

PUBLIC DISCLOSURE

February 3, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ohnward Bank & Trust
Certificate Number: 10111

332 1st Avenue West
Cascade, Iowa 52033

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Ohnward Bank & Trust (OBT)'s satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and the Community Development Test supports the rating. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- A majority of small business, small farm, and home mortgage loans are inside the assessment areas.
- The geographic distribution of loans reflects an overall reasonable dispersion throughout the assessment area reviewed.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes, as well as individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity, as well as the need and availability of opportunities in the assessment areas.

DESCRIPTION OF INSTITUTION

OBT is a commercial bank headquartered in Cascade, Iowa. OBT is wholly owned by three-bank holding company Ohnward Bancshares, Inc., Maquoketa, Iowa. Affiliates include Maquoketa State Bank, Maquoketa, Iowa and First Central State Bank, De Witt, Iowa. The institution received a rating of Satisfactory at its previous Federal Deposit Insurance Corporation Performance Evaluation dated February 28, 2022, based on Interagency Intermediate Small Institution Examination Procedures. In addition to the main office in Cascade, OBT operates five full-service branches in Baldwin, Cedar Rapids, Central City, Marion, and Monticello, Iowa. No branches have opened or closed, and no merger or acquisition activities have occurred since the previous evaluation.

OBT offers various loan products, including agricultural, commercial, residential real estate, and consumer loans, with a primary focus on agricultural, commercial, and home mortgage lending. The bank offers financing alternatives through the Farm Service Agency and Small Business Administration, as well as long-term home mortgage loans for sale on the secondary market. OBT also offers a number of programs through the U.S. Department of Agriculture, Veterans Administration, Federal Housing Administration, Iowa Finance Authority, and the Federal Home Loan Bank to assist individuals with the purchase, refinance, or improvement of a home. These programs are generally designed to aid businesses, farmers, veterans, or low- and moderate-income individuals who may not qualify for loans through conventional financing methods.

The bank provides a variety of deposit-related products that include checking, savings, money market, certificates of deposit, Health Savings, and Individual Retirement accounts. Alternative banking products or services include debit cards, direct deposit, telephone banking, night deposit, electronic statements, online and mobile banking, bill payment, mobile wallets, mobile deposit, and text banking. In addition, OBT operates cash-dispensing automated teller machines at its Cascade, Cedar Rapids, Marion, and Monticello offices.

Assets totaled approximately \$445.4 million as of September 30, 2024, representing a 15.0 percent increase since the December 31, 2021, Consolidated Reports of Condition and Income (Call Report). Total deposits equaled approximately \$365.9 million, representing a 14.8 percent increase, and total loans equaled approximately \$325.5 million, representing a 32.4 percent increase during the same timeframe. For the evaluation period, loan volume increased in every category except consumer lending; however, concentrations as a percentage of the total loan portfolio have remained generally static. Loan and deposit growth since the prior evaluation has largely been organic. Management further attributed loan growth to expanding commercial relationships in the Cedar Rapids market, as well as an increase in agricultural loan demand in the rural areas. The following table illustrates the composition of the loan portfolio as of September 30, 2024.

Loan Portfolio Distribution as of 9/30/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	25,998	8.0
Secured by Farmland	47,493	14.6
Secured by 1-4 Family Residential Properties	76,504	23.5
Secured by Multifamily (5 or more) Residential Properties	4,401	1.4
Secured by Nonfarm Nonresidential Properties	57,642	17.7
Total Real Estate Loans	212,038	65.2
Commercial and Industrial Loans	50,536	15.5
Agricultural Production and Other Loans to Farmers	54,992	16.9
Consumer Loans	6,026	1.8
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	1,859	0.6
Lease Financing Receivable (net of unearned income)	(0)	(0)
Less: Unearned Income	0	0
Total Loans	325,451	100.0
<i>Source: Call Report.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. OBT has defined three contiguous assessment areas within the State of Iowa. The Cedar Rapids Metro and Dubuque Metro assessment areas are in metropolitan statistical areas; the Nonmetropolitan Assessment Area is in the nonmetropolitan portion of Iowa. Refer to subsequent sections for detailed information on each assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 28, 2022, to the current evaluation date of February 3, 2025. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate the institution’s CRA performance. Related procedures include the Lending Test and the Community Development Test, which are described in detail within the Appendices.

Performance reviews considered the institution’s lending activities in relation to demographics and credit needs of the assessment areas. To evaluate performance, examiners conducted full-scope reviews in all three assessment areas after considering factors such as branching structure, deposit volume, loan volume, market share, and reviews performed at previous CRA evaluations. As shown in the following table, the majority of OBT’s loans, deposits, and branches are in the Cedar Rapids Metro Assessment Area. Therefore, the bank’s Lending Test and Community Development

Test performance in the Cedar Rapids Metro Assessment Area received the most weight in the overall evaluation. The following table reflects the distribution of loans, deposits, and office locations by assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Cedar Rapids Metro	278,881	74.8	238,992	70.5	4	66.6
Dubuque Metro	80,925	21.7	68,807	20.3	1	16.7
Nonmetropolitan	13,245	3.5	31,318	9.2	1	16.7
Total	373,051	100.0	339,117	100.0	6	100.0

Source: Bank Data (outstanding and paid-off loans originated 3/1/2022-12/31/2024; FDIC Summary of Deposits (6/30/2024).

Activities Reviewed

The institution’s major product lines are agricultural, commercial, and residential real estate loans. Examiners based this conclusion on the institution’s business strategy, loan portfolio distribution, and the number and dollar volume of loans originated or renewed during the evaluation period. Therefore, examiners reviewed small business, small farm, and home mortgage lending to evaluate OBT’s lending performance. When drawing overall conclusions, examiners gave greater weight to small business and home mortgage lending in the Cedar Rapids Metro Assessment Area, while small farm lending received greater weight in the Dubuque Metro and Nonmetropolitan assessment areas. The table below provides information on the number and dollar volume of loans reviewed.

