

Prime Security Bank President, CEO & Director, Jay Larsen on the Bank's Turnaround and Growth

CEOCFO and Prime Security Bank CEO, Jay Larsen discuss Being Able to Make Fast Decisions for its Real Estate Investment Entrepreneurs as a \$135 Million Bank

SHAKOPEE, MINNESOTA, UNITED STATES, August 21, 2023

/EINPresswire.com/ -- [CEOCFO](#)

[Magazine](#), an independent business

and investor publication that highlights important technologies and companies, today announced an interview with Jay Larsen, President, CEO & Director of Shakopee, MN-based [Prime Security Bank](#), with branches in Shakopee, Eagan and Karlstad.



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Jay Larsen

To read the full interview visit:

<https://www.ceocfointerviews.com/primesecuritybank23.html>

During the interview with CEOCFO's Senior Editor Bud Wayne, his role and why he was brought on board at Prime Security Bank, Mr. Larsen said, “I was hired to improve the credit culture at Prime Security Bank. When I started in 2012, Prime Security Bank was under a consent order. We had assets of roughly \$60 million and there was \$5.7

million in OREO (Other Real Estate Owned), which means properties that have been taken back through foreclosure. Making up the \$5.7 million was eleven properties, in addition there was another \$1.2 million in un-performing loans. The total capital was \$4 million at the time, which equated to a Texas Ratio of around 150% (Texas Ratio is used in assessing a bank's financial position), when a bank is around or north of 100% there is a high probability of failing. So I was brought in to turn around the bank.”

Mr. Larsen continued, “My background was in workouts and underwriting. Over the first few

years at PSB, I sold all the OREO properties and got rid of the non-performing loans. Making up the eleven OREO properties were various types of real estate properties, and even some houses that we got back half-built. I would lease up the properties or hire a contractor to finish the houses and make them attractive to purchase. Then I would sell the properties, many at gains. That was a big part of my job. Retaining as much capital as possible, while cleaning up the balance sheet was a big step to getting off the consent order.”

Explaining how his role changes after working through the turnaround, Mr. Larsen said, “After working through the balance sheet issues, my role changed to bringing the bank back to profitability. When I started, the bank was averaging a net loss of \$1 million per year for the previous four years. We are currently at \$135 million in assets, all organic growth; asset growth is 20.29% for 2023 which is top 5% and return on assets is 2.19 which is top 7% nationally.”

On the location of their branches and their focus, Mr. Larsen shared, “We have three offices and they are all unique. Karlstad, MN is located in the corner of northwest Minnesota, is a farming community and is a completely different environment and focus than we have in the Minneapolis/St. Paul metro area. Shakopee and Eagan are growing south metro cities. Our focus is small businesses and entrepreneurs. We have a larger volume of commercial real estate including hotels and industrial properties.”



Jay Larsen, President, CEO & Director, Prime Security Bank



Explaining how they are able to meet the needs of local businesses, Mr. Larsen told Bud, "With the size of our bank, we cater to real estate investment entrepreneurs, small business owners and construction companies. Most SBA-preferred lenders are much larger than Prime Security Bank. So being that we are a smaller \$135 million-dollar bank, we meet face to face with our customers and make fast decisions."

When asked where future growth will come from, Mr. Larsen offered, "There are some opportunities for us to look at acquiring offices or other banks, so that is a possibility. However, in the last year, our growth has been 20% which is in the top 5% of all banks in the US. We are growing organically very rapidly."

As for the most important takeaway from his career, Mr. Larsen offered, "The most important takeaway from my career was doing the very best job in whatever role I had. I began doing documents and learning the basics of banking. I wanted to be the best in each role I was given so I wouldn't be passed up if there was ever an opportunity to move up. I never took any position I had for granted. It was not a race but a long process of understanding the foundations of banking to get to the spot I'm at today."

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