



PUBLIC DISCLOSURE

February 15, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Development Bank FSB
Charter Number 717428

516 Main St
Ogema, MN, 56569

Office of the Comptroller of the Currency

222 South 9th Street, Suite 800
Minneapolis, MN 55402

NOTE: 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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**

The Lending Test is rated Outstanding.

The major factors supporting this rating include:

- The distribution of loans to businesses of different sizes and consumers with different income levels is excellent;
- The distribution of loans across to businesses and consumers within geographies of different income levels is excellent;
- The bank's loan-to-deposit ratio (LTD) is reasonable; and,
- The bank originated a majority of its loans inside its assessment areas (AAs).

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the LTD ratio is reasonable. The bank's quarterly average LTD ratio is 77.06 percent over the 21 quarters since the previous CRA evaluation. The ratio ranged from a high of 90.7 percent in the second quarter of 2017 to a low of 58.1 percent in the third quarter of 2020. Community Development Bank (CDB) ranked third compared to other similarly situated financial institutions. Similarly situated financial institutions are institutions operating within the bank's AA with similar lending products. The following table shows the bank's LTD ratio compared to similarly situated financial institutions.

Loan-to-Deposit Ratio		
Institution (Headquarters)	Total Assets (\$000s)	Average LTD Ratio (%)
Midwest Bank (Detroit Lakes, MN)	\$608,491	99.37
Crown Bank (Edina, MN)	\$265,719	94.77
CDB (Ogema, MN)	\$208,562	77.06
Eagle Bank (Glenwood, MN)	\$190,617	71.72
Lake Central Bank (Annandale, MN)	\$197,992	58.38

Source: Total assets are based on December 31, 2020, Call Report data

Lending in Assessment Area

A majority of the bank's loans are inside its AAs. CDB originated 87.5 percent of its loans by number and 74.2 percent by dollar volume inside its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. Refer to the table on the next page to view lending inside and outside the bank's AAs

Lending Inside and Outside of the Assessment Area										
	Number of Loans					Dollar Amount of Loans \$(000s)				
Loan Category	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Consumer	38	95.0	2	5.0	40	718	96.6	25	3.4	743
Commercial	32	80.0	8	20.0	40	4,046	71.3	1,628	28.7	5,674
Total	70	87.5	10	12.5	80	4,764	74.2	1,653	25.8	6,417

Description of Institution

CDB is an intrastate federally chartered stock institution headquartered in Ogema, Minnesota (MN). The bank is wholly owned by CDC Bancshares, Inc. CDB operates its main office on the White Earth Indian Reservation in Ogema, MN. The bank also has two other branches, one in Hancock, MN, and one in St. Michael, MN. CDB operates thirteen non-deposit taking ATMs.

CDB is a full-service financial institution, offering commercial and retail bank products and services. Retail products include 1-4 family home loans, open- and closed-end home equity loans, construction loans, and consumer loans. Commercial products include commercial and industrial, commercial real estate, multi-family housing, and agriculture real estate and operating loans.

As of December 31, 2020, the bank's assets totaled \$207.5 million and tier one capital was \$16.6 million. Net loans and leases totaled \$96.2 million or 46 percent of total assets. The loan portfolio is comprised commercial real estate and other commercial loans (59.1 percent), residential real estate (21.6 percent), agricultural (15.4 percent), and consumer loans (3.9 percent).

The bank currently operates in portions of the Minneapolis Metropolitan Statistical Area (MSA) and Minnesota Non-MSA. The St. Michael branch trade area includes portions of both Wright and Hennepin Counties. The Ogema branch trade area includes portions of Becker and Mahnommen Counties. The Hancock branch trade area includes portions of Stevens, Pope, and Swift Counties.

CDB received an "Outstanding" rating at the prior CRA evaluation dated October 5, 2015. There are no known financial, legal, or other factors impeding CDB's ability to meet the credit needs in its AAs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Lending Test evaluation period was from January 1, 2018, through December 31, 2020. We determined CDB's primary loan products for each AA by reviewing the number and dollar volume of loan originations and purchases during the evaluation period. Commercial and consumer loans are the bank's primary loan products in both AAs. The table on the next page shows the breakdown of loan originations and purchases by product type for each AA during the evaluation period.

Total Loan Originations by Product Type (MN Non-MSA)		
	Percentage by Number of Loans	Percentage by Dollar Volume
Agriculture	16.8	30.6
Commercial	19.5	31.8
Home Mortgage	9.5	26.1
Consumer	54.2	11.5
Total	100.0	100.0

Total Loan Originations by Product Type (Minneapolis MSA)		
	Percentage by Number of Loans	Percentage by Dollar Volume
Agriculture	0.0	0.0
Commercial	24.1	49.6
Home Mortgage	32.2	45.5
Consumer	43.7	4.9
Total	100.0	100.0

We selected initial samples of 20 commercial and 20 consumer loans for review in each AA. Consumer loans originated and purchased during the evaluation period were compared to 2015 American Community Service (ACS) survey data, while commercial loans were compared to 2018 Dunn and Bradstreet (D&B) business data.

Selection of Areas for Full-Scope Review

We completed full-scope reviews for the bank's Minneapolis MSA AA and the MN Non-MSA AA, both of which are included in the state of Minnesota rating area. Minnesota is the only state where the bank has office locations. For purposes of this evaluation, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. Refer to Appendix A-1, Scope of Examination, for additional information on the examination scope.

