

THE KILLBUCK SAVINGS BANK COMPANY COMMUNITY REINVESTMENT ACT POLICY

Revised and Board Approved: March 13, 2023

The primary purpose of the Community Reinvestment Act (CRA) is to encourage banks to reinvest in their local communities through affirmative credit programs and community involvement. It ensures the Bank serves the credit needs of the entire community, including low- and moderate-income areas (to the extent any exist in the Bank's market area) and persons. These practices are consistent with the Bank's overall intent to provide an array of services, which are responsive to the financial needs of all the people in the entire community.

The Killbuck Savings Bank Company (the Bank) will comply with both the spirit and intent of the law found in the Community Reinvestment Act by establishing internal procedures that will encourage fair lending, affirmative credit programs, community involvement, and compliance with all of the technical requirements of the act.

RESPONSIBILITIES

The Board has designated the Director of Marketing as the Bank's CRA Officer. The CRA Officer shall:

- Monitor the effectiveness of the Bank's CRA program
- Monitor for employee participation as leaders of the community and community activities
- Assure that the standard CRA Notice is posted in offices, as required
- Maintain proper files of public comments relating to the Bank's CRA performance
- Prepare an annual report at year-end for Board reporting
- Carrying out this policy and making recommendations to the Board as to necessary or desirable changes to the policy
- Ensure all discussions necessary are had. This will be discussed by the CRA Officer, CEO, and President. These discussions will be noted on the agenda for the weekly Marketing meeting as necessary.

All personnel of the Bank are expected to cooperate with and support the Bank's CRA program. Staff will be held accountable for any lack of cooperation that weakens the Bank's CRA performance, as reflected in audits, examinations, or community complaints or protests.

The Senior Compliance Officer is responsible for tracking complaints and providing any CRA-related complaints to the CRA Officer. These are also reported with other complaints to the Executive Committee of the Board.

The Board has the ultimate responsibility to appropriately establish and maintain this policy. The Board will review and approve this policy on an annual basis, at minimum.

DELINEATION OF ASSESSMENT AREA

The Bank has defined the area within which we are helping to meet the credit needs of the community. The Bank's assessment area includes the geographies in which the Bank has its main office, its branches, and its ATMs, as well as the surrounding geographies in which the Bank has originated or purchased a substantial portion of its loans.

The Bank may adjust the boundaries of its assessment area(s) to include only the portion of a political subdivision that it reasonably can be expected to serve. An adjustment is particularly appropriate in the

case of an assessment area that otherwise would be extremely large, of unusual configuration, or divided by significant geographic barriers.

To meet regulatory requirements and adhere to the spirit and intent of the law, the Bank's assessment area(s) consists only of whole geographies, does not reflect illegal discrimination, does not arbitrarily exclude low- or moderate-income geographies (taking into account the Bank's size and financial condition), and does not extend substantially beyond an MSA boundary or beyond a state boundary. The Bank's assessment area is defined as follows:

1. All of Holmes County represented by the following census tracts:
 - 9763.01
 - 9763.02
 - 9764.01
 - 9764.02
 - 9764.03
 - 9765
 - 9766
 - 9767
 - 9768.01
 - 9768.02

2. All of Knox County represented by the following census tracts:
 - 67
 - 68.01
 - 68.02
 - 69
 - 70
 - 71
 - 72
 - 73
 - 74
 - 75
 - 76
 - 77

3. Southeastern Ashland County represented by the following census tract:
 - 9711

4. Western Tuscarawas County represented by the following census tracts:
 - 0201
 - 0205
 - 0213
 - 0214

5. Coshocton County represented by the following census tracts:
 - 9609
 - 9610
 - 9611

6. All of Wayne County represented by the following census tracts:
 - 1
 - 2
 - 3
 - 5
 - 6
 - 7
 - 8
 - 9
 - 10
 - 11
 - 12
 - 13
 - 14
 - 17
 - 18
 - 19
 - 20
 - 21
 - 22
 - 23
 - 24
 - 25
 - 29.01
 - 29.02
 - 30
 - 31
 - 32
 - 33
 - 34
 - 35
 - 37
 - 9800

A map of the Bank's assessment area is included as Appendix A of this policy.

