

PUBLIC DISCLOSURE

September 15, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Kerndt Brothers Savings Bank
Certificate Number: 8761

370 Main Street
Lansing, Iowa 52151

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.

TABLE OF CONTENTS

| | |
|--|----|
| INSTITUTION RATING..... | 1 |
| DESCRIPTION OF INSTITUTION..... | 2 |
| DESCRIPTION OF ASSESSMENT AREAS | 3 |
| SCOPE OF EVALUATION | 3 |
| CONCLUSIONS ON PERFORMANCE CRITERIA | 5 |
| DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW..... | 7 |
| NON-METRO ASSESSMENT AREA – Full-Scope Review..... | 8 |
| CEDAR RAPIDS METRO ASSESSMENT AREA – Full-Scope Review | 14 |
| APPENDICES..... | 23 |
| SMALL BANK PERFORMANCE CRITERIA | 23 |
| GLOSSARY | 24 |

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.

Kerndt Brothers Savings Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the bank's CRA performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the credit needs of the assessment areas.
- A majority of the small farm, small business, and home mortgage loans reviewed were located inside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and 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 rating.

DESCRIPTION OF INSTITUTION

Kerndt Brothers Savings Bank is headquartered in Lansing, Iowa and is owned by one-bank holding company Kerndt Bank Services, Inc., also in Lansing. The institution is not affiliated with any deposit- or lending-related entities. Kerndt Brothers Savings Bank received a Satisfactory rating at its previous FDIC CRA Performance Evaluation dated October 4, 2018, based upon Interagency Small Institution Examination Procedures.

In addition to its main office in Lansing, the bank operates five full-service branches in Cedar Rapids, Clermont, Decorah, Waukon, and West Union, Iowa. Additional access is provided through eight full-service automated teller machines located at each banking office, as well as non-bank locations in Harpers Ferry and West Union, Iowa. There were no branch openings or closures and no mergers or acquisitions during the evaluation period.

Kerndt Brothers Savings Bank offers a variety of loan products, including agricultural, commercial, residential, and consumer loans. Additionally, the bank assists with special financing alternatives through programs offered by the Small Business Administration, the U.S. Department of Agriculture's Farm Service Agency, Iowa Finance Authority, and the State of Iowa. These programs are generally designed to assist small farmers, small businesses, and other individuals that may not qualify for loans through conventional financing methods. The institution also facilitates access to long-term, fixed-rate home mortgage loans through the secondary market, including Veterans Affairs, Federal Housing Administration, and rural development programs. Further, Kerndt Brothers Savings Bank participated in the Small Business Administration's Paycheck Protection Program in 2020 and 2021. This loan program provided financial assistance to businesses adversely impacted by the COVID-19 pandemic. Although offering all credit types, management continues to focus predominantly on agricultural lending in rural areas and commercial lending in the metropolitan areas they serve.

In conjunction with a wide array of credit offerings, Kerndt Brothers Savings Bank offers a variety of deposit products, including checking, savings, and money market accounts, as well as certificates of deposit. Alternative banking services include internet and mobile banking, electronic bill pay, mobile deposit capture, and electronic statements. The bank also offers trust, investment, and insurance services.

Assets totaled approximately \$332.5 million as of June 30, 2021, representing an increase of 17.9 percent since the June 30, 2018, Consolidated Reports of Condition and Income (Call Reports). Total deposits equaled approximately \$282.4 million, representing a 27.0 percent increase, and total loans were approximately \$193.1 million, representing a 1.0 percent decrease, during the same timeframe. Management attributes the deposit increases to 2020 stimulus and pandemic-induced economic uncertainties. Management attributes the decrease in loan volume to the use of cash and other resources to finance agricultural operations and the increased demand for home mortgage and farm loans sold on the secondary market. The following table illustrates the loan portfolio composition.

| Loan Portfolio Distribution as of 6/30/2021 | | |
|---|-----------------|--------------|
| Loan Category | \$(000s) | % |
| Construction, Land Development, and Other Land Loans | 2,159 | 1.1 |
| Secured by Farmland | 55,560 | 28.8 |
| Secured by 1-4 Family Residential Properties | 27,209 | 14.1 |
| Secured by Multifamily (5 or more) Residential Properties | 989 | 0.5 |
| Secured by Nonfarm Nonresidential Properties | 37,825 | 19.6 |
| Total Real Estate Loans | 123,742 | 64.1 |
| Commercial and Industrial Loans | 33,064 | 17.1 |
| Agricultural Production and Other Loans to Farmers | 32,443 | 16.8 |
| Consumer Loans | 3,710 | 1.9 |
| Obligations of State and Political Subdivisions in the U.S. | 0 | 0.0 |
| Other Loans | 0 | 0.0 |
| Lease Financing Receivable (net of unearned income) | 122 | 0.1 |
| Less: Unearned Income | (0) | (0.0) |
| Total Loans | 193,081 | 100.0 |
| <i>Source: Call Reports</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 its CRA performance will be evaluated. Kerndt Brothers Savings Bank has designated two separate assessment areas within the State of Iowa, which will be referred to as the Non-Metropolitan (Non-Metro) and Cedar Rapids Metro Assessment Areas. There have been no changes in the geographic boundaries of Kerndt Brothers Savings Bank's assessment areas since the prior evaluation. Based on 2015 American Community Survey Census (2015 ACS Census) data, the combined assessment area is comprised of two low-, 13 moderate-, 41 middle-, and ten upper-income census tracts. In addition, one census tract does not have an income designation. Refer to the individual assessment area sections for more details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated October 4, 2018, to the current evaluation dated September 15, 2021. Examiners used Small Institution Examination Procedures to evaluate Kerndt Brothers Savings Bank's CRA performance, which focus on the bank's performance under the Lending Test. Refer to the Appendices for a description of this test.

Examiners conducted a full-scope review of each assessment area to evaluate performance, 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 vast majority of Kerndt Brothers Savings Bank's loans, deposits, and branches are in the Non-Metro Assessment

Area. Therefore, the bank’s performance in the Non-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) | % | # | % |
| Non-Metro | 132,989 | 68.9 | 265,248 | 93.9 | 5 | 83.3 |
| Cedar Rapids Metro | 59,956 | 31.1 | 17,164 | 6.1 | 1 | 16.7 |
| Total | 192,945 | 100.0 | 282,412 | 100.0 | 6 | 100.0 |

Source: Bank Data; FDIC Summary of Deposits (6/30/2021)

Activities Reviewed

Examiners determined the bank’s major product lines to be agricultural, commercial, and home mortgage loans. This conclusion was based on the bank’s business strategy, loan portfolio distribution, and bank records regarding the number and dollar volume of loans originated or renewed during the evaluation period. Call Report information as of June 30, 2021, shows that agricultural loans comprise 45.6 percent, commercial loans comprise 36.7 percent, and residential real estate loans comprise 14.6 percent of the loan portfolio.

Management indicated that small business and home mortgage lending activity in 2020 was not representative of the entire evaluation period. Small business loan volume increased due to the Small Business Administration’s Paycheck Protection Program. Home mortgage loan activity increased in 2020 due to demand brought on by low interest rates. Management stated that agricultural lending in 2020 was representative of the entire evaluation period.

Examiners utilized the bank’s automated loan download as well as data collected and reported under the Home Mortgage Disclosure Act (HMDA) to assemble the loan universe for the Lending Test. For the Assessment Area Concentration criterion, examiners evaluated lending performance based on all small farm loans originated or renewed in calendar year 2020, all small business loans originated or renewed in calendar years 2019 and 2020, as well as home mortgage loan originations reported on the bank’s 2018, 2019, and 2020 HMDA Loan Application Registers. For the Geographic Distribution criterion, examiners reviewed all small farm, small business, and home mortgage loans located inside the assessment areas. Borrower Profile performance for small farm and small business lending was evaluated using a sample of loans originated inside the assessment areas. For the Borrower Profile criterion, examiners sampled 55 small farm loans totaling \$5,948,000 and 113 small business loans totaling \$10,514,000. For home mortgage, all loans within the assessment areas were analyzed. The following table provides the universe of loans, and loans within the assessment areas from which samples were selected, as applicable.

| Loan Products Reviewed | | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| Loan Category | Universe | | Reviewed | |
| | # | \$(000s) | # | \$(000s) |
| Small Farm 2020 | 242 | 29,587 | 194 | 24,212 |
| Small Business 2019 | 242 | 30,006 | 198 | 20,844 |
| Small Business 2020 | 341 | 38,726 | 267 | 30,442 |
| Home Mortgage 2018 | 92 | 12,716 | 80 | 11,091 |
| Home Mortgage 2019 | 103 | 21,955 | 79 | 18,938 |
| Home Mortgage 2020 | 196 | 31,912 | 146 | 25,303 |

Source: 1/1/2019 – 12/31/2020 Bank Data; 2018, 2019, 2020 HMDA Data.

For small farm and small business conclusions, 2020 D&B data provided a standard of comparison for the institution’s small farm lending performance, and 2019 and 2020 D&B data provided a standard of comparison for the bank’s small business lending performance, as applicable. When arriving at home mortgage conclusions, 2015 ACS Census data and HMDA aggregate lending data provided a standard of comparison. Examiners primarily focused on Kerndt Brothers Savings Bank’s lending performance in comparison to HMDA aggregate data. Regarding Borrower Profile and Geographic Distribution lending performance for home mortgage, this evaluation presents information for 2020, the most recent year for which aggregate lending data is available. HMDA data for 2018 and 2019 was reviewed to ensure that performance was consistent with 2020. Examiners noted a significant increase in home mortgage lending activity in 2020 that management attributed to an increase in loan demand caused by low interest rates and refinance activity. However, the increase in home mortgage lending volume did not result in trends that materially affected conclusions. Any differences in Kerndt Brothers Savings Bank’s home mortgage lending performance between HMDA reporting years are discussed in subsequent sections.

Examiners obtained the data necessary for this evaluation from reported loan data, individual customer loan files, interviews with bank management, and other information gathered as part of the examination process. Examiners analyzed lending performance by both the number and dollar volume of loans; however, the performance by number of loans is emphasized as it is generally a better indicator of the number of small farms, small businesses, and individuals served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Kerndt Brothers Savings Bank demonstrated overall reasonable performance under the Lending Test. The bank’s reasonable performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria support this conclusion. The following is a discussion of each performance criterion and how they support the bank’s overall rating.

Loan-to-Deposit Ratio

Kerndt Brothers Savings Bank's net loan-to-deposit ratio is reasonable given the bank's size, financial condition, and credit needs of the assessment areas. The bank's net loan-to-deposit ratio, calculated from Call Report data, averaged 80.5 percent over the 11 calendar quarters from December 31, 2018, to June 30, 2021. The net loan-to-deposit ratio ranged from a high of 89.8 percent as of March 31, 2019, to a low of 67.4 percent as of June 30, 2021. The loan-to-deposit ratio remained generally steady until the second quarter of 2020, and has declined progressively since. Management attributes this to an influx of deposits resulting from Paycheck Protection Program and stimulus monies, and increased sales of residential and farm loans on the secondary market.

Examiners compared the bank's average net loan-to-deposit ratio to five similarly-situated institutions to help evaluate Kerndt Brothers Savings Bank's performance. Comparable institutions were selected based on their size, geographic location, and lending focus. As shown in the following table, Kerndt Brothers Savings Bank's average net loan-to-deposit ratio compares reasonably to the similarly-situated institutions. Examiners noted that the average net loan-to-deposit ratios of four comparable institutions also showed similar trends, generally declining steadily since the second quarter of 2020. Deposit growth outpaced loan growth for all six institutions in the following table.

| Loan-to-Deposit Ratio Comparison | | |
|--|--|--|
| Bank | Total Assets as of 6/30/2021 (\$000s) | Average Net Loan-to-Deposit Ratio (%) |
| Kerndt Brothers Savings Bank, Lansing, Iowa | 332,522 | 80.5 |
| FreedomBank, Elkader, Iowa | 471,787 | 95.1 |
| New Albin Savings Bank, New Albin, Iowa | 292,034 | 34.7 |
| Northeast Security Bank, Sumner, Iowa | 441,369 | 72.8 |
| Waukon State Bank, Waukon, Iowa | 351,621 | 86.8 |
| Bank 1 st , West Union, Iowa | 160,210 | 76.6 |
| <i>Source: Call Reports 12/31/2018 – 6/30/2021</i> | | |

Assessment Area Concentration

Kerndt Brothers Savings Bank extended a majority of the small farm, small business, and home mortgage loans, by number and dollar volume, in the assessment areas. See the following table.

| Lending Inside and Outside of the Assessment Areas | | | | | | | | | | |
|---|-----------------|-------------|------------|-------------|------------|---------------------------------|-------------|---------------|-------------|-------------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Small Farm | | | | | | | | | | |
| 2020 | 194 | 80.2 | 48 | 19.8 | 242 | 24,212 | 81.8 | 5,375 | 18.2 | 29,587 |
| Small Business | | | | | | | | | | |
| 2019 | 198 | 81.8 | 44 | 18.2 | 242 | 20,844 | 69.5 | 9,162 | 30.5 | 30,006 |
| 2020 | 267 | 78.3 | 74 | 21.7 | 341 | 30,442 | 78.6 | 8,284 | 21.4 | 38,726 |
| Subtotal | 465 | 79.8 | 118 | 20.2 | 583 | 51,286 | 74.6 | 17,446 | 25.4 | 68,732 |
| Home Mortgage | | | | | | | | | | |
| 2018 | 80 | 87.0 | 12 | 13.0 | 92 | 11,091 | 87.2 | 1,625 | 12.8 | 12,716 |
| 2019 | 79 | 76.7 | 24 | 23.3 | 103 | 18,938 | 86.3 | 3,017 | 13.7 | 21,955 |
| 2020 | 146 | 74.5 | 50 | 25.5 | 196 | 25,303 | 79.3 | 6,609 | 20.7 | 31,912 |
| Subtotal | 305 | 78.0 | 86 | 22.0 | 391 | 55,332 | 83.1 | 11,251 | 16.9 | 66,583 |
| <i>Source: Bank Data; 2018, 2019, and 2020 HMDA Data. Due to rounding, totals may not equal 100.0%</i> | | | | | | | | | | |

Geographic Distribution

The geographic distribution of small farm, small business, and home mortgage loans reflects overall reasonable dispersion throughout the assessment areas. The bank’s reasonable performance in both assessment areas supports this conclusion. Examiners focused on the bank’s record of lending in each assessment area’s low- and moderate-income geographies. Refer to comments under each separately analyzed assessment area for a more specific analysis.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels. The bank’s overall reasonable lending performance in each assessment area supports this conclusion. Examiners focused on the percentage, by number of loans, to farms and businesses generating gross annual revenues of \$1 million or less, and on the percentage, by number of loans, to low- and moderate-income borrowers. Refer to comments under each separately analyzed 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 CRA rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs.

NON-METRO ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NON-METRO ASSESSMENT AREA

The Non-Metro Assessment Area consists of all of Allamakee and Winneshiek counties, and Fayette County census tracts 801, 802, 803, 806, and 807. All three counties that comprise this assessment area are in the nonmetropolitan areas of Iowa.

Economic and Demographic Data

According to 2015 ACS Census data, the Non-Metro Assessment Area is comprised of one moderate-, 13 middle-, and one upper-income geography. The sole moderate-income geography is located in southwestern Allamakee County. The following table illustrates selected demographic characteristics of the Non-Metro Assessment Area.

| Demographic Information of the Assessment Area | | | | | | |
|--|----------|------------------------------|--------------------|------------------|-----------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 15 | 0.0 | 6.7 | 86.7 | 6.7 | 0.0 |
| Population by Geography | 49,102 | 0.0 | 6.4 | 86.5 | 7.2 | 0.0 |
| Housing Units by Geography | 22,713 | 0.0 | 5.8 | 86.6 | 7.6 | 0.0 |
| Owner-Occupied Units by Geography | 15,504 | 0.0 | 5.1 | 88.1 | 6.8 | 0.0 |
| Occupied Rental Units by Geography | 4,509 | 0.0 | 9.1 | 78.5 | 12.4 | 0.0 |
| Vacant Units by Geography | 2,700 | 0.0 | 4.7 | 91.6 | 3.7 | 0.0 |
| Businesses by Geography | 4,245 | 0.0 | 5.9 | 83.6 | 10.5 | 0.0 |
| Farms by Geography | 892 | 0.0 | 4.8 | 92.4 | 2.8 | 0.0 |
| Family Distribution by Income Level | 13,170 | 16.8 | 20.3 | 24.0 | 38.9 | 0.0 |
| Household Distribution by Income Level | 20,013 | 21.1 | 17.2 | 19.5 | 42.2 | 0.0 |
| Median Family Income - Nonmetropolitan Iowa | \$61,681 | Median Housing Value | | | | \$127,634 |
| | | Median Gross Rent | | | | \$566 |
| | | Families Below Poverty Level | | | | 6.6% |

Source: 2015 ACS Census and 2020 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 2020 D&B data, service industries represent the largest portion of farms and businesses at 30.7 percent; followed by agriculture, forestry, and fishing at 17.4 percent; non-classifiable establishments at 13.1 percent; and retail trade at 11.3 percent. In addition, 69.9 percent of assessment area farms and businesses have four or fewer employees, and 90.4 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. The low-, moderate-, middle-, and upper-income categories for the nonmetropolitan areas of Iowa by year are presented in the following table.

| Median Family Income Ranges | | | | |
|------------------------------------|------------------------|------------------------------------|-----------------------------------|------------------------|
| Median Family Incomes | Low <50% | Moderate 50% to <80% | Middle 80% to <120% | Upper ≥120% |
| 2018 (\$67,800) | <\$33,900 | \$33,900 to <\$54,240 | \$54,240 to <\$81,360 | ≥\$81,360 |
| 2019 (\$66,900) | <\$33,450 | \$33,450 to <\$53,520 | \$53,520 to <\$80,280 | ≥\$80,280 |
| 2020 (\$69,200) | <\$34,600 | \$34,600 to <\$55,360 | \$55,360 to <\$83,040 | ≥\$83,040 |
| <i>Source: FFIEC</i> | | | | |

Competition

The Non-Metro Assessment Area is considered highly competitive in the market for financial services. According to Call Reports filed by financial institutions, 19 banks operate from 30 offices within the Non-Metro Assessment Area. These institutions range from small community banks to larger financial institutions operating branch offices in the area. Of these institutions, Kerndt Brothers Savings Bank ranked 3rd with 12.4 percent of the deposit market share. The Non-Metro Assessment Area is competitive for home mortgage loans as well, with 103 HMDA-reporting institutions that originated or purchased 951 home mortgage loans during 2020. Kerndt Brothers Savings Bank ranked 2nd with 11.6 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 identifying the credit needs and economic conditions of the community. This information helps determine whether local financial institutions are responsive to community credit needs and provides context regarding available opportunities for area financial institutions. Examiners contacted a representative from an economic development organization working within the Non-Metro Assessment Area.