Ratings

The bank's overall rating is based on the state of Minnesota rating, as it is the bank's only rating area. The state of Minnesota rating evaluates all the bank's deposits, loan originations and purchases, and branches during the evaluation period. We evaluated lending performance using five performance criteria: the LTD ratio; lending in the AAs; lending to borrowers of different incomes and businesses of different size; distribution of loans to geographies of different income levels; and response to CRA-related complaints. Refer to the *Scope of Evaluation in Minnesota* section on page 7 for details regarding how performance is weighted in arriving at the bank's overall rating.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 195.28(c) in determining a federal savings association's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Minnesota

CRA rating for the State of Minnesota: Outstanding

The Lending Test is rated: Outstanding

The major factors supporting this rating include:

- The distribution of loans to consumers of different income levels and businesses of different sizes is excellent.
- The distribution of loans throughout geographies of different income levels is excellent.
- The bank did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Minnesota

CDB has three AAs located in Minnesota: There are two Non-MSA AAs and one AA consisting of a portion of the Minneapolis-St. Paul-Bloomington MN-WI MSA (Minneapolis MSA). The two Non-MSA AAs are combined and evaluated as one single MN Non-MSA AA for analysis purposes.

MN Non-MSA

The MN Non-MSA AA includes two western Minnesota counties (Stevens and Swift) and three northwestern Minnesota counties (Becker, Pope, and Mahnomen). The bank's Hancock branch is in western Minnesota and Ogema branch is in northwestern Minnesota. The MN Non-MSA AA consists of 14 census tracts (CTs), with three in Mahnomen and Becker counties, and 11 in Pope, Stevens, and Swift counties. This includes zero low-income, three moderate-income, ten middle-income, and one upper-income CT during the evaluation period.

Deposit competition is high with 22 reporting institutions in the AA. According to the June 30, 2020, FDIC Deposit Market Share Report, CDB ranked 11th out of 22 reporting institutions with \$69.7 million in deposits and a 3.14 percent deposit market share. The bank's MN Non-MSA deposit base represents 42.2 percent of its total deposits as of June 30, 2020. Competitors in the AA include Bremer Bank, Midwest Bank, and Glenwood State Bank; these banks hold 23.66 percent, 16.12 percent, and 8.92 percent deposit market shares, respectively. All other institutions hold less than an 8 percent deposit market share.

We held discussions with two community contacts for the MN Non-MSA, with one contact serving the Ogema area and one contact serving the Hancock area. The Ogema contact works for the city. They noted unemployment stemming from the COVID-19 pandemic is a concern; however, employment trends have improved. The contact noted there is a need for low-income housing. The Hancock contact works in a leadership role for an economic development organization in Stevens County. The contact believes the county's economy recovered from the COVID-19 pandemic well. The contact noted banks could expand community involvement by offering financial literacy classes. Both contacts noted local banks do a good job meeting their community's credit needs. See the table below for annualized unemployment rates for all counties within the AA.

Year-Month	Mahnomen County	Becker County	Pope County	Stevens County	Swift County
2020 (As of Nov.)	6.6	3.8	3.2	2.6	4.2
2019 Annual Avg.	4.7	4.0	3.1	2.7	4.4
2018 Annual Avg.	4.6	3.6	2.6	2.4	3.7

The following table provides information on the demographic composition of the MN Non-MSA AA for the evaluation period.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Minnesota Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	21.4	71.4	7.1	0.0
Population by Geography	39,622	0.0	21.9	74.0	4.2	0.0
Housing Units by Geography	20,853	0.0	25.7	70.7	3.6	0.0
Owner-Occupied Units by Geography	12,082	0.0	21.7	73.4	4.9	0.0
Occupied Rental Units by Geography	4,156	0.0	20.5	77.6	1.9	0.0
Vacant Units by Geography	4,615	0.0	41.2	57.3	1.5	0.0
Businesses by Geography	3,275	0.0	17.3	78.9	3.8	0.0
Farms by Geography	706	0.0	19.5	71.5	8.9	0.0
Family Distribution by Income Level	10,530	20.7	17.5	22.4	39.3	0.0
Household Distribution by Income Level	16,238	25.1	16.3	18.3	40.3	0.0
Median Family Income Non-MSAs – MN		\$63,045	Median Housing Value			\$125,443
<i>Source: 2015 ACS and 2020 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification</i>			Median Gross Rent			\$581
			Families Below Poverty Level			9.2%

Minneapolis MSA

The Minneapolis MSA AA consists of parts of Wright and Hennepin counties. There were zero low-income, zero moderate-income, six middle-income, and one upper-income CT during the evaluation period. The bank has one branch in the AA, located in St. Michael, MN.

Deposit competition is high with 85 reporting institutions in the AA. According to the June 30, 2020, FDIC Deposit Market Share Report, CDB ranked 44th out of 85 reporting institutions with \$95.4 million in deposits and a 0.07 percent deposit market share. The bank's Minneapolis MSA AA deposit base represents 57.8 percent of total bank deposits as of June 30, 2020. Competitors in the AA are Wells Fargo Bank and US Bank, holding 42.2 percent and 25.4 percent deposit market shares, respectively. All other intuitions hold less than 4.2 percent deposit market shares.