PERFORMANCE ASSESSMENT

For the purposes of CRA, the Bank is evaluated under the FFIEC's interagency Intermediate Small Bank (ISB) procedures. The ISB evaluation is a two-pronged test consisting of the Lending Test and the Community Development Test. In order to receive at least an overall Satisfactory rating, the Bank must receive at least a Satisfactory rating on both the Lending and CD tests.

The following general considerations, performance tests and standards will be utilized by the Bank's regulatory agency during a CRA examination. In order to comply with the spirit and intent of the CRA and in order to receive an acceptable CRA rating, the Bank will take these guidelines into consideration when establishing its policies and adopting plans and procedures to implement these policies.

General Considerations

The Bank's regulatory agency applies the CRA performance tests and standards in the context of:

- Demographic data on median income levels, distribution of household income, nature of housing stock, housing costs, and other relevant data pertaining to the Bank's assessment area(s).
- Any information about lending, community development, investment, and service opportunities in the Bank's assessment area. This information may be obtained from the Bank or from community organizations; state or local governments; economic development agencies; or other sources.
- The Bank's product offerings and business strategy determined from data provided by the Bank.
- The Bank's institutional capacity and constraints; including the size and financial condition of the Bank, the economic climate (national, regional, and local), safety and soundness limitations, and any other factors that significantly affect the Bank's ability to provide lending, investments, or services in the Bank's assessment area(s).
- The Bank's past performance and the performance of similarly situated lenders.
- The Bank's public file and any written comments about the Bank's CRA performance submitted to the Bank or its supervisory agency.
- The Bank's response to any CRA related complaints
- Any other information deemed relevant by the Bank's supervisory agency.

Lending Test

Scope: The lending test evaluates the Bank's record of helping to meet the credit needs of the Bank's assessment area(s) through its lending activities by considering the Bank's home mortgage, small business, small farm.

If consumer lending constitutes a substantial majority of the Bank's business, the agency will evaluate the Bank's consumer lending in one or more of the following categories: motor vehicle, credit card, home equity, other secured, and other unsecured loans. The Bank's federal regulator has requested the Bank to retain specific information to facilitate examiner scrutiny of these loan types.

Any other loan data the Bank may choose to provide regarding originations and purchases of loans will also be considered, including data on loans outstanding, commitments and letters of credit.

Performance Criteria: The following criteria will be used to evaluate the Bank's performance under the lending test:

- Loan to Deposit Ratio
- The number and amount of the Bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the Bank's assessment area.
- The geographic distribution of the Bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - The proportion and dispersion of the Bank's lending in the Bank's assessment area(s).
 - The number and amount of loans in low-, moderate-, middle-, and upper-income geographies in the Bank's assessment area(s).
 - The distribution, particularly in the Bank's assessment area(s), of the Bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - Home mortgage loans to low-, moderate-, middle-, and upper-income individuals.
 - Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less.
 - Small business and small farm loans by loan amount at origination.
 - Consumer loans, if applicable, to low-, moderate-, middle-, and upper-income individuals.

Community Development Test

Scope: The community development test includes the responsiveness to community development needs of the assessment area (or a broader statewide or regional area that includes the Bank's assessment area, if applicable) through community development loans, qualified investments and community development services, considering the Bank's capacity and the need and availability of such opportunities for community development in the Bank's assessment area.

Performance Criteria: The following criteria will be used to evaluate the Bank's performance under the community development test:

- The number and dollar amount of loans with a qualified community development purpose.
- The number and dollar amount of qualified investments (new and prior period).
- The extent to which the Bank provides community development services.
- The responsiveness to community development needs of the Bank's assessment area through community development loans, qualified investments and community development services.