Loan Products Reviewed						
Loan Category	Universe		Universe Inside Assessment Area		Sample or Universe Used For Borrower Profile	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Business	236	29,927	213	27,829	95	10,827
Small Farm	384	47,310	337	43,513	121	13,685
Home Mortgage						
2021	514	101,978	414	79,360	414	79,360
2022	288	53,312	233	37,142	233	37,142
2023	197	40,397	152	29,779	152	29,779

Source: Bank Data; 2021-2023 HMDA Reported Data.

For the Assessment Area Concentration review, examiners evaluated lending performance based on all small business and small farm loans originated or renewed in calendar year 2024, as well as Home Mortgage Disclosure Act (HMDA) data collected and reported for 2021, 2022, and 2023. Management recognized 2024 small business and small farm loan activity as representative of the institution’s performance during the evaluation period. For the Geographic Distribution review, examiners evaluated lending performance based on all loans located inside the Cedar Rapids Metro Assessment Area. Geographic distribution was not reviewed in the Dubuque Metro or Nonmetropolitan assessment areas, as there were no low- or moderate-income geographies. For the Borrower Profile analysis, examiners sampled small business and small farm loans originated or renewed inside each assessment area. However, all small business loans inside the

Nonmetropolitan Assessment Area were reviewed for this factor given the small overall volume. Additionally, examiners reviewed all home mortgage loans within the Cedar Rapids Metro Assessment Area. Home mortgage lending was not reviewed in the Dubuque Metro and Nonmetropolitan assessment areas due to negligible activity caused by low demand, and that it is not a primary business focus in those areas. Additional details are discussed in the applicable assessment area sections.

For small business and small farm lending conclusions, 2024 D&B data provided a standard of comparison. HMDA aggregate data for 2021, 2022, and 2023, as well as 2015 American Community Survey data and 2020 U.S. Census data provided a standard of comparison for the home mortgage loans reviewed. Examiners primarily focused on OBT's lending performance in comparison to HMDA aggregate data. Lending performance for 2021 and 2022 was reviewed to ensure that performance was consistent with 2023. In general, examiners did not identify any significant trends between the three years of HMDA data that materially affected conclusions. Therefore, only 2023 HMDA data is presented for the Geographic Distribution and Borrower Profile criteria. Examiners noted a declining trend in home mortgage lending activity during the review period. Management attributes the decrease in home mortgage lending volume to rising interest rates and home prices, as well as the limited stock of affordable housing units. However, the difference in home mortgage lending volume did not result in trends that materially affected conclusions. Any differences in OBT's home mortgage lending performance between HMDA reporting years are discussed in subsequent sections.

For the Lending Test, examiners reviewed the number and dollar volume of small business, small farm, and home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of businesses, farms, and individuals served.

For the Community Development Test, examiners reviewed data presented by management on community development loans, qualified investments, and community development services provided since the prior CRA evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

OBT demonstrated overall reasonable performance under the Lending Test. The bank's reasonable performance under each criterion supports this conclusion. The following is a discussion of each performance criterion and how they support the bank's overall rating.

Loan-to-Deposit Ratio

OBT's average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, assessment area credit needs, and comparison to similarly-situated institutions. OBT's net loan-to-deposit ratio, calculated from Call Report data, averaged 89.3 percent over the 11 calendar quarters from March 31, 2022, to September 30, 2024. The net loan-to-deposit ratio ranged from a low of 79.0 percent as of June 30, 2022, to a high of 94.3 percent as of September 30, 2023. The bank's net loan-to-deposit ratio fluctuated throughout the review period. Net loans and

total deposits steadily increased at generally similar rates, with loan growth slightly outpacing deposits.

Examiners compared OBT’s average net-loan-to-deposit ratio with those of four similarly-situated institutions to evaluate performance. Examiners selected comparable institutions based on similarities in lending focus, asset size, and markets served. As shown in the following table, OBT’s average net loan-to-deposit ratio is similar to comparable institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2024 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
OBT, Cascade, Iowa	445,445	89.3
Central State Bank, Coralville, Iowa	477,336	99.7
Community Savings Bank, Edgewood, Iowa	586,215	84.9
Kerndt Brothers Savings Bank, Lansing, Iowa	355,158	81.1
Citizens State Bank, Monticello, Iowa	538,376	53.0

Source: Call Reports 3/31/2022 - 9/30/2024.

OBT also originates and subsequently sells home mortgage loans through secondary market relationships. Loans sold on the secondary market are not retained in the portfolio and do not influence the loan-to-deposit ratio. During the review period, OBT sold 316 loans totaling approximately \$79.8 million on the secondary market. Secondary market lending is responsive to assessment area credit needs by providing long-term home mortgage financing.