We held discussions with one community contact for the Minneapolis MSA AA. The contact works for the city of St. Michael in a community development role and is involved in city planning. The contact noted St. Michael is a bedroom community for Minneapolis and growth over the last few years has been steady. They noted credit availability in the area is appropriate and most businesses can secure financing from multiple area institutions. The contact did not have any significant concerns related to CRA and stated area banks are meeting the credit needs of the community. Economic conditions in the Minneapolis MSA AA remained stable in 2018 and 2019, but were volatile in 2020 due to the COVID-19 pandemic. Unemployment in both counties peaked from April – June 2020, but started declining in the fourth quarter of 2020. See the table below for annualized unemployment rates for both counties within the AA.

Year-Month	Wright County	Hennepin County
2020 (As of Nov.)	3.5	4.0
2019 Annual Avg.	3.3	2.8
2018 Annual Avg.	3.0	2.5

The following table provides information on the Minneapolis MSA AA's demographic composition.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Community Development Minneapolis MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	85.7	14.3	0.0
Population by Geography	70,123	0.0	0.0	82.1	17.9	0.0
Housing Units by Geography	24,404	0.0	0.0	82.7	17.3	0.0
Owner-Occupied Units by Geography	20,155	0.0	0.0	82.8	17.2	0.0
Occupied Rental Units by Geography	3,434	0.0	0.0	80.7	19.3	0.0
Vacant Units by Geography	815	0.0	0.0	87.6	12.4	0.0
Businesses by Geography	6,398	0.0	0.0	75.4	24.6	0.0
Farms by Geography	236	0.0	0.0	76.7	23.3	0.0
Family Distribution by Income Level	19,131	13.4	18.6	25.5	42.5	0.0
Household Distribution by Income Level	23,589	14.1	13.2	20.1	52.6	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA		\$84,589	Median Housing Value			\$205,590
<i>Source: 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>			Median Gross Rent			\$1,057
			Families Below Poverty Level			2.0%

Scope of Evaluation in Minnesota

We completed full-scope reviews of the Minneapolis MSA and the MN Non-MSA AAs. Consumer and commercial loans are the primary products for both AAs. Both AAs and primary products received equal weighting in the Lending Test analysis. Refer to the table in Appendix A-1 for a list of all AAs under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

The bank's performance under the Lending Test in Minnesota is rated Outstanding

Based on full-scope reviews, the bank's lending performance in the MN Non-MSA and Minneapolis MSA AAs is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state of Minnesota.

Small Loans to Businesses

The bank exhibits excellent geographic distribution of small loans to businesses in the state of Minnesota.

Refer to Table Q in Appendix D-2 for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations and purchases.

MN Non-MSA

The distribution of small loans to businesses in geographies of different income levels in the MN Non-MSA AA is excellent. CDB's loans to small businesses in moderate income geographies was above the number of small businesses in moderate-income geographies and in line with aggregate lending data. There were no low-income CTs within the AA during the evaluation period; therefore, low-income CTs were not considered in our analysis.

Minneapolis MSA

The geographic distribution of loans to small businesses to geographies of different income levels in the Minneapolis MSA does not provide a meaningful analysis because there were no low- or moderate-income geographies in the AA during the evaluation period.

Consumer Loans

The bank exhibits reasonable geographic distribution of consumer loans in the state of Minnesota.

Refer to Table U in Appendix D-3 for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

MN Non-MSA

The geographic distribution consumer loans to geographies of different income levels in the MN Non-MSA AA is reasonable. CDB's consumer loan originations and purchases within moderate-income geographies was below the percent of moderate-income households. There were no low-income CTs within the AA during the evaluation period.

Minneapolis MSA

The geographic distribution of consumer loans to geographies of different income levels in the Minneapolis MSA does not provide a meaningful analysis because there were no low- or moderate-income geographies in the AA during the evaluation period.

Lending Gap Analysis

We reviewed summary reports and maps to analyze lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. There were no unexplained conspicuous lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits an excellent distribution of loans to consumers of different income levels and businesses of different sizes.

Small Loans to Businesses

The bank exhibits excellent distribution of loans to businesses of different sizes in the state of Minnesota.

Refer to Table R in Appendix D-2 for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

MN Non-MSA

The distribution of loans to businesses of different sizes in the MN Non-MSA AA is excellent. CDB's small business loan originations and purchases significantly exceeds the percent of small businesses and aggregate lending data.

Minneapolis MSA

The distribution of loans to businesses of different sizes in the Minneapolis MSA AA is excellent. While CDB's small business loan originations and purchases is slightly below the percent of small businesses in the AA, the bank's performance significantly exceeds aggregate lending performance.

Consumer Loans

The bank exhibits excellent distribution of consumer loans to borrowers of different income levels in the state of Minnesota.

Refer to Table V in Appendix D-3 for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

MN Non-MSA

The borrower distribution of consumer loans to borrowers of different income levels in the MN Non-MSA AA is excellent. CDB's consumer loan originations and purchases are in line with the level of low-income borrowers and significantly exceeds the level of moderate-income borrowers.

Minneapolis MSA

The borrower distribution of consumer loans to borrowers of different income levels in the Minneapolis MSA AA is excellent. CDB's consumer loan originations and purchases significantly exceeds the level of low-income households and exceeds the level of moderate-income households.