With regard to agriculture, the community contact stated large swaths of the area were impacted with strong winds and/or flooding in 2021 but no state or federal disaster declarations were declared. The contact believes disaster declarations are warranted due to the widespread crop destruction. Labor shortages were attributed to the newly granted unemployment eligibility for agriculture workers during the pandemic. Regarding small businesses, the COVID-19 pandemic hit the service, non-essential health care, and education sectors especially hard. However, these areas mostly rebounded by the middle of 2021. A significant number of businesses took advantage of Small Business Administration Paycheck Protection Program loans, especially restaurants. The contact believed government programs and area banks were responsive to business needs during the pandemic; the contact was not aware of any businesses that closed due to pandemic-related issues. Currently, the largest issue facing businesses across every sector is a workforce shortage and an inability for businesses to recruit and hire workers. The contact stated housing stock is limited throughout the area, and the need for quality, affordable housing is high. Specifically, the contact noted demand for multi-family housing among the older generations and for affordable single-family homes among younger generations. Some new homes are being constructed, including speculative housing, but the high cost of lumber has significantly slowed construction. Affordable homes priced below \$225,000 generally require significant work to make them habitable and/or up to code. Several programs targeting low-income homeowners are available, but the contact thinks

there are very limited public resources for middle-income individuals to renovate or purchase homes. Overall, the community contact stated local financial institutions are meeting the credits needs of the area.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small farm, small business, and home mortgage loans are primary credit needs of the Non-Metro Assessment Area. Call Reports filed by area financial institutions also support this assertion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NON-METRO ASSESSMENT AREA

LENDING TEST

Kerndt Brothers Savings Bank demonstrated reasonable performance under the Lending Test in the Non-Metro Assessment Area, as supported by Geographic Distribution and Borrower Profile performance. Although small farm lending performance was weighted more heavily in this assessment area, it did not ultimately affect the conclusion.

Geographic Distribution

Kerndt Brothers Savings Bank’s geographic distribution of small farm, small business, and home mortgage lending reflects an overall reasonable dispersion, evidencing management’s willingness to extend loans throughout the assessment area. This conclusion is supported by the reasonable distribution of small farm, small business, and home mortgage loans.

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion. The percentage of small farm loans originated in the moderate-income census tract exceeds demographic data by 3.4 percent. Thirteen loans were extended to six different farming operations located in the moderate-income geography. See the following table.

| Geographic Distribution of Small Farm Loans | | | | | |
|---|-------------------|------------|--------------|-----------------|--------------|
| Tract Income Level | % of Farms | # | % | \$(000s) | % |
| Moderate | 4.8 | 13 | 8.2 | 1,379 | 7.2 |
| Middle | 92.4 | 145 | 91.8 | 17,709 | 92.8 |
| Upper | 2.8 | 0 | 0.0 | 0 | 0.0 |
| Totals | 100.0 | 158 | 100.0 | 19,088 | 100.0 |
| <i>Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i> | | | | | |

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion. Although the percentage of small business loans in the moderate-income census tract is less than demographic

data in 2019 and 2020, other contextual information was considered to arrive at an overall reasonable conclusion. First, the sole moderate-income geography in the Non-Metro Assessment Area (Allamakee County census tract 9605) is largely rural, limiting commercial business opportunities. Allamakee County census tract 9605 encompasses only a portion of the City of Postville and the rest is mainly rural. Postville lies on the border of Allamakee and Clayton counties, and has a population of approximately 2,500 residents. Further, 2020 D&B data shows that 92.5 percent of the businesses located in the moderate-income census tract own their property, 90.8 percent operate from a single location, and 66.6 percent have fewer than five employees, which limits borrowing needs. In addition, 2020 D&B data indicates that 54.4 percent of businesses in the moderate-income census tract generated gross annual revenues of less than \$100,000. 2019 D&B data showed similar statistics. Given this additional information, the bank’s performance in extending small business loans throughout the assessment area, including the moderate-income geography is reasonable. The following table provides details.

| Geographic Distribution of Small Business Loans | | | | | |
|--|------------------------|------------|--------------|-----------------|--------------|
| Tract Income Level | % of Businesses | # | % | \$(000s) | % |
| Moderate | | | | | |
| 2019 | 5.7 | 4 | 2.9 | 166 | 1.3 |
| 2020 | 5.9 | 7 | 3.8 | 221 | 1.3 |
| Middle | | | | | |
| 2019 | 84.0 | 126 | 90.0 | 11,502 | 92.9 |
| 2020 | 83.6 | 157 | 85.8 | 16,167 | 91.7 |
| Upper | | | | | |
| 2019 | 10.3 | 10 | 7.1 | 716 | 5.8 |
| 2020 | 10.5 | 19 | 10.4 | 1,242 | 7.0 |
| Totals | | | | | |
| 2019 | 100.0 | 140 | 100.0 | 12,384 | 100.0 |
| 2020 | 100.0 | 183 | 100.0 | 17,630 | 100.0 |
| <i>Source: 2019 & 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i> | | | | | |

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion. Specifically, in 2020, Kerndt Brothers Savings Bank’s performance in lending in the moderate-income census tract exceeds the aggregate lending data by 2.6 percentage points. The bank’s performance compares reasonably with HMDA aggregate lending data. See the following table.

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|---|--|-------------------------------------|------------|--------------|-----------------|--------------|
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Moderate | 5.1 | 6.5 | 10 | 9.1 | 1,217 | 7.3 |
| Middle | 88.1 | 89.1 | 90 | 81.8 | 13,319 | 80.0 |
| Upper | 6.8 | 4.4 | 10 | 9.1 | 2,116 | 12.7 |
| Totals | 100.0 | 100.0 | 110 | 100.0 | 16,652 | 100.0 |

*Source: 2015 ACS Census; Bank Data; 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers reflects an overall reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels, given assessment area demographics. This conclusion is supported by reasonable performance in all three lending products reviewed.

Small Farm Loans

The distribution of small farm loans among agricultural operations with gross annual revenues of \$1 million or less reflects reasonable penetration. The bank’s percentage of sampled loans to small farms with gross annual revenues of \$1 million or less is lower than D&B data, but reasonable when considering additional data. Specifically, 2017 U.S. Census of Agriculture data reveals that 54.9 percent of farm producers in the assessment area are small hobby farmers. These farmers list their principal occupation as “other than farming.” The same data also shows that 49.4 percent of farms reported not incurring any interest expense. These statistics demonstrate there are a significant proportion of operators with limited or no borrowing needs. Kerndt Brothers Savings Bank’s reasonable small farm lending performance is demonstrated in the following table.

| Distribution of Small Farm Loans by Gross Annual Revenue Category | | | | | |
|--|-------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Farms | # | % | \$(000s) | % |
| <=\$1,000,000 | 98.3 | 30 | 83.3 | 2,344 | 73.9 |
| >\$1,000,000 | 1.3 | 6 | 16.7 | 827 | 26.1 |
| Revenue Not Available | 0.3 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 36 | 100.0 | 3,171 | 100.0 |

*Source: 2020 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%*

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. In 2019, lending to businesses with gross annual revenues of \$1 million or less was lower than demographic data. The bank’s lending performance to businesses with gross annual revenues of \$1 million or less increased noticeably in 2020, with the percentage of loans slightly trailing the

demographic data. Examiners considered other contextual information to arrive at an overall reasonable conclusion. The majority of the bank’s small business lending, by number and dollar amount, is to small businesses generating gross annual revenues of \$1 million or less, evidencing an intent to serve businesses in this revenue category. Management reports that most loans to businesses generating over \$1 million in gross annual revenues are to long-standing customers that have grown over time, while noting the bank’s willingness to extend credit to any qualified applicant regardless of revenue size. The bank offers Small Business Administration loan products designed specifically to assist small businesses with gross annual revenues of \$1 million or less. Further, of the 11 loans sampled that were originated to businesses with gross annual revenues greater than \$1 million in 2019, eight were to one borrower. Management indicated that the bank has commercial customers, such as construction companies that request a separate loan for each project, increasing the likelihood that multiple loans will appear in a random sample. This concentration of loans in the sample to one borrower can affect results. The following table provides details.

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Businesses | # | % | \$(000s) | % |
| <=\$1,000,000 | | | | | |
| 2019 | 83.2 | 26 | 70.3 | 1,532 | 61.1 |
| 2020 | 84.2 | 31 | 83.8 | 1,966 | 51.0 |
| >\$1,000,000 | | | | | |
| 2019 | 5.0 | 11 | 29.7 | 975 | 38.9 |
| 2020 | 4.6 | 6 | 16.2 | 1,886 | 49.0 |
| Revenue Not Available | | | | | |
| 2019 | 11.8 | 0 | 0.0 | 0 | 0.0 |
| 2020 | 11.3 | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | |
| 2019 | 100.0 | 37 | 100.0 | 2,507 | 100.0 |
| 2020 | 100.0 | 37 | 100.0 | 3,852 | 100.0 |

*Source: 2019 & 2020 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%*

Home Mortgage Loans

The bank’s performance in extending home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. As detailed in the following table, Kerndt Brothers Savings Bank’s lending to both low-income and moderate-income borrowers modestly exceeded the respective aggregate lending performance.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|---|----------------------|-------------------------------------|------------|--------------|-----------------|--------------|
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | 16.8 | 7.3 | 9 | 8.2 | 451 | 2.7 |
| Moderate | 20.3 | 18.8 | 22 | 20.0 | 2,674 | 16.1 |
| Middle | 24.0 | 22.1 | 28 | 25.5 | 4,013 | 24.1 |
| Upper | 38.9 | 38.4 | 39 | 35.5 | 6,219 | 37.3 |
| Not Available | 0.0 | 13.5 | 12 | 10.9 | 3,295 | 19.8 |
| Totals | 100.0 | 100.0 | 110 | 100.0 | 16,652 | 100.0 |

*Source: 2015 ACS Census; Bank Data; 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%*

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 County in its entirety, as well as Buchanan County census tract 9506; Johnson County census tracts 101, 102, 103.01, and 103.02; and Jones County census tracts 703 and 704. Linn and Jones counties are part of the Cedar Rapids, Iowa Metropolitan Statistical Area (MSA) and Johnson County is part of the Iowa City, Iowa MSA. Both of these MSAs comprise the Cedar Rapids-Iowa City Combined Statistical Area. Buchanan County is in the nonmetropolitan areas of Iowa.

Economic and Demographic Data

According to 2015 ACS Census data, the Cedar Rapids Metro Assessment Area is comprised of two low-, 12 moderate-, 28 middle-, and nine upper-income geographies. There is also one census tract with no income designation. Low- and moderate-income geographies are located in the City of Cedar Rapids. In addition, one moderate-income census tract is located in the City of Anamosa in Jones County. The following table illustrates selected 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) | 52 | 3.8 | 23.1 | 53.8 | 17.3 | 1.9 |
| Population by Geography | 266,701 | 1.4 | 17.9 | 56.7 | 22.9 | 1.1 |
| Housing Units by Geography | 114,408 | 1.6 | 19.1 | 58.3 | 20.2 | 0.9 |
| Owner-Occupied Units by Geography | 79,570 | 0.7 | 15.4 | 58.8 | 24.9 | 0.2 |
| Occupied Rental Units by Geography | 27,055 | 3.4 | 28.2 | 56.5 | 9.2 | 2.6 |
| Vacant Units by Geography | 7,783 | 3.3 | 24.3 | 59.5 | 10.8 | 2.1 |
| Businesses by Geography | 23,670 | 3.4 | 14.6 | 53.0 | 24.9 | 4.2 |
| Farms by Geography | 1,267 | 0.6 | 6.8 | 57.1 | 35.0 | 0.5 |
| Family Distribution by Income Level | 68,381 | 17.7 | 17.4 | 24.3 | 40.7 | 0.0 |
| Household Distribution by Income Level | 106,625 | 21.6 | 16.1 | 18.2 | 44.0 | 0.0 |
| Median Family Income - Cedar Rapids, Iowa MSA | | \$75,812 | Median Housing Value | | | \$158,795 |
| Median Family Income - Iowa City, Iowa MSA | | \$81,027 | Median Gross Rent | | | \$703 |
| Median Family Income – Nonmetropolitan Iowa | | \$61,681 | Families Below Poverty Level | | | 5.6% |

Source: 2015 ACS Census and 2020 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 2020 D&B data, service industries represent the largest portion of farms and businesses at 36.2 percent; followed by non-classifiable establishments at 19.2 percent; finance, insurance, and real estate at 11.0 percent; and retail trade at 10.8 percent. In addition, 63.2 percent of assessment area farms and businesses have four or fewer employees, and 90.4 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. The low-, moderate-, middle-, and upper-income categories for the Cedar Rapids, Iowa MSA; Iowa City, Iowa MSA; and nonmetropolitan areas of Iowa by year are presented in the following table.

| Median Family Income Ranges | | | | |
|--|------------------------|------------------------------------|-----------------------------------|------------------------|
| Median Family Incomes | Low <50% | Moderate 50% to <80% | Middle 80% to <120% | Upper ≥120% |
| Cedar Rapids, Iowa MSA Median Family Income | | | | |
| 2018 (\$80,800) | <\$40,400 | \$40,400 to <\$64,640 | \$64,640 to <\$96,960 | ≥\$96,960 |
| 2019 (\$88,000) | <\$44,000 | \$44,000 to <\$70,400 | \$70,400 to <\$105,600 | ≥\$105,600 |
| 2020 (\$83,600) | <\$41,800 | \$41,800 to <\$66,880 | \$66,880 to <\$100,320 | ≥\$100,320 |
| Iowa City, Iowa MSA Median Family Income | | | | |
| 2018 (\$85,400) | <\$42,700 | \$42,700 to <\$68,320 | \$68,320 to <\$102,480 | ≥\$102,480 |
| 2019 (\$90,700) | <\$45,350 | \$45,350 to <\$72,560 | \$72,560 to <\$108,840 | ≥\$108,840 |
| 2020 (\$99,100) | <\$49,550 | \$49,550 to <\$79,280 | \$79,280 to <\$118,920 | ≥\$118,920 |
| Nonmetropolitan Iowa Median Family Income | | | | |
| 2018 (\$67,800) | <\$33,900 | \$33,900 to <\$54,240 | \$54,240 to <\$81,360 | ≥\$81,360 |
| 2019 (\$66,900) | <\$33,450 | \$33,450 to <\$53,520 | \$53,520 to <\$80,280 | ≥\$80,280 |
| 2020 (\$69,200) | <\$34,600 | \$34,600 to <\$55,360 | \$55,360 to <\$83,040 | ≥\$83,040 |
| <i>Source: FFIEC</i> | | | | |

Competition

The Cedar Rapids Metro Assessment Area is considered highly competitive in the market for financial services. According to Call Reports filed by financial institutions, 40 banks operate from 90 offices within the Cedar Rapids Metro Assessment Area. These institutions range from small community banks to larger financial institutions operating branch offices in the area. Of these institutions, Kerndt Brothers Savings Bank ranked 34th with 0.1 percent of the deposit market share. The Cedar Rapids Metro Assessment Area is competitive for home mortgage loans as well, with 251 HMDA-reporting institutions that originated or purchased 22,622 home mortgage loans during 2020. Kerndt Brothers Savings Bank ranked 53rd with 0.2 percent of the market share by number of loans.

Community Contact

Examiners referenced a recent contact with a representative from a community development organization that operates within the Cedar Rapids Metro Assessment Area. The contact stated that the economy of the area is generally stable. There is economic growth and low unemployment. Recovery from the pandemic and the derecho windstorm of August 2020 is continuing. Commercial development and industries in the area are growing slowly, but steadily. One area of decline has been commercial office space, mainly due to the uncertainty of pandemic-related work-at-home policies continuing into the future. The contact stated that Small Business Administration Paycheck Protection Program loans and other stimulus packages saved many small businesses. Main street businesses in rural areas are struggling due to the preference of shoppers to go to larger retail areas. The agricultural sector has become stronger due to increasing commodity prices. Farmers are buying and improving equipment, which helps the manufacturing sector and other agriculture-related industries. Low unemployment has had an effect on both commercial and agricultural employers, forcing wages up and making hiring harder for smaller entities. The residential real estate market has become much stronger over the past year. With new home inventory being low, high demand, and high construction input costs, the price of new housing has

risen substantially. The refinance market is very robust due to low interest rates. Affordable housing is a need, especially in rural areas. The contact stated that there are many opportunities for lending and local financial institutions are willing to meet the credit needs of the area.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business, small farm, and home mortgage loans are primary credit needs of the assessment area. Call Reports filed by area financial institutions also support this assertion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CEDAR RAPIDS METRO ASSESSMENT AREA

LENDING TEST

Kerndt Brothers Savings Bank demonstrated reasonable performance under the Lending Test in the Cedar Rapids Metro Assessment Area, supported by Geographic Distribution and Borrower Profile performance. The Cedar Rapids Metro Assessment Area presents more opportunities for commercial lending; therefore, examiners considered small business lending performance slightly more heavily when reviewing for overall Geographic Distribution and Borrower Profile conclusions. However, the weighting was not enough to offset the combined performance of small farm and home mortgage performance, which ultimately carried the derived conclusions.

Geographic Distribution

Kerndt Brothers Savings Bank's geographic distribution of small farm, small business, and home mortgage lending reflects an overall reasonable dispersion, evidencing management's willingness to extend loans throughout the assessment area. This conclusion is mainly supported by the reasonable dispersion of small farm and home mortgage loans.

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion. Kerndt Brothers Savings Bank did not originate any small farm loans in low- or moderate-income geographies. The assessment area's low- and moderate-income census tracts are located within the cities of Cedar Rapids and Anamosa, which contain limited farm lending opportunities. In addition, the rural areas that surround Cedar Rapids and Anamosa are middle- and upper-income geographies. As exhibited in the following table, Kerndt Brothers Savings Bank's small farm loans are concentrated in middle-income geographies.

| Geographic Distribution of Small Farm Loans | | | | | |
|--|-------------------|-----------|--------------|-----------------|--------------|
| Tract Income Level | % of Farms | # | % | \$(000s) | % |
| Low | 0.6 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 6.8 | 0 | 0.0 | 0 | 0.0 |
| Middle | 57.1 | 34 | 94.4 | 4,812 | 93.9 |
| Upper | 35.0 | 2 | 5.6 | 312 | 6.1 |
| Not Available | 0.5 | 0 | 0.0 | 0 | 0.0 |
| Totals | 100.0 | 36 | 100.0 | 5,124 | 100.0 |
| <i>Source: 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i> | | | | | |

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion. As demonstrated in the following table, Kerndt Brothers Savings Bank’s small business lending performance in low-income census tracts exceeds D&B data in both 2019 and 2020. Lending performance in moderate-income geographies exceeded demographics in 2019 and trailed 2020 benchmarks, which demonstrates overall reasonable performance. Overall, the bank’s performance in lending to businesses operating in low- and moderate-income census tracts demonstrates excellent performance. See the following table.

| Geographic Distribution of Small Business Loans | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Tract Income Level | % of Businesses | # | % | \$(000s) | % |
| Low | | | | | |
| 2019 | 3.4 | 5 | 8.6 | 347 | 4.1 |
| 2020 | 3.4 | 7 | 8.3 | 443 | 3.5 |
| Moderate | | | | | |
| 2019 | 14.7 | 12 | 20.7 | 763 | 9.0 |
| 2020 | 14.6 | 8 | 9.5 | 1,025 | 8.0 |
| Middle | | | | | |
| 2019 | 52.9 | 26 | 44.8 | 4,469 | 52.8 |
| 2020 | 53.0 | 47 | 56.0 | 7,323 | 57.2 |
| Upper | | | | | |
| 2019 | 24.8 | 14 | 24.1 | 2,321 | 27.4 |
| 2020 | 24.8 | 22 | 26.2 | 4,021 | 31.4 |
| Not Available | | | | | |
| 2019 | 4.2 | 1 | 1.7 | 560 | 6.6 |
| 2020 | 4.2 | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | |
| 2019 | 100.0 | 58 | 100.0 | 8,460 | 100.0 |
| 2020 | 100.0 | 84 | 100.0 | 12,812 | 100.0 |
| <i>Source: 2019 & 2020 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i> | | | | | |

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion. As illustrated in the following table, Kerndt Brothers Savings Bank’s performance in extending home mortgage loans in low-income census tracts noticeably exceeds the aggregate lending performance. Lending performance in moderate-income geographies is in line with HMDA aggregate lending data. Lending performance was generally consistent for all three years.