Assessment Area Concentration

As shown in the following table, the institution originated a majority of small business, small farm, and home mortgage loans inside its assessment areas.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business	213	90.3	23	9.7	236	27,829	93.0	2,098	7.0	29,927
Small Farm	337	87.8	47	12.2	384	43,513	92.0	3,797	8.0	47,310
Home Mortgage										
2021	414	80.5	100	19.5	514	79,360	77.8	22,618	22.2	101,978
2022	233	80.9	55	19.1	288	37,142	69.7	16,170	30.3	53,312
2023	152	77.2	45	22.8	197	29,779	73.7	10,618	26.3	40,397
Subtotal	799	80.0	200	20.0	999	146,281	74.8	49,406	25.2	195,687

*Source: Bank Data.
Due to rounding, totals may not equal 100.0%.*

Geographic Distribution

The geographic distribution of loans reflects an overall reasonable dispersion throughout the reviewed assessment area. Review of this criterion focused on the institution's record of lending, by number of loans, in low- and moderate-income census tracts of the Cedar Rapids Metro Assessment Area. The Dubuque Metro and Nonmetropolitan assessment areas have no low- or moderate-income census tracts; therefore, this criterion was not evaluated for those assessment areas. Refer to comments under the Cedar Rapids Metro Assessment Area for details of the analysis.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes, and individuals of different income levels. The bank's reasonable lending performance in each assessment area supports this conclusion. Examiners focused on the percentage of loans, by number, originated or renewed to businesses and farms generating gross annual revenues of \$1.0 million or less, and on the percentage of loans, by number, granted to low- and moderate-income home mortgage borrowers. Refer to comments under each assessment area for a more specific analysis.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

OBT demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities to evaluate the bank's performance under this test. Because the bank was responsive to the community development needs of its assessment areas, community development activities benefitting the broader statewide or regional area were included in the analysis.

Information from performance evaluations of four intermediate small banks conducted during the evaluation period was used for comparative purposes to assess OBT's overall performance under the Community Development Test. The institutions were chosen due to similarities in asset size or types of areas served. OBT's overall community development performance compared reasonably to these institutions when considering available community development opportunities in the assessment areas.

Community Development Loans

OBT originated 69 community development loans totaling nearly \$46.8 million during the evaluation period. As the bank was responsive to assessment area community development needs, the overall total includes eight community development loans totaling approximately \$28.7 million benefitting a broader statewide or regional area encompassing the bank's assessment areas. OBT extended loans to entities to promote economic development by supporting permanent job creation, retention, and/or improvement for low- and moderate-income persons, and to aid revitalization or stabilization efforts. Three loans were also granted during the period to support affordable housing.

OBT's total community development loans represent 10.5 percent of total assets and 14.5 percent of net loans, as of September 30, 2024. The four comparable institutions had community development loans to total assets ratios ranging from 0.1 percent to 4.3 percent, and community development loans to net loans ratios ranging from 0.7 percent to 7.2 percent. Community development lending reported by some of these comparators included activity under the Small Business Administration's Paycheck Protection Program (PPP). As OBT did not originate PPP loans in the evaluation period, examiners calculated ratios exclusive of this activity. Overall, OBT's performance compares favorably with these institutions. Further, OBT's community development lending increased substantially, by both number and dollar volume, from the prior evaluation, which reflected 19 loans totaling \$10.6 million exclusive of PPP activity. The following tables reflect the number and dollar volume of community development lending in each category by assessment area and activity year.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Cedar Rapids Metro	1	284	0	0	21	4,626	23	9,398	45	14,308
Dubuque Metro	0	0	0	0	16	3,756	0	0	16	3,756
Nonmetropolitan	0	0	0	0	0	0	0	0	0	0
Statewide Activities	2	758	0	0	4	2,441	0	0	6	3,199
Regional Activities	0	0	0	0	1	24,811	1	679	2	25,490
Total	3	1,042	0	0	42	35,634	24	10,077	69	46,753

Source: Bank Data

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (Partial)	2	758	0	0	16	27,710	12	4,442	30	32,910
2023	1	284	0	0	22	6,849	8	3,000	31	10,133
2024	0	0	0	0	4	1,075	4	2,635	8	3,710
Total	3	1,042	0	0	42	35,634	24	10,077	69	46,753

Source: Bank Data

Qualified Investments

During the evaluation period, OBT made 33 qualified investments totaling approximately \$3.2 million, which includes 23 donations of approximately \$44,000. As the bank was responsive to assessment area community development needs, these totals include seven investments and donations totaling approximately \$2.7 million benefitting the broader statewide area that includes the bank's assessment areas.

OBT's qualified investments represented 0.7 percent of total assets and 4.1 percent of total securities, as of September 30, 2024. The comparable institutions' qualified investments ratios ranged from 0.1 percent to 3.5 percent of total assets, and 0.7 percent and 16.5 percent of total

securities. OBT’s performance compares reasonably with these institutions. Further, OBT’s ratios are similar to the prior evaluation when qualified investments represented 0.7 percent of total assets and 2.8 percent of total securities. Management reports that funds have largely been directed to meet lending demands during the evaluation period. The following tables reflect the number and dollar volume of qualified investments in each category by assessment area and activity year.

Community Development Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Cedar Rapids Metro	1	1	14	25	1	5	10	421	26	452
Dubuque Metro	0	0	0	0	0	0	0	0	0	0
Nonmetropolitan	0	0	0	0	0	0	0	0	0	0
Statewide Activities	0	0	0	0	0	0	7	2,735	7	2,735
Total	1	1	14	25	1	5	17	3,156	33	3,187

Source: Bank Data

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	9	2,938	9	2,938
2022 (Partial)	0	0	0	0	0	0	1	205	1	205
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	10	3,143	10	3,143
Qualified Grants & Donations	1	1	14	25	1	5	7	13	23	44
Total	1	1	14	25	1	5	17	3,156	33	3,187

Source: Bank Data

Community Development Services

The bank received consideration for a total of 21 community development services that primarily consisted of providing support to community service organizations. OBT personnel provided technical or financial expertise to these organizations in many ways, all related to their employment with the institution. Employees dedicated their time and resources to ten different organizations over the evaluation period. Most notably, bank employees served in a board member capacity for a majority of these entities.

