

# **PUBLIC DISCLOSURE**

July 11, 2011

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Commercial and Savings Bank of Millersburg, Ohio  
91 North Clay Street  
Millersburg, Ohio 44654  
RSSD #189129

Federal Reserve Bank of Cleveland

P.O. Box 6387  
Cleveland, Ohio 44101-1387

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 the 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'S CRA RATING: SATISFACTORY**

The Lending Test is rated "Satisfactory"

The Community Development Test is rated "Outstanding"

The major factors and criteria contributing to this rating include:

- A reasonable loan-to-deposit ratio, given the bank's size, financial condition, and assessment area credit needs;
- A substantial majority of loans and other lending-related activities are in the assessment area;
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area;
- A reasonable penetration among individuals of different income (including low- and moderate-income individuals) levels and businesses of different sizes;
- An outstanding level of responsiveness to the community development needs of its assessment area; and,
- There were no CRA-related complaints filed against the bank since the previous Community Reinvestment Act (CRA) examination.

The bank was rated "Satisfactory" at the previous CRA evaluation dated July 13, 2009.

## SCOPE OF EXAMINATION

The Commercial and Savings Bank of Millersburg, Ohio (CSB) was evaluated using the Interagency Intermediate Small Bank procedures. Under this examination method, the bank's lending and community development activities within its assessment area are evaluated. The bank's CRA performance covers the period from January 1, 2010 through December 31, 2010 for lending and the period from July 14, 2009 through July 8, 2011 for community development activities.

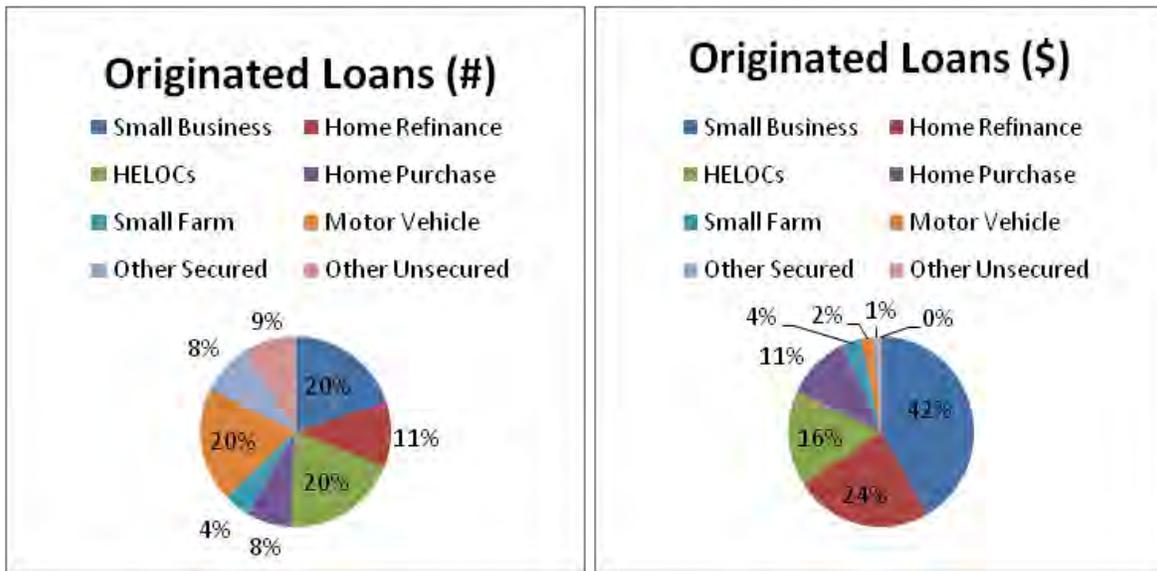
The following loan products were evaluated under the lending test: home purchase and refinance loans, collectively titled Home Mortgage Disclosure Act (HMDA) loans; small business loans; and consumer loans. For this evaluation, consumer loans consist of home equity lines of credit (HELOCs), motor vehicle loans, and other secured and unsecured loans. Small farm loans were not included in the evaluation, as these loans comprise a small percentage of the bank's overall lending portfolio.

For CRA purposes, CSB delineated two assessment areas within its market. The bank's primary assessment area is located in nonmetropolitan Ohio and is comprised of the entireties of Holmes and Tuscarawas Counties and portions of Coshocton and Wayne Counties. The nonmetropolitan area received a full-scope evaluation. The bank's secondary assessment area is located in the Canton-Massillon Metropolitan Statistical Area (MSA) and is comprised of a portion of north-central Stark County. During this evaluation period, CSB only originated eight loans in the MSA; thus, due to the limited volume of lending, no meaningful analysis or conclusions could be determined and no evaluation of this assessment area was conducted.

As a result, the subsequent evaluation focuses on the performance, lending, and community development activities that occurred within the nonmetropolitan assessment area. Four community contacts were conducted to provide perspective on the credit needs of the assessment area in which the bank operates. Details from these interviews are presented within the respective assessment areas of this evaluation.

The following table and charts illustrate the volume and distribution of loans originated during the evaluation period:

<b>Loan Type</b>	<b>Number of Loans</b>	<b>Dollar Amount of Loans \$ (000)</b>
Small Business	160	\$22,259
Refinance	89	\$12,800
HELOC	160	\$8,642
Home Purchase	62	\$5,886
Small Farm	35	\$1,873
Motor Vehicle Loans	158	\$1,181
Other Secured	69	\$514
Unsecured	72	\$183
<b>Total Loans</b>	<b>805</b>	<b>\$53,338</b>



Given the above distribution, small business loans received the greatest weight in this analysis based on number of loans and dollar volume. Primarily based on dollar volume, the next greatest weight was given to HMDA loans (home purchase and refinance loans) and consumer loans received the least weight in this analysis.

CSB's performance under CRA was evaluated in terms of the demographic and business context in which the bank operates. The bank's asset size and financial condition indicate that it has the ability to continue to effectively meet the credit needs of its assessment area. There are no legal or other impediments hampering the bank's ability to meet the community's credit needs.

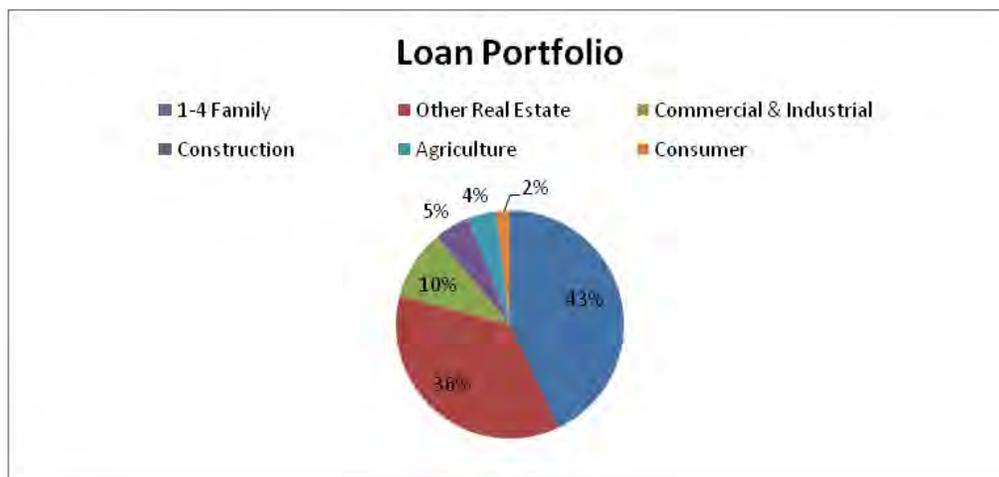
## DESCRIPTION OF INSTITUTION

The Commercial and Savings Bank of Millersburg, Ohio (CSB) is a state member bank and is the sole subsidiary of CSB Bancorp. The holding company also owns CSB Investment Services, LLC, an insurance company. All of these entities are located in the northern Ohio village of Millersburg. CSB has assets of \$445 million as of March 31, 2011, an increase of 5.4% since the previous examination in July 2009.

In addition to the main office, CSB operates 12 offices throughout Holmes, Wayne, and Tuscarawas Counties and one office in Stark County. Eleven of the 12 offices have full-service automated teller machines (ATMs). While the main office and the Gnadenuhnen offices do not have full-service ATMs, CSB has four cash-only ATMs located in Millersburg, Dover, Washington, and Gnadenuhnen, Ohio. CSB also has a loan operations center located in Wooster, Ohio. Since the previous evaluation, CSB opened a new branch office in Orrville, Ohio in Wayne County. No branches were closed. Refer to Appendix B for a map of the bank's assessment area and office locations.