Responses to Complaints

Community Development Bank did not receive any CRA related complaints during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	Lending Test: 01/01/2018 to 12/31/2020	
Bank Products Reviewed:	Consumer loans (Minneapolis MSA, Minnesota Non-MSA) Commercial loans (Minneapolis MSA, Minnesota Non-MSA)	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Minnesota:		
Minneapolis MSA	Full-Scope	Portions of Hennepin and Wright Counties
Minnesota Non-MSA	Full-Scope	Becker, Mahnomen, Pope, Stevens, and Swift Counties

Appendix B: Summary of MMSA and State Ratings

RATING – Community Development Bank	
Overall Bank	Lending Test Rating*
Outstanding	Outstanding
MSA or State	
Minnesota Non-MSA	Outstanding
Minneapolis MSA AA	Outstanding

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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, which 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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2018-20
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Minneapolis MSA AA	20	2,872	90	1,523	0.0	0.0	0.0	0.0	0.0	0.0	75.4	90.0	69.4	24.6	10.0	30.6	0.0	0.0	0.0
MN Non-MSA AA	20	993	95	555	0.0	0.0	0.0	17.3	25.0	25.2	78.9	70.0	70.1	3.8	5.0	4.7	0.0	0.0	0.0
Total	40	3,865	92.5	2,078	0.0	0.0	0.0	5.9	12.5	6.7	76.6	80.0	69.6	17.5	7.5	23.7	0.0	0.0	0.0
Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2018-20
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Minneapolis MSA AA	20	3,011,807	100	1,523	87.3	80.0	49.0	5.2	20.0	7.5	0.0
MN Non-MSA AA	20	1,021,490	100	555	80.6	95.0	43.1	5.3	5.0	14.1	0.0
Total	40	4,033,297	100	2,078	85.1	87.5	47.4	5.2	12.5	9.7	0.0
Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2018-20
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Minneapolis MSA AA	20	485,853	100%	0.0	0.0	0.0	0.0	82.5	90.0	17.5	10	0.0	0.0
MN Non-MSA AA	20	249,980	100%	0.0	0.0	21.4	15.0	74.5	85.0	4.1	0.0	0.0	0.0
Total	40	735,833	100%	0.0	0.0	8.7	7.5	79.2	87.5	12.1	5.0	0.0	0.0
Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data. Due to rounding, totals may not equal 100.0%													

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018-20
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Minneapolis MSA AA	20	485,853	100	14.1	35.0	13.2	15.0	20.1	15.0	52.6	35.0	0.0	0.0
MN Non-MSA AA	20	249,980	100	25.1	25.0	16.3	25.0	18.3	35.0	40.3	15.0	0.0	0.0
Total	40	735,833	100	18.6	30.0	14.5	20.0	19.4	25.0	47.5	25.0	0.0	0.0
Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data. Due to rounding, totals may not equal 100.0%													

COMMUNITY REINVESTMENT ACT STATEMENT

FOR

COMMUNITY DEVELOPMENT BANK, *fsb* **P.O. BOX 38 - 516 MAIN STREET** **OGEMA, MN 56569**

The Community Development Bank's Local Community consists of its surrounding trade area further described as; Becker County 9400.00 and Mahnommen County 9403.00, 9401.00. (Bank's local community is further delineated on the maps attached to this statement) The bank also has two branches located at 570 6th Street, Hancock MN 56244 and 12725 43rd St NE, St. Michael, MN 55376. The Hancock trade area includes Stevens County 4801.00, 4802.00, 4803.00, Pope County 9702.00, 9703.00, 9704.00 The St. Michael trade area includes Wright County 1001.01, 1001.02, 1008.03, 1008.04, 1008.05, 1008.06, 1008.07 and Hennepin County 0269.11, 0269.12.

The bank desires to help meet the credit needs of our local communities consistent with safe and sound operations of the bank. The bank is prepared to extend the following types of credit to members of the Local Community:

Consumer Loans and Lines of Credit
Overdraft Protection Loans
Insured Single Family Mortgage Loans
Multi Family Mortgage Loans
Commercial Real Estate Loans
Commercial Equipment Loans
Commercial Operating Lines of Credit
Ag Real Estate Loans
Ag Equipment Loans

Single Family Mortgage Loans
Second Mortgage Loans
Insured Multi Family Loans
Insured Commercial Equipment Loans
Insured Commercial Lines of Credit
Insured Ag RE Loans
Insured Ag Equipment Loans
Insured Ag Lines of Credit

The bank is also prepared to consider requests for other types of credit from members of the Local Community and requests for credit from persons outside the Local Community.

The bank's ability and preparedness to extend credit is subject to regulatory and legal restrictions, prudent lending practices, availability of funds and bank safety and soundness considerations. General credit and/or economic conditions may exist from time to time, which may make it temporarily impossible for the bank to offer the credit as listed herein.

The banks gross loan to deposit ratio for each quarter of the previous year are as follows:

March 2023	60.60%
June 2023	60.56%
September 2023	64.85%
December 2023	64.53%

Bank Hours:

Ogema Hours

Monday thru Friday	8:00 AM to 4:00 PM	Drive up
Monday thru Friday	8:30 AM to 4:00 PM	Lobby
Saturday	9:00 AM to Noon	Drive up only

Hancock Hours

Monday thru Friday	8:00 AM to 5:00PM	Lobby and Drive up
Saturday	Closed	

St. Michael Hours

Monday thru Wed.	7:30 AM to 5:00 PM	Drive Up
Thursday and Friday	7:30 AM to 6:00 PM	Drive Up
Saturday	8:30 AM to 12:00 PM	Drive Up Only
Monday thru Friday	8:30 AM to 4:30 PM	Lobby

Bank Services:

Personal Checking Accounts
Business Checking Accounts
Savings Accounts
Certificate of Deposits
Safe Deposit Boxes
Money Orders & Cashier's Checks
Night Depository
Bank by Mail
ATM
Internet Banking
Bill Pay
Mobile Banking
Merchant Remote Deposit

Bank Service Charges:

See attached Consumer Account Fee Schedule
See attached Business Account Fee Schedule

Commercial Loan Origination Charge	1% of Loan Amount
Multi-Family Mortgage Origination Charge	1% of Loan Amount
Single-Family Mortgage Origination Charge	1% of Loan Amount
Consumer Loan Administrative fee if less \$7,776	\$25.00
Consumer Loan Administrative fee if over \$7,776	\$40.00
Commercial Loan Administrative fee	\$40.00
Letters of Credit	1% of Loan Amount

Main Office: 516 West Main Street
Ogema MN 56560

Branch Facility: 570 6th Street
Hancock MN 56244

Branch Facility: 12725 43rd St NE
St. Michael, MN 55376

Branch Openings or Closings:

There haven't been any openings or closings since October 21, 2017 when Community Development Bank purchased from First American Bank, Hudson, WI the branch located at 12725 43rd St NE, St. Michael, MN.

Responses to Complaints

No CRA related complaints have been reported.