Comparable institutions provided between 22 and 112 services. OBT compares reasonably to these institutions. Further, OBT’s activity level is similar to the prior evaluation when personnel reported 23 services to nine different organizations. The following tables illustrate the bank’s community development services in each category by assessment area and activity year.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Cedar Rapids Metro	1	11	3	3	18
Dubuque Metro	0	3	0	0	3
Nonmetropolitan	0	0	0	0	0
Total	1	14	3	3	21
<i>Source: Bank Data</i>					

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022 (Partial)	1	5	1	1	8
2023	0	4	1	1	6
2024	0	5	1	1	7
Total	1	14	3	3	21
<i>Source: Bank Data</i>					

OBT offers retail services that increase access to financial services in the assessment areas, which include the alternative services described in the Description of Institution section. These services are generally free of charge to bank customers, which benefits low- and moderate-income individuals. OBT operates one branch office with an automated teller machine in a moderate-income census tract. The bank offers multiple consumer checking accounts with no minimum balance or service fees. As mentioned previously, the bank participates in various lending programs that aid small businesses, small farms, and home mortgage borrowers.

Retail banking services and loan programs are consistent among OBT’s assessment areas and offices. The institution also invests in, and is involved with, other community activities that do not specifically meet the definition of community development; bank personnel are commended for their involvement in these other community events.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

CEDAR RAPIDS METRO ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CEDAR RAPIDS METRO ASSESSMENT AREA

The Cedar Rapids Metro Assessment Area consists of Linn and Jones counties in their entirety, as well as Delaware County census tract 9504 and Johnson County census tracts 102, 103.03, 103.06, and 103.07. Linn and Jones counties are part of the Cedar Rapids, Iowa Metropolitan Statistical Area, while Johnson County is part of the Iowa City, Iowa Metropolitan Statistical Area; these two contiguous areas comprise the Cedar Rapids-Iowa City, Iowa Combined Statistical Area.

Conversely, Delaware County is in the nonmetropolitan area of Iowa. Since the prior evaluation, management added the Johnson County census tracts to the Cedar Rapids Metro Assessment Area due to increased bank activities in the northwestern quarter of Johnson County. OBT operates four offices within this assessment area, located in Cedar Rapids, Central City, Marion, and Monticello.

Economic and Demographic Data

According to 2020 U.S. Census data, this assessment area is comprised of one low-, 16 moderate-, 36 middle-, and 12 upper-income census tracts, as well as one census tract with no income designation. A comparison of 2015 American Community Survey data with the most recent 2020 U.S. Census evidences an increase in the total number of census tracts for Linn and Jones counties. Due to population growth in Linn and Jones counties, ten census tracts were divided into 21 census tracts. The number of moderate-, middle-, and upper-income census tracts increased, while the number of low-income census tracts decreased. The Cedar Rapids Metro Assessment Area still contains one census tract with no income designation; however, it is not the same tract as classified by the 2015 American Community Survey. The following table illustrates select demographic characteristics of the Cedar Rapids Metro Assessment Area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	66	1.5	24.2	54.5	18.2	1.5
Population by Geography	275,238	1.0	18.8	56.6	22.6	1.0
Housing Units by Geography	116,867	0.7	20.6	57.7	19.8	1.2
Owner-Occupied Units by Geography	81,764	0.1	16.5	57.9	25.1	0.3
Occupied Rental Units by Geography	26,416	1.9	32.6	54.9	6.5	4.2
Vacant Units by Geography	8,687	2.2	21.8	63.9	10.6	1.5
Businesses by Geography	36,190	4.7	18.6	50.8	23.6	2.3
Farms by Geography	1,997	1.7	7.5	65.6	24.7	0.6
Family Distribution by Income Level	68,941	18.4	18.4	23.3	39.8	0.0
Household Distribution by Income Level	108,180	20.9	17.4	18.6	43.1	0.0
Median Family Income - Cedar Rapids, Iowa Metropolitan Statistical Area		\$85,854	Median Housing Value			\$170,134
Median Family Income - Iowa City, Iowa Metropolitan Statistical Area		\$93,237	Median Gross Rent			\$760
Median Family Income - Nonmetropolitan Iowa		\$71,763	Families Below Poverty Level			6.0%
<i>Source: 2020 U.S. Census and 2024 D&B Data. (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%.</i>						

According to 2024 D&B data, service industries represent the largest portion of commercial and agricultural operations in the assessment area at 32.9 percent, followed by non-classifiable establishments at 23.4 percent, and finance, insurance, and real estate at 12.3 percent. Additionally, 63.9 percent of assessment area businesses and farms have four or fewer employees, and 93.2 percent operate from a single location.

The FFIEC-estimated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion, as well as certain community development activities. The median family income levels used to analyze home mortgage lending for the Cedar Rapids Metro Assessment Area are presented in the following table by year.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cedar Rapids, Iowa Metropolitan Statistical Area Median Family Income				
2021 (\$87,300)	<\$43,650	\$43,650 to <\$69,840	\$69,840 to <\$104,760	≥\$104,760
2022 (\$89,200)	<\$44,600	\$44,600 to <\$71,360	\$71,360 to <\$107,040	≥\$107,040
2023 (\$96,300)	<\$48,150	\$48,150 to <\$77,040	\$77,040 to <\$115,560	≥\$115,560
Iowa City, Iowa Metropolitan Statistical Area Median Family Income				
2021 (\$95,700)	<\$47,850	\$47,850 to <\$76,560	\$76,560 to <\$114,840	≥\$114,840
2022 (\$104,300)	<\$52,150	\$52,150 to <\$83,440	\$83,440 to <\$125,160	≥\$125,160
2023 (\$125,500)	<\$62,750	\$62,750 to <\$100,400	\$100,400 to <\$150,600	≥\$150,600
Nonmetropolitan Iowa Median Family Income				
2021 (\$70,500)	<\$35,250	\$35,250 to <\$56,400	\$56,400 to <\$84,600	≥\$84,600
2022 (\$78,900)	<\$39,450	\$39,450 to <\$63,120	\$63,120 to <\$94,680	≥\$94,680
2023 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
<i>Source: FFIEC</i>				