CSB is a full-service retail bank offering deposit accounts and consumer, real estate, and commercial and agricultural loans. As of March 31, 2011, the loan portfolio totaled \$318 million. While the concentration levels have remained consistent for real estate loans since the previous evaluation, loans for commercial real estate increased by 17.9% and loans to individuals decreased by 22.5%. Agricultural loans also decreased by 13.3% during the same period.

Loans constitute approximately 69.8% of total assets, with real estate loans accounting for approximately 79.0% of the loan portfolio. The following chart demonstrates the bank's loan portfolio composition as of March 31, 2011:



CSB's investment portfolio as of March 31, 2011 was \$95 million, which represents 23.0% of total assets. Investments in U.S. Treasuries and Agencies account for 71.7%, municipal securities account for 13.4%, interest-bearing bank balances represent 12.5% of all investments, while all other securities and federal funds sold comprise the remaining 2.4% of the bank's total investments.

## DESCRIPTION OF ASSESSMENT AREA IN NONMETROPOLITAN OHIO AREA

The nonmetropolitan area consists of the entireties of Holmes and Tuscarawas Counties and portions of Coshocton and Wayne Counties. The majority (83.0%) of the bank's census tracts are located in this assessment area. The nonmetropolitan area is made up of 50 census tracts comprised of no low-income census tracts, four moderate-income census tracts, 42 middle-income census tracts, and four upper-income census tracts. None of the bank's middle-income census tracts were considered distressed/underserved during this evaluation period. Refer to combined demographics table in Appendix A for details regarding the bank's overall assessment area.

There is much competition throughout this assessment area. There are 25 FDIC-insured institutions operating 121 offices within Coshocton, Holmes, Tuscarawas, and Wayne Counties. Statistics as of June 30, 2010 indicate CSB has 8.4% market share of deposits within these four counties, which ranks CSB fourth among the 25 institutions in this market. PNC ranked first with 16.6% market share of deposits with 15 offices, Huntington National Bank ranked second with 10.3% market share with seven offices, while JPMorgan Chase Bank ranked third with 8.5% market share with 10 offices.<sup>1</sup>

According to the 2010 U.S. Census, Holmes County's population is 42,366.<sup>2</sup> The county seat for Holmes County is Millersburg Village. Holmes County is home to the largest Amish settlement in the world.<sup>3</sup> The Amish comprise a large percentage of the population in the assessment area and the population is continuing to grow. Additionally, many Amish families live in the surrounding counties, including Wayne, Tuscarawas, and Coshocton Counties.

Lending opportunities within the Amish community are somewhat limited for area financial institutions, since the Amish do not own automobiles or purchase personal items on credit and have their own means of providing financial assistance to the community. The Amish Aid Fund (Fund) is a source of funding to help Amish families respond to emergency needs ranging from illness or other medical needs to losses from fire or farm losses.

Members of more than 100 Amish congregations participate in maintaining the Fund through private donations and fundraisers. The Fund is administered by a trustee designated by the bishop. Recipients are generally required to pay the first \$2,000 of their expenses, with the remaining funds up to a specified maximum provided by the Fund. Once the emergency is addressed, the family repays the Fund. The Fund trustee also offers financial counseling and can help families develop a budget and manage their bills.

Because of growing interest in the Amish community and culture, tourism plays a major role in the area's economy. Additionally, much of the light industry, such as woodworking, further supports tourism.

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1 FDIC/OTS Summary of Deposits: [www.fdic.gov](http://www.fdic.gov)

2 US Census Bureau: <http://quickfacts.census.gov/qfd/states/39/39075.html>

3 [www.ohioamishcountry.com](http://www.ohioamishcountry.com)

According to the Ohio Department of Development's Office of Policy, Research, and Strategic Planning,<sup>4</sup> the county seat of Tuscarawas County is New Philadelphia. The city of New Philadelphia is both its largest city and county seat.

Coshocton County is the largest agricultural county in Ohio and the city of Coshocton is both its largest city and county seat.

In Wayne County, the city of Wooster is both its largest city and county seat.

Three community contacts were conducted in this assessment area in order to provide additional information regarding the assessment area. The community contacts provided context to the demographic and economic characteristics discussed below.

The economic development contact located in Tuscarawas County identified the positive relationship that the local business community and banks have developed. However, the contact also mentioned that there has been a need for the local banks to partner more with the local government down payment assistance program, which provides up to 5.0% of the purchase price of a home for LMI individuals. The contact felt that local banks' lending standards are such that this program has never been fully utilized to help increase home ownership for LMI individuals and families.

In Holmes and Wayne Counties, the agricultural contact specifically mentioned CSB as meeting the credit needs of the farming community. However, the contact mentioned there is a need for additional affordable housing within these counties primarily due to the high cost of land.

The Holmes County community contact on affordable housing singled out CSB as a leader in providing affordable housing assistance and a strong partner in helping to increase the availability of affordable housing through both donations and volunteerism. Issues facing the county include lack of infrastructure related to water and sewage access, the high cost of land, and the geography, which includes large unbuildable areas in flood plains and hilly terrain.

Although affordable housing in the area is still scarce, there appears to be consensus among the community contacts that the area's unemployment rate is a major concern contributing to the challenge of attracting and retaining new businesses and residents. However, the contacts generally believe that local banks are providing credit products when the opportunities present themselves.

### **Population Characteristics**

According to the 2000 U.S. Census, the total population within this assessment area is 214,126. Also, 9.5% of the population lives in the moderate-income census tracts, and the majority of the population (84.1%) lives in middle-income census tracts. Of the total population, 13.1% is age 65 or older.

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<sup>4</sup> <http://development.ohio.gov/research/>

According to the Ohio Department of Development’s Office of Policy, Research, and Strategic Planning,<sup>5</sup> all the counties within the nonmetropolitan area experienced a slight growth in population since the previous census and have a projected increase in population over the next 20 years as demonstrated in the table below:

County	Actual 2000	Actual 2010	Projected Population 2020	Projected Population 2030
Holmes	38,943	42,366	47,010	49,690
Tuscarawas	90,914	92,582	96,080	98,220
Coshocton	36,655	36,901	37,700	37,610
Wayne	111,564	114,520	128,670	136,690

**Income Characteristics**

Based on the 2000 U.S. Census, the median family income was \$43,409, which is below Ohio’s median family income of \$50,037. The median household income was \$37,298, which is below Ohio’s median household income of \$40,956.

Based on more recent 2010 Federal Housing Finance Agency data provided to Fannie Mae,<sup>6</sup> the assessment area’s median family income increased as follows:

County	2010 Median Family Income
Holmes	\$52,900
Tuscarawas	\$54,100
Coshocton	\$52,900
Wayne	\$62,400
<b>State of Ohio</b>	<b>\$53,700</b>

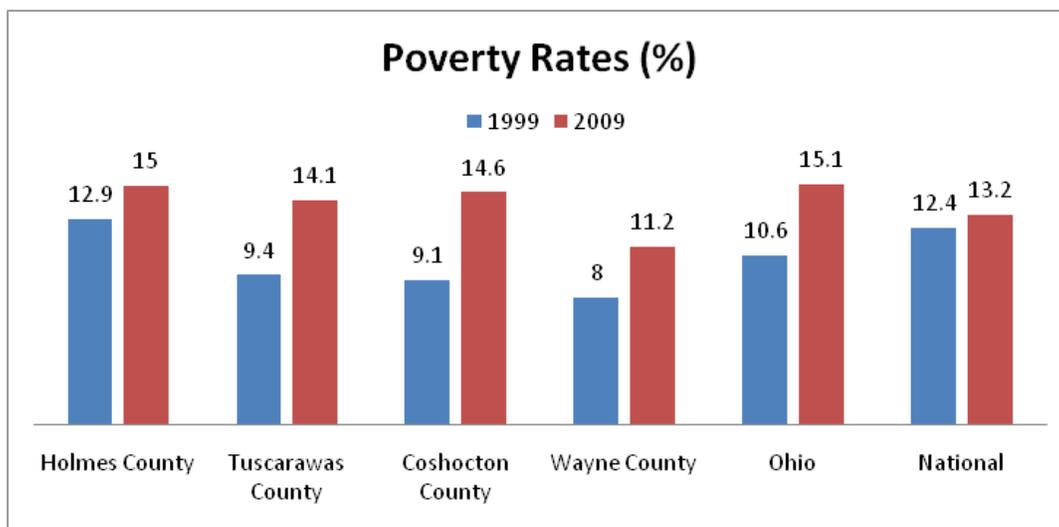
There are 77,385 households, of which 56,695 (73.3%) are designated as families. In the assessment area, 7.4% of the families were below the poverty level, which is slightly lower than Ohio’s rate at 7.8%. In addition, 15.8% of families who live below the poverty level in this assessment area reside in moderate-income census tracts. The majority of families below the poverty level (80.3%) reside in middle-income census tracts. Only 4.0% of families below the poverty level reside in upper-income census tracts.

