

PUBLIC DISCLOSURE

July 12, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Savings Bank
Certificate Number: 32286

503 West Plane Street
Bethel, Ohio 45106

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities. Community Savings Bank's (CSB) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the overall rating. The following points summarize the institution's performance.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

CSB is a mutual savings institution headquartered in Bethel, Ohio. The institution operates in southwestern Ohio in Clermont, Brown, Hamilton, Highland, Ross, and Fayette counties. CSB received a Satisfactory rating at its previous FDIC CRA Performance Evaluation, dated August 1, 2017, using Interagency Small Bank CRA Examination Procedures.

CSB operates its main office and one branch location within its assessment areas. The bank offers a range of credit, deposit, and other financial products to meet the needs of its customers. Deposit products include a variety of personal consumer accounts and business checking and savings accounts. Alternative deposit products include online and mobile banking, and digital wallet. Credit products primarily include residential and commercial loans, and personal and commercial credit cards. In addition to portfolio originations, CSB facilitates the origination of home mortgage loans on the secondary market.

As reported in the March 31, 2023, Consolidated Reports of Condition and Income (Call Report), bank assets totaled approximately \$85.5 million, loans totaled \$72.9 million, deposits totaled \$68.7 million, and securities totaled \$6.1 million. The following table provides a breakdown of the bank's loan portfolio.

Loan Portfolio Distribution as March 31, 2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,070	1.4
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	43,614	59.9
Secured by Multifamily (5 or more) Residential Properties	8,374	11.5
Secured by Nonfarm Nonresidential Properties	9,749	13.4
Total Real Estate Loans	62,807	86.2
Commercial and Industrial Loans	10,026	13.8
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	22	>0.1
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)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	72,855	100.0
<i>Source: Call Report</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. CSB designated two separate assessment areas for CRA in the following Metropolitan Statistical Areas (MSAs): the Cincinnati, OH-KY-IN MSA (Cincinnati MSA) and the Ohio Non-MSA (Non-MSA). The Cincinnati MSA assessment area consists of the entirety of Brown, Clermont, and Hamilton counties, which are three of the five counties in the Ohio portion of the multi-state MSA. The Non-MSA assessment area consists of the entirety of the contiguous counties of Ross, Fayette, and Highland. CSB's assessment areas remain the same as the previous evaluation.

Based on the 2015 American Community Survey (ACS) data, the institution's combined assessment areas consist of 304 census tracts with the following income designations: 41 low-income, 80 moderate-income, 107 middle-income, 72 upper-income, and four census tracts with no income designation. Based on the 2020 U.S. Census data, the institution's combined assessment areas consist of 319 census tracts with the following designations: 32 low-income, 84 moderate-income, 116 middle-income, 74 upper-income, and 13 census tracts with no income designation. The release of the 2020 U.S. Census data resulted in an increase in the number of census tracts due to the splitting of some tracts and changes to the income designations of some tracts. Subsequent sections of this evaluation will discuss demographic and economic information for each assessment area.

The institution's assessment area designation is in conformance with CRA requirements, as it consists of whole counties and does not arbitrarily exclude LMI census tracts. The following table details the weighting of each assessment area when considering the volume of loans, deposits, and branches during the evaluation period.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Home Mortgage Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Cincinnati MSA	26,035	99.0	42,685	59.2	1	50.0
Non-MSA	267	1.0	29,474	40.8	1	50.0
Total	26,302	100.0	72,159	100.0	2	100.0

Source: Bank Data; FDIC Summary of Deposits (03/31/2023)

SCOPE OF EVALUATION

General Information

This evaluation covers the period from August 1, 2017, to July 12, 2023. Examiners used the Interagency Small Bank CRA Examination Procedures to evaluate CSB's CRA performance. Examiners evaluated the institution's performance under the criteria noted in the Appendix.

Activities Reviewed

Based on the March 31, 2023, Call Report and information from CSB management, the bank's major product line is home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Examiners did not evaluate small business, small farm, or consumer loans, as they do not represent a major product line and provided no material support for the conclusions or ratings.