Competition

The Cedar Rapids Metro Assessment Area is highly competitive with regard to financial services. According to Call Report data, 38 financial institutions operate 93 offices in the assessment area. These institutions range in size from small community banks to larger financial institutions with branch locations in the assessment area. OBT ranks 10th amongst these institutions with 2.3 percent of deposit market share. The top two financial institutions maintain 31.2 percent of the assessment area's deposit market. Further, HMDA aggregate data for 2023 shows 213 lenders reported 9,118 home mortgage loan originations or purchases within the assessment area. OBT ranked 13th with 1.6 percent of the market share by number of loans.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in understanding economic conditions and identifying credit needs. This information helps to determine whether local financial institutions are responsive to community credit needs and provides context regarding available lending opportunities. Examiners contacted an individual from an economic education and outreach organization that serves the assessment area.

The contact stated that current economic conditions are good; however, change is anticipated. Many area business and manufacturing entities are dependent on agriculture. Whether producing, processing, storing, or transporting, the operating costs in agricultural and commercial sectors are rising and squeezing profit margins. The contact indicated that large businesses would fare better as the economy contracts. Small businesses must compete with the larger operations, as well as online retailers given that consumers now prefer to shop from home. The agricultural sector is noting a rise in input costs and diminishing commodity prices resulting in lower profits and operational difficulties for small farms. There are many programs available for beginning farmers, but start-up costs are prohibitive. Area farms and businesses are struggling due to the lack of experienced, qualified workers, with the greatest impact noted in manufacturing. The contact indicated that the

COVID-19 Pandemic and the derecho occurred in 2020 as a number of entry-level workers were entering the labor market, which delayed hiring opportunities and training. With regard to housing, prices continue to rise, making starter homes unaffordable for families looking for their first home. The stock of available affordable housing is dwindling. The high cost of housing is forcing low- and moderate-income individuals to rent a dwelling and forgo purchasing a home. Contractors interested in building affordable housing units have found that input costs are similar to higher-end homes that result in greater margins. These factors place additional pressure on available housing units. Housing costs are slightly more affordable in rural areas where older homes are available. Finally, the community contact stated that the environment for involvement by financial institutions is very competitive.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, small business, small farm, and home mortgage loans (especially affordable housing) are primary credit needs of the assessment area. Call Reports filed by area financial institutions also support this assertion. There are numerous opportunities for community development lending, investments, and services in the area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CEDAR RAPIDS METROASSESSMENT AREA

LENDING TEST

OBT demonstrated overall reasonable performance under the Lending Test in the Cedar Rapids Metro Assessment Area, as supported by reasonable Geographic Distribution and Borrower Profile performances.

Geographic Distribution

The geographic distribution of loans reflects an overall reasonable dispersion throughout the assessment area. The bank's reasonable performance in small farm and home mortgage lending primarily supports this conclusion.

Small Business Loans

The geographic distribution of small business lending reflects poor dispersion throughout the assessment area. As shown in the following table, the institution's lending is slightly lower than demographics in the low-income census tract and considerably lower than demographics in moderate-income census tracts. The Cedar Rapids Metro Assessment Area is highly competitive; however, OBT operates two branches inside, or in close proximity to, moderate-income Linn County census tracts. Further, CRA aggregate data shows that financial institutions required to report small business lending data originated or purchased 3,843 small business loans within OBT's Cedar Rapids Metro Assessment Area during 2023. Approximately 3.1 percent of these loans were granted in the low-income census tract, and 15.9 percent were granted in moderate-income census tracts. Management reports limited loan requests from these areas, stating that a preponderance of activity in the Cedar Rapids Metro Assessment Area stems from existing customers or referral networks.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.7	2	1.4	850	4.0
Moderate	18.6	10	6.8	1,582	7.4
Middle	50.8	118	79.7	14,665	68.5
Upper	23.6	18	12.2	4,314	20.1
Not Available	2.3	0	0.0	0	0.0
Totals	100.0	148	100.0	21,411	100.0

*Source: 2024 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%.*

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area given the performance context. As shown in the following table, OBT did not make any small farm loans within low- or moderate-income census tracts. However, the assessment area's low- and moderate-income census tracts are located within the cities of Cedar Rapids and Anamosa and offer limited opportunity for agricultural lending.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	1.7	0	0.0	0	0.0
Moderate	7.5	0	0.0	0	0.0
Middle	65.6	227	99.6	29,790	99.7
Upper	24.7	1	0.4	85	0.3
Not Available	0.6	0	0.0	0	0.0
Totals	100.0	228	100.0	29,875	100.0

*Source: 2024 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%.*

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area when compared to aggregate data. As shown in the following table, the bank's record of originating home mortgage loans in both low- and moderate-income geographies compares reasonably with HMDA aggregate data. Both demographics and aggregate data reveal limited opportunity within the sole low-income census tract. In 2021 and 2022, OBT's performance in low-income census tracts compared favorably to aggregate lending, while performance in moderate-income census tracts was generally consistent for all three years.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.1	0.2	0	0.0	0	0.0
Moderate	16.5	18.4	22	15.2	3,822	13.3
Middle	57.9	56.1	93	64.1	16,916	58.9
Upper	25.1	24.9	30	20.7	7,995	27.8
Not Available	0.3	0.3	0	0.0	0	0.0
Totals	100.0	100.0	145	100.0	28,733	100.0

*Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; Bank Data.
Due to rounding, totals may not equal 100.0%.*

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. The bank’s reasonable performance in all three lending products supports this conclusion.