Examiners considered the bank’s low home mortgage loan volume and HMDA aggregate lending in low- and moderate-income geographies to arrive at the reasonable conclusion. HMDA aggregate lending from 2020 shows that 107 lenders originated or purchased 2,541 home mortgage loans in the low- and moderate-income census tracts in the Cedar Rapids Metro Assessment Area. Kerndt Brothers Savings Bank ranked 49th with a 0.2 percent of HMDA market share in low- and moderate-income census tracts, which is generally consistent with the bank’s overall market share. The top three lenders account for 40.9 percent of market share in the low- and moderate-income census tracts.

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|--|-----------------------------------|------------------------------|-----------|--------------|--------------|--------------|
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | 0.7 | 0.8 | 2 | 5.6 | 395 | 4.6 |
| Moderate | 15.4 | 10.5 | 4 | 11.1 | 389 | 4.5 |
| Middle | 58.8 | 56.0 | 18 | 50.0 | 5,442 | 62.9 |
| Upper | 24.9 | 32.7 | 11 | 30.6 | 2,338 | 27.0 |
| Not Available | 0.2 | 0.1 | 1 | 2.8 | 87 | 1.0 |
| Totals | 100.0 | 100.0 | 36 | 100.0 | 8,651 | 100.0 |

Source: 2015 ACS Census; Bank Data; 2020 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects an overall reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels, given assessment area demographics. This conclusion is mainly supported by reasonable performance in small farm and home mortgage lending.

Small Farm Loans

The distribution of small farm loans among agricultural operations with gross annual revenues of \$1 million or less reflects reasonable penetration. The bank's percentage of sampled loans to small farms with gross annual revenues of \$1 million or less is lower than D&B data, but reasonable when considering additional data. Specifically, 2017 U.S. Census of Agriculture data reveals that 55.3 percent of farm producers in the counties that comprise the assessment area are small hobby farmers. These farmers list their principal occupation as "other than farming." The same data also shows that 52.0 percent of farms reported not incurring any interest expense. These statistics demonstrate there are a significant proportion of operators with limited or no borrowing needs. Management commented that the loans with revenues greater than \$1 million are mostly customers that started with smaller revenues and have grown over time to large operations. Management also stated that they do not target large revenue farm producers. Kerndt Brothers Savings Bank's reasonable small farm lending performance is demonstrated in the following table.

| Distribution of Small Farm Loans by Gross Annual Revenue Category | | | | | |
|---|--------------|-----------|--------------|--------------|--------------|
| Gross Revenue Level | % of Farms | # | % | \$(000s) | % |
| <=\$1,000,000 | 97.8 | 15 | 78.9 | 1,747 | 62.9 |
| >\$1,000,000 | 1.1 | 4 | 21.1 | 1,030 | 37.1 |
| Revenue Not Available | 1.1 | 0 | 0.0 | 0 | 0.0 |
| Total | 100.0 | 19 | 100.0 | 2,777 | 100.0 |

Source: 2020 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%

Small Business Loans

The penetration of small business loans to commercial operations with gross annual revenues of \$1 million or less is poor. As shown in the following table, Kerndt Brothers Savings Bank’s level of lending to businesses generating gross annual revenues of \$1 million or less in the Cedar Rapids Metro Assessment Area is significantly below D&B data for 2019 and 2020. Examiners considered other factors, such as the composition of the loan sample in the analysis. In the 2019 sample, there were 12 loans to five different commercial operations generating more than \$1 million in gross annual revenues. Of the six sampled businesses generating gross annual revenues equal to or less than \$1 million, all were to different borrowers. The 2020 sample was similar. Of the 11 loans to commercial operations generating gross annual revenues greater than \$1 million, four businesses had two loans each. There were ten loans to nine different businesses generating gross annual revenues equal to or less than \$1 million in the sample. As previously stated, the bank has commercial customers that request a separate loan for each individual project, increasing the possibility of capturing multiple loans in the sample. A concentration of loans in the sample to one borrower can affect results. Even considering potential sampling anomalies, the bank’s level of lending to businesses generating gross annual revenues of \$1 million or less is poor, given the high percentage of assessment area businesses generating gross annual revenues of \$1 million or less. This data indicates that there is sufficient opportunity and demand for such loans. See the following table.

| Distribution of Small Business Loans by Gross Annual Revenue Category | | | | | |
|--|------------------------|-----------|--------------|-----------------|--------------|
| Gross Revenue Level | % of Businesses | # | % | \$(000s) | % |
| <=\$1,000,000 | | | | | |
| 2019 | 84.0 | 6 | 33.3 | 271 | 23.2 |
| 2020 | 86.0 | 10 | 47.6 | 736 | 24.6 |
| >\$1,000,000 | | | | | |
| 2019 | 5.5 | 12 | 66.7 | 898 | 76.8 |
| 2020 | 4.7 | 11 | 52.4 | 2,250 | 75.4 |
| Revenue Not Available | | | | | |
| 2019 | 10.5 | 0 | 0.0 | 0 | 0.0 |
| 2020 | 9.3 | 0 | 0.0 | 0 | 0.0 |
| Totals | | | | | |
| 2019 | 100.0 | 18 | 100.0 | 1,169 | 100.0 |
| 2020 | 100.0 | 21 | 100.0 | 2,986 | 100.0 |

*Source: 2019 & 2020 D&B Data; Bank Data.
Due to rounding, totals may not equal 100.0%*

Home Mortgage Loans

The bank’s performance in extending home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Kerndt Brothers Savings Bank’s performance in lending to low-income borrowers in 2020 was lower than the aggregate lending data. Similarly, performance in lending to moderate-income borrowers trailed HMDA aggregate lending data. However, bank performance is reasonable when considering other

contextual information. The bank offers first-time homebuyer products to assist low- and moderate-income individuals to obtain a home. Further, in response to commercial loan demand, Kerndt Brothers Savings Bank originates a high percentage of home mortgage loans for business purposes in the Cedar Rapids Metro Assessment Area. These loans are secured by non-owner occupied investment properties, and are reported on the bank’s HMDA Loan Application Register with incomes as “not applicable.” As evidenced in the following table, 44.4 percent of the home mortgage loans reported in 2020 did not contain borrower income information, which is more than double the aggregate lending data.

Examiner review of 2018 and 2019 home mortgage lending performance revealed that lending to low-income borrowers nearly mirrored the aggregate lending data. Lending to moderate-income borrowers in 2019 trailed aggregate lending by 10.0 percentage points, and in 2018, the bank reported no home mortgage loans to moderate-income borrowers. Both 2018 and 2019 showed even higher percentage of home mortgage loans for business purposes with incomes reported as “not applicable.” The small loan volume and the proportionally high level of loans not classified by borrower income level heavily affect lending within the other categories. See the following table.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|---|----------------------|-------------------------------------|-----------|--------------|-----------------|--------------|
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | 17.7 | 8.8 | 2 | 5.6 | 188 | 2.2 |
| Moderate | 17.4 | 18.6 | 4 | 11.1 | 542 | 6.3 |
| Middle | 24.3 | 20.1 | 3 | 8.3 | 511 | 5.9 |
| Upper | 40.7 | 32.2 | 11 | 30.6 | 2,129 | 24.6 |
| Not Available | 0.0 | 20.3 | 16 | 44.4 | 5,281 | 61.0 |
| Totals | 100.0 | 100.0 | 36 | 100.0 | 8,651 | 100.0 |
| <i>Source: 2015 ACS Census; Bank Data; 2020 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i> | | | | | | |

APPENDICES

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 institution'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).

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 institution 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.

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.

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.

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.

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 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.

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.

Business Day: Monday through Friday excluding legal holidays

Cut-off Hour: Transactions accepted after 4:00 p.m. will be posted on the next business day

CEDAR RAPIDS OFFICE HOURS:

Lobby (Monday-Friday) 8:30 a.m. to 5:00 p.m.
Drive-up (Monday-Friday) 8:30 a.m. to 5:00 p.m.
ATM 24 Hour Access 24/7

CLERMONT OFFICE HOURS:

Lobby Monday-Friday 8:30 a.m. to 4:30 p.m.
ATM 24 Hour Access 24/7

LANSING OFFICE HOURS:

Lobby (Monday-Thursday) 8:30 a.m. to 4:30 p.m.
Lobby (Friday) 8:30 a.m. to 5:00 p.m.
Drive-up (Monday-Thursday) 8:00 a.m. to 4:30 p.m.
Drive-up (Friday) 8:00 a.m. to 5:00 p.m.
ATM 24 Hour Access 24/7

WEST UNION HOURS:

Lobby (Monday-Thursday) 8:30 a.m. to 4:30 p.m.
Lobby (Friday) 8:30 a.m. to 5:00 p.m.
Drive-up (Monday-Thursday) 8:00 a.m. to 4:30 p.m.
Drive-up (Friday) 8:00 a.m. to 5:00 p.m.
ATM 24 Hour Access 24/7

WAUKON OFFICE HOURS:

Lobby (Monday- Thursday) 8:30 a.m. to 4:30 p.m.
Lobby (Friday) 8:30 a.m. to 5:00 p.m.
Drive-up (Monday- Thursday) 8:00 a.m. to 4:30 p.m.
Drive-up (Friday) 8:00 a.m. to 5:00 p.m.
ATM 24 Hour Access 24/7

DECORAH OFFICE HOURS:

Lobby (Monday- Thursday) 8:30 a.m. to 4:30 p.m.
Lobby (Friday) 8:30 a.m. to 5:00 p.m.
Drive-up (Monday- Thursday) 8:00 a.m. to 4:30 p.m.
Drive-up (Friday) 8:00 a.m. to 5:00 p.m.
ATM 24 Hour Access 24/7

2023 Locations of Offices

Main Office

Kerndt Brothers Savings Bank
370 Main Street
PO Box 370
Lansing, Iowa 52151
Census Tract #9601

Branches

Kerndt Brothers Savings Bank
600 Boyson Road NE
Cedar Rapids, Iowa 52402
Census Tract#2.11

Kerndt Brothers Savings Bank
200 Mill Street
PO Box 7
Clermont, Iowa 52135
Census Tract #806

Kerndt Brothers Savings Bank
205 North Vine Street
PO Box 457
West Union, Iowa 52175
Census Tract #801

Kerndt Brothers Savings Bank
820 11th Ave SW
Waukon, Iowa 52172
Census Tract #9603

Kerndt Brothers Savings Bank
801 S Mechanic St
Decorah, Iowa 52101
Census Tract #9503

2024 Locations of Offices

Main Office

Kerndt Brothers Savings Bank
370 Main Street
PO Box 370
Lansing, Iowa 52151
Census Tract #9601

Branches

Kerndt Brothers Savings Bank
600 Boyson Road NE
Cedar Rapids, Iowa 52402
Census Tract#2.11

Kerndt Brothers Savings Bank
200 Mill Street
PO Box 7
Clermont, Iowa 52135
Census Tract #806

Kerndt Brothers Savings Bank
205 North Vine Street
PO Box 457
West Union, Iowa 52175
Census Tract #801

Kerndt Brothers Savings Bank
820 11th Ave SW
Waukon, Iowa 52172
Census Tract #9603

Kerndt Brothers Savings Bank
801 S Mechanic St
Decorah, Iowa 52101
Census Tract #9503

2025 Locations of Offices

Main Office

Kerndt Brothers Savings Bank
370 Main Street
PO Box 370
Lansing, Iowa 52151
Census Tract #9601

Branches

Kerndt Brothers Savings Bank
600 Boyson Road NE
Cedar Rapids, Iowa 52402
Census Tract#2.11

Kerndt Brothers Savings Bank
200 Mill Street
PO Box 7
Clermont, Iowa 52135
Census Tract #806

Kerndt Brothers Savings Bank
205 North Vine Street
PO Box 457
West Union, Iowa 52175
Census Tract #801

Kerndt Brothers Savings Bank
820 11th Ave SW
Waukon, Iowa 52172
Census Tract #9603

Kerndt Brothers Savings Bank
801 S Mechanic St
Decorah, Iowa 52101
Census Tract #9503

2026 Locations of Offices

Main Office

Kerndt Brothers Savings Bank
370 Main Street
PO Box 370
Lansing, Iowa 52151
Census Tract #9601

Branches

Kerndt Brothers Savings Bank
600 Boyson Road NE
Cedar Rapids, Iowa 52402
Census Tract#2.11

Kerndt Brothers Savings Bank
200 Mill Street
PO Box 7
Clermont, Iowa 52135
Census Tract #806

Kerndt Brothers Savings Bank
205 North Vine Street
PO Box 457
West Union, Iowa 52175
Census Tract #801

Kerndt Brothers Savings Bank
820 11th Ave SW
Waukon, Iowa 52172
Census Tract #9603

Kerndt Brothers Savings Bank
801 S Mechanic St
Decorah, Iowa 52101
Census Tract #9503

Loan to Deposit Ratio

| Year | 1st QUARTER | 2nd QUARTER | 3rd QUARTER | 4th QUARTER |
|------|-------------|-------------|-------------|-------------|
| 2004 | 99% | 101.00% | 100.00% | 101.00% |
| 2005 | 101.00% | 106.00% | 112.00% | 109.00% |
| 2006 | 112.00% | 113.00% | 112.00% | 108.00% |
| 2007 | 112.00% | 113.00% | 108.00% | 107.00% |
| 2008 | 105.00% | 104.00% | 104.00% | 101.00% |
| 2009 | 93.62% | 90.49% | 86.75% | 92.16% |
| 2010 | 86.11% | 87.06% | 84.91% | 81.21% |
| 2011 | 78.58% | 78.48% | 74.21% | 78.63% |
| 2012 | 79.22% | 75.05% | 75.04% | 80.19% |
| 2013 | 77.51% | 76.07% | 79.48% | 85.12% |
| 2014 | 83.28% | 81.97% | 81.87% | 83.60% |
| 2015 | 81.03% | 82.83% | 87.44% | 85.61% |
| 2016 | 87.31% | 87.68% | 88.07% | 84.74% |
| 2017 | 89.75% | 94.14% | 91.75% | 92.88% |
| 2018 | 92.10% | 86.75% | 83.95% | 88.76% |
| 2019 | 89.77% | 89.64% | 84.30% | 84.67% |
| 2020 | 82.62% | 78.27% | 77.51% | 72.99% |
| 2021 | 69.74% | 67.36% | 64.62% | 70.66% |
| 2022 | 74.15% | 74.02% | 75.66% | 77.14% |
| 2023 | 78.99% | 84.30% | 83.19% | 85.24% |
| 2024 | 84.74% | 87.79% | 87.33% | 88.06% |
| 2025 | 85.61% | 83.87% | 81.62% | 82.26% |

Consumer Real Estate/Purchase Portfolio (with or without optional Orig Fee)**Origination Fee 1.00% of loan amount*

| | |
|--------------------------------|----------|
| Abstracting | 375.00 |
| Appraisal | 500.00 |
| Title Opinion/Supplemental | 350.00 |
| Credit Report | 96.00* |
| Buyer's Lien Search | 25/50 |
| Record Mortgage | 120.00 |
| Record Deed | 17.00 |
| Flood Determination | 14.00 |
| Tax Service Fee | 82.00 |
| Document Prep Fee | 350.00 |
| Closing Fee (at Title Co) | 300.00** |
| One year HO premium | |
| Escrow Deposit (if applicable) | |

Consumer Real Estate Refinance Portfolio (with or without optional Orig Fee)**Origination Fee 1.00% of loan amount*

| | |
|--------------------------------|--------|
| Abstracting | 650.00 |
| Appraisal | 500.00 |
| Credit Report | 96.00* |
| Title Opinion/Supplemental | 350.00 |
| Record Mortgage | 120.00 |
| Record Release | 10.00 |
| Flood Determination | 14.00 |
| Tax Service Fee | 82.00 |
| Document Prep Fee | 350.00 |
| Escrow Deposit (if applicable) | |

*varies by submission

** Cedar Rapids or larger Community

***varies by # of years/returns needed
\$10.00 per return

Mortgages with Riders = add'l \$5 per page

HELOAN

| | |
|--------------------|-------------|
| AVM | \$300 |
| Lien Search | \$175 (CCT) |
| Doc Prep | \$ 80 |
| Credit report | \$ 96.00 |
| Flood | \$ 14* |
| Tax Service | \$ 82* |
| Mortgage Recording | \$ 85** |

HELOC

| | |
|--------------------|-------------|
| AVM | \$300 |
| Lien Search | \$175 (CCT) |
| Doc Prep | \$ 80.00 |
| Credit report | \$ 96.00 |
| Flood | \$ 14* |
| Tax Service | \$ 82* |
| Mortgage Recording | \$ 85** |

*Look for current flood/TS in existing files

** \$5 per page additional for Riders

Consumer Real Estate/Purchase Secondary Market

| | |
|--------------------------------|----------|
| Abstracting | 375.00 |
| Appraisal | 500.00 |
| Credit Report | 96.00* |
| Title Opinion/Supplemental | 350.00 |
| Title Guaranty | 175.00 |
| Buyer's Lien Search | 25/50 |
| Record Mortgage | 110.00 |
| Record Deed | 17.00 |
| Flood Determination | 14.00 |
| Tax Service Fee | 82.00 |
| Document Prep Fee | 350.00 |
| Employment Verification | 54.95 |
| Transcript Fee | 38.00*** |
| Overnight Mailing | 35.00 |
| Closing Fee (at Title Co) | 300.00** |
| One Year HO premium | |
| Interim Interest | |
| Escrow Deposit (if applicable) | |