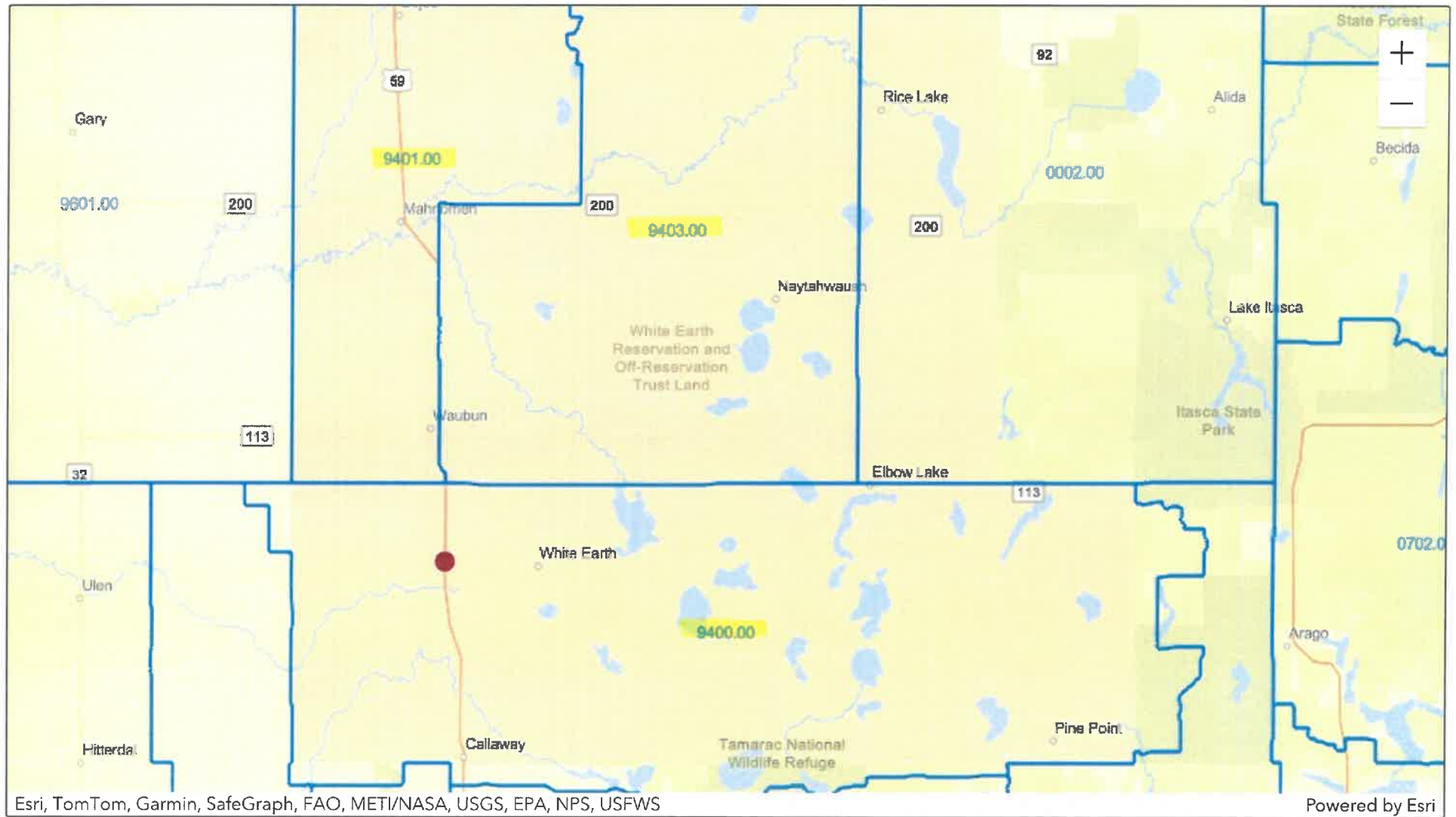
BUSINESS ACCOUNT FEE SCHEDULE

Account Balancing/Research	\$25 per hour	Money Market/Savings Limited Transaction Fee (over 6/month)	\$5 per item
Account Closure (within 90 days)	\$10		
Account Printout	No Charge	Multiple/Duplicate Statement (free online)	\$5
ACH NOC or Return Item	\$10	Overdraft/NSF Fee: <i>Overdraft fees apply to withdrawals created by check, in-person withdrawals, or other electronic means. Point of Sale transactions (POS) resulting from the use of a CDB debit card may incur an overdraft fee if the charge overdrafts your account, and is a preauthorized recurring POS debit.</i>	
Cashier's Checks	\$5	Overdraft (per presentment)	\$32
		Return Check Charge (per presentment)	\$32
Check Order	Varies	Continuous Daily Overdraft <i>This fee is charged beginning the 10th consecutive business day after an account becomes overdrawn.</i>	\$10
Copy of Check Image	Free	Maximum Daily Overdraft Charge	\$192
Debit/ATM Card:			
International Transactions	varies		
Replacement card (<i>first replacement free</i>)	\$8		
Deposited Item Returned	\$10	Return Check Images With Statement	No charge
Dormancy Fee (checking & savings)	\$2 per month	Safe Deposit Boxes	
		3 x 10	Charge by location
		5 x 10	Charge by location
Fax services	\$3 per fax	10 x 10	Charge by location
		Key Replacement/Box Drilling	At Cost
Same Day ACH	\$15	Savings Overdraft Protection (automatic transfer from savings to checking in \$100 increments)	Free
Bill Pay	Free	STAMP Signature Guaranty	Not Available
Manually Processed Item (foreign, collection, non-imaginable)	\$5	Stop Payment Online Stop Payment	\$25 \$20
		Wire Transfer – Customers Only	
		Domestic Incoming	\$15
		Domestic Outgoing	\$30
		Foreign Incoming	\$15
		Foreign Outgoing	\$50