Small Business Loans

The distribution of small business loans among commercial operations of different sizes reflects reasonable penetration given additional considerations. As shown in the following table, OBT’s lending to businesses with gross annual revenues of \$1.0 million or less is lower than demographic benchmark data. Notably, D&B data reflects that 7.0 percent of reporting businesses did not provide revenue information. OBT granted 14 loans to 13 borrowers within the larger revenue category; four of these borrowers initiated relationships with OBT as smaller or start-up businesses and subsequently grew, thereby transitioning from the smaller revenue category. An additional two of these 13 borrowers bought established businesses at the beginning of their OBT relationship. Overall, management reports fierce competition for small business loans within the Cedar Rapids Metro Assessment Area. Several local competitors underwrite Small Business Administration loans in-house via the Preferred Lender Program, permitting faster turnaround times and affording them a reputation as experts in the field. Finally, CRA aggregate data shows that financial institutions required to report small business lending data originated or purchased 3,843 small business loans within OBT’s Cedar Rapids Metro Assessment Area during 2023. Approximately 53.6 percent of these loans were granted to businesses with gross annual revenues of \$1.0 million or less. Given the additional contextual information, the bank’s borrower profile distribution of small business lending in the Cedar Rapids Metro Assessment Area is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	90.0	33	70.2	3,685	51.8
>\$1,000,000	3.0	14	29.8	3,432	48.2
Revenue Not Available	7.0	0	0.0	0	0.0
Total	100.0	47	100.0	7,117	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The distribution of small farm loans among agricultural operations of different sizes reflects reasonable penetration given additional considerations. As shown in the following table, OBT's lending to farms with gross annual revenues of \$1.0 million or less is lower than demographic benchmark data. Notably, however, OBT granted the 13 loans within the larger revenue category to only three borrowers. The bank's distribution based on individual borrowers more closely reflects demographic data. Additionally, the 2022 Census of Agriculture shows that 56.2 percent of agricultural producers in Delaware, Johnson, Jones, and Linn counties are "hobby farms" that list their principal occupation as "other than farming." The same report shows that 54.1 percent of farm operations in the aforementioned counties had no interest expense, indicating that a significant portion of producers in the area have no borrowing need.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.5	42	76.4	3,198	60.0
>\$1,000,000	0.6	13	23.6	2,131	40.0
Revenue Not Available	0.9	0	0.0	0	0.0
Total	100.0	55	100.0	5,329	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

OBT's performance in extending home mortgage loans to borrowers of differing income levels is reasonable. As shown in the following table, the bank's record of extending home mortgage loans to low- and moderate-income borrowers is modestly less than, but reasonably comparable to, aggregate lending data. OBT's performance was generally consistent throughout the evaluation period.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.4	11.5	14	9.7	1,344	4.7
Moderate	18.4	21.7	30	20.7	4,091	14.2
Middle	23.3	20.5	25	17.2	4,419	15.4
Upper	39.8	23.8	62	42.8	15,655	54.5
Not Available	0.0	22.4	14	9.7	3,225	11.2
Totals	100.0	100.0	145	100.0	28,734	100.0

*Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; Bank Data.
Due to rounding, totals may not equal 100.0%.*

COMMUNITY DEVELOPMENT TEST

OBT’s community development performance demonstrates adequate responsiveness to community development needs in the Cedar Rapids Metro Assessment Area, considering the institution’s capacity, as well as the need and availability of such community development opportunities.

Community Development Loans

The bank originated 45 community development loans totaling over \$14.3 million in this assessment area. Notably, OBT originated and renewed numerous operating lines of credit in support of businesses creating or retaining permanent jobs for low- or moderate-income people or in support of revitalizing and stabilizing moderate-income areas through the retention of existing businesses.

Qualified Investments

The bank made 26 qualified investments totaling approximately \$452,000 that received consideration during this evaluation. Notable examples include donations to a non-profit organization located in a moderate-income census tract. These donations helped revitalize and stabilize the area by drawing new, or retaining existing, residents and businesses.

Community Development Services

The bank received consideration for 18 community development services, which mostly consisted of employees providing financial expertise to organizations providing community services within the assessment area. Qualifying services included bank staff serving as board or financial committee members of organizations that provide education, employment, and well-being services targeted to low- and moderate-income people.

DUBUQUE METRO ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE DUBUQUE METRO ASSESSMENT AREA

The Dubuque Metro Assessment Area consists of Dubuque County census tracts 103 and 104, which are part of the Dubuque, Iowa Metropolitan Statistical Area. OBT operates its main office in Cascade, Iowa, within census tract 104.

Economic and Demographic Data

According to 2020 U.S. Census data, this assessment area is comprised of two middle-income census tracts. A comparison of 2015 American Community Survey data with the most recent 2020 U.S. Census evidences no changes. The following table illustrates select demographic characteristics of the Dubuque Metro Assessment Area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2	0.0	0.0	100.0	0.0	0.0
Population by Geography	7,157	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	2,785	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,139	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	542	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	104	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,090	0.0	0.0	100.0	0.0	0.0
Farms by Geography	276	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	1,972	15.0	22.6	29.1	33.3	0.0
Household Distribution by Income Level	2,681	21.3	13.2	21.5	44.0	0.0
Median Family Income - Dubuque, Iowa Metropolitan Statistical Area		\$82,099	Median Housing Value			\$190,921
			Median Gross Rent			\$797
			Families Below Poverty Level			4.9%

Source: 2020 U.S. Census and 2024 D&B Data. () The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%.*

According to 2024 D&B data, service industries represent the largest portion of commercial and agricultural operations in the assessment area at 21.5 percent, followed by agriculture, forestry, and fishing at 20.2 percent, and non-classifiable establishments at 19.5 percent. Additionally, 71.1 percent of assessment area businesses and farms have four or fewer employees, and 94.9 percent operate from a single location.