Consumer Real Estate/Refinance Secondary Market

| | |
|--------------------------------|----------|
| Appraisal | 500.00 |
| Title Insurance | 500.00 |
| Credit Report | 96.00* |
| Record Mortgage | 110.00 |
| Record Release | 10.00 |
| Flood Determination | 14.00 |
| Tax Service Fee | 82.00 |
| Document Prep Fee | 350.00 |
| Employment Verification | 54.95 |
| Transcript Fee | 38.00*** |
| Overnight Mailing | 35.00 |
| Interim Interest | |
| Escrow Deposit (if applicable) | |

Construction Lending Portfolio**(varies by situation, lot purchase? Lot owned? Etc)**

| | |
|----------------------------|------------------------|
| Origination Fee | 1.00% of loan amount** |
| Abstracting | 650.00 |
| Appraisal | 500.00 |
| Credit Report | 96.00* |
| Title Opinion/Supplemental | 350.00 |
| Buyers Lien Search (Pur) | 25/50 |
| Record Mortgage | 135.00 |
| Deed (if purchase lot) | 17.00 |
| Flood Determination | 14.00 |
| Tax Service Fee | 82.00 |
| Document Prep Fee | 350.00 |
| One Year HO if purchase | |

**Orig fee of \$500 for MH

\$2000 maximum

*cost of completion cert collected at perm financing

IMPORTANT ACCOUNT INFORMATION FOR OUR CUSTOMERS FROM

Kerndt Brothers Savings Bank
 PO BOX 370, 370 Main Street
 Lansing, IA 52151-0370
 (563) 538-4231

COMMON FEATURES

Limits and fees - The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

| | | | |
|--|--|---|--|
| Account Research and Balance Assistance | \$25.00 Per Hour/ \$15.00 Minimum | Garnishment | \$75.00 |
| Replace ATM/Debit Card | \$12.00 | Levy | \$75.00 |
| Hot card ATM/Debit Card Lost or Stolen | \$12.00 | Night Deposit Replacement Key | \$25.00 |
| Hot Card Debit Card Lost or Stolen in Foreign Country | \$90.00 for Two Week Period | Notary Public for Non-Customers | \$5.00 |
| Shazam Bolt\$ Person-to-Person (P2P) Money Transfer (Outgoing) | \$1.00 | Overdraft Charge* (Each Item Paid) | \$27.00 |
| Automatic transfer between accounts to Cover Checks Written | \$3.00 Per Transfer (7% Sales Tax May Apply) | Return Charge* (Each Item Returned) | \$27.00 |
| Cashier's Check | \$5.00 | *Fee applies to overdrafts and returns created by checks, drafts, in-person withdrawals, ACH, bill payments, and recurring preauthorized debit card transactions. | |
| Personal Money Order | \$3.00 | Remote Deposit Capture | \$30.00 per Month \$50.00 Setup Fee |
| Foreign Item Processing | \$4.50 | Cash Management Services | \$30.00 per Month \$50.00 Setup Fee |
| Collection Item | \$15.00 | Rolling Coin for Non-Customers | 10% of Total \$2.50 Minimum |
| Copies/Activity Printout | \$0.25 Per Page | Purchasing Rolled Coin for Non-Customers | \$0.10 per Roll |
| Statement Copy | \$2.00 per Copy | Purchasing Strapped Currency for Non-Customers | \$1.00 per Strap |
| Deposited Items Returned | \$5.00 + 7% Sales Tax | Safe Deposit Box Annual Rent | Varies - \$15.00-\$105.00 |
| Dormant Account Fee Checking & Savings | \$5.00 Per Month if Balance is < \$25.00 | Safe Deposit Box Replacement Key | \$25.00 |
| Applies if no activity for 182 days on checking accounts and no activity for 365 days on savings accounts. | | Drill Safe Deposit Box | \$205.00 |
| Early Account Closure Fee | \$25.00 if Closed Within 60 Days of Account Opening | Safety Check Annual Fee | Assessed at \$2.00 Monthly |
| EZ Bill Pay | Free (Service cancelled after two months of no activity) | Stop Payment Check or Electronic Funds Transfer | \$27.00 + 7% Sales Tax |
| Failure to Notify of Address Change | \$1.50 | Stop Payment Watch All Items | \$30.00 + 7% Sales Tax |
| Fax Services (Incoming and Outgoing) | \$1.00 Per Page | Domestic Wire Transfer Incoming | \$15.00 |
| | | Domestic Wire Transfer Outgoing | \$20.00 |
| | | International Wire Transfer Incoming/Outgoing | \$50.00 |



AGRI-BUSINESS BANKING

Kerndt Brothers Bank is your source for every Agri-finance need. Serving Northeast Iowa for over 160 years, we're surrounded by agri-business and we know it well. We have expertise in all types of farm financing and make loans ranging up to \$4,000,000 and beyond, with the ability to work with other banks for larger borrowing needs.

See us for:

- Commercial Ag Loans
- Ag Operating Lines of Credit for Working Capital
- Land and Farm Real Estate Loans for Purchase or Refinance
- Building, Construction, and Improvement Loans
- Farm Vehicles, Machinery, and Equipment Loans
- Livestock Loans
- FSA (Farm Service Agency) Guaranteed Loans
- Iowa Agricultural Development Loan Programs
- Beginning Farmer Loans
- Farmer Mac and Farmer Mac II Loans

As a **Farmer Mac Approved Lender**, KBB can provide you with a wide range of loan products, including long-term fixed rate loans, which are an essential tool for managing your farming operation. Our partnership with **Farmer Mac** allows us to bring the financial strength of the nation's premier secondary market for agriculture right to your farm.



Benefits of a Kerndt Brothers Bank Ag Loan

Since we know and understand the business of farming, we will structure your loan in a way that makes sense.

For example:

- Repayment is based on your cash flow, so you can take advantage of optimal market conditions.
- Our experience can help you run your farm more efficiently.
- KBB provides access to government guaranteed loans that may help you turn a profit.
- In many cases it's easier to obtain a loan from KBB since we know the territory.
- We are a community bank where the decisions are local.

Put Our Expertise to Work for You

No other lender in Northeast Iowa has the depth of experience our Ag bankers bring to the table. We live here and know the territory, land values, and growing conditions.



Kerndt Brothers Bank Provides You with a Complete Banking Package

Business Checking

Separate your farm business from your personal finances with a Business Checking account from Kerndt Brothers Bank. We have accounts designed for the part-time farmer up to the corporate farm and every size between. Ask your KBB banker for complete information.

Business Savings

We'll help you set funds aside for the ups and downs of the business cycle with a Savings, Money Market, or Certificate of Deposit account. Ask your KBB banker for complete information.

Online and Mobile Banking: The Ultimate in Time Savings and Convenience

Manage your accounts 24/7, make payments, transfers, monitor transactions, and even pay your bills on any device from any location. Our Online Banking service provides real-time account status.

Trust Services

Anyone can benefit from a trust. We administer trusts for individuals of all ages. A trust is the only way to ensure that your wishes are carried out, both during your lifetime and after.

- Trust Administration
- Estates
- Conservatorships
- Escrow Agent
- Discount Brokerage**

Farm Insurance

Whether you are a full-time or part-time farmer, the licensed and independent agents of Kerndt Brothers Insurance want to make sure you're protected against all types of risks. As an independent insurance agency, Kerndt Brothers represents several insurance companies to assure your unique needs are met and risks are minimized in the most economical manner.

We will design tailored insurance coverage for all of the following:

- Crops
- Farm Real Estate
- Umbrella/Liability
- Commercial Wind, Hail and Flood
- Farm Vehicles, Machinery, and Equipment
- Livestock and Equine

See the KBB Insurance Specialists

We're here to listen and answer your questions. Trust the experienced staff members at Kerndt Brothers to protect you, your land, and your livelihood.

***Insurance and investment products are not insured by the FDIC and may lose value. These products are not a deposit and not insured by any federal agency.*

LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



BUSINESS BANKING

Our Goal is to Help You Reach Your Goals

At **Kerndt Brothers Bank**, you are partnering with a firm that has been building Iowa since 1856. We've helped many businesses get started, grow and prosper. When you work with us for your business's needs, you're close to the decision makers who know that a satisfied customer is the best advertisement.

LOANS

Are you in need of start-up capital, equipment loans or revolving line of credit? We can help you with that. Our business bankers will work with you to identify financial needs, resources, and credit for your business. Following is a list of our popular credit programs:

Revolving Operating Lines of Credit

Much like a company credit card, this pre-approved line of credit provides you with a reserve for unexpected expenses or gaps in cash flow.

Accounts Receivable Financing

This asset-financing helps provide liquidity to your business. You receive instant access to capital. Kerndt Brothers Bank monitors your aged receivable totals and uses them as collateral for your loan. This allows you quick access to cash to help you run your business.

Short- and Long-Term Working Capital Loans

Sometimes companies run short of money—especially seasonal or cyclical businesses—yet still have many assets. If that describes you, a working capital loan may be the perfect choice. This loan will help you meet your operating costs until you're in the black again.

Equipment Term Credit

Every business needs equipment to operate and succeed. From computers and printers to vehicles and tools, Kerndt Brothers Bank will help you refinance your current equipment or purchase new equipment.

Commercial Real Estate Term Loans

Whether you wish to remodel or expand your current facility, purchase new land or build a new facility, you can count on the commercial lenders at Kerndt Brothers Bank to help you meet the real estate needs of your business.



U.S. Small Business Administration Loans

We focus on SBA's 7a and 504 programs. These programs are designed to help small businesses borrow money for almost anything, from general expenses to financing fixed assets. Each type of loan has specific eligibility requirements and application guidelines. Talk to our experienced business bankers and we'll discuss which SBA program might be right for you.

USDA Business and Industry Loans

Most types of businesses are eligible, including those engaged in the manufacturing, wholesale, retail and service industries. Eligible entities include partnerships, individuals, cooperatives, for-profit and nonprofit corporations, including publicly-traded companies, tribal groups, or public entities. Normally, projects seeking a B&I guaranteed loan need to be located in eligible rural areas, which include all areas other than cities or towns larger than 50,000 people and the contiguous and adjacent urbanized area of such cities or towns.

Loan proceeds may be used for essentially any business purpose, including but not limited to the following:

- Business acquisitions
- Construction, conversion, expansion, repair, modernization and development
- Purchase of equipment, machinery, and supplies
- Start-up costs and working capital
- Debt refinancing under certain conditions

The Business and Industry (B&I) Guaranteed Loan Program is a loan guarantee program designed to assist credit-worthy rural businesses with obtaining credit for most any legal business purpose. The intent is to save and create jobs in rural America.

VISA Business Credit Card

A VISA business credit card provides you with flexibility and easy access to a revolving line of credit with a set credit limit.

LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



BUSINESS DEPOSITS

We Help Your Funds Work Harder *and Smarter*

DEPOSITS

Kerndt Brothers Bank has all of the services you need to run your business smoothly. From savings and checking accounts to ACH Origination and Remote Deposit Capture, we handle our specialty so you can focus on yours.

| Business Basic Checking <i>Designed for the small business with low activity and lower balances.</i> | Business Regular Checking <i>For the small business with moderate account activity and balances.</i> | Business Interest Checking* <i>For businesses that maintain higher balances with limited activity.</i> | Organization Checking <i>An account to meet the needs of non-profit community organizations with lower balances and limited account activity.</i> |
|--|--|--|---|
| <ul style="list-style-type: none"> • \$50 minimum to open • \$500 average daily balance avoids a \$5.00 monthly maintenance fee • No charge for ACH, POS, or Debit Card transactions • 175 free deposited items/statement cycle then \$0.05 each • 50 free checks/statement cycle then \$0.15 each • eStatement required | <ul style="list-style-type: none"> • \$50 minimum to open • \$1,500 average daily balance avoids a \$7 monthly maintenance fee. • No charge for ACH, POS, or Debit Card transactions • 200 free deposited items/statement cycle, then \$0.05 each • 100 free checks/statement cycle, then \$0.20 each • eStatement available | <ul style="list-style-type: none"> • \$50 minimum to open • Earns interest with \$2,500 average daily balance • \$2,500 average daily balance avoids an \$8 monthly maintenance fee. • 225 free deposited items/statement cycle, then \$0.05 each • 100 free checks/statement cycle, then \$0.20 each • eStatement available | <ul style="list-style-type: none"> • \$50 minimum to open • \$250 average daily balance avoids a \$2.50 monthly maintenance fee. • 15 free deposited items/statement cycle, then \$0.05 each • 15 free checks per statement cycle, then \$0.15 each • eStatement available |

* Interest is calculated on the daily balance, compounded and credited to your account monthly. Interest on non-cash deposits (checks) begins to accrue no later than the business day we receive credit for non-cash items.



Put Your Cash to Work with a Savings, Money Market or CD Account

| Business Savings <i>A perfect place for your short term cash reserves.</i> | Business Money Market Deposit Account <i>Earn a higher interest rate for larger balances.</i> | Certificate of Deposit <i>Guaranteed interest rates and terms to match your needs.</i> |
|--|--|--|
| <ul style="list-style-type: none"> • \$50 minimum to open • eStatement available • Limited to 6 withdrawals each statement cycle; please see disclosures. | <ul style="list-style-type: none"> • \$50 minimum to open • \$2,500 minimum average daily balance avoids a \$6 monthly maintenance fee. • eStatement available • Limited to 6 withdrawals each statement cycle; please see disclosures. • A \$1,000 daily balance is required to earn interest. | <ul style="list-style-type: none"> • \$1,000 minimum to open • FDIC insurance means your deposit will never lose value • Penalty for early withdrawal |

For all Savings plans above:

- Interest is calculated on the daily balance, compounded and credited to your account monthly.
- Interest on non-cash deposits (checks) begins to accrue no later than the business day we receive credit for non-cash items.

CASH MANAGEMENT SERVICES

We offer a complete menu of online banking services to save you time in managing your money.

- **Online Business Banking** services allow you to manage all of your accounts in one place at any time of day. With online banking, you can pick up and go while tracking transactions and making bill payments from a mobile device, laptop, or tablet.
- **Remote Deposit** - Save time and money by conveniently making your deposit from the comforts of your business office. Remote Deposit uses a compact electronic check scanner called a Panini machine that creates a digital image of the items for deposit and transmits those images to Kerndt Brothers Bank where we deposit them to your account. Smaller than a breadbox, this device is like having your own personal teller at your desk 24/7.
- **Merchant Credit Card Processing** is another way we make your business life easier. We accept payments from all credit cards and promptly provide next day credit to your deposit account.
- **ACH Origination** is a great way for growing businesses to efficiently disburse employee payroll, vendor payments or originate debits into the Automated Clearing House network. Ask your banker to review the many benefits of ACH for your business.

LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS
600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT
200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH
801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING
370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON
820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION
205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



CASH MANAGEMENT

At **Kerndt Brothers Bank**, you are partnering with a firm that has been building Iowa since 1856. We've helped many businesses get started, grow, and prosper. When you work with us for your banking needs, you're close to the decision makers who know that a satisfied customer is the best advertisement.

Benefits of Kerndt Brothers Bank Cash Management Services:

- Spend less time managing your finances and more time growing your business.
- Log into your account at your convenience, as well as to set up unique security access to designated accounts and establish individual functionality for users.
- Access an impressive line-up of banking information and functionality such as:
 - Current checking account balances & history
 - Make internal funds transfers
 - Originate ACH transactions - Process payables by using ACH to directly send funds to your vendors or debit the account of those owing you funds, such as in the case of rents due from tenants.
 - Pay bills and make loan payments from your office.
 - Process payroll electronically, saving the cost involved with issuing checks



Online Business Banking

We bring the bank to your office with our Online Banking services.

- Authorized users can view account balances, transaction histories, e-documents and much more.
- Allows you to make loan payments.

An Online Banking demo is available on our website: www.kerndtbrothers.com.



Additional tools to help manage your business finances:

Remote Deposit Capture

Save time and money by making your business deposits from the comfort of your office! No more going to the bank in the freezing cold of winter or the heat of the summer. We'll even provide a scanner at no cost to you. Handle your business deposit in less time than it would take to walk across the street to the branch.

- Our Remote Deposit Capture device is smaller than a bread-box and utilizes the latest technology to ensure accurate transactions.
- There's no need to buy a new computer. We'll install the software on your computer for you.

Merchant Credit Card Processing

When your business accepts multiple forms of payment, especially credit cards, your business will experience more customer traffic, higher average tickets and your customers will view you as providing better service. By accepting credit cards, businesses are typically able to reduce the amount of accounts receivables they handle, reducing costs and increasing cash flow. At Kerndt Brothers Bank, we can enable your business to accept and process payments from Visa, MasterCard, Discover and American Express, as well as prepaid and payroll cards and other forms of payment.

VISA Business Credit Card

A VISA business credit card provides you with flexibility and easy access to a revolving line of credit with a set credit limit. Use your credit card to pay the everyday expenses of your business without the expense and time of writing checks!



LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235

Who can use IntraFi Network Deposits?

- Businesses of all sizes
- Nonprofits
- Government finance officers
- Fiduciaries
- Other large-dollar depositors

How can you take advantage of IntraFi Network Deposits?

Contact us today.

<Bank Name>, Member FDIC. Placement of funds through IntraFi Network Deposits is subject to the terms, conditions, and disclosures in the program agreements, including the Deposit Placement Agreement ("DPA"). Limits apply and customer eligibility criteria may apply. Program withdrawals may be limited to six per month for funds placed in MMDAs. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before settlement for a deposit or after settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of IntraFi Network Deposits satisfies those restrictions. Network Deposits and the IntraFi hexagon are service marks, and IntraFi, the IntraFi logo, ICS, and CDARS are registered service marks, of IntraFi Network LLC.



IntraFi
Network DepositsSM

Formerly CDARS[®] and ICS[®]



**Peace of mind,
flexibility, and returns.**

Access multi-million-dollar FDIC insurance and earn interest, all through a single bank relationship.

Why IntraFi® Network DepositsSM?



PEACE OF MIND

Make funds eligible for protection that extends well beyond \$250,000 and that is backed by the full faith and credit of the federal government. No one has ever lost a penny of FDIC-insured deposits.



INTEREST

Put excess cash balances to work by placing funds into demand deposit accounts (using the demand option), money market deposit accounts (using the savings option) or CDs (using the CD option) at rates set by us.



COMMUNITY INVESTMENT

Feel good knowing that the full amount of funds placed through IntraFi Network Deposits can support local lending opportunities that build a stronger community.¹



LIQUIDITY

Maintain access to your funds placed in demand deposit accounts and money market deposit accounts. With CD placements, select from multiple term options to meet your liquidity needs.



TIME SAVINGS

Work directly with us—a bank you know and trust—to access multi-million-dollar FDIC insurance, and say ‘goodbye’ to tracking collateral on an ongoing basis, managing multiple bank relationships, manually consolidating bank statements, and other time-consuming workarounds.