For 2021 performance, examiners relied upon the 2015 ACS data to evaluate performance. For 2022 performance, examiners relied upon the 2020 U.S. Census boundary data for the majority of demographic fields, with selected 2020 U.S. Census data for population-related fields, to evaluate performance.

Examiners considered all home mortgage loans reported on the bank's 2021 and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. In 2021, CSB originated 79 home mortgage loans totaling \$22.6 million. In 2022, CSB originated 29 home mortgage loans totaling \$8.5 million. In addition to the totals above, in 2021, CSB facilitated the origination of 46 home mortgage loans through Federal National Mortgage Association totaling \$1.4 million and one home mortgage loan totaling \$80,500 in 2022.

Examiners analyzed and presented both 2021 and 2022 data under the Geographic Distribution and Borrower Profile criteria. Aggregate HMDA data, 2015 ACS data, and 2020 U.S. Census data served as comparisons in analyzing home mortgage lending with examiners generally focusing on the comparison to aggregate lending data, as it is a better indicator of market demand and lending opportunities. Examiners analyzed and presented both the number and dollar volume of home mortgage loans. However, examiners emphasized performance relative to the number of loans, as

this is a better indicator of the number of individuals served. In evaluating the Geographic Distribution and Borrower Profile criteria, examiners only evaluated loans extended within the assessment areas.

CSB's performance in the Cincinnati MSA assessment area carried the most weight when drawing conclusions as it contains the largest portion of the institution's loans and deposits during the evaluation period. Examiners placed nominal weight on the Non-MSA assessment area, as the assessment area comprises a limited portion of the bank's loans. Examiners performed a full-scope review of the Cincinnati MSA assessment area and a limited-scope review of the Non-MSA assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

CSB demonstrated reasonable performance under the Lending Test. Reasonable performance under the Geographic Distribution and Borrower Profile criteria in the Cincinnati MSA primarily supports this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The net LTD ratio, calculated from Call Report data, averaged 96.2 percent over the past 23 calendar quarters from September 30, 2017, to March 31, 2023. The ratio ranged from a low of 85.5 percent as of September 30, 2017, to a high of 105.6 on March 31, 2023. As shown in the following table, the bank's performance exceeds the similarly-situated institutions, which examiners selected based on size, geographic location, and loan portfolio distribution.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 03/31/2023 (\$000s)	Average Net LTD Ratio (%)
Community Savings Bank	85,450	96.2
Similarly-Situated Institution #1	90,779	58.9
Similarly-Situated Institution #2	81,628	71.0
Similarly-Situated Institution #3	81,991	72.4
Similarly-Situated Institution #4	110,465	48.6
<i>Source: Call Report 09/30/2017-03/31/2023</i>		

Assessment Area Concentration

CSB originated a majority of home mortgage loans, by number and dollar volume, within the assessment areas.

Lending Inside and Outside of the Assessment Area										
Home Mortgage Loans	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
2021	65	82.3	14	17.7	79	18,429	81.4	4,216	18.6	22,645
2022	27	93.1	2	6.9	29	7,873	93.1	584	6.9	8,457
Total	92	85.2	16	14.8	108	26,302	84.6	4,800	15.4	31,102
Source: HMDA Reported Data										

Source: HMDA Reported Data

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Reasonable performance within the Cincinnati MSA assessment area primarily supports this rating. Examiners analyzed and presented this criterion separately for each assessment area in the subsequent sections.

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among individuals of different income levels. Reasonable performance in the Cincinnati MSA assessment area primarily supports this rating. Examiners analyzed and presented this criterion for each assessment area in the subsequent sections of this evaluation.

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institutions overall CRA rating.

CINCINNATI MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CINCINNATI MSA ASSESSMENT AREA

The Cincinnati MSA assessment area includes the entirety of Brown, Clermont, and Hamilton counties in Ohio. The three counties are contiguous and located in Southwestern Ohio. CSB operates its main branch within this assessment area, in Clermont County. According to both 2015 ACS and 2020 U.S. Census data, the main branch is located in a moderate-income census tract. During the evaluation period, CSB originated 99.0 percent of the bank’s home mortgage loans and 59.2 percent of the bank’s deposits within this assessment area.