DATA COLLECTION

In order to demonstrate the Bank's performance levels regarding CRA, the Bank will collect and maintain the following data for each small business or small farm loan originated or purchased by the Bank:

- A unique number or alpha-numeric symbol that can be used to identify the relevant loan file.
- The loan amount at origination.
- The loan location.
- An indicator whether the loan was to a business or farm with gross annual revenues of \$1 million or less.

The above information will be maintained in a machine-readable form acceptable to the Bank's regulatory agency until the completion of the next CRA examination.

Additionally, in compliance with the request of the Bank's regulators, the Bank has elected to maintain information regarding other loan originations, as follows:

- The location of each home mortgage loan application, origination, or purchase outside the MSAs in which the Bank has a home or branch office (or outside any MSA) in accordance with the Home Mortgage Disclosure Act reporting requirements. The information collected will conform as much as possible with the HMDA regulation, except that race / ethnicity / sex information will only be collected as permitted under Regulation B.
- The Bank has also elected to collect data for consumer loans originated or purchased by the Bank for consideration under the lending test. These are collected in the following lending categories of consumer loans: motor vehicle, credit card, home equity, other secured, and other unsecured. The Bank will maintain this data separately for each category, including for each loan:
 - a. A unique number or alpha-numeric symbol that can be used to identify the relevant loan file
 - b. The loan amount at origination or purchase
 - c. The loan location
 - d. The gross annual income of the borrower that the Bank considered in making its credit decision

Consortium or Third-Party Lending

If the Bank elects to have community development loans by a consortium or third party considered for purposes of the lending or community development tests or an approved strategic plan, the aggregate number and amount of these community developments loans will also be reported.

CRA PUBLIC FILE

The Bank will maintain its central CRA public file in the main office. This public file will include the following information:

- All written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the Bank's performance in helping to meet community credit needs and any response to the comments by the Bank. (If neither the comments nor the responses contain statements that reflect adversely on the good name or reputation of any persons other than the Bank or publication of which would violate specific provisions of law.)
- A copy of the public section of the Bank's most recent CRA Performance Evaluation prepared by the Bank's supervisory agency. This will be placed in the public file within 30 business days after its receipt from the agency.
- A list of the Bank's branches, their street addresses, and geographies.
- A list of branches opened or closed by the Bank during the current year and each of the prior two calendar years, their street addresses, and geographies.
- A list of services (including hours of operation, available loan and deposit products, and transaction fees) generally offered at the Bank's branches and descriptions of material differences in the availability or cost of services at particular branches, if any. In addition, at the Bank's option, the Bank may include information regarding the availability of alternative systems for delivering retail banking services (e.g., ATMs, ATMs not owned or operated by or exclusively for the Bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs).
- A map of each assessment area showing the boundaries of the area and identifying the geographies contained within the area, either on the map or in a separate list.
- Any other information the Bank chooses.
- The Bank's loan-to-deposit ratio for each quarter of the prior calendar year and, at the Bank's option, additional data on the Bank's loan-to-deposit ratio.

The Bank will make the above information available to the public for inspection upon request and at no cost at the main office.

In addition, a copy of the public section of the Bank's most recent CRA Performance Evaluation and a list of services provided by the branch will be made available to the public for inspection upon request and at no cost at each branch office. Upon request, all of the information in the public file relating to the assessment area in which a branch is located will be provided within five calendar days at no cost.

Copies of the information in the Bank's public file will be made available upon request.

Except as noted above, all information in the Bank's CRA public file will be updated on an annual basis to be current as of April 1 of each year.

CRA PUBLIC NOTICE

The Bank will inform the public about the Community Reinvestment Act by posting the appropriate CRA notice in the lobby of each of the Bank's offices.

REVIEW OF POLICY

The Board, or its designee, shall review this policy at least annually, making such revisions and amendments as it deems appropriate.

APPENDIX A