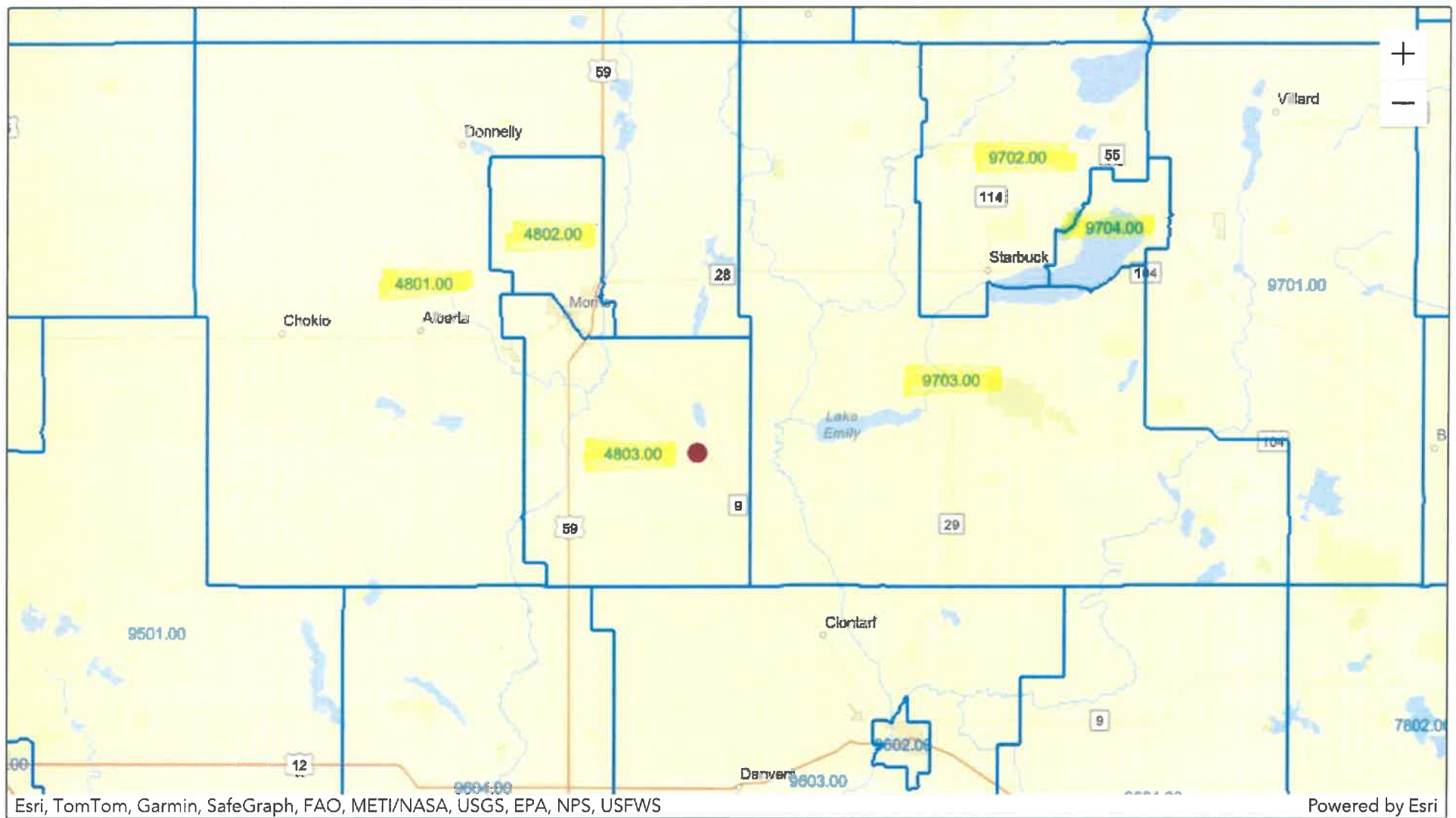
CONSUMER ACCOUNT FEE SCHEDULE

Account Balancing/Research	\$25/hr	Money Market/Savings	\$5 per item
Account Closure (within 90 days)	\$10	Limited Transaction Fee (over 6/month)	
Account Printout	No Charge	Multiple/Duplicate Statement (free online)	\$5
Check Orders	varies	Overdraft/NSF Fee:	
Money Orders	\$1.00/hundred Max \$5 per MO	<i>Overdraft fees apply to withdrawals created by check, in-person withdrawal, or other electronic means. Point of sale transactions (POS) resulting from the use of a CDB debit card may incur an overdraft fee if the charge overdrafts your account and is a preauthorized recurring POS debit.</i>	
Cashier's Checks (free for Account Holders 55 or older)	\$5.00	Overdraft (per presentment)	\$32
		Return Check Charge (per presentment)	\$32
		Continuous Daily Overdraft	\$10
		<i>This fee is charged after the 5th consecutive business day of an account being overdrawn.</i>	
Copy of Check Image	Free	Maximum Daily Overdraft charge	\$192
Debit/ATM Card:		Return Check Images With Statement	No Charge
International Transactions	1.0%		
Replacement card (first replacement free)	\$8.00	Safe Deposit Boxes	
		3 x 10	Charge by location
Deposited Item Returned	\$10	5x10	Charge by location
Dormancy Fee (checking & savings)	\$2 per month	10x10	Charge by location
Fax services (free for Account Holders 55 or older)	\$3 per fax	Key Replacement/Box Drilling	At Cost
		Savings Overdraft Protection (automatic transfers from savings to Checking in \$100 increments)	Free
H.S.A. Maintenance Fee	\$3 per month	STAMP Signature Guaranty	Not Available
Bill Pay	Free	Stop Payment	\$25
IRA/H.S.A. Early Termination Fee	\$25	Online Stop Payment	\$20
Manually Processed Item (foreign, collection, non-imagable, etc)	\$5	Wire Transfer – Customers Only	
		Domestic Incoming	\$15
		Domestic Outgoing	\$30
		Foreign Incoming	\$15
		Foreign Outgoing	\$50
Same Day ACH	\$15		



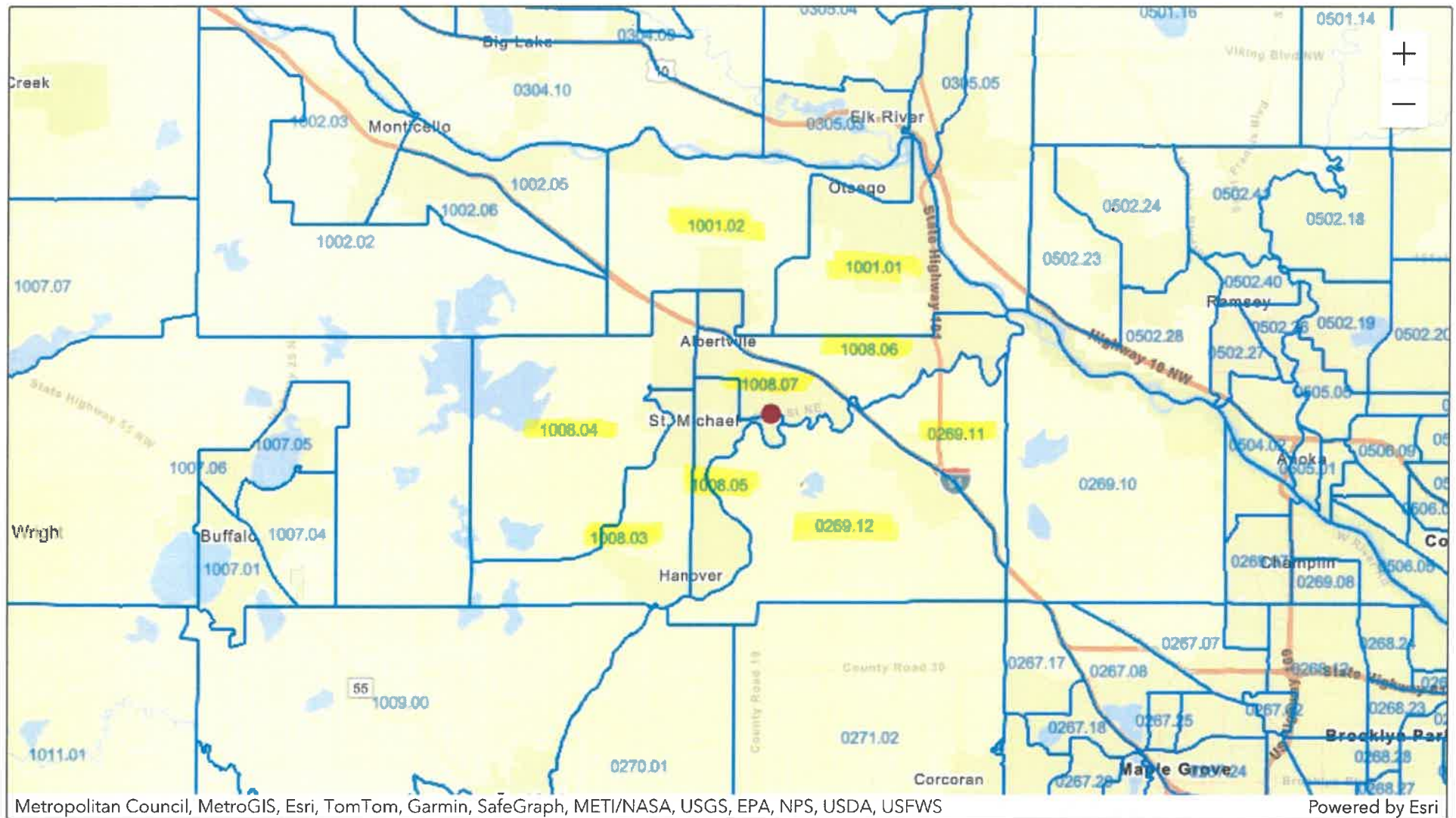
● Matched Address: 516 Main St E, Ogema, Minnesota, 56569
MSA: NA - NA (Outside of MSA) || State: 27 - MINNESOTA || County: 005 - BECKER COUNTY || Tract Code: 9400.00