Economic and Demographic Data

Based on 2015 ACS data, the Cincinnati MSA assessment area consisted of 271 census tracts with the following designations: 41 low-income, 70 moderate-income, 87 middle-income, and 69 upper-income tracts. The assessment area also includes four census tracts without an income designation. Based on 2020 U.S. Census data, the Cincinnati MSA assessment area consists of 284 census tracts

with the following designations: 32 low-income, 77 moderate-income, 92 middle-income, 70 upper-income, and 13 tracts with no income designation. Hamilton County contains a majority of the low-income census tracts, while all three counties include moderate-income census tracts. The following table illustrates relevant demographic information for the assessment area, based on 2020 U.S. Census data.

Demographic Information of the Cincinnati MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	284	11.3	27.1	32.4	24.6	4.6
Population by Geography	1,082,916	8.1	28.2	34.1	27.3	2.3
Housing Units by Geography	484,076	9.4	29.1	32.8	25.8	2.8
Owner-Occupied Units by Geography	273,187	4.1	24.4	37.1	33.4	1.0
Occupied Rental Units by Geography	168,559	15.6	36.0	27.7	16.0	4.6
Vacant Units by Geography	42,330	18.5	32.7	25.8	15.9	7.1
Businesses by Geography	145,116	6.5	22.8	31.1	37.8	1.9
Farms by Geography	3,073	3.4	24.1	38.8	32.5	1.2
Family Distribution by Income Level	265,178	24.1	17.5	20.3	38.0	0.0
Household Distribution by Income Level	441,746	28.1	16.0	17.2	38.7	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$84,990	Median Housing Value			\$182,313
Families Below Poverty Level		9.6%	Median Gross Rent			\$850
Source: 2020 U.S. Census and 2022 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.						

According to 2020 U.S. Census data, the assessment area contains 484,076 housing units, of which 56.5 percent are owner-occupied, 34.8 percent are rental units, and 8.7 percent are vacant. The Geographic Distribution criterion compares the bank's home mortgage lending to the distribution of owner-occupied housing units in the assessment area.

Examiners use the FFIEC median family income estimates to analyze the home mortgage lending under the Borrower Profile criterion. The following table outlines the ranges for the assessment area during the evaluation period.

Cincinnati MSA Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$81,900)	<\$40,950	\$40,950 to <\$65,520	\$65,520 to <\$98,280	≥\$98,280
2022 (\$97,400)	<\$48,700	\$48,700 to <\$77,920	\$77,920 to <\$116,880	≥\$116,880
Source: FFIEC				

Examiners considered unemployment data when evaluating the bank's ability to lend within the assessment area. According to the U.S. Bureau of Labor Statistics, the assessment area's unemployment level ranged from 4.4 percent in August 2017, to 3.1 percent in May 2023, which trended below both the state and national levels. The assessment area experienced higher unemployment rates in 2020, most likely due to the COVID-19 pandemic. The decreasing unemployment rate indicates a strong labor market in the assessment area.

Competition

There is a high level of competition for financial services in the Cincinnati MSA assessment area. According to the FDIC Deposit Market Share data as of June 30, 2022, 41 financial institutions operate 315 full service offices within the assessment area. Of the 41 financial institutions, CSB ranked 35th with less than 0.1 percent of the deposit market share. The top two institutions accounted for 84.8 percent of the deposit market share.

Aggregate HMDA data also identifies a significant level of competition for home mortgage loans within the assessment area. According to 2021 aggregate lending data, the most current year available, 517 lenders originated or purchased 58,897 home mortgage loans, with the top two lenders accounted for 15.0 percent of total market share. Of the 517 lenders, CSB ranked 118th with only 0.1 percent of the market share.

Community Contact

As part of the evaluation process, examiners contact third-parties active in the assessment area to assist in identifying credit needs and opportunities, include the institution's responsiveness to those needs.