Based on 2009 data from the Economic Research Service of the United States Department of Agriculture (USDA),<sup>7</sup> household poverty rates for the counties in the assessment area were:

5 <http://development.ohio.gov/research/files/s0.htm>

6 [www.efanniemae.com/sf/refmaterials/hudmedinc/index.jsp](http://www.efanniemae.com/sf/refmaterials/hudmedinc/index.jsp)

7 [www.ers.usda.gov/Data/Povertyrates/](http://www.ers.usda.gov/Data/Povertyrates/)



Further, of households in this assessment area receiving public assistance, 21.1% are in moderate-income tracts and the majority (80.4%) is concentrated in middle-income tracts. Also, of the renters with a rent cost greater than 30.0% of their income, 19.2% and 75.5% reside in moderate- and middle-income tracts, respectively.

### Housing Characteristics

According to the 2000 U.S. Census, there are 82,436 housing units in the assessment area. Within the assessment area, 83.8% are one-to-four family units, 69.3% are owner-occupied, 24.5% are rental units, and 6.2% are vacant. Of the owner-occupied units, 57.8%, 70.5%, and 73.3% are located in moderate-, middle-, and upper-income tracts, respectively; therefore, there is less of an opportunity for banks to make refinance and home improvement loans to individuals living in moderate-income tracts as compared to individuals living in middle- and upper-income tracts. The owner-occupancy rate is highest in Holmes County at 71.0%, followed by Tuscarawas and Wayne Counties at 70.1%, and Coshocton County at 67.7%. Overall, the assessment area's owner-occupancy rate is higher than the state of Ohio's at 64.2%.

The median age of the housing stock is 36 years, with the oldest housing stock in moderate-income tracts at 58 years and 34 and 35 years in middle- and upper-income tracts, respectively. The age of the housing stock for these areas indicates an opportunity for home improvement-type lending.

According to the 2000 U.S. Census data, the median housing value in the assessment area was \$95,810, with an affordability ratio of 38.0%; the higher the affordability ratio, the more affordable a home is considered (the housing affordability ratio is calculated by dividing median family income by median housing value). This indicates that a slightly greater challenge exists for low- and moderate-income borrowers to purchase a home in the bank's assessment area as compared to the state of Ohio's 40.0% ratio. Based on the affordability ratio, the most affordable housing is located in Coshocton County at 45.0%, followed by Tuscarawas County at 41.0% and Wayne County at 39.0%. Housing is least affordable in Holmes County, with an affordability ratio of 32.0%.

Further, based on the average median family income for this assessment area (\$55,575), about 38.1% of the homes valued up to \$91,600 in the assessment area would be considered affordable for low-income individuals and approximately 72.3% of the homes valued up to \$145,000 would be considered affordable for moderate-income individuals. These percentages were calculated assuming an average mortgage payment equal to 28.0% of gross income for a 5.0% fixed-rate, 30-year loan.

According to RealtyTrac,<sup>8</sup> an online real estate marketplace and data company that tracks foreclosure statistics among other data, foreclosure filings was reported on 8,376 Ohio properties in July 2011. While Ohio’s rate has dropped over the past few years, Ohio still had the nation’s ninth-highest state overall foreclosure rate. One in every 608 Ohio households received a foreclosure notice in July 2011.

The following table shows the number of foreclosures by rank and foreclosure rates by county in the bank’s assessment area as of July 2011:

County Rank by Number of Foreclosures <sup>9</sup>	Number of Foreclosures	Housing Units Received a Foreclosure Filing <sup>10</sup>	Rank by Foreclosure Rate
22. Wayne	76	1 in 606	#1
31. Tuscarawas	49	1 in 797	#2
73. Holmes	5	1 in 2,536	#3
75. Coshocton	4	1 in 4,035	#4

From a rental perspective, the median gross rent in the assessment area was \$457, with nearly 52.9% of rents being less than \$500 a month, according to the 2000 U.S. Census. Less than 6.5% of rental units had rents greater than \$700 per month. Additionally, 26.5% of renters have rent costs greater than 30% of median family income within the assessment area. This indicates that rents are more affordable for low- and moderate-income borrowers in the bank’s assessment area as compared to the state of Ohio’s 33.8%.

**Labor, Employment, and Economic Characteristics**

The largest type of employment and corresponding salary information for each county listed below is based on 2010 statistics obtained from the Ohio Department of Development.<sup>11</sup>

For Holmes County, the largest industries by average employment are manufacturing, trade, transportation, and utilities; local government; leisure and hospitality; and professional and business services.

8 www.realtytrac.com

9 There are 88 counties in the State of Ohio

10 The foreclosure rate is calculated by dividing the total housing units in the county by the total number of properties that received foreclosure filings during the month and that number is expressed as a ratio (i.e., 1 in 100). The lower the second number in the ratio, the higher the foreclosure rate

11 http://development.ohio.gov/research/

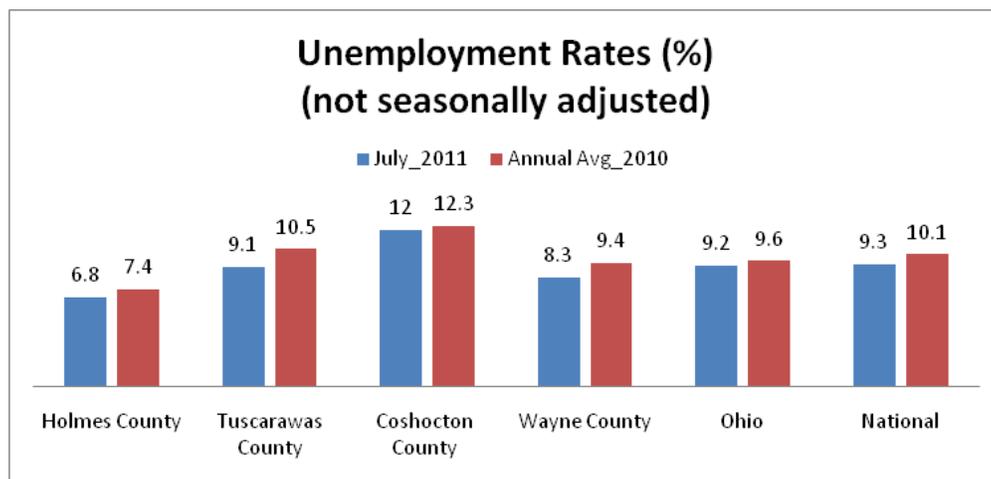
The largest industries by corresponding average weekly corresponding salaries are professional and business services (\$663); local government (\$623); manufacturing (\$489); trade, transportation, and utilities (\$489); and leisure and hospitality (\$234). Some of the major employers in this county are Case Foods, Inc., West and East Holmes Local Boards of Education, Rexam, Pomerene Hospital, and Wayne-Dalton Corp.

For Tuscarawas County, the largest industries by average employment are manufacturing; trade, transportation, and utilities; education and health; local government; and leisure and hospitality. The largest industries by average weekly corresponding salaries are manufacturing (\$765); local government (\$634); education and health (\$552); trade, transportation, and utilities (\$510); and leisure and hospitality (\$220). Some of the major employers in this county are Alamo Group/Gradall Industries, Allied Machine & Engineering, Smurfit-Stone Container Corp., Dover and New Philadelphia City Schools, and Union Hospital.

For Coshocton County, the largest industries by average employment are manufacturing; trade, transportation, and utilities; education and health, and local government. The largest industries by weekly corresponding salaries are manufacturing (\$846); trade, transportation, and utilities (\$669); local government (\$609), and education and health (\$526). Some of the major employers in this county are AK Steel Holding Corp., American Electric Power Company, Ansell Ltd., Coshocton City Schools, and Coshocton County Government.

For Wayne County, the largest industries by average employment are: manufacturing; trade, transportation, and utilities; local government; education and health; and leisure and hospitality. The largest industries by corresponding weekly corresponding salaries are manufacturing (\$849); local government (\$689); education and health (\$568); trade, transportation, and utilities (\$565); and leisure and hospitality (\$211). Some of the major employers in this county are the Buehler Food Markets, College of Wooster, Frito-Lay Inc., JM Smucker Co., LuK Inc., State of Ohio, and Will-Burt Co.