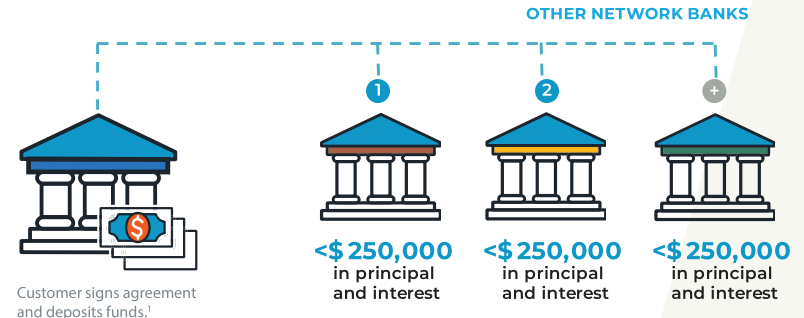
Peace of mind, simplicity, and returns.

IntraFi Network Deposits (formerly known as ICS[®] and CDARS[®] deposit products) is a smart, secure, and convenient way to safeguard large deposits placed into demand deposit accounts, money market deposit accounts, or CDs.

With IntraFi Network Deposits, you can access multi-million-dollar FDIC insurance and earn interest, all through a single bank relationship.

How does it work?

We, like other institutions that offer IntraFi Network Deposits, are members of a special network. When you place a large deposit with our bank using IntraFi Network Deposits, that deposit is divided into amounts under the standard FDIC insurance maximum of \$250,000 and is placed in deposit accounts at other FDIC-insured banks that participate in the same network.



By working directly with our bank, you can access multi-million-dollar FDIC insurance from many banks and enjoy the convenience of receiving just one statement for demand and savings placements and one for CDs.

As always, your confidential information is protected.

[1] When deposited funds are exchanged on a dollar-for-dollar basis with other banks that offer IntraFi Network Deposits, our bank can use the full amount of a deposit placed through IntraFi Network Deposits for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, our bank may choose to receive fee income instead of deposits from other banks. Under these circumstances, deposited funds would not be available for local lending.



Cash management today: safe, simple, smart.

With IntraFi Cash ServiceSM, ICS, you can enjoy the safety and simplicity that comes with access to multi-million-dollar FDIC insurance through a single bank relationship.

Peace of mind

Rest assured knowing that funds are eligible for FDIC insurance protection in amounts well into the millions, all backed by the full faith and credit of the federal government. And since deposit accounts are not subject to floating net asset values, you can feel secure knowing that market volatility will not negatively affect principal.

Interest

Put cash balances to work in demand deposit accounts or money market deposit accounts.

Liquidity

Enjoy access to funds placed through ICS into demand deposit accounts and money market deposit accounts.

Time savings

Work directly with just us—a bank you know and trust—to access multi-million-dollar FDIC insurance and forego the need to track collateral on an ongoing basis, or to manually consolidate statements and disbursements from multiple banks.

Community support

Feel good knowing that the full amount of funds placed through ICS can stay local to support lending opportunities that build a stronger community.¹

How does ICS work?

We, like other institutions that offer ICS, are members of the IntraFi network. When we place your deposit through ICS, that deposit is divided into amounts under the standard FDIC insurance maximum of \$250,000. The amounts are then placed into deposit accounts at multiple FDIC-insured banks. As a result, you can access FDIC coverage from many institutions while working directly just with us.

Receive one statement from our bank and access key details about your accounts online, 24/7.

And, as always, know that your confidential information is protected.

Contact us.

800-577-5272

www.kerndtbrothers.com



[1] When deposited funds are exchanged on a dollar-for-dollar basis with other institutions that use ICS, our bank can use the full amount of a deposit placed through ICS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, our bank may choose to receive fee income instead of deposits from other participating institutions. Under these circumstances, deposited funds would not be available for local lending.

Deposit placement through CDARS or ICS is subject to the terms, conditions, and disclosures in applicable agreements. Although deposits are placed in increments that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA") at any one destination bank, a depositor's balances at the institution that places deposits may exceed the SMDIA (e.g., before settlement for deposits or after settlement for withdrawals) or be uninsured (if the placing institution is not an insured bank). The depositor must make any necessary arrangements to protect such balances consistent with applicable law and must determine whether placement through CDARS or ICS satisfies any restrictions on its deposits. A list identifying IntraFi network banks appears at <https://www.intrafi.com/network-banks>. The depositor may exclude banks from eligibility to receive its funds. IntraFi and ICS are registered service marks, and the IntraFi hexagon and IntraFi logo are service marks, of IntraFi Network LLC.

WHERE DO I LEARN MORE?

To learn more, talk to your account manager or one of our customer service representatives.

CDARS®

[1] Consult with your account manager or one of our customer service representatives regarding available rates.

[2] When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the CDARS Network, we can use the full amount of a deposit placed through CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, our bank may choose to receive fee income instead of deposits from other banks. Under these circumstances, deposited funds would not be available for local lending.

Placement of funds through the CDARS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits apply. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before CDARS settlement for a deposit or after CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of CDARS satisfies those restrictions. CDARS, Certificate of Deposit Account Registry Service, and One Bank One Rate One Statement are registered service marks of Promontory Interfinancial Network, LLC.



ACCESS MULTI- MILLION-DOLLAR FDIC INSURANCE ON CD INVESTMENTS



CDARS®

One Bank. One Rate. One Statement.®

WHAT IS CDARS?

CDARS®, the Certificate of Deposit Account Registry Service®, is the easiest, most convenient way to access FDIC insurance on large deposits.

WHY IS THAT?

.....

One Bank

Everything is handled through our bank. Your large deposit is broken into smaller amounts and placed with other banks that are members of the CDARS Network. Then those banks issue CDs in amounts under the standard FDIC insurance maximum, so that your investment is eligible for FDIC protection. By working directly with just one bank—our bank—you can receive insurance through many.

One Rate

You earn one rate per maturity on your entire investment—so you can forget about multiple rate negotiations and the need to consolidate multiple disbursement checks.

One Statement

You receive one regular account statement listing all of your CDs along with their issuing banks, maturity dates, and other details. With CDARS, there's no need to manually consolidate statements or track collateral values on an ongoing basis.

IT'S THAT SIMPLE.

HOW CAN CDARS HELP YOU?

Any organization or individual who wants to combine the convenience of working directly with a single bank with the security of FDIC insurance can benefit from using CDARS.

Businesses, nonprofits, government entities, advisors (trustees, trust officers, lawyers, accountants, financial advisors/planners, and other fiduciaries), and individual investors can:

- Earn CD-level returns, which may compare favorably with those of Treasuries and other high-quality investments.¹
- Satisfy requirements for insured deposits.
- Enjoy the time-saving conveniences associated with one relationship, one interest rate per maturity, and one regular statement.
- Eliminate the burden of ongoing collateral tracking.
- Avoid having uninsured deposits to footnote in financial statements.
- Make the full amount of deposit available for lending in the local community.²

HOW DOES CDARS WORK?

When you're ready to take advantage of CDARS, here's what happens:

- 1 You enter into one Deposit Placement Agreement.**
You sign one simple CDARS Deposit Placement Agreement with us.
- 2 You select an interest rate and a maturity from our offering.**
Based on our current CD options, you agree to a rate and a maturity that best match your investment goals.
- 3 Funds are deposited.**
Using CDARS, we submit your funds for placement at member banks.
- 4 CDs are issued.**
Member banks issue CDs in denominations under the FDIC maximum, so your investment is eligible for FDIC coverage.
- 5 Confirmation is received.**
You receive written confirmation of your deposits and a listing of all of your CDs.



CONSUMER LOANS

Why Borrow from Kerndt Brothers Savings Bank?

- As your banking partner, we're here to help you reach your financial goals.
- You're dealing with **Experienced** and **Knowledgeable** bankers at a **Respected** bank.
- Wherever you're going next, we have a loan that's right for you.
- We're a part of your community – local and accessible.

Auto and Truck Loans

Let us help you into your dream car or new truck today. We offer competitive rates, terms, and payments that match your income as well as an easy application process.

Recreational Vehicle (RV) Loans

See America from your own motor home or travel trailer. Or maybe you've always wanted a boat. See us for the funds to make your dreams come true.

Home Equity Line of Credit (HELOC)*

Take advantage of the equity you've built up in your home with a convenient way to borrow. Make improvements, consolidate bills, or take that dream vacation you've always wanted. Home equity lines of credit can provide the cash you need to make new purchases possible and the interest you pay may be tax deductible if the proceeds of your loan are used to make improvements on your home. (consult your tax advisor regarding deductibility of interest).

Fixed Rate Home Equity Loans*

A Fixed Rate Home Equity loan is the ideal way to borrow when a steady monthly payment works best for you. It can be used for major purchases, such as major improvements, a car, boat, second home, or bill consolidation. The interest you pay may be tax deductible (consult your tax advisor regarding deductibility of interest).

Personal Loans

Whether it is extra cash to pay off high-interest credit cards, make a home improvement, or fund a well-deserved vacation, we're Responsive and ready to provide cash for your personal needs.

Mortgage Loans*

As an experienced provider of mortgage loans for many years, we offer a wide selection of home loan programs for the purchase or refinance of a home. Our various loan programs include long term, fixed-rate mortgages, and home equity loans.



*Kerndt Brothers Savings Bank is registered through Nationwide Multistate Licensing System & Registry (NMLS #484873)



Credit Cards

We offer two types of Visa® Platinum credit cards. Both feature:

- No Annual Fee
- Competitive Rates
- Fraud Monitoring
- Travel Benefits
- Chip Card Security
- 24/7 customer service located in the U.S

The REWARDS PLATINUM Visa card offers the following additional benefits:

- Earn one point per dollar on net purchases. There's no cap on points you can earn.
- Points never expire.
- Redeem points for merchandise, rental cars, cruises, hotels and airline travel with no blackout dates. Visit www.cRewardsCard.com for details.

Personal Banking

Kerndt Brothers Savings Bank has the perfect plan for your personal finances with four Checking Accounts to choose from, including FREE Checking! Of course, we also provide FREE online and mobile banking along with bill pay and ATMs at every branch. When you open a new checking account, fifty imprinted checks are FREE as our gift to you.

Savings

Kerndt Brothers Savings Bank has more ways to save for your future with regular Savings, Money Market, CDs, Christmas Club, IRAs, Education Savings and Health Savings Accounts.

Heritage Club

The Heritage Club is for customers with a qualifying checking, savings, or loan. Members enjoy trips, social events, educational seminars, and discounts on select Kerndt Brothers Bank services.

Insurance Services**

Life is full of surprises. Kerndt Brothers Insurance Agency, Inc. offers insurance packages to protect your home, your life, and your business so you don't have to take chances. What you choose to protect is your business; making sure the protection is there when you need it is ours.

***Insurance and Investment products are not FDIC insured, not insured by any federal government agency, not deposits, not guaranteed by the bank and may go down in value.*

In Addition, Come to Kerndt Brothers Savings Bank for:

- Safe Deposit Boxes
- Night Deposit Service
- Domestic and International Wire Transfers
- Business and personal Credit Cards
- Privileged Status surcharge-free ATMs

LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



HERITAGE CLUB

EXPLORE MORE, STRESS LESS

Recognizing and rewarding our long-time friends is an honored tradition at Kerndt Brothers Bank. That's why Heritage Club members enjoy access to all sorts of opportunities, including club trips, social events, educational seminars — even extended travel to domestic and foreign destinations at attractive discount rates. Even better, every experience is entirely planned *and* fully escorted by Kerndt Brothers Bank. That means *you* can site-see stress free.



Member Benefits:

- Club newsletter with timely details on upcoming trips, activities, and other points of interest
- 50% discount on any safe deposit box rental
- Free Notary Service
- One free box of standard checks per year
- Free digital banking services: online banking, mobile banking and online bill pay
- No charge by our bank for ATM and debit card use
- No annual credit card fee
- Free annual insurance check-up by Kerndt Brothers Insurance Agency
- Free annual investment review from Kerndt Brothers Wealth Management Services*

We know what you're thinking — "Sign me up!" There is no cost to join Classic Heritage Club. We simply ask that you maintain at least one of the following banking relationships with us:

- \$2,500 or more in a Checking or Savings account
- \$10,000 or more in CDs, IRAs or Money Market accounts
- Mortgage, Home Equity, or Home Equity Line of Credit

Meet new people, make new friends, *and* enjoy first-rate banking services — all at the same time!

*Securities and investment advisory services offered through **Osaic Wealth, Inc.** member FINRA/SIPC. **Osaic Wealth, Inc.** is separately owned and other entities and/or marketing names, products or services referenced here are independent of **Osaic Wealth, Inc.** Kerndt Brothers Savings Bank and Kerndt Brothers Savings Bank Wealth Management are not affiliated with **Osaic Wealth, Inc.** Securities may lose value. Not FDIC insured. No bank Guarantee. Not a Deposit. Not insured by any government agency.

Get Your Insurance Needs Covered and Investment Questions Answered.

Kerndt Brothers Bank serves you with full-service insurance and investment divisions.

For insurance needs, call:
Gary DeVilbiss
Kerndt Brothers Insurance Agency
563.538.4207

For investment guidance, call:
Brandon Rude at 563.382.8949 or
brandon@rudesinvestment.com
Kerndt Brothers Wealth Management Services



It's Easy to Join! Sign Up Here:

Name: _____ Date of Birth: ___ / ___ / ___ Cell Phone: _____

Name: _____ Date of Birth: ___ / ___ / ___ Cell Phone: _____

Address: _____ City: _____ State: _____ Zip: _____

Home Phone: _____ Email Address: _____



SCAN FOR DETAILS
ON UPCOMING
TRIPS & EVENTS



To learn more about our Heritage Club, speak with a branch manager or call 563-538-0378.



LOCATIONS

E-Z Phone Banking: 563.538.4059 / 888.527.4231 • Customer Service: 800.577.5272

CEDAR RAPIDS
600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT
200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH
801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING
370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON
820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION
205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235

FDIC FDIC-Insured - Backed by the full faith and credit of the U.S. Government



800-577-5272

FREE KASASA CASH BACK CHECKING

MAKE SHOPPING ONLINE — OR IN PERSON — A LOT MORE FUN WITH 4.00% APY* CASH BACK ON YOUR DEBIT CARD PURCHASES.[^]

Key Features



No Monthly Maintenance Fee



Cash Back on Debit Card Purchases



Refunds on ATM Withdrawal Fees[^]



Free Digital Banking

Benefits

- Free checking that pays you back
- 4.00% APY* cash back on debit card purchases[^]
 - No category restrictions on purchases
 - Cash back earned on up to \$200 in purchases monthly
 - Earn up to \$96 cash back per year, \$8 per month
- Refunds on ATM withdrawal fees, nationwide (up to \$25 monthly)[^]

- Link to free [Kasasa Saver®](#) to build savings automatically
- No minimum balance to earn rewards
- No monthly maintenance fee
- Free Mastercard debit card
- Free [digital banking](#), including:
 - Free online banking
 - Free mobile banking
 - Free e-Statements
- \$50 minimum deposit to open

Easy Qualifications to Earn Cash Back

Enrollments must be in place and all of the following transactions and activities must post and settle to your Kasasa Cash Back® account during each Monthly Qualification Cycle:

- At least 1 ACH credit or ACH payment transaction
- At least 12 debit card purchases
- Be enrolled in and agree to receive e-Statements

But if you don't meet these qualifications, don't worry — your account is still free. And you can get right back to earning your cash rewards the very next cycle that you qualify.

APY=Annual Percentage Yield. Rate current as of 9/24/25. Rate subject to change.

^Qualification Information:

Account transactions and activities may take one or more days to post and settle to the account and all must do so during the Monthly Qualification Cycle in order to qualify for the account's rewards. The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, checks and cash withdrawals made at any of our locations.

"Monthly Qualification Cycle" means a period beginning one (1) banking day prior to the first day of the current statement cycle through one (1) banking day prior to the last business day of the current statement cycle.

See our website or call (563) 538-4231 for specific Monthly Qualification Cycle dates.

Reward Information:

When Kasasa Cash Back qualifications are met during a Monthly Qualification Cycle, you will receive 4% cash back on up to a total of \$200 debit card purchases that post

and settle to the account during that cycle period. A maximum of \$8 cash back payments may be earned per Monthly Qualification Cycle.

You will receive reimbursements up to an aggregate total of \$25 for nationwide ATM withdrawal fees incurred within your Kasasa Cash Back account during that Monthly Qualification Cycle. We reimburse ATM withdrawal fees based on estimates when the withdrawal information we receive does not identify the ATM withdrawal fee. If you have not received an appropriate reimbursement, we will adjust the reimbursement amount if we receive the transaction receipt within sixty (60) calendar days of the withdrawal transaction. **NOTE: ATM fee reimbursements only apply to Kasasa Cash or Kasasa Cash Back transactions via ATM; Kasasa Saver ATM transaction fees are not reimbursed nor refunded.**

When your Kasasa Cash Back account qualifications are not met, no cash back payments are made and ATM withdrawal fees are not refunded.

Cash back payments and nationwide ATM withdrawal fee reimbursements will be credited to your Kasasa Cash Back account on the last day of the current statement cycle.

Rates, rewards, and bonuses, if any, are variable and may change after account is opened; rates may change without notice to you. No minimum balance is required to earn or receive the account's rewards. Rewards less than a penny cannot be distributed.

Additional Information:

Account approval, conditions, qualifications, limits, timeframes, enrollments, log-ons and other requirements apply.

\$50 minimum deposit is required to open the account.

Enrollment in electronic services (e.g. online banking, e-statements) and log-ons may be required to meet some of the account's qualifications.

Limit of one account per Social Security Number.

There are no recurring monthly maintenance charges or fees to open or close this account.

Advertised information and rewards are based on all account qualifications being met during each cycle period.

Contact one of our bank service representatives for additional information, account details, restrictions, reward calculations, processing limitations, cycle dates and enrollment instructions.

Member FDIC.

Trademarks:

Kasasa and Kasasa Cash Back are trademarks of Kasasa, Ltd., registered in the U.S.A.

800-577-5272

EZ Phone Banking: 888-527-4231

powered by
FIRSTBranch



Member
FDIC

◆ 2026 Kerndt Brothers Savings Bank | Portions Copyright ◆ Kasasa, Ltd. All rights reserved.

FDIC FDIC-Insured - Backed by the full faith and credit of the U.S. Government



800-577-5272

FREE KASASA CASH CHECKING

WE'LL REWARD YOU - JUST FOR BANKING WITH US!

EARN UP TO 4.00% APY* EVERY MONTH.

Key Features



No Monthly Maintenance Fee



Really High Interest



Refunds on ATM Withdrawal Fees*



Free Digital Banking

Benefits

- Free checking that pays high interest
- 4.00% APY* on balances up to \$20,000
- 0.20% APY* on the portion of the balance over \$20,000.00 resulting in a range of 0.83%-4.00% APY depending on the balance
- 0.05% APY* if qualifications aren't met
- Refunds on ATM withdrawal fees, nationwide (up to \$25 monthly)*
- Link to free Kasasa Saver[®] to build savings automatically
- No minimum balance to earn rewards

- No monthly maintenance fee
- Free Mastercard debit card
- Free digital banking, including:
 - Free online banking
 - Free mobile banking
 - Free e-Statements
- \$50 minimum deposit to open

Easy Qualifications to Earn Rewards

Enrollments must be in place and all of the following transactions and activities must post and settle to your Kasasa Cash[®] account during each Monthly Qualification Cycle:

- At least 1 ACH credit or ACH payment transaction
- At least 12 debit card purchases
- Be enrolled in and agree to receive e-Statements

And if you don't meet these qualifications, don't worry — your account is still free. Plus, you'll still earn our base rate. And you can get right back to earning your full rewards the very next cycle that you qualify.