Competition

The Dubuque Metro Assessment Area is moderately competitive with regard to financial services. According to Call Report data, three financial institutions operate five offices in the assessment area. These institutions range in size from small community banks to larger financial institutions with branch locations in the assessment area. OBT ranks 2nd amongst these institutions with 26.9 percent of deposit market share. The top financial institution maintains 58.0 percent of the deposit market share in this assessment area.

Community Contact

Examiners contacted an individual from an economic education and outreach organization that serves the Dubuque Metro Assessment Area. The contact indicated that the assessment area's economy is dependent on agriculture. There has been rapid expansion in the service and retail industries and a number of manufacturers operate throughout Dubuque County. Many assessment area residents commute to work in the more populated areas. Historically, area farms have been concentrated in dairy and traditional grains, such as soybeans and corn. Many area farms are beginning to specialize in goats, sheep, vegetables, and wine production. Consolidations among small and mid-sized agricultural operations is shrinking the total number of farms and creating larger operations. Recently, commodity prices have decreased, and input costs have increased, thinning profit margins. Regarding housing, as interest rates have risen, so have building costs and overall housing expenses. There has been activity in the construction of multi-family units and duplexes, as well as rehabilitation of older homes. The need for affordable housing remains as many prospective homebuyers find it difficult to afford the current housing stock. The contact stated that competition among financial institutions is robust, and banks are actively attempting to meet the needs of area borrowers. The contact concluded that there are opportunities for banks to lend to family-owned small businesses and farms, as well as for the purchase or rehabilitation of affordable housing.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, small farm, small business, and home mortgage loans (especially affordable housing) are the primary credit needs of the assessment area. Call Reports filed by area financial institutions also support this assertion. Analyses performed show that community development opportunities are limited in the assessment area due to lower population and need.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE DUBUQUE METRO ASSESSMENT AREA

LENDING TEST

OBT demonstrated overall reasonable performance under the Lending Test in the Dubuque Metro Assessment Area, as supported by Borrower Profile performance.

Geographic Distribution

This assessment area has no low- or moderate-income census tracts; therefore, examiners did not evaluate the Geographic Distribution criterion, as a review would not have resulted in meaningful conclusions.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. The bank’s reasonable performance under both products supports this conclusion. Home mortgage lending was not reviewed in this assessment area.

Small Business Loans

The distribution of small business loans among commercial operations of different sizes reflects reasonable penetration given additional considerations. As shown in the following table, OBT’s lending to businesses with gross annual revenues of \$1.0 million or less is much lower than demographic benchmark data. Notably, 5.8 percent of businesses reflected by D&B data did not report revenue information. OBT granted 11 loans within the larger revenue category to seven borrowers. Management reports that six of these seven borrowers initiated relationships with OBT as start-up businesses or while grossing less than \$1.0 million; these long-time customers subsequently grew during their banking relationship, thereby transitioning from the smaller revenue category. Management further reports a lack of loan demand from smaller businesses within the Dubuque Metro Assessment Area. Lenders within OBT’s Cascade office note that many main street businesses have no borrowing needs. As evidence, CRA aggregate data shows that financial institutions required to report small business lending data originated or purchased 143 small business loans within OBT’s Dubuque Metro Assessment Area during 2023. Approximately 58.0 percent of these loans were granted to businesses with gross annual revenues of \$1.0 million or less. Given the additional contextual information, the bank’s borrower profile distribution of small business lending in the Dubuque Metro Assessment Area is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	90.3	19	63.3	1,220	42.8
>\$1,000,000	3.9	11	36.7	1,629	57.2
Revenue Not Available	5.8	0	0.0	0	0.0
Total	100.0	30	100.0	2,849	100.0

*Source: 2024 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%.*

Small Farm Loans

The distribution of small farm loans among agricultural operations of different sizes reflects reasonable penetration. As shown in the following table, OBT’s lending to farms with gross annual revenues of \$1.0 million or less is slightly lower than, yet still comparable to, the number of farms in this revenue category. For performance context, the 2022 Census of Agriculture shows that 60.0 percent of agricultural producers in Dubuque County are “hobby farms” that list their principal occupation as “other than farming.” The same report shows that 52.3 percent of these county

producers had no interest expense, indicating that a significant portion of operations have no borrowing need. Finally, as previously noted, a community contact reported on the decreasing number and increasing size of area agricultural operations due to farm consolidations.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.6	30	83.3	3,434	63.0
>\$1,000,000	1.1	6	16.7	2,021	37.0
Revenue Not Available	0.4	0	0.0	0	0.0
Total	100.0	36	100.0	5,455	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

COMMUNITY DEVELOPMENT TEST

OBT demonstrated adequate responsiveness to community development needs in the Dubuque Metro Assessment Area through community development loans and services. The bank originated 16 community development loans totaling nearly \$3.8 million in this assessment area, accounting for 20.8 percent of the bank’s total community development loan volume inside the assessment areas. OBT also received consideration for three community development services, consisting of bank employees providing financial expertise to organizations supporting community services within the assessment area. The bank did not have any qualified investments in this assessment area during the evaluation period.

While the bank’s community development performance in this assessment area is less than in the Cedar Rapids Metro Assessment Area, it is commensurate with OBT’s presence and the availability of community development opportunities. As referenced previously, opportunities in the Dubuque Metro Assessment Area are limited due to a small population in a highly rural area. The bank’s Cascade branch office lies on the southern border of the assessment area, which stretches north and east. Small towns are sparsely dispersed throughout the rural landscape, providing limited options for possible headquarters of community-development organizations. Competition is also prevalent when considering the geographic size of this assessment area that is comprised of two census tracts, as well as the proximity of larger cities outside of the defined area (e.g. Dyersville, Dubuque).

NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN ASSESSMENT AREA

The Nonmetropolitan Assessment Area consists of Jackson County census tract 9501, which is part of the nonmetropolitan area of Iowa. OBT operates its Baldwin branch office in this assessment area.

Economic and Demographic Data

According to 2020 U.S. Census data, this assessment area is comprised of one middle-income census tract. A comparison of 2015 American Community Survey data with the most recent 2020 U.S. Census evidences no changes. The following table illustrates select demographic characteristics of the Nonmetropolitan Assessment Area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1	0.0	0.0	100.0	0.0	0.0
Population by Geography	2,552	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	1,394	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	1,007	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	191	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	196	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	325	0.0	0.0	100.0	0.0	0.0
Farms by Geography	95	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	710	13.7	21.4	26.1	38.9	0.0
Household Distribution by Income Level	1,198	23.5	20.2	18.9	37.4	0.0
Median Family Income - Nonmetropolitan Iowa		\$71,763	Median Housing Value			\$133,400
			Median Gross Rent			\$583
			Families Below Poverty Level			6.1%

Source: 2020 U.S. Census and 2024 D&B Data. () The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100.0%.*

According to 2024 D&B data, agriculture, forestry, and fishing represent the largest portion of commercial and agricultural operations in the assessment area at 22.6 percent, followed by non-classifiable establishments at 21.7 percent, and service industries at 21.4 percent. Additionally, 72.6 percent of assessment area businesses and farms have four or fewer employees, and 98.1 percent operate from a single location.

Competition

The Nonmetropolitan Assessment Area is moderately competitive regarding the market for financial services. Although OBT is the sole financial institution located in the Nonmetropolitan Assessment Area, a number of financial institutions operate offices in Jackson and Clinton counties within close proximity to the assessment area. The Federal Deposit Insurance Corporation Deposit Market Share Report as of June 2023 reflects that seven insured institutions operate from nine offices within Jackson and Clinton county census tracts adjacent to the assessment area. These institutions range from small community banks to larger financial institutions operating branch offices within a 15-mile radius around Baldwin. Of these institutions, OBT ranked 4th with 7.0 percent of the deposit market share. The top two banks held 75.0 percent of the deposit market share in the area. While Jones County is adjacent to the Nonmetropolitan Assessment Area, Jones County was not included in this analysis because it is part of the Cedar Rapids Metro Assessment Area.

Community Contact

Examiners contacted an individual from an economic education and outreach organization that serves the Nonmetropolitan Assessment Area. The contact indicated that the area's economy is dependent on agriculture. Residents work in farming or commute to work in more populated areas. Historically, area farms have been concentrated in dairy and traditional grains, such as soybeans and corn; however, many area farms are beginning to specialize in goats, sheep, vegetables, and wine production. Consolidations among small and mid-sized agricultural operations is shrinking the total number of farms and creating larger operations. Recently, commodity prices have decreased, and input costs have increased, thinning profit margins. Regarding housing, as interest rates have risen, so have building costs and overall housing expenses. There has been activity in the construction of multi-family units and rehabilitation of older homes; however, there remains a need for affordable housing as many prospective homebuyers find it difficult to afford the current housing stock. The contact stated that competition among financial institutions is robust, and banks are actively attempting to meet the needs of area borrowers. The contact concluded that there are opportunities for banks to lend to family-owned small businesses and farms, as well as for the purchase or rehabilitation of affordable housing.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, small farm, small business, and home mortgage loans (especially affordable housing) are the primary credit needs of the assessment area. Call Reports filed by area financial institutions also support this assertion. Analyses performed show that community development opportunities are limited in the area due to lower population and need.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN ASSESSMENT AREA

LENDING TEST

OBT demonstrated overall reasonable performance under the Lending Test in the Nonmetropolitan Assessment Area, as supported by Borrower Profile performance.

Geographic Distribution

This assessment area has no low- or moderate-income census tracts; therefore, examiners did not evaluate the Geographic Distribution criterion, as a review would not have resulted in meaningful conclusions.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. The bank’s reasonable performance under both products supports this conclusion. Home mortgage lending was not reviewed in this assessment area.

Small Business Loans

The distribution of small business loans among commercial operations of different sizes reflects reasonable penetration. As shown in the following table, OBT’s lending to businesses with gross annual revenues of \$1.0 million or less is comparable to demographic benchmark data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	95.4	16	88.9	486	56.4
>\$1,000,000	0.3	2	11.1	375	43.6
Revenue Not Available	4.3	0	0.0	0	0.0
Total	100.0	18	100.0	861	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The distribution of small farm loans among agricultural operations of different sizes reflects reasonable penetration. As shown in the following table, OBT’s lending to farms with gross annual revenues of \$1.0 million or less mirrors demographic data.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	100.0	30	100.0	2,901	100.0
>\$1,000,000	0.0	0	0.0	0	0.0
Revenue Not Available	0.0	0	0.0	0	0.0
Total	100.0	30	100.0	2,901	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

COMMUNITY DEVELOPMENT TEST

OBT’s community development performance in the Nonmetropolitan Assessment Area is below the community development performance in the Cedar Rapids Metro Assessment Area; however, it does not change the overall conclusion. OBT did not report any community development loans,

qualified investments, or community development services in the Nonmetropolitan Assessment Area for the evaluation period. Analyses reveals that related opportunities in the Nonmetropolitan Assessment Area are limited due to a small population in a highly rural area. The assessment area's single census tract contains two towns with approximately 200 total residents.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.