harold Lovre called and talked to Dad about the secretarial job in Karl Mundt's office, I took it. So this interest started when I was young and continued after M.O. and I were married and lived in Huron. Knowing Karl and Mary Mundt as I did, I was sure he wasn't impressed with Walt Johnson's sleepy kids."

Alcester, SD, banker Roger McKellips and David W. Johnson teach USAID-sponsored banking at the Tadbirkor Bank in Tashkent, Uzbekistan, in 1995. Roger McKellips and David Johnson returned to Central Asia in 1996, teaching banking in Turkmenistan. "Prior to their independence in 1991, central Asian banks under the Soviet system were simply government accounting institutions that kept track of the many bartering transactions...So when we talk about banking, we need to start with the basics," David said.