● Selected Tract
MSA: || State: || County: || Tract Code:



● Matched Address: 570 6th St, Hancock, Minnesota, 56244
MSA: NA - NA (Outside of MSA) || State: 27 - MINNESOTA || County: 149 - STEVENS COUNTY || Tract Code: 4803.00

● Selected Tract
MSA: || State: || County: || Tract Code:



● Matched Address: 12725 43rd St NE, Saint Michael, Minnesota, 55376

MSA: 33460 - MINNEAPOLIS-ST. PAUL-BLOOMINGTON, MN-WI || State: 27 - MINNESOTA || County: 171 - WRIGHT COUNTY || Tract Code: 1008.07

● Selected Tract

MSA: || State: || County: || Tract Code:

ASSESSMENT AREAS BY CENSUS TRACT

BECKER COUNTY, MN:	9400.00
MAHNOMEN COUNTY, MN	9403.00
	9401.00
STEVENS COUNTY, MN	4801.00
	4802.00
	4803.00
POPE COUNTY, MN	9702.00
	9703.00
	9704.00
WRIGHT COUNTY, MN	1001.01
	1001.02
	1008.03
	1008.04
	1008.05
	1008.06
	1008.07
HENNEPIN COUNTY, MN	0269.11
	0269.12

Community Reinvestment Act Notice

Under the Federal Community Reinvestment Act (CRA), the Office of The Comptroller of The Currency (OCC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The OCC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the OCC, and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the OCC publishes a nationwide list of the savings associations that are scheduled for a CRA examination that quarter. This list is available from either cracomments@occ.treas.gov or:

Deputy Comptroller
Central District
Office of the Comptroller of the Currency
425 S. Financial Place, Suite 1700
Chicago, IL 60605

You may also send written comments about our performance in helping to meet community credit needs to:

Nicholas Shultz - President
Community Development Bank fsb
12725 43rd Street NE
St. Michael, Minnesota 55376
AND

Deputy Comptroller
Central District
Office of the Comptroller of the Currency
425 S. Financial Place, Suite 1700
Chicago, IL 60605
Or cracomments@occ.treas.gov

Your letter (or email), together with any response by us, will be considered by the OCC in evaluating our CRA performance and may be made public.

You may also ask to look at any comments received by the Deputy Comptroller at cracomments@occ.treas.gov. You may also request from the Deputy Comptroller an announcement of our applications covered by the CRA filed with the OCC.

We are an affiliate of:

CDC Bancshares
119 Graystone Plaza
Detroit Lakes, Minnesota 56502

a savings and loan holding company. You may also request an announcement of applications covered by the CRA filed by savings and loan holding companies from:

Officer in Charge of Supervision
Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
PO Box 291
Minneapolis, MN 55480

Home Mortgage Disclosure Act Notice

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 are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site (www.consumerfinance.gov/hmda).



PUBLIC NOTICE

TO: BANK CUSTOMERS AND GENERAL PUBLIC

YOU MAY REQUEST AN ANNUAL STATEMENT OF FINANCIAL CONDITON OF THE COMMUNITY DEVELOPMENT BANK, fsb BY SENDING OR DELIVERING A WRITTEN REQUEST TO:

PRESIDENT
COMMUNITY DEVELOPMENT BANK, fsb
12725 43rd STREET NE
ST. MICHAEL, MN 55376

TELEPHONE REQUESTS SHOULD BE DIRECTED TO: (763) 488-1212.

ONE COPY OF THE ANNUAL STATEMENT WILL BE PROVIDED AT NO CHARGE.

THIS ANNUAL STATEMENT MAY CONSIST OF THE BANKS ENTIRE CALL REPORT OR APPLICABLE PORTIONS THEREOF AS WELL AS OTHER INFORMATION THAT MANAGEMENT DEEMS IMPORTANT OR THAT MAY BE REQUIRED BY THE FDIC.

SIGNED THE 29th DAY OF FEBRUARY, 2024

BY:

A handwritten signature in blue ink, appearing to read "Nicholas Shultz", written over a horizontal line.

NICHOLAS SHULTZ, PRESIDENT

EQUAL HOUSING OPPORTUNITY LENDER

570 6th St • PO Box 8 • Hancock, MN 56244

320-392-5278 • FAX 320-392-5330

P.O. Box 38 • Ogema, MN 56569

218-983-3241 • FAX 218-983-3243

12725 43rd Street NE • St. Michael, MN 55376

763-497-7777 • FAX 763-497-8007