The following table outlines the unadjusted unemployment rate of the bank's assessment area according to the Ohio Department of Job and Family Services.<sup>12</sup>



<sup>12</sup> Department of Job and Family Services: <http://ohiolmi.com/>

The following demographic table illustrates the assessment area:

**Combined Demographics Report**

Assessment Area(s): Non MSA OH

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	9,573	16.9	
Moderate-income	4	8.0	5,349	9.4	662	12.4	11,362	20.0	
Middle-income	42	84.0	47,349	83.5	3,375	7.1	14,268	25.2	
Upper-income	4	8.0	3,997	7.1	167	4.2	21,492	37.9	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>50</b>	<b>100.0</b>	<b>56,695</b>	<b>100.0</b>	<b>4,204</b>	<b>7.4</b>	<b>56,695</b>	<b>100.0</b>	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacant			
		#	%	%	#	%	#	%	
Low-income	0	0	0.0	0.0	0	0.0	0	0.0	
Moderate-income	8,950	5,175	9.1	57.8	3,090	34.5	685	7.7	
Middle-income	67,776	47,752	83.6	70.5	15,906	23.5	4,118	6.1	
Upper-income	5,710	4,186	7.3	73.3	1,214	21.3	310	5.4	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>82,436</b>	<b>57,113</b>	<b>100.0</b>	<b>69.3</b>	<b>20,210</b>	<b>24.5</b>	<b>5,113</b>	<b>6.2</b>	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	848	9.0	724	8.8	55	8.2	69	14.1	
Middle-income	7,973	84.7	6,972	84.5	601	89.2	400	81.8	
Upper-income	591	6.3	553	6.7	18	2.7	20	4.1	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>9,412</b>	<b>100.0</b>	<b>8,249</b>	<b>100.0</b>	<b>674</b>	<b>100.0</b>	<b>489</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>				<b>87.6</b>		<b>7.2</b>		<b>5.2</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	16	1.9	16	1.9	0	0.0	0	0.0	
Middle-income	800	93.9	794	93.9	6	100.0	0	0.0	
Upper-income	36	4.2	36	4.3	0	0.0	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>852</b>	<b>100.0</b>	<b>846</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>	
<b>Percentage of Total Farms:</b>				<b>99.3</b>		<b>.7</b>		<b>.0</b>	

Based on 2010 D&B information according to 2000 Census Boundaries.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### Lending Test

The bank is rated “Satisfactory” under the lending test.

### *Loan-to-Deposit Ratio*

A financial institution’s loan-to-deposit (LTD) ratio compares the institution’s aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution’s lending volume relative to its capacity to lend and is derived by adding the quarterly loan-to-deposit ratios and dividing the total by the numbers of quarters. CSB’s peer group<sup>13</sup> consists of a similarly situated institution within the same market.

The following table illustrates CSB’s quarterly loan-to-deposit ratios for eight quarters since the previous evaluation, along with the average loan-to-deposit ratio for the same period for the bank and the peer.

<b>CSB – Aggregate Peer Bank Loan-to-Deposit Ratios</b>				
<b>As of Date</b>	<b>Net Loans (000s)</b>	<b>Total Deposits (000s)</b>	<b>Bank Ratio</b>	<b>Peer Ratio</b>
June 30, 2011	312,527	347,909	89.83	76.65
March 31, 2011	318,009	349,233	91.06	76.50
December 31, 2010	311,616	353,867	88.06	78.87
September 30, 2010	312,929	342,270	91.43	79.69
June 30, 2010	307,313	330,879	92.88	80.44
March 31, 2010	307,213	327,217	93.89	80.87
December 31, 2009	309,762	330,132	93.83	82.64
September 30, 2009	311,121	303,540	102.50	84.75
<b>Quarterly Loan-to-Deposit Ratio Average Since Previous Evaluation</b>			<b>92.94</b>	<b>80.05</b>

The bank averaged a 92.9% LTD over the past eight quarters. The bank’s average LTD ratio is higher than the national peer group’s average LTD ratio of 80.1%. Bank management attributes the lowering LTD ratios during the evaluation period to economic conditions and the bank’s conservative lending philosophy. With economic conditions, management has seen individuals and businesses overall reducing debt.

CSB’s LTD ratio is taken from the above table and compared to the following custom local peer banks: Killbuck Savings Bank, First National Bank, and Wayne Savings Community Bank. These banks were selected as local peers because of the similar number of offices inside CSB’s market area and asset size.

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<sup>13</sup> CSB’s national peer group consists of all commercial banks having assets between \$300 million and \$1 billion.

Killbuck has seven offices and 7.3% of the deposit market share, First National has nine offices and 6.0% of the market share, and Wayne Savings has seven offices and 6.1% of the market share. Killbuck Savings Bank and Wayne Savings were specifically selected as peer bank comparisons because the bank has noted them as significant competitors. Reviewing the ratios below, it is apparent that CSB is extending more loans relative to its capacity to lend compared to the local peer banks.

<b>Financial Information as of June 30, 2011</b>				
<b>Institution Name</b>	<b>RSSD ID</b>	<b>Total Assets</b>	<b>Net Loans and Leases</b>	<b>Total Deposits</b>
Commercial and Savings Bank (CSB)	189129	\$417,705	\$312,527	\$347,909
Killbuck Savings Bank	614313	\$392,463	\$214,066	\$369,844
First National Bank, Orville	217620	\$365,322	\$203,255	\$337,403
<b>Financial Information as of March 31, 2011</b>				
Wayne Savings Community Bank	985479	\$407,756	\$240,935	\$320,228

<b>CSB - Local Peer Bank Loan-to-Deposit Ratios</b>				
<b>As of Date</b>	<b>CSB</b>	<b>Killbuck</b>	<b>First National Bank</b>	<b>Wayne Savings</b>
June 30, 2011	89.83	57.88	60.24	Unavailable
March 31, 2011	91.06	57.56	60.97	75.24
December 31, 2010	88.06	57.65	61.41	74.57
September 30, 2010	91.43	60.19	62.81	76.37
June 30, 2010	92.88	63.35	61.35	77.91
March 31, 2010	93.89	64.18	61.81	79.47
December 31, 2009	93.83	64.68	65.71	81.14
September 30, 2009	102.5	69.08	64.59	85.09
<b>Quarterly LTD Average Ratio</b>	<b>92.94</b>	<b>61.82</b>	<b>62.36</b>	<b>78.54</b>

Therefore, considering the bank's lending-related activity, size, financial condition, and assessment area credit needs, CSB's LTD ratio is considered reasonable.

### Lending in the Assessment Area

The bank's small business lending, mortgage lending, and consumer lending was analyzed to determine the volume of lending inside and outside the bank's assessment area. Of the bank's total loans, 90.2% by volume and 80.0% by dollar amount were made inside the assessment area.

The following table illustrates the percentage of loans made inside and outside the bank's assessment area.

<b>Lending Inside and Outside the Assessment Area</b>								
<b>Loan Type</b>	<b>Inside the Assessment Area</b>				<b>Outside the Assessment Area</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Total Small Business</b>	<b>160</b>	<b>87.0</b>	<b>22,259</b>	<b>73.0</b>	<b>24</b>	<b>13.0</b>	<b>8,236</b>	<b>27.0</b>
<b>Total Small Farm</b>	<b>35</b>	<b>87.5</b>	<b>1,873</b>	<b>42.8</b>	<b>5</b>	<b>12.5</b>	<b>2,501</b>	<b>57.2</b>
HELOC	160	95.8	8,642	96.4	7	4.2	327	3.6
Motor Vehicle	158	85.4	1,181	77.9	27	14.6	335	22.1
Other Secured	69	92.0	514	90.9	6	8.0	51	9.1
Unsecured	72	97.3	183	99.1	2	2.7	2	0.9
<b>Total Consumer</b>	<b>459</b>	<b>91.6</b>	<b>10,520</b>	<b>93.6</b>	<b>42</b>	<b>8.4</b>	<b>715</b>	<b>6.4</b>
Home Purchase	62	91.2	5,886	95.0	6	8.8	313	5.0
Refinancing	89	89.9	12,800	89.1	10	10.1	1,568	10.9
<b>Total HMDA</b>	<b>151</b>	<b>90.4</b>	<b>18,686</b>	<b>90.9</b>	<b>16</b>	<b>9.6</b>	<b>1,881</b>	<b>9.1</b>
<b>Total Loans</b>	<b>805</b>	<b>90.2</b>	<b>53,338</b>	<b>80.0</b>	<b>87</b>	<b>9.8</b>	<b>13,332</b>	<b>20.0</b>

A substantial majority of the bank's loans by volume were made inside its assessment area.