Qualification Information:

To earn your rewards, the following enrollments must be in place and all transactions and activities must post and settle to your Kasasa Cash account during each Monthly Qualification Cycle:

- At least 1 ACH credit or ACH payment transaction(s)
- At least 12 debit card purchases
- Be enrolled in and have agreed to receive e-statements rather than paper statements

Account transactions and activities may take one or more days to post and settle to the account and all must do so during the Monthly Qualification Cycle in order to qualify for the account's rewards. The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, checks and cash withdrawals made at any of our locations.

"Monthly Qualification Cycle" means a period beginning one (1) banking day prior to the first day of the current statement cycle through one (1) banking day prior to the last business day of the current statement cycle.

See our website or call 563-538-4231 for specific Monthly Qualification Cycle dates.

Reward Information:

When your Kasasa Cash account qualifications are met during a Monthly Qualification Cycle, daily balances up to and including \$20,000.00 in your Kasasa Cash account earn an interest rate of 3.9285% resulting in an APY of 4.00%; and daily balances over \$20,000.00 earn an interest rate of 0.1998% on the portion of the daily balance over \$20,000.00, resulting in a range from 0.83% to 4.00% APY depending on the account's daily balance.

When your Kasasa Cash qualifications are not met, the interest rate earned on the account's entire daily balance will be 0.05% resulting in an annual percentage yield of 0.05%.

Interest will be credited to your Kasasa Cash account on the last day of the current statement cycle.

APY = Annual Percentage Yield.

APYs accurate as of 09/24/2025.

APY calculations are based on an assumed balance of \$20,000.00 + \$100,000 in your Kasasa Cash account and an assumed statement cycle of thirty-one (31) days.

Rates, rewards, and bonuses, if any, are variable and may change after account is opened; rates may change without notice to you. No minimum balance is required to earn or receive the account's rewards. Rewards less than a penny cannot be distributed. Fees may reduce earnings.

Additional Information:

Account approval, conditions, qualifications, limits, timeframes, enrollments, log-ons and other requirements apply.

\$50.00 minimum deposit is required to open the account.

At least One ACH credit or ACH payment transaction and at least 12 debit card transactions are conditions of this account

Enrollment in electronic services (e.g. online banking, e-statements) and log-ons may be required to meet some of the account's qualifications.

Limit of one account(s) per Social Security Number.

There are no recurring monthly maintenance charges or fees to open or close this account.

Advertised information and rewards are based on all account qualifications being met during each cycle period.

Contact one of our bank service representatives for additional information, account details, restrictions, reward calculations, processing limitations, cycle dates and enrollment instructions.

Member FDIC.

Trademarks:

Kasasa and Kasasa Cash are trademarks of Kasasa, Ltd., registered in the U.S.A.

800-577-5272

EZ Phone Banking: 888-527-4231



◆ 2026 Kerndt Brothers Savings Bank | Portions Copyright ◆ Kasasa, Ltd. All rights reserved.

FDIC FDIC-Insured - Backed by the full faith and credit of the U.S. Government



800-577-5272

FREE KASASA SAVER

WHY CAN'T SAVING BE EASY? WELL, NOW IT IS!

SIMPLY LINK THIS ACCOUNT TO YOUR FREE
KASASA[®] CHECKING.

Key Features



No Monthly Maintenance Fee



Automatic Savings



High Interest



Free Digital Banking

Benefits

- Free account that builds your savings effortlessly
- Links to free Kasasa Cash[®] or Kasasa Cash Back[®] checking
- Automatic transfers of Kasasa Cash or Kasasa Cash Back earnings
- 0.75% APY[‡] on balances up to and including \$35,000
- 0.75% to 0.34% APY on balances over \$35,000 depending on balance in account[‡]
- 0.05% APY* if qualifications are not met in Kasasa Cash or Kasasa Cash Back
- No minimum balance to earn rewards

- No monthly maintenance fee
- Free Mastercard debit card
- Free digital banking, including:
 - Free online banking
 - Free mobile banking
 - Free e-Statements
- \$50 minimum deposit to open

Easy Qualifications to Earn the Higher Rate

Qualifying for your Kasasa Cash or Kasasa Cash Back rewards automatically qualifies you for the highest Kasasa Saver[®] rate, too. Enrollments must be in place and all of the following transactions and activities must post and settle to your Kasasa Cash or Kasasa Cash Back account during each Monthly Qualification Cycle:

- At least 1 ACH credit or ACH payment transaction
- At least 12 debit card purchases
- Be enrolled in and agree to receive e-Statements

And if you don't meet these qualifications, don't worry — your accounts are still free. Plus, you'll still earn our base rate on Kasasa Saver. And you can get right back to earning your full rewards the very next cycle that you qualify.

‡Kasasa Saver for Cash

Qualification Information:

Account transactions and activities may take one or more days to post and settle to the account and all must do so during the Monthly Qualification Cycle in order to qualify for the account's rewards. The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, checks and cash withdrawals made at any of our locations.

"Monthly Qualification Cycle" means a period beginning one (1) banking day prior to the first day of the current statement cycle through one (1) banking day prior to the last business day of the current statement cycle.

See our website or call (563) 538-4401 for specific Monthly Qualification Cycle dates.

Reward Information:

When your Kasasa Cash Back account qualifications are met during a Monthly Qualification Cycle, daily balances up to and including \$35,000.00 in your Kasasa Saver account earn an interest rate of 0.7474% resulting in an APY of 0.75% and daily balances over \$35,000.00 earn an interest rate of 0.1998% on the portion of the daily balance over \$35,000.00, resulting in a range from 0.34% to 0.75% APY depending on the account's daily balance.

When your Kasasa Cash Back account qualifications are not met, the entire daily balance in the Kasasa Saver account earns an interest rate of 0.0500% resulting in an APY of 0.05%.

Interest will be credited to your Kasasa Saver account on the last day of the current statement cycle.

APY = Annual Percentage Yield.

APYs accurate as of 09/24/2025

APY calculations are based on an assumed balance of \$135,000 in your Kasasa Saver account and an assumed statement cycle of thirty-one (31) days.

Rates, rewards, and bonuses, if any, are variable and may change after account is opened; rates may change without notice to you. No minimum balance is required to earn or receive the account's rewards. Rewards less than a penny cannot be distributed. Fees may reduce earnings.

Additional Information:

Account approval, conditions, qualifications, limits, timeframes, enrollments, log-ons and other requirements apply.

\$50 minimum deposit is required to open the Kasasa Cash Back account.

\$50 minimum deposit is required to open the Kasasa Saver account.

Enrollment in electronic services (e.g. online banking, e-statements) and log-ons may be required to meet some of the account's qualifications.

Limit of one account per Social Security Number.

There are no recurring monthly maintenance charges or fees to open or close this account.

A Kasasa Cash Back account is required to have a Kasasa Saver account.

A linked Kasasa Saver account is required for automatic savings.

Advertised information and rewards are based on all account qualifications being met during each cycle period.

Contact one of our bank service representatives for additional information, account details, restrictions, reward calculations, processing limitations, cycle dates and

enrollment instructions.

Member FDIC.

Trademarks:

Kasasa, Kasasa Cash Back and Kasasa Saver are trademarks of Kasasa, Ltd., registered in the U.S.A.

Kasasa Saver for Cash Back

Qualification Information:

Account transactions and activities may take one or more days to post and settle to the account and all must do so during the Monthly Qualification Cycle in order to qualify for the account's rewards. The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, checks and cash withdrawals made at any of our locations.

"Monthly Qualification Cycle" means a period beginning one (1) banking day prior to the first day of the current statement cycle through one (1) banking day prior to the last business day of the current statement cycle.

See our website or call (563) 538-4401 for specific Monthly Qualification Cycle dates.

Reward Information:

When your linked Kasasa Cash Back account qualifications are met during a Monthly Qualification Cycle, daily balances up to and including \$35,000.00 in your Kasasa Saver account earn an interest rate of 0.7474% resulting in an APY of 0.75% and daily balances over \$35,000.00 earn an interest rate of 0.1998% on the portion of the daily balance over \$35,000.00, resulting in a range from 0.34% to 0.75% APY depending on the account's daily balance.

When your Kasasa Cash Back account qualifications are not met, the entire daily balance in the Kasasa Saver account earns an interest rate of 0.0500% resulting in an APY of 0.05%.

Interest will be credited to your Kasasa Saver account on the last day of the current statement cycle.

APY = Annual Percentage Yield.

APYs accurate as of 09/24/2025

APY calculations are based on an assumed balance of \$135,000.00 in your Kasasa Saver account and an assumed statement cycle of thirty-one (31) days.

Rates, rewards, and bonuses, if any, are variable and may change after account is opened; rates may change without notice to you. No minimum balance is required to earn or receive the account's rewards. Rewards less than a penny cannot be distributed. Fees may reduce earnings.

Additional Information:

Account approval, conditions, qualifications, limits, timeframes, enrollments, log-ons and other requirements apply.

\$50 minimum deposit is required to open the Kasasa Cash Back account.

\$50 minimum deposit is required to open the Kasasa Saver account.

Enrollment in electronic services (e.g. online banking, e-statements) and log-ons may be required to meet some of the account's qualifications.

Limit of one account per Social Security Number.

There are no recurring monthly maintenance charges or fees to open or close this account.

A Kasasa Cash Back account is required to have a Kasasa Saver account.

A linked Kasasa Saver account is required for automatic savings.

Advertised information and rewards are based on all account qualifications being met during each cycle period.

Contact one of our bank service representatives for additional information, account details, restrictions, reward calculations, processing limitations, cycle dates and enrollment instructions.

Member FDIC.

Trademarks:

Kasasa, Kasasa Cash Back and Kasasa Saver are trademarks of Kasasa, Ltd., registered in the U.S.A.

800-577-5272

EZ Phone Banking: 888-527-4231

powered by
FIRSTBranch®



Member
FDIC

◆ 2026 Kerndt Brothers Savings Bank | Portions Copyright ◆ Kasasa, Ltd. All rights reserved.



INSURANCE

Personal and Business Insurance

Life is full of surprises.

Kerndt Brothers Insurance Agency offers insurance packages to protect your home, your life, and your business so you don't have to take chances.

What you choose to protect is your business; making sure the protection you want is there when you need it is *ours*.

Personal Insurance

- Homeowners. We do it all, from mobile homes to renting an apartment and seasonal homes like cabins.
- Farm and Ranch coverage ranges from hobby farms to 1,000 acres, 1,000+ head dairy operations. Our farm specialist owns a dairy farm.
- Cars, Trucks (and Semis), RVs, ATVs, UTVs, Snowmobiles, Boats. Basically, if it has a motor, wheels or a propeller, we can help.
- The Extras. There are several important coverages for home and auto that we can help with. They include umbrella, flood and high risk auto SR-22.
- We also have experts in:
 - Life Insurance and Non-qualified (not tax advantaged) Fixed Annuities
 - Health Insurance – Group and Individual. Medicare Supplement and Medicare Part D.



Business Insurance

We realize that every business has unique needs. We create insurance packages customized to specific needs of your business. Common coverage categories include:

- General Liability and Commercial Excess Liability, Commercial Umbrella and Employment Practice Liability (EPL)
- Commercial Property insurance protects you against everything from storms, fires, equipment, thefts, broken signs, and so much more.
- Business automotive coverage helps protect your business vehicles.
- Workers Compensation Insurance. Let our insurance experts find the best worker's compensation plan for your business.
- Group/Employee Benefit Insurance Plans including group health, life, Short Term and Long Term Disability.



Lansing • Waukon • Decorah • West Union

Contact Us Today! 563.538.4207

Insurance and Investment products are not FDIC insured, not insured by any federal government agency, not deposits, not guaranteed by the bank and may go down in value.



Small town values you can count on.

www.KBIAins.com

That's who we are.

Advantages to Your Business:

- Local Sales Reps
- Success since 1998
- A+ BBB Rating
- Rochester, NY Top 100 Company
- All Calls Answered by a Real Person
- U.S. Based Customer Service
- Honest Salespeople
- Pricing Transparency
- State-of-the-Art Equipment
- PCI Compliance

Markets We Serve:

- Retail
- Restaurant
- Lodging
- Medical/Dental
- Home Based
- Not-for-Profits
- E-Commerce
- Mail Order
- Phone Order
- Card-not-Present
- Business to Business
- Municipality

Request a Quote
888.282.5384



www.kerndtbrothers.com
phone 800.577.5272

Cedar Rapids Office
600 Boyson Road NE
Cedar Rapids, IA 52402
319.378.8100

Clermont Office
200 Mill Street
PO Box 7
Clermont, IA 52135
563.423.5267

Decorah Office
801 S. Mechanic Street
Decorah, IA 52101
563.382.2228

Lansing Office
370 Main Street
PO Box 370
Lansing, IA 52151
563.536.4231

Waukon Office
820 11th Avenue SW
Waukon, IA 52172
563.566.5234

West Union Office
205 North Vine Street
PO Box 457
West Union, IA 52175
563.422.6072

merchant services



www.ppcsales.com | local 585.249.0110
67 Monroe Avenue | toll free 888.282.5384
Pittsford, NY 14534 | fax 800.780.2144

Provided by Payment Processing Consultants, Inc.
Payment Processing Consultants, Inc. is a registered Independent
Sales Organization of Wells Fargo Bank, N.A., Concord, CA
Copyright © 2022 Payment Processing Consultants, Inc.,
All Rights Reserved.



Kerndt Brothers Savings Bank has partnered with Payment Processing Consultants (PPC) to provide our customers with a low cost solution to accept credit card, debit card and e-check forms of payment. PPC was founded in 1998 and has an A+ rating with the BBB.

Who Is PPC and What They Offer

PPC makes it possible for your business to accept all non-cash forms of payment so you can grow, offer convenience and reduce accounts receivables. Their mission is to make easy what others complicate with nuisance fees and jargon. They have transparent pricing, honest salespeople and a proven track record of success. The bottom line is they are accountable and will do what they promise.

How They Do It

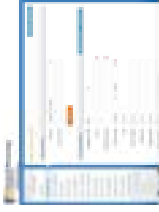
If your business already accepts credit cards, debit cards or e-checks, they will provide a no cost savings comparison that will show exactly what you will save using PPC. They will explain all of the rates and fees in an easy to understand way and they will make sure you pay the lowest possible amount. PPC offers state-of-the-art PCI compliant processing machines, virtual terminals, chip-card solutions and mobile swipers.

WHAT THEY CAN DO FOR YOU

TERMINALS EMV TERMINALS WIRELESS TERMINALS



VIRTUAL TERMINALS



MOBILE SWIPERS



CLOVER POS



LOYALTY/GIFTCARDS



ACH/CHECK BY PHONE



ALL MAJOR CREDIT CARDS



PCI CERTIFICATION



1099K REPORTING



VERIFIED BY VISA
MSTERCARD SECURECODE



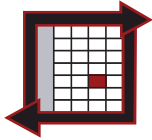
DONATE/PAY NOW BUTTONS



LEVEL 2/3 PROCESSING

| | |
|------------|-----------|
| Level 3 | Best Rate |
| Level 2 | Next Best |
| Retail | Next Best |
| CNP | Next Best |
| Electronic | Next Best |

RECURRING PAYMENTS



E-COMMERCE



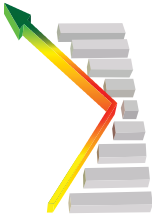
CUSTOMER WALLET



POS SYSTEM INTEGRATIONS



INTERCHANGE OPTIMIZATION



GOVERNMENT/ MUNICIPALITY PROCESSING



CASH ADVANCE



SURCHARGE / CASH DISCOUNT PROGRAMS





HOME MORTGAGES

Top Reasons to Come to Kerndt Brothers for Your Next Home Loan

1. We're **LOCAL**. We know the territory, the Realtors and the resources you need for a smooth experience.
2. We're **EXPERIENCED**. Our bankers know mortgage lending and are eager to assist you in navigating this important purchase.
3. We're **COMPETITIVE**. Compare us with other lenders and you'll find Kerndt Brothers Bank offers the best overall value for your next home loan.
4. We make the process **EASY**. Our bankers will be in frequent contact, answer your questions, and explain every aspect of the mortgage process.
5. **CONVENIENCE**. You can start the loan application process online or meet with a banker if you prefer.



We know buying a home is a huge financial decision. That's why we offer a wide selection of home loan alternatives to match your unique situation.

Following are brief descriptions of mortgage loan types available at Kerndt Brothers Bank:

Fixed Rate Mortgage Loans*

A fixed rate mortgage is the most common type of home loan. Once you lock in an interest rate, it remains the same for the life of the loan. This fixed rate offers peace of mind since the monthly interest and principal payment amount stays the same.

If you choose a longer-term repayment plan, your monthly payments will be lower and predictable, but you'll pay more interest over the term of the loan.

A shorter-term fixed rate mortgage, by contrast, has higher monthly payments, but you'll pay much less total interest for the duration of the loan. Both are worth considering.

Let our mortgage lenders help you decide which type of fixed rate plan is best for you. And remember, nothing is set in stone. Depending on your income, your life circumstances, or current interest rates, you can always refinance from a longer to shorter term, or vice versa.



Balloon Loans *

Balloon Loans are an excellent option for many homebuyers since these loans are serviced by Kerndt Brothers Bank and retained in our portfolio. These loans feature a fixed rate term; however, your payments can be amortized just like longer-term fixed rate mortgages so you can take advantage of lower monthly payments.

Once the term reaches maturity, these loans can easily be renewed if your payment performance has been good. Our Balloon Loans are generally not sold on the secondary market so they can be easier to qualify for than long-term fixed rate mortgages. These loans are also a good option for non-traditional property, large acreages, and hobby properties.

You still need a good credit history and satisfactory income-to-expense ratios. Balloon Loans are underwritten, serviced, and approved by Kerndt Brothers Bank personnel and funded by our depositors!

FHA, VA and Rural Development Real Estate Loans

Kerndt Brothers **Bank** lenders can assist you with applications for a FHA, VA, or Rural Development mortgage loan. These types of loans are funded by government agencies. Let us help you access these opportunities.

Contact a Kerndt Brothers Mortgage Lender

At Kerndt Brothers Bank, we are your experienced and local community mortgage lender. Contact us today to see how we can help with all your home loan and financing needs.