Examiners reviewed a recent community contact interview with a representative from an affordable housing organization in Hamilton County, Ohio. The organization focuses on eliminating and reducing the homeownership gap regarding LMI areas and borrowers. The contact stated there is an affordable housing crisis, for both LMI housing and rental properties in the Cincinnati region that has significantly worsened since the COVID-19 pandemic. Additionally, the contact stated their organization has identified opportunities for banks to invest and offer more credit products, including down payment assistance programs, to assist in home ownership and preservation for LMI individuals and families.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage, specifically affordable housing efforts, represent the primary credit and community development needs of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CINCINNATI MSA ASSESSMENT AREA

LENDING TEST

CSB demonstrated reasonable performance under the Lending Test in the Cincinnati MSA assessment area. This rating is supported by reasonable performance under the both the Geographic Distribution and Borrower Profile criteria.

Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. CSB's performance significantly trailed aggregate and comparable demographic in 2021 in low-income census tracts; however, performance increased in 2022 to exceed demographic data. As previously mentioned, low-income census tracts reflect particularly low owner-occupancy levels and there is a high level of competition for financial services in the assessment area.

CSB's performance in moderate-income census tracts is comparable to the aggregate lending data and demographic in 2021; however, performance exceeded demographic data in 2022. While home mortgage lending demand decreased in 2022, CSB's overall performance in lending to low- and moderate-income geographies remains overall reasonable.

Geographic Distribution of Home Mortgage Loans – Cincinnati MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	4.5	4.3	1	1.6	225	1.2
2022	4.1	-	2	8.0	428	5.5
Moderate						
2021	20.2	18.3	11	17.5	3,808	20.8
2022	24.4	-	8	32.0	2,779	35.8
Middle						
2021	39.5	38.9	29	46.0	4,961	27.2
2020	37.1	-	6	24.0	1,979	25.5
Upper						
2021	35.7	38.3	22	34.9	9,276	50.8
2022	33.4	-	7	28.0	1,932	24.9
Not Available						
2021	0.1	0.1	0	0.0	0	0.0
2022	1.0	-	2	8.0	648	8.3
Totals						
2021	100.0	100.0	63	100.0	18,269	100.0
2022	100.0	-	25	100.0	7,766	100.0
Source: 2015 ACS and 2020 U.S. Census Data; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

Borrower Profile

The distribution of home mortgage loans to individuals of different income levels reflects reasonable performance. CSB's overall lending performance to LMI borrowers trailed aggregate lending and comparable demographic data in both 2021 and 2022. However, a majority of home mortgage loans in the assessment area are for investment properties in which the institution reports

income as not applicable or exempt on the HMDA LAR. Considering all factors, performance is reasonable.

As shown in the following table, CSB's performance to low-income borrowers significantly trailed demographic data in both 2021 and 2022; however, 9.6 percent of families in the assessment area have incomes below the poverty level. Families in this category generally do not have the financial capacity to qualify and obtain a home mortgage, and as such, this decreases overall demand and opportunity for lending to low-income borrowers.

Although CSB's performance trails both demographic and aggregate lending data in 2021 for moderate-income borrowers, the bank's percent of loans to moderate-income borrowers increased significantly in 2022 to closer align with demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level – Cincinnati MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	25.5	8.3	2	3.2	145	0.8
2022	24.1	-	1	4.0	131	1.7
Moderate						
2021	16.4	19.6	6	9.5	696	3.8
2022	17.5	-	4	16.0	615	7.9
Middle						
2021	18.9	20.6	10	15.9	2,327	12.7
2022	20.3	-	4	16.0	851	10.9
Upper						
2021	39.2	35.8	30	47.6	10,633	58.2
2022	38.1	-	4	16.0	1,750	22.5
Not Available						
2021	0.0	15.7	15	23.8	4,469	24.5
2022	0.0	-	12	48.0	4,419	57.0
Totals						
2021	100.0	100.0	63	100.0	18,269	100.0
2022	100.0	-	25	100.0	7,766	100.0
Source: 2015 ACS and 2020 U.S. Census Data; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