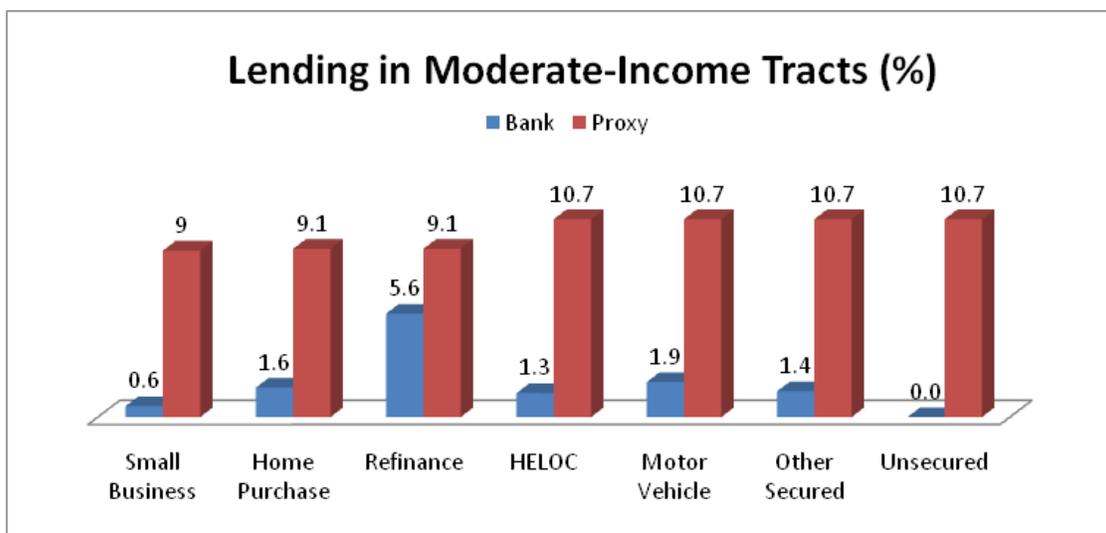
### Geographic Distribution of Lending

Due to the relatively low number of moderate-income tracts and the absence of low-income tracts, borrower distribution was given greater weight than geographic distribution for this evaluation. The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

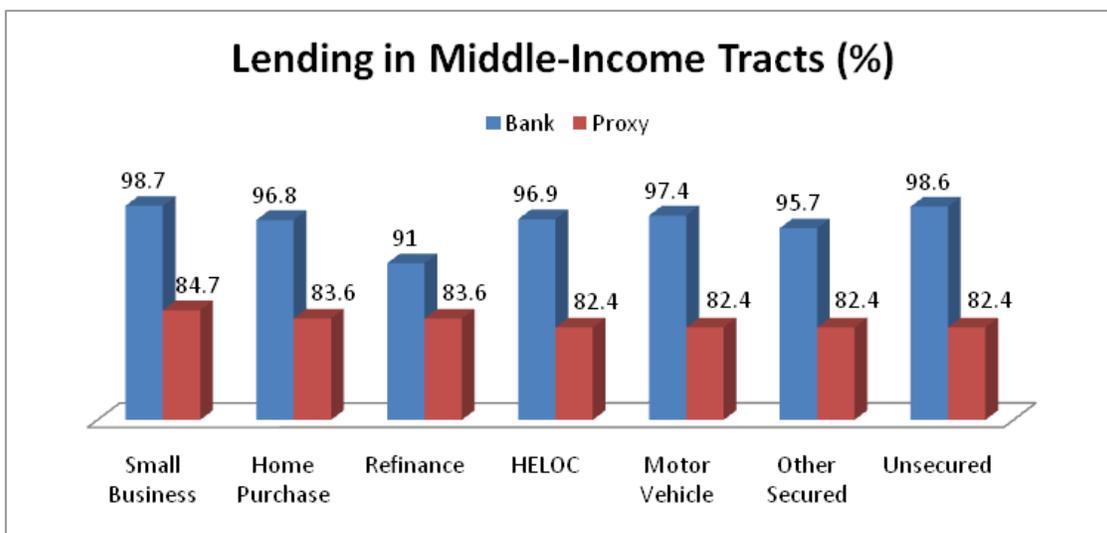
Of the 805 loans originated during this review period, only 1.6% of the loans were made in moderate-income geographies. Moderate-income geographies comprise 6.7% of CSB's total assessment area. By comparison, 96.1% of loans were made in middle-income geographies and 2.3% were made in upper-income geographies. Middle- and upper-income geographies represent 78.3% and 15.0%, respectively, of the total assessment area. However, CSB was able to penetrate each of its four moderate-income geographies. The bank made loans in 39 out of 47 of its middle-income tracts for a penetration rate of 83.0%. CSB also made loans in five out of nine of its upper-income tracts for a penetration rate of 55.6%. CSB was able to penetrate 80.0% of its geographies overall. Therefore, there were no unexplained gaps in the bank's lending patterns.

No small business or consumer loans were originated in 75.0% of moderate-, 51.1% of middle-, and 77.8% of upper-income tracts. Overall, CSB was able to penetrate 43.3% of its census tracts, which means the bank did not make small business or consumer loans in 56.7% of the census tracts within its assessment area.

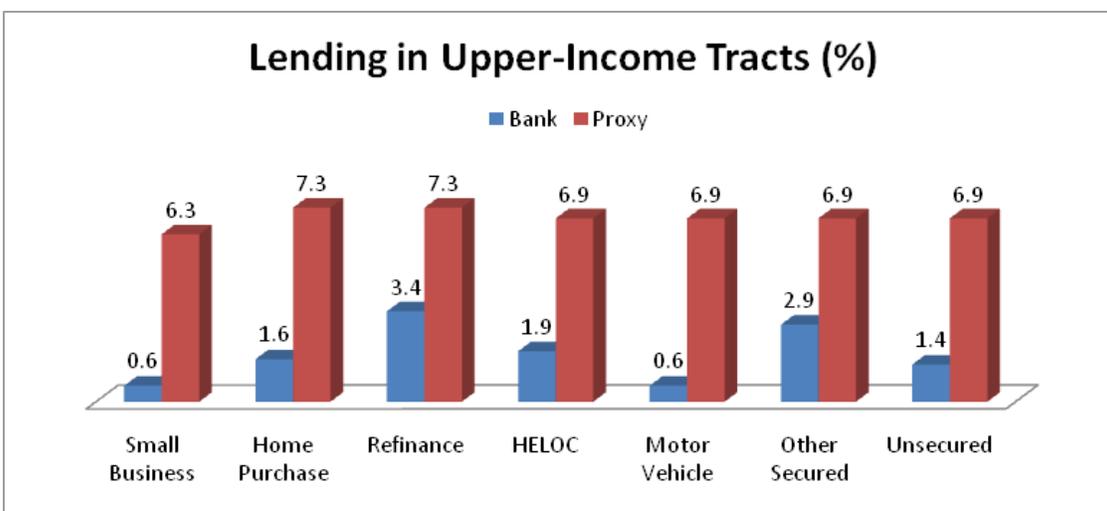
No mortgage loans were originated in 25.0% of moderate-, 42.6% of middle-, and 66.7% of upper-income tracts. However, CSB was able to penetrate over half (55.0%) of its census tracts, but unable to originate mortgage loans in 45.0% of the census tracts within its assessment area. Based on the demographics of the assessment area, the mortgage lending gap in the moderate-income geographies is considered reasonable. Further, there may be limited opportunities for new purchase money loans, but slightly more opportunity for refinance loans and home improvement loans based on the age of the housing stock.



The chart above shows that CSB originated a significantly lower percentage of loans than the percentage of businesses in moderate-income tracts. CSB also originated a much lower percentage of home purchase loans compared to the percentage of owner-occupied housing units (proxy) and a slightly better percentage for refinance loans compared to the proxy. For consumer-type loans, CSB originated a significantly lower percentage for all consumer-type loans (HELOC, motor vehicle, other secured, and other unsecured loans) compared to the percentage of households (proxy).



The chart above shows that CSB originated a substantially higher percentage of loans than the proxies for all loan product types in middle-income tracts.



The chart above shows that CSB originated a substantially lower percentage of loans than the proxies for all loan product types in upper-income tracts.

While lending is always weighted more heavily in low- and moderate-income geographies than middle- and upper-income geographies, the bank’s overall assessment area is comprised primarily of middle-income tracts (78.3%) and only 6.7% moderate-income tracts. Notably, CSB was able to originate one or more loans in each of its four moderate-income geographies during this evaluation period. Although CSB’s geographic distribution of lending for small business, home purchase and all consumer-type loans was significantly below the corresponding proxies, the geographic distribution of lending for refinance loans in moderate-income tracts is considered adequate. Consequently, CSB has an adequate distribution of lending within its moderate-income geographies.