*Kerndt Brothers Bank is registered through Nationwide Multistate Licensing System & Registry (NMLS #484873)

LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



PERSONAL BANKING

A Perfect Checking Plan for Your Personal Finances

Your first order of 50 personal checks is our FREE GIFT to you when you open any Personal Checking account!

| EZ Checking <i>Looking for FREE Checking? This is it!</i> | Basic Checking <i>A low-cost account for basic checking needs.</i> | Interest Checking* <i>If you maintain a higher balance, this is the account for you!</i> |
|---|---|--|
| <ul style="list-style-type: none"> • \$50 minimum to open • No monthly maintenance fee • No per item charge • eStatement required | <ul style="list-style-type: none"> • \$50 minimum to open • A \$500 average daily balance avoids a \$4 monthly maintenance fee. • 25 free checks per month, then \$0.15 each • eStatement available | <ul style="list-style-type: none"> • \$50 minimum to open • Earns interest with average balance above \$1,500* • A \$1500 monthly average daily balance avoids a \$6 monthly maintenance fee. • 30 free checks per month, then \$0.15 each • eStatement available |

- *Interest is calculated on the daily balance, compounded and credited to your account monthly.*
- *Interest on non-cash deposits (checks) begins to accrue no later than the business day we receive credit for non-cash items.*
- **This is a variable rate account and rates may change after account is opened.*

All Personal Checking Accounts provide the following services at no charge:

- Debit/ATM Card
- ATMs at all branch locations
- POS transactions
- ACH transactions
- Bill Pay
- Online and Mobile Banking
- Telephone Banking
- Remote Deposit



Online and Mobile Banking: The Ultimate in Time Savings and Convenience

Manage your all accounts 24/7, make payments, transfers, monitor transactions and even pay your bills on any device from any location. Our Online Banking service provides real-time account status.



Personal Savings

We'll help you set funds aside for the future or unexpected opportunities with a Savings, Money Market, IRA or Certificate of Deposit account. Ask your Kerndt Brothers Savings Bank representative for complete information.

Heritage Club

Recognizing and rewarding our long-time friends is an honored tradition at Kerndt Brothers Bank. That's why Heritage Club members enjoy access to all sorts of opportunities, including club trips, social events, educational seminars — even extended travel to domestic and foreign destinations at attractive discount rates. Even better, every experience is entirely planned *and* fully escorted by Kerndt Brothers Bank. That means *you* can site-see stress free.



Member Benefits:

- Club newsletter with timely details on upcoming trips, activities, and other points of interest
- 50% discount on any safe deposit box rental
- Free Notary Service
- One free box of standard checks per year
- Free digital banking services: online banking, mobile banking and online bill pay
- No charge by our bank for ATM and debit card use
- No annual credit card fee
- Free annual insurance check-up by Kerndt Brothers Insurance Agency
- Free annual investment review from Kerndt Brothers Wealth Management Services*

We know what you're thinking — "Sign me up!" There is no cost to join Classic Heritage Club. We simply ask that you maintain at least one of the following banking relationships with us:

- \$2,500 or more in a Checking or Savings account
- \$10,000 or more in CDs, IRAs or Money Market accounts
- Mortgage, Home Equity, or Home Equity Line of Credit

Meet new people, make new friends, *and* enjoy first-rate banking services — all at the same time!

Safe Deposit Boxes

Protect your valuables, important documents, collectibles, and family heirlooms. Rental fees are charged annually and vary with the size of the box.

Consumer Loans

As a full-service bank, we provide financing for most anything you need from cars and trucks to recreational vehicles, home improvement loans and personal loans? What can we help you with today?

Contact a personal banker for rates, terms, and details on all accounts.

LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



PERSONAL SAVINGS

Kerndt Brothers Savings Bank Offers More Ways to Save for Your Future

| Regular Savings <i>Plan for your future; start your savings account today.</i> | Christmas Club <i>Receive a check from the bank, just when you need it most!</i> | Money Market Deposit Account <i>Earn a higher interest rate for larger balances.</i> | Health Savings Account <i>Tax deductible contributions, tax-deferred growth and tax-free withdrawals to pay medical expenses make this a perfect way to control medical expenses.</i> |
|---|--|---|---|
| <ul style="list-style-type: none"> • \$50 minimum to open • A \$50 average daily balance avoids a \$3 monthly maintenance fee • eStatement available | <ul style="list-style-type: none"> • \$5 minimum to open • \$5 minimum and \$50 maximum weekly deposit • You will receive a check from KBB in October with the full balance plus interest | <ul style="list-style-type: none"> • \$50 minimum to open • A \$2,500 minimum daily balance avoids a \$6 monthly maintenance fee • eStatement available • Interest is earned if balance is over \$1,000 | <ul style="list-style-type: none"> • \$1 minimum to open • No service charges • No charge for Debit Card transactions • eStatement available |

For all Savings plans above:

- Interest is calculated on the daily balance, compounded and credited to your account monthly.
- Interest on non-cash deposits (checks) begins to accrue no later than the business day we receive credit for non-cash items.
- These are variable rate accounts and rates may change after account is opened.

| Certificate of Deposit <i>Guaranteed interest rates and terms to match your needs.</i> | Individual Retirement Account <i>We make retirement dreams come true. Open your IRA with as little as \$1,000.</i> | Coverdell Education Savings Account <i>With the costs of education continuing to rise, a Coverdell Account will help.</i> |
|--|--|---|
| <ul style="list-style-type: none"> • \$1,000 minimum to open • FDIC insurance means your deposit will never lose value • Penalty for early withdrawal | <ul style="list-style-type: none"> • One year term. Choose a fixed or variable rate | <ul style="list-style-type: none"> • One year fixed rate term |

For all Savings plans above:

- Interest is calculated on the daily balance, compounded and credited to your account quarterly.
- Interest on non-cash deposits (checks) begins to accrue no later than the business day we receive credit for non-cash items.
- Penalty for early withdrawal.



Try This Easy Trick to Make Your Money Grow Faster

Ask your banker to set up a regular transfer from your checking to your savings, money market or Christmas Club. Every week or every month, it's the easy way to save and makes sure you always pay yourself first! Contact a personal banker for rates, terms, and details on all accounts.



Other Services from KBSB to Help with Your Money

Online and Mobile Banking:

The Ultimate in Time Savings and Convenience

Manage your all accounts 24/7, make payments, transfers, monitor transactions and even pay your bills on any device from any location. Our Online Banking service provides real-time account status.

Heritage Club

The Heritage Club is for customers interested in group travel opportunities. To join, you simply need to maintain one of the following account types with Kerndt Brothers Bank:

- \$2,500 in a checking or savings account, or
- \$10,000 in time certificates or an IRA or Money Market Account, or
- Hold an active real estate, Home Equity, or Home Equity Line of Credit (HELOC)

Ask your Personal Banker about the benefits of Heritage Club membership.

Safe Deposit Boxes

Protect your valuables, important documents, collectibles, and family heirlooms. Rental fees are charged annually and vary with the size of the box.

Consumer Loans

As a full-service bank, we provide financing for most anything you need from cars and trucks to recreational vehicles, home improvement loans, and personal loans. What can we help you with today?

Personal Investment Services

*Kerndt Brothers Wealth Management Services offers financial consultation and planning services to individuals, couples and businesses. Our investment officers can help you identify good investments and help you set goals for your future as well as life and health coverage for the long or short term.

Securities and investment advisory services offered through **Osaic Wealth, Inc. member FINRA/SIPC. **Osaic Wealth, Inc.** is separately owned and other entities and/or marketing names, products or services referenced here are independent of **Osaic Wealth, Inc.** Kerndt Brothers Savings Bank and Kerndt Brothers Savings Bank Wealth Management are not affiliated with **Osaic Wealth, Inc.** Securities are Not FDIC Insured – No Bank Guarantees – May Lose Value – Not insured by any government agency.*



LOCATIONS

Customer Service: 800.577.5272 • E-Z Phone Banking: 563.538.4059 / 888.527.4231

CEDAR RAPIDS

600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT

200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH

801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING

370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON

820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION

205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235



INDEXED MONEY MARKET

The *Public Funds* Indexed Money Market Account provides depositors with a competitive yield and complete liquidity.

Most banks set Money Market interest rates based on local competition. The Public Funds Indexed Money Market Account was designed to follow rates outside of the bank's control so your returns will be comparable to market-based instruments. Interest rates move; the rate on this account adjusts quarterly.

Here's how it works. The Public Funds Indexed Money Market Account earns a percentage of 26-week U.S. Treasury Bill median auction rate as of the last auction of the calendar quarter.

- Tier 1 \$0.01 to \$250,000.00 = Passbook rate
- Tier 2 \$250,000.01 to \$2,500,000.00 = 80% of Index
- Tier 3 \$2,500,000.01 to \$10,000,000.00 = 60% of Index
- Tier 4 \$10,000,000.01 and Above = Passbook rate

The account offers complete liquidity with unlimited access by check, draft, wire transfer or in-person withdrawals at any of our branch offices.

Account Specifics:

- Minimum Balance to Open Account: \$250,000.00
- Interest Compounded and Credited Monthly
- Maximum Interest Rate: 8.00%
- Minimum Interest Rate: 0%
- No Monthly Maintenance Fee
- Availability of this account is limited to **Non-Profit Organizations** and **Public Funds**.
- Eligible clients must be located in counties served by Kerndt Brothers Savings Bank (Allamakee, Fayette, Winneshiek and Linn) or adjacent counties.



LOCATIONS

E-Z Phone Banking: 563.538.4059 / 888.527.4231 • Customer Service: 800.577.5272

CEDAR RAPIDS
600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT
200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH
801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING
370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON
820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION
205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235

September 2024



www.kerndtbrothers.com



PREMIUM INDEX MONEY MARKET

Our new Premium Index Money Market Account provides depositors with a competitive yield and complete liquidity

Most banks set money market interest rates based on local competition. The Premium Index Money Market Account was designed to follow rates outside of the bank's control so your returns will be comparable to market-based instruments. As interest rates move, the rate on this account adjusts quarterly. This innovative account is available to individuals and businesses.

Here's how it works. The Premium Index Money Market Account earns a percentage of the 26-week U.S. Treasury Bill median auction rate as of the last auction of the calendar quarter. The account features attractive rates that increase as your balance grows.

- Tier 1 \$0.01 to \$99,999.99 = Passbook rate
- Tier 2 \$100,000 to \$249,999.99 = 60% of Index
- Tier 3 \$250,000 to \$499,999.99 = 70% of Index
- Tier 4 \$500,000 to \$2,499,999.99 = 80% of Index
- Tier 5 \$2,500,000 and Above = Passbook rate

The account offers complete liquidity with unlimited access by check, draft, wire transfer or in-person withdrawals at any of our branch offices.

Account Specifics

- Minimum Balance to Open Account: \$100,000.00
- Interest Compounded and Credited Monthly
- Maximum Interest Rate: 8.00%
- Minimum Interest Rate: 0%; Minimum Balance to Earn Interest on the consumer product: \$0.01
- Electronic Statement Required; otherwise \$3.00 Paper Statement Fee.
- Eligible clients must be located in counties served by Kerndt Brothers Savings Bank (Allamakee, Fayette, Winneshiek and Linn) or adjacent counties.
- A separate personal or business checking account is required to be opened and maintained to obtain the stated APYs on the current rate sheet.



LOCATIONS

E-Z Phone Banking: 563.538.4059 / 888.527.4231 • Customer Service: 800.577.5272

CEDAR RAPIDS
600 Boyson Rd. NE, Cedar Rapids, IA 52402 • 319.378.8100

CLERMONT
200 Mill St., Clermont, IA 52135 • 563.423.5267

DECORAH
801 S. Mechanic St., Decorah, IA 52101 • 563.382.2228

LANSING
370 Main St., Lansing, IA 52151 • 563.538.4231 / 800.577.5272

WAUKON
820 11th Ave. SW, Waukon, IA 52172 • 563.568.5234

WEST UNION
205 N. Vine St., West Union, IA 52175 • 563.422.6072 / 800.568.4235





WEALTH MANAGEMENT

Managing and Preserving Your Wealth

Many investors view their financial plan as a simple investment portfolio. However, financial planning is so much more than just buying investments. Kerndt Brothers Wealth Management also offers traditional administration of financial instruments. In addition, the option is available to utilize a fee based investment advisor, opening the door to in-depth financial planning and portfolio management to help meet your financial goals.

Take a closer look at the products and services you will receive from Kerndt Brothers Wealth Management Services.

PLANNING AND INVESTMENTS

- Portfolio Design
- Investment Analysis
- Fee-Based Management
- Mutual Funds / EFT's
- Stocks
- Bonds
- CD's
- Money Market
- Unit Investment Trusts (UITs)
- Real Estate Investment Trusts (REITs)
- Alternative Investments
- 529 College Savings Plans

INSURANCE

- Insurance Analysis
- Life Insurance
- Disability Insurance
- Long Term Care
- Variable Annuities
- Fixed Annuities
- Buy/Sell Agreements

RETIREMENT PLANNING

- Retirement Plan Rollovers
- Income Distribution
- IRAs / Roth IRAs
- Business
 - SEP / SIMPLE IRAs
 - 401k / 403b / 457 Plans
 - Profit Sharing Plans
 - Defined Contribution Plans

ESTATE PLANNING

- Trust Services
- Estate Tax Analysis
- Succession Planning
- Asset Protection
- Charitable Trusts

ADDITIONAL VALUE-ADDED SERVICES

- Prepare and explain a financial plan
- Review and analyze your financial positions
- Consult with your employer regarding benefits
- Consult with your attorney, tax preparer, and insurance agent
- Provide online access to brokerage account information

Contact Your Investment Representative :

Brandon Rude · 563.382.8949
Brandon@RudesInvestment.com

Securities and investment advisory services offered through **Osaic Wealth, Inc.** member FINRA/SIPC. **Osaic Wealth, Inc.** is separately owned and other entities and/or marketing names, products or services referenced here are independent of **Osaic Wealth, Inc.** Kerndt Brothers Savings Bank and Kerndt Brothers Savings Bank Wealth Management are not affiliated with **Osaic Wealth, Inc.** Securities are Not FDIC Insured – No Bank Guarantees – May Lose Value – Not insured by any government agency.



By appointment at any Kerndt Brothers Savings Bank location.

LOCATIONS

Customer Service: 800.577.5272 · Direct Line: 563.382.8949

DECORAH

801 S. Mechanic St., Decorah, IA 52101

CEDAR RAPIDS (BANKING SERVICES ONLY)

600 Boyson Rd. NE, Cedar Rapids, IA 52402

CLERMONT (BANKING SERVICES ONLY)

200 Mill St., Clermont, IA 52135

LANSING

370 Main St., Lansing, IA 52151

WAUKON

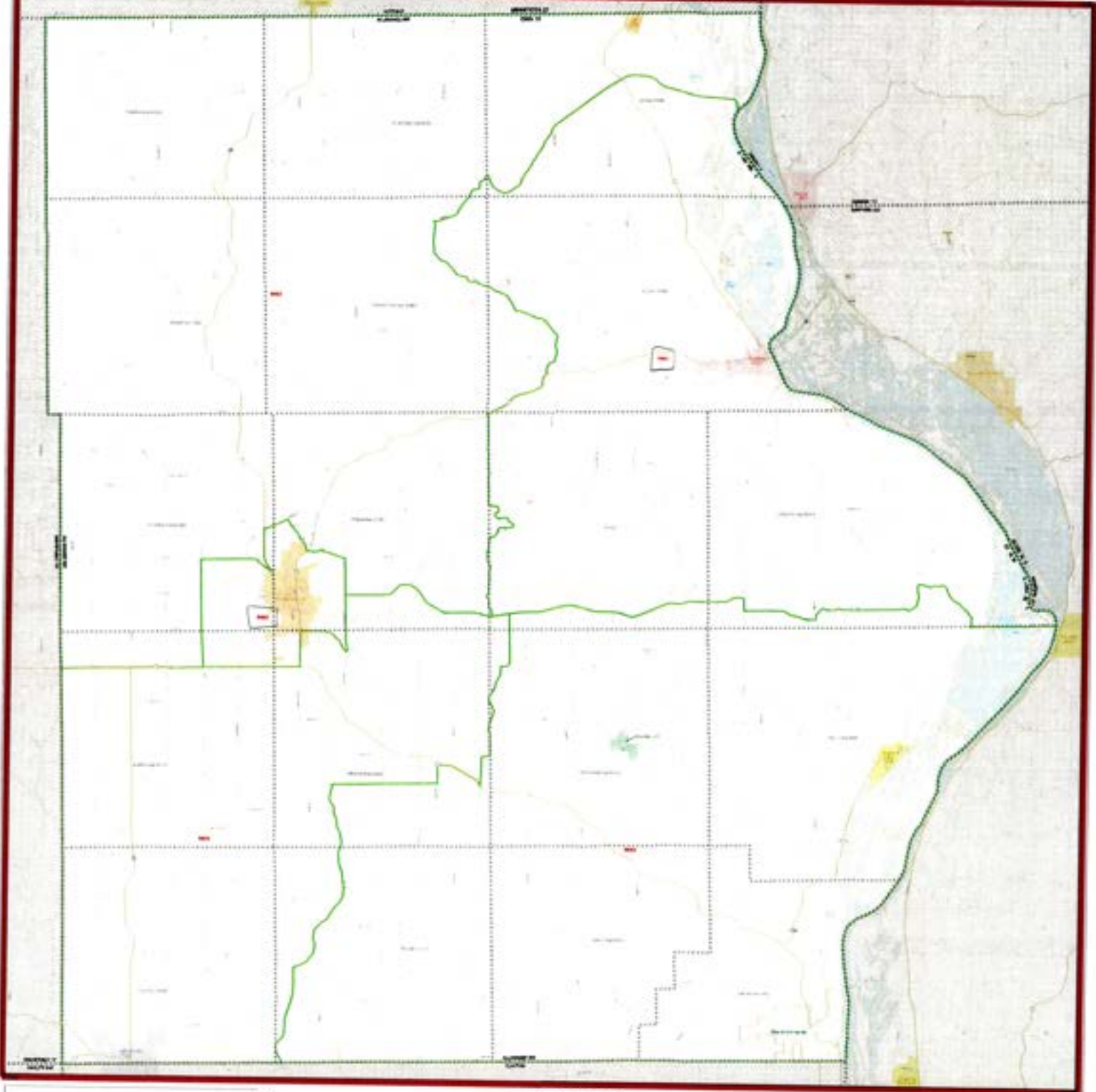
820 11th Ave. SW, Waukon, IA 52172

WEST UNION

205 N. Vine St., West Union, IA 52175

© Kerndt Brothers Bank. Content subject to change. AU24

2020 CENSUS - CENSUS TRACT REFERENCE MAP- Allamakee County, IA



| LAND USE | SYMBOL | LAND USE | SYMBOL | LAND USE | SYMBOL |
|-------------------------|--------------|----------------------------|-----------|----------------------------|-------------|
| Water | Blue | Woods | Green | Barren | Light Green |
| Open Space | Light Green | High Density Residential | Orange | Medium Density Residential | Yellow |
| Low Density Residential | Light Yellow | Medium Density Residential | Yellow | High Density Residential | Orange |
| Commercial | Orange | Industrial | Red | Government | Light Blue |
| Public Use | Light Blue | Transportation | Dark Blue | Other | Grey |