NON-MSA – Limited-Scope Review

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

Examiners conducted a limited-scope review of the institution’s performance in the Non-MSA assessment area, consistent with the scope of this evaluation discussed earlier. CSB operates one full-service branch within this assessment area. The branch is located in Greenfield, Ohio, in the northeast corner of Highland County and partially into Ross County. The assessment area is more rural and less populated than the Cincinnati MSA assessment area. The Non-MSA assessment area contains no low-income census tracts. CSB has not opened or closed any branches within this assessment area since the previous evaluation. The assessment area accounts for 1.0 percent of the total loans, 40.8 percent of the deposits, and 50.0 percent of the institution’s branches. The following table shows demographic information for the assessment area, based on 2020 U.S. Census data.

Demographic Information of the Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	35	0.0	20.0	68.6	11.4	0.0
Population by Geography	149,361	0.0	15.8	70.8	13.4	0.0
Housing Units by Geography	64,190	0.0	17.2	68.6	14.2	0.0
Owner-Occupied Units by Geography	39,990	0.0	12.7	71.9	15.4	0.0
Occupied Rental Units by Geography	17,574	0.0	24.7	63.7	11.6	0.0
Vacant Units by Geography	6,626	0.0	24.9	61.7	13.5	0.0
Businesses by Geography	9,922	0.0	21.2	66.4	12.4	0.0
Farms by Geography	773	0.0	8.2	80.9	11.0	0.0
Family Distribution by Income Level	38,710	22.9	19.3	20.6	37.2	0.0
Household Distribution by Income Level	57,564	26.6	16.5	17.9	39.1	0.0
Median Family Income Non-MSAs - OH		\$66,684	Median Housing Value			\$125,025
Families Below Poverty Level		11.7%	Median Gross Rent			\$712
Source: 2020 U.S. Census and 2022 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.						

CONCLUSIONS ON PERFORMANCE CRITERIA IN NON-MSA ASSESSMENT AREA

LENDING TEST

CSB's lending under the Geographic Distribution and Borrower Distribution criteria reflects reasonable performance in the Non-MSA assessment area, and is consistent with the institution's performance overall. The bank originated two home mortgage loans within the assessment area in both 2021 and 2022. Tables illustrating the bank's Geographic Distribution and Borrower Profile performances for this assessment area are included in Appendix B.

APPENDICES

APPENDIX A: 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).

APPENDIX B: NON-MSA ASSESSMENT AREA LENDING

Geographic Distribution

Geographic Distribution of Home Mortgage Loans – Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2021	24.5	23.8	2	100.0	160	100.0
2022	12.7	-	0	0.0	0	0.0
Middle						
2021	65.9	65.4	0	0.0	0	0.0
2022	71.9	-	2	100.0	107	100.0
Upper						
2021	9.6	10.8	0	0.0	0	0.0
2022	15.4	-	0	0.0	0	0.0
Totals						
2021	100.0	100.0	2	100.0	160	100.0
2022	100.0	-	2	100.0	107	100.0
Source: 2015 ACS and 2020 U.S. Census Data; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

Distribution of Home Mortgage Loans by Borrower Income Level - Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	24.9	6.8	1	50.0	45	28.1
2022	22.9	-	1	50.0	81	75.7
Moderate						
2021	19.3	19.3	1	50.0	115	71.9
2022	19.3	-	1	50.0	26	24.3
Middle						
2021	20.1	22.5	0	0.0	0	0.0
2022	20.6	-	0	0.0	0	0.0
Upper						
2021	35.7	30.8	0	0.0	0	0.0
2022	37.2	-	0	0.0	0	0.0
Not Available						
2021	0.0	20.5	0	0.0	0	0.0
2022	0.0	-	0	0.0	0	0.0
Totals						
2021	100.0	100.0	2	100.0	160	100.0
2022	100.0	-	2	100.0	107	100.0
Source: 2015 ACS and 2020 U.S. Census Data; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

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.