### **Borrower Distribution of Lending**

Borrower distribution was weighted more heavily than the bank's geographic distribution as discussed above.

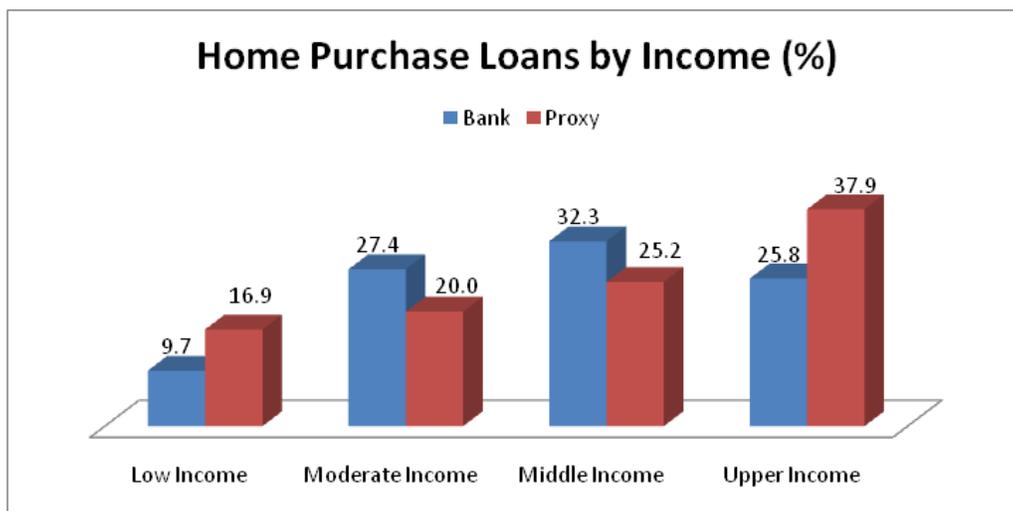
CSB's lending performance reflects a reasonable distribution of lending to borrowers of different income levels and businesses of different revenue sizes (particularly to moderate-income borrowers and small businesses).

#### ***Small Business Lending***

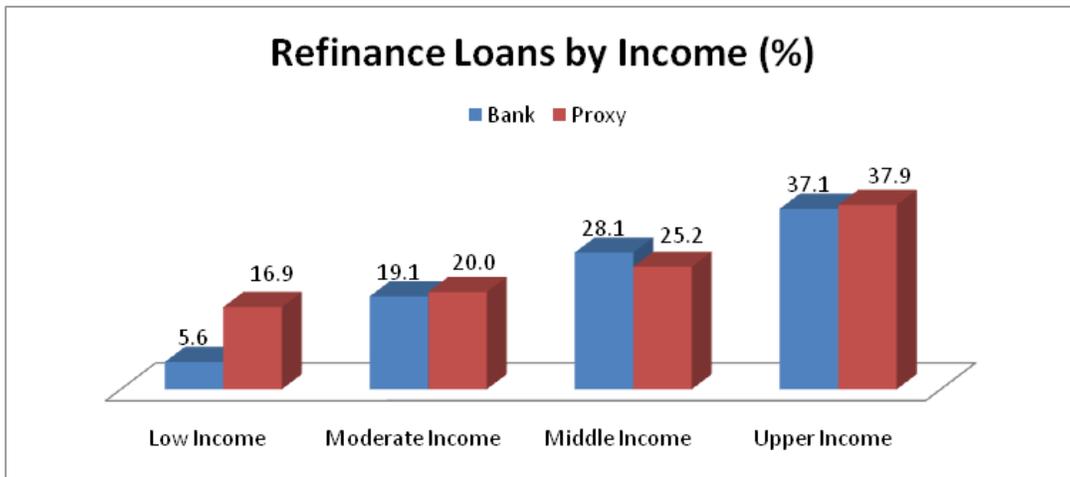
CSB originated 29 Small Business Administration (SBA) loans, aggregating \$5.9 million during this review period. SBA loans help small businesses increase their borrowing power by directly granting loans and also guaranteeing loans that banks and other lenders make to small businesses. SBA loans enhance CSB's efforts in addressing the credit needs of small businesses in its assessment area.

Of the 156 small business loans, 112 (71.8%) were originated to businesses with revenues of \$1 million or less, which was below the proxy at 87.6%. Therefore, the bank's lending to small businesses was considered good.

Further analysis shows that 76.3% of the bank's small business loans were extended in an amount of \$100,000 or less. Since smaller-size loans are generally commensurate with the borrowing needs of smaller businesses, CSB's lending activity demonstrates that the bank is adequately meeting the credit needs of such businesses.

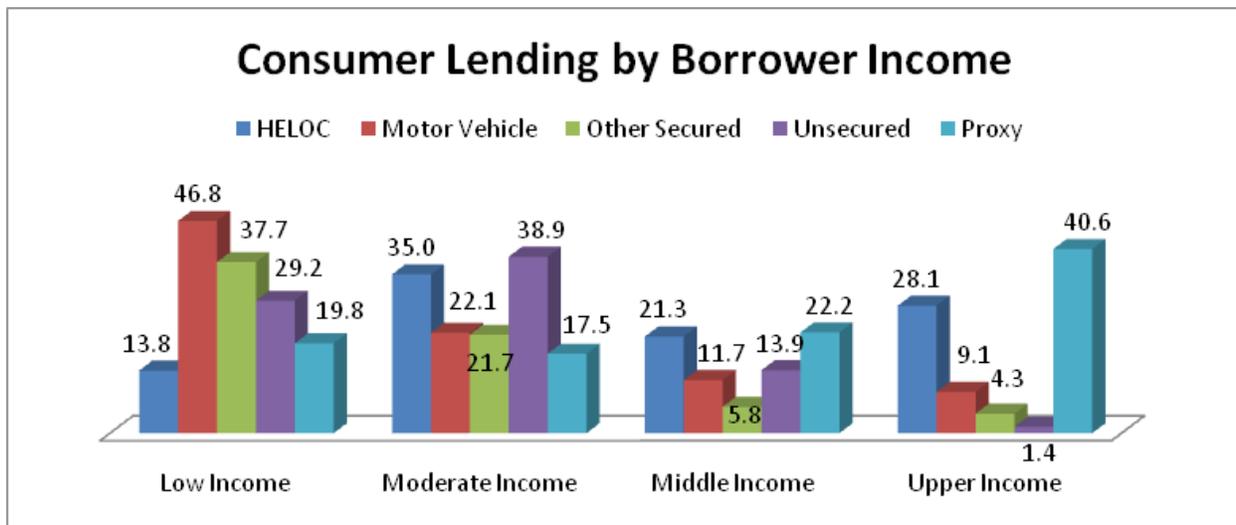


The bank originated a slightly lower percentage of home purchase loans to low-income borrowers and a substantially higher level to moderate-income borrowers compared to the percentage of families (proxy) in the assessment area. Low- and moderate-income families represent 36.9% of the population and accounted for 37.1% of home purchase loans. Also, only 38.1% of the available housing stock is affordable for low-income families.



The bank originated a significantly lower percentage of refinance loans to low-income borrowers and an equivalent level of loans to moderate-income borrowers compared to the percentage of families (proxy) in the assessment area. Low- and moderate-income families represent 36.9% of the population and accounted for 24.7% of refinance loans. However, 72.3% of the available housing stock is affordable for moderate-income families.

Based on this analysis, CSB’s lending to low-income borrowers is adequate, even though the bank was below the percentage of families for both products. The bank’s lending to moderate-income borrowers is good, as the bank exceeded the proxy for home purchase and was equivalent to the proxy for refinance loans. Considering 6.2% of the families in the assessment area are below the poverty level, CSB’s overall HMDA lending to low- and moderate-income borrowers is good.



With the exception of HELOC loans to low-income borrowers, the bank originated a significantly higher percentage of consumer loans for all product types to low- and moderate-income borrowers compared to the percentage of households (proxy) in the assessment area.

Based on this analysis, CSB's overall consumer lending to low- and moderate-income borrowers is excellent, as the bank exceeded the proxy for the majority of consumer-loan product types.

### **Response to Consumer Complaints**

The bank has not received any CRA-related complaints since the previous examination.

### **Fair Lending or Other Illegal Credit Practices Review**

No evidence of discrimination or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

### **Community Development Test**

The bank is rated "Outstanding" under the community development test.

CSB's community development performance demonstrates an excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering its capacity and the needs and availability of such opportunities for community development in its assessment area.