Scale: 1 inch = 1 mile

North Arrow

Map Date: 2020

Map Title: 2020 Census - Census Tract Reference Map - Allamakee County, IA

Map Scale: 1:62,500

Map Projection: NAD 83 UTM Zone 16N

Map Author: Iowa Department of Transportation

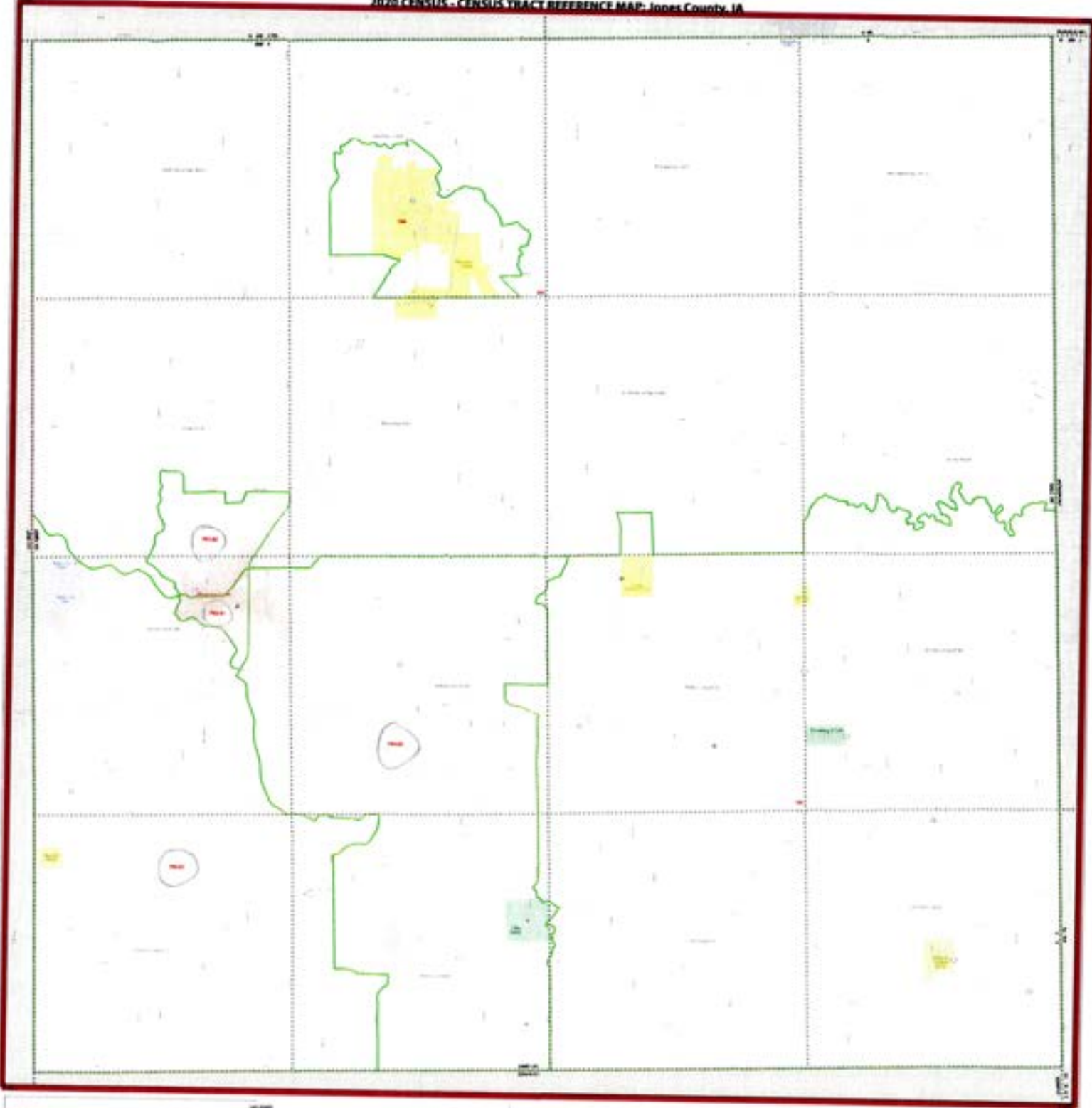
Map Contact: Iowa Department of Transportation, 200 East 19th Street, Des Moines, IA 50319

Map Phone: 515-281-3000

Map Website: www.iowa.gov

Assessment Area CT's: 9601 (Branch), 9602, 9603 (Branch), 9604, 9605

2020 CENSUS - CENSUS TRACT REFERENCE MAP: Jones County, IA

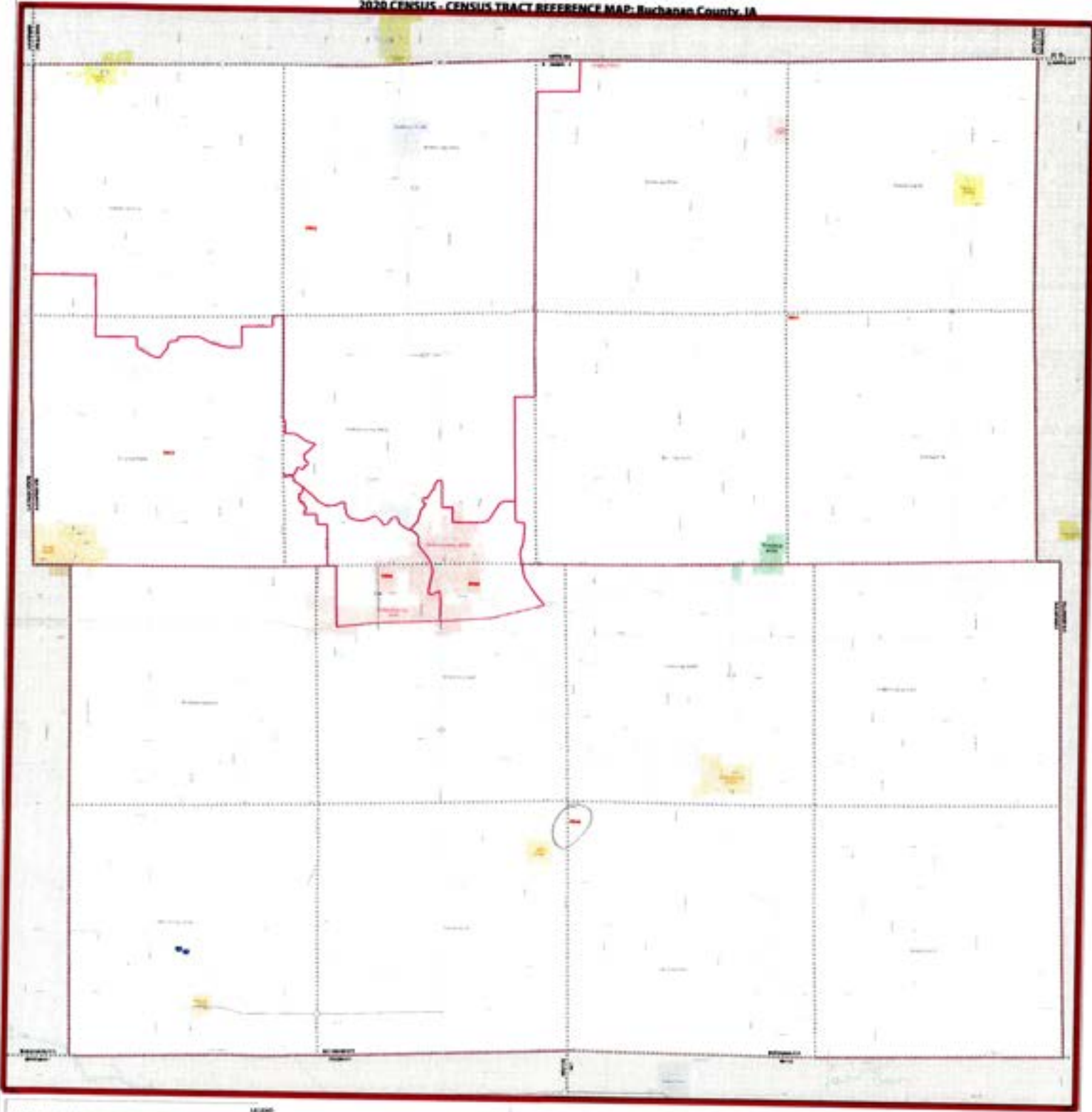


| LANDMARK | LINE | WATER | UNINCORPORATED | INCORPORATED |
|----------|------|-------|----------------|--------------|
| ... | ... | ... | ... | ... |

Scale: 1 inch = 10 miles
 Jones County, Iowa
 2020 Census Tract Reference Map

Assessment Area CT's: 703.01, 703.02, 704.01, 704.02

2020 CENSUS - CENSUS TRACT REFERENCE MAP - Buchanan County, IA



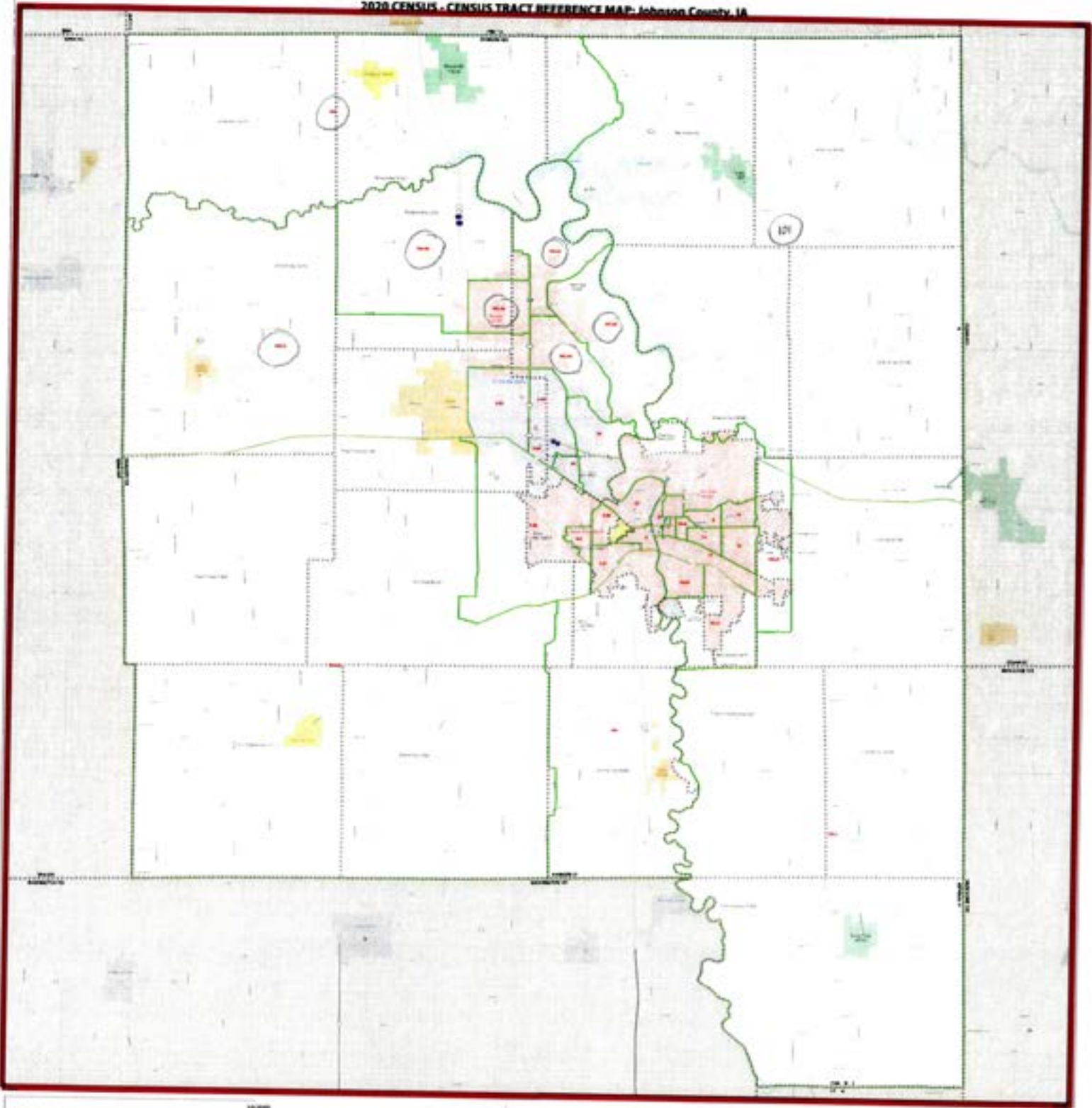
| ASSESSMENT AREA | LAND USE | WATER | UNDEVELOPED | RESIDENTIAL | INDUSTRIAL | AGRICULTURE | TRANSPORTATION | OTHER |
|-----------------|----------|-------|-------------|-------------|------------|-------------|----------------|-------|
| ... | ... | ... | ... | ... | ... | ... | ... | ... |

Map 1 of 2 (PARTIAL) showing the Census Tract 9506.00 in Buchanan County, IA. Includes a scale bar, north arrow, and contact information for the Iowa Department of Transportation.

Assessment Area CT's: 9506.00



2010 CENSUS - CENSUS TRACT REFERENCE MAP - Johnson County, IA



| LAND USE | SYMBOL | LAND USE | SYMBOL |
|----------------------------|----------|------------|----------|
| Residential Single-Family | [Symbol] | Water | [Symbol] |
| Residential Medium-Density | [Symbol] | Wetlands | [Symbol] |
| Residential High-Density | [Symbol] | Barren | [Symbol] |
| Commercial | [Symbol] | Forest | [Symbol] |
| Industrial | [Symbol] | Open Space | [Symbol] |
| Public Use | [Symbol] | Other | [Symbol] |

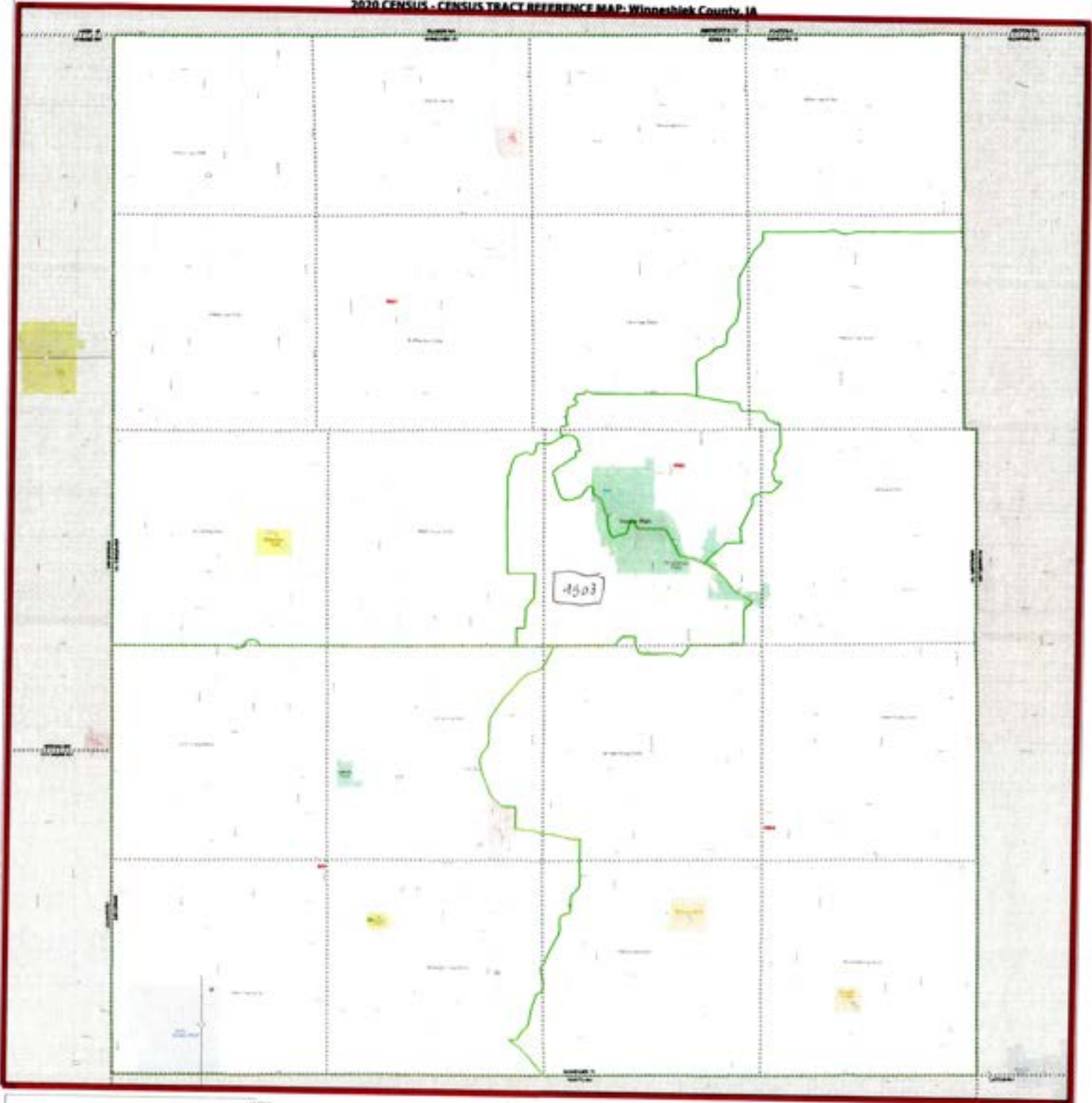
THE INFORMATION ON THIS MAP IS FOR GENERAL INFORMATION ONLY. THE USER SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF THE INFORMATION SHOWN ON THIS MAP. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.



Scale 1 inch = 1 mile
 Johnson County, IA
 2010 Census Tract Reference Map

Assessment Area CT's: 101, 102, 103.03, 103.04, 103.05, 103.06, 103.07, 103.08

2020 CENSUS - CENSUS TRACT REFERENCE MAP - Winnebago County, IA



| LAND-USE | SYMBOL | LAND-USE | SYMBOL | LAND-USE | SYMBOL |
|----------|--------|----------|--------|----------|--------|
| Water | Blue | Forest | Green | Urban | Yellow |
| ... | ... | ... | ... | ... | ... |

Scale bar and north arrow.

Map of Winnebago County, IA
 2020 Census Tract Reference Map
 Date: 12/15/2020

Assessment Area CT's : 9501, 9502, 9503 (Branch), 9504, 9505

Home Mortgage Disclosure Act (HMDA)

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions is also available online.

These data are available online at the Consumer Financial Protection Bureau's website (www.consumerfinance.gov/hmda). You will be prompted to enter the "Year" for review, as well as, the "Respondent ID" and "Institution Name" (described below):

Respondent ID

0000008761

Institution Name

Kerndt Brothers Savings Bank