#### ***Community Development Loans***

CSB has demonstrated an excellent responsiveness to community development lending needs. The bank originated three community development loans totaling \$2.1 million. Two of the loans were specifically to provide affordable housing to low- and moderate-income individuals and families. The third loan was a USDA-guaranteed loan to a small business that helped to create over 40 permanent jobs within assessment area.

#### ***Qualified Investments***

CSB has demonstrated an adequate responsiveness to community development investment needs. During this evaluation period, the bank made 20 new investments to eight organizations totaling \$8,100. The bank's investments were primarily donations to support a variety of activities, such as services directed to low- and moderate-income individuals and families, affordable housing, and promoting economic development. Opportunities for investments within the bank's assessment area are limited.

**Community Development Services**

CSB has demonstrated an adequate responsiveness to community development service needs.

The branch distribution is representative of the overall makeup of geographies in the assessment area, as 6.7% of the tracts are designated as moderate-income tracts and 7.7% of the bank’s branches and 7.1% of families are located in moderate-income tracts.

<b>Geography</b>	<b>Number of Branches</b>	<b>Percent</b>	<b>Number of ATMs (full service)</b>	<b>Percent</b>	<b>Percent of Families by Tract Income</b>
Moderate-Income	1	7.7%	1	7.7%	7.1%
Middle-Income	12	92.3%	11	91.7%	73.9%
Upper-Income	0	0.0%	0	0.0%	19.0%
Totals	13	100%	12	100%	100%

In addition to the branch delivery system, CSB offers alternative delivery systems, such as ATMs, telephone, and internet banking.

The bank’s employees routinely provide their financial expertise to local organizations that provide community development services to the community through board and committee memberships. The following table outlines qualified community service activities provided by CSB senior management and employees:

<b>Habitat for Humanity</b>	Bank officer chairs the finance committee, another bank officer is the lead for financial counseling and family support, and a bank employee helped to write the Financial Handbook for Families.
<b>Voluntary Income Tax Assistance Program (VITA)</b>	Five employees serve as volunteers for this tax program offered through the IRS to provide tax assistance to low- and moderate-income families and individuals in Millersburg. The primary purpose of this assistance is to ensure eligible taxpayers are taking the earned income credit and other tax credits designed for low- and moderate-income taxpayers.
<b>Holmes County Education Fund</b>	Director is trustee and specifically helps low to moderate income students apply for college scholarships
<b>Ohio Saves</b>	The CRA officer serves on a committee that supports the “Ohio Saves” program and participated in the “Roll Your Change” promotion designed to encourage low- and moderate-income Ohioans to save. CSB also offers a savings account with a very low or no minimum balance and minimal or no fees which supports this program.
<b>How to Handle Your Money</b>	Five classes taught by an employee/officer at the Goodwill stores in Wooster and Millersburg. The classes were provided to Lifeskill clients of how to handle their finances. Each session instructs eight to ten LMI participants.

**METROPOLITAN ASSESSMENT AREA**  
(Limited-scope Review)

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN  
CANTON-MASSILLON, OHIO MSA 15940**

Within the Canton-Massillon Metropolitan Statistical Area (MSA), CSB has ten tracts located in the north central portion of Stark County. Five are middle-income and five are upper-income tracts.

The Canton-Massillon MSA is comprised of Carroll and Stark Counties. The MSA is the nation's 128<sup>th</sup> largest MSA. As of the 2010 U.S. Census, the MSA has a population of 404,422, of which 375,586 (92.9%) reside in Stark County, making it the larger county in the MSA. In addition, 65,348 (23.4%) of the assessment area's total population resides in this assessment area.

The city of Canton is the largest city in Stark County and its county seat. The city of Canton is not part of the bank's assessment area. According to the most recent U.S. Census data, population is projected to decline in Stark County by approximately 2.0% over the next 20 years.

CSB operates one branch office with a full-service ATM located in the city of North Canton. Within Stark County, there are 16 FDIC-insured institutions operating 120 offices. CSB ranks 15<sup>th</sup> with only 0.15% of the market share of deposits. There are also 12 other bank branches within a mile of CSB's North Canton branch. This extremely competitive market has posed significant challenges to CSB's penetration efforts. The community contact indicated that there is an ample supply of credit in the area and new and existing businesses are not having any problems obtaining credit products.

A community contact was conducted in this assessment area in order to provide additional information regarding the assessment area. In the city of North Canton, the small business community contact stated that although Stark County has a higher than average unemployment rate, North Canton has not recently lost any major employers and has recently experienced some economic growth. The community contact identified several large-scale projects that were recently completed with the help of the local banking community, including the retooling of the Hoover building for the new tenant, Altercare of Ohio, Inc. (Hoover closed its doors in October 2007), a new technology incubator in the construction phase, and the recent opening of a fast food restaurant and a drug store. The community contact believes that if there was a greater pool of affordable housing, it would help attract and retain younger families to the region.

The following demographic table illustrates the assessment area:

<b>Combined Demographics Report</b>									
Assessment Area(s): MSA 15940									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	1,752	9.5	
Moderate-income	0	0.0	0	0.0	0	0.0	2,516	13.7	
Middle-income	5	50.0	8,105	44.1	256	3.2	4,054	22.1	
Upper-income	5	50.0	10,279	55.9	190	1.8	10,062	54.7	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>10</b>	<b>100.0</b>	<b>18,384</b>	<b>100.0</b>	<b>446</b>	<b>2.4</b>	<b>18,384</b>	<b>100.0</b>	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacant			
		#	%	#	%	#	%	#	%
Low-income	0	0.0	0.0	0.0	0	0.0	0	0.0	
Moderate-income	0	0.0	0.0	0.0	0	0.0	0	0.0	
Middle-income	12,228	8,385	44.7	68.6	3,254	26.6	589	4.8	
Upper-income	14,962	10,376	55.3	69.3	3,904	26.1	682	4.6	
Unknown-income	0	0.0	0.0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>27,190</b>	<b>18,761</b>	<b>100.0</b>	<b>69.0</b>	<b>7,158</b>	<b>26.3</b>	<b>1,271</b>	<b>4.7</b>	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0	
Middle-income	1,513	38.9	1,340	39.4	85	32.7	88	39.3	
Upper-income	2,376	61.1	2,065	60.6	175	67.3	136	60.7	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>3,889</b>	<b>100.0</b>	<b>3,405</b>	<b>100.0</b>	<b>260</b>	<b>100.0</b>	<b>224</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>			<b>87.6</b>		<b>6.7</b>		<b>5.8</b>		
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0	
Middle-income	19	42.2	18	40.9	1	100.0	0	0.0	
Upper-income	26	57.8	26	59.1	0	0.0	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>45</b>	<b>100.0</b>	<b>44</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>	
<b>Percentage of Total Farms:</b>			<b>97.8</b>		<b>2.2</b>		<b>.0</b>		

Based on 2010 D&B information according to 2000 Census Boundaries.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TEST IN  
CANTON-MASSILLON, OHIO MSA 15940**

During this evaluation period, CSB made a total of eight loans within this assessment area. CSB originated four motor vehicle loans aggregating \$50,000 (two loans in middle-income tracts and two loans in upper-income tracts). CSB also originated four small business loans aggregating \$662,000 (one loan in a middle-income tract and three loans in upper-income tracts). Also, two of the four loans were made to businesses with revenues of \$1 million or less and only one loan was a small dollar loan of \$100,000 or less.

No community development activities occurred in this assessment area.

Due to the limited volume of lending made in the MSA, no meaningful analysis or conclusions could be determined. Therefore, no evaluation of this assessment area was conducted.

APPENDIX A  
 CORE TABLES

Combined Demographics Report

Assessment Group(s): Overall 2010

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	11,325	15.1
Moderate-income	4	6.7	5,349	7.1	662	12.4	13,878	18.5
Middle-income	47	78.3	55,454	73.9	3,631	6.5	18,322	24.4
Upper-income	9	15.0	14,276	19.0	357	2.5	31,554	42.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>60</b>	<b>100.0</b>	<b>75,079</b>	<b>100.0</b>	<b>4,650</b>	<b>6.2</b>	<b>75,079</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	8,950	5,175	6.8	57.8	3,090	34.5	685	7.7
Middle-income	80,004	56,137	74.0	70.2	19,160	23.9	4,707	5.9
Upper-income	20,672	14,562	19.2	70.4	5,118	24.8	992	4.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>109,626</b>	<b>75,874</b>	<b>100.0</b>	<b>69.2</b>	<b>27,368</b>	<b>25.0</b>	<b>6,384</b>	<b>5.8</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	848	724	6.2	55	5.9	69	9.7	
Middle-income	9,486	8,312	71.3	686	73.4	488	68.4	
Upper-income	2,967	2,618	22.5	193	20.7	156	21.9	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>13,301</b>	<b>11,654</b>	<b>100.0</b>	<b>934</b>	<b>100.0</b>	<b>713</b>	<b>100.0</b>	
	<b>Percentage of Total Businesses:</b>					<b>87.6</b>	<b>7.0</b>	<b>5.4</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	16	16	1.8	0	0.0	0	0.0	
Middle-income	819	812	91.3	7	100.0	0	0.0	
Upper-income	62	62	6.9	7.0	0	0.0	0.0	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>897</b>	<b>890</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>	
	<b>Percentage of Total Farms:</b>					<b>99.2</b>	<b>.8</b>	<b>.0</b>

Based on 2010 D&B information according to 2000 Census Boundaries.

Geographic Distribution of Small Loans to Businesses and Farms								
Assessment Area: Ohio Non MSA								
	Total Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Businesses /Farms	% of Bank Loans	% of Businesses /Farms	% of Bank Loans	% of Businesses /Farms	% of Bank Loans
Small Business	156	81.7	9.0	0.6	84.7	98.7	6.3	0.6
Small Farm	35	18.3	1.9	0.0	93.9	97.1	4.2	2.9

Borrower Distribution of Small Loans to Businesses and Farms							
Assessment Area: Ohio Non MSA							
	Total Loans		Businesses/Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		
	#	% of Total	% of Businesses /Farms	% of Bank Loans	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
Small Business	156	81.7	87.6	71.8	76.3	14.7	7.1
Small Farm	35	18.3	99.3	88.6	82.9	11.4	5.7

Geographic Distribution of HMDA Loans								
Assessment Area: Ohio Non MSA								
	Total HMDA Loans		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies	
	#	% of Total	% of Owner Occ Units	% of Bank Loans	% of Owner Occ Units	% of Bank Loans	% of Owner Occ Units	% of Bank Loans
Home Purchase	62	41.1	9.1	1.6	83.6	96.8	7.3	1.6
Refinance	89	58.9	9.1	5.6	83.6	91.0	7.3	3.4

Borrower Distribution of HMDA Loans										
Assessment Area: Ohio Non MSA										
	Total HMDA Loans		Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers	
	#	% of Total	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans
Home Purchase	62	41.1	16.9	9.7	20.0	27.4	25.2	32.2	37.9	25.8
Refinance	89	58.9	16.9	5.6	20.0	19.1	25.2	28.1	37.9	37.1

Geographic Distribution of Consumer Loans								
Assessment Area: Ohio Non MSA								
	Total Consumer Loans		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans
HELOC	160	35.2	10.7	1.3	82.4	96.9	6.9	1.9
Motor Vehicle	154	33.8	10.7	1.9	82.4	97.4	6.9	0.6
Other Secured	69	15.2	10.7	1.4	82.4	95.7	6.9	2.9
Unsecured	72	15.8	10.7	0.0	82.4	98.6	6.9	1.4

Borrower Distribution of Consumer Loans										
Assessment Area: Ohio Non MSA										
	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans
HELOC	160	35.2	19.8	13.8	17.5	35.0	22.2	21.3	40.6	28.1
Motor Vehicle	154	33.8	19.8	46.8	17.5	22.1	22.2	11.7	40.6	9.1
Other Secured	69	15.2	19.8	37.7	17.5	21.7	22.2	5.8	40.6	4.3
Unsecured	72	15.8	19.8	29.2	17.5	38.9	22.2	13.9	40.6	1.4

Geographic Distribution of Loans to Small Businesses and Farms									
Assessment Area: Overall									
	Total Loans		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		
	#	% of Total	% of Business / Farms	% of Bank Loans	% of Business / Farms	% of Bank Loans	% of Business / Farms	% of Bank Loans	
Small Business	160	82.1	6.4	0.6	71.3	96.9	22.3	2.5	
Small Farm	35	17.9	1.8	0.0	91.3	97.1	6.9	2.9	

Borrower Distribution of Loans to Small Businesses and Farms								
Assessment Area: Overall								
	Total Loans		Businesses/Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			
	#	% of Total	% of Business / Farms	% of Bank Loans	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	
Small Business	160	82.1	87.6	71.3	75.0	15.6	7.5	
Small Farm	35	17.9	99.2	88.6	82.9	11.4	5.7	

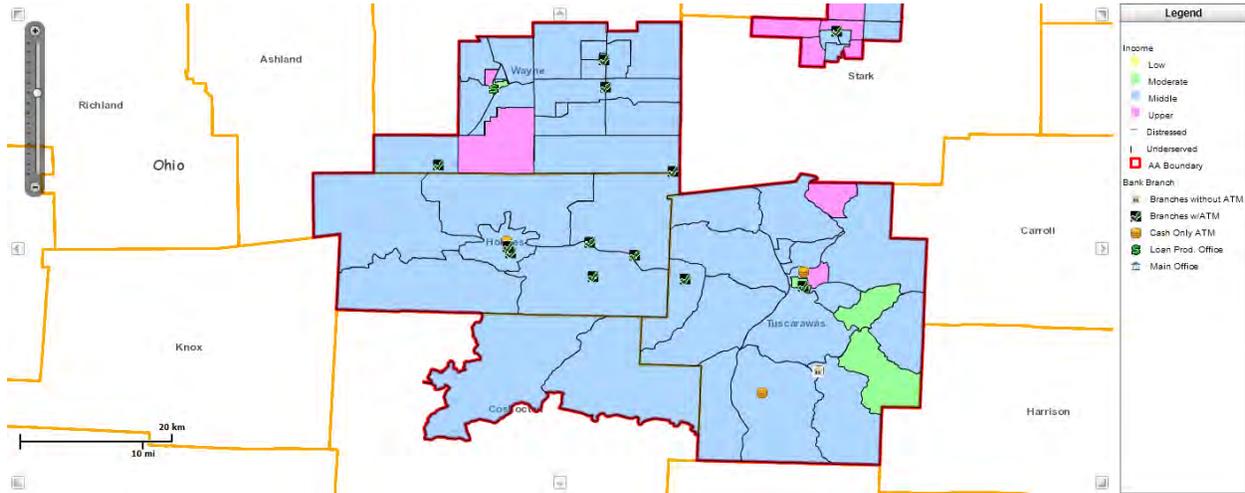
Geographic Distribution of HMDA Loans								
Assessment Area: Overall								
	Total HMDA Loans		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies	
	#	% of Total	% of owner Occ Units	% of Bank Loans	% of owner Occ Units	% of Bank Loans	% of owner Occ Units	% of Bank Loans
Home Purchase	62	41.1	6.8	1.6	74.0	96.8	19.2	1.6
Refinance	89	58.9	6.8	5.6	74.0	69.4	19.2	30.6

Borrower Distribution of HMDA Loans										
Assessment Area: Overall										
	Total HMDA Loans		Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers	
	#	% of Total	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans	% of Families	% of Bank Loans
Home Purchase	62	41.1	15.1	9.7	18.5	27.4	24.4	32.3	42.0	25.8
Refinance	89	58.9	15.1	5.6	18.5	19.1	24.4	28.1	42.0	37.1

Geographic Distribution of Consumer Loans								
Assessment Area: Overall								
	Total Consumer Loans		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies	
	#	% of Total	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans
HELOC	160	34.9	8.0	1.3	73.0	96.9	19.0	1.9
Motor Vehicle	158	34.4	8.0	1.9	73.0	96.2	19.0	1.9
Other Secured	69	15	8.0	1.4	73.0	95.7	19.0	2.9
Unsecured	72	15.7	8.0	0.0	73.0	98.6	19.0	1.4

<b>Borrower Distribution of Consumer Loans</b>										
<b>Assessment Area: Overall</b>										
	Total Consumer Loans		Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers	
	#	% of Total	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans	% of Hhlds	% of Bank Loans
HELOC	160	34.9	18.2	13.8	16.6	35.0	21.4	21.3	43.8	28.1
Motor Vehicle	158	34.4	18.2	45.6	16.6	21.5	21.4	12.0	43.8	10.8
Other Secured	69	15	18.2	12.0	16.6	21.7	21.4	5.8	43.8	4.3
Unsecured	72	15.7	18.2	10.8	16.6	38.9	21.4	13.9	43.8	1.4

### APPENDIX B ASSESSMENT AREA MAP



## APPENDIX C

### 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.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** All agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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.

**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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**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 (for example, geographic distribution, borrower distribution, 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.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**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.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

**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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as small business loans if the loans are reported on the TFR as non-mortgage, commercial 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.

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