

PUBLIC DISCLOSURE

July 29, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Killbuck Savings Bank Company
RSSD# 1017425

165 North Main Street
Killbuck, Ohio 44637

Federal Reserve Bank of Cleveland

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

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

The Killbuck Savings Bank (Killbuck) is rated **Outstanding**.

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

This rating is based on the following conclusions with respect to the performance criteria:

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs;
- A substantial majority of loans and other lending-related activities are in the AA;
- The distribution of loans to borrowers reflects an excellent penetration among individuals of different income levels (including low- and moderate-income) and a reasonable penetration among businesses of different sizes given the demographics of the AA; and,
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- The bank's community development performance demonstrates an excellent responsiveness to the community development needs of the AA, considering the bank's capacity and the need and availability of such opportunities in the bank's AA.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. Lending performance was assessed within the bank's AA using a full scope review. The following data was reviewed:

- Killbuck's 17-quarter average net loan-to-deposit ratio,
- Small business, residential real estate, home equity, and motor vehicle loans were analyzed from January 1, 2023, through December 31, 2023.
- Based on the total loan volume by number and dollar amount, small business lending received the most weight, followed by residential real estate, home equity, and motor vehicle lending, respectively.
- Borrower distribution received more weight than geographic distribution based on the percentage of low- and moderate-income (LMI) families compared to the percentage of LMI tracts in the AA.
- Lending performance in low-, moderate-, middle-, and upper-income census tracts and to low-, moderate-, middle-, and upper-income borrowers was considered for each product however, comments for activity in middle- and upper-income tracts and to middle- and

upper-income borrowers are only included when they impacted the outcome of the analyses.

- Community development activities funded between December 3, 2019, through July 29, 2024, were assessed and qualified investments funded during a prior evaluation period, but still Outstanding as of June 30, 2024, were also considered.

DESCRIPTION OF INSTITUTION

Killbuck is an intrastate community bank headquartered in Killbuck, Ohio. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Killbuck Bancshares, Inc., located in Killbuck, Ohio.
- As of March 31, 2024, Killbuck has total assets of \$839.3 million and total deposits of \$691.3 million. This represents a 48.4% increase in total assets and a 40.7% increase in total deposits since the previous CRA evaluation.
- In addition to its main office in Killbuck, the bank has 10 branches and a loan production office. The main office, five branches, and the loan production office are in Holmes County. Four of these branches and the loan production office are in Millersburg, and the remaining branch is in Berlin. Two branches are in Knox County in Danville and Howard. One branch is in Tuscarawas County in Sugarcreek. The remaining two branches are in Wayne County in Fredericksburg and Kidron. The main office and all 10 branches have cash-only ATMs. Two branches in Millersburg (Holmes County) and the branches in Howard (Knox County) and Kidron (Wayne County) are in upper-income tracts. The remaining seven branches, along with the main office and loan production office are in middle-income tracts. All of Killbuck's branches offer extended and weekend hours, and nine branches offer drive-thru services. Millersburg South and Kidron are the only branches that do not offer drive-thru services.
- Killbuck has not opened or closed any branches since the previous evaluation.
- Killbuck is a full-service retail bank that offers traditional products, including deposit and checking accounts, commercial, residential real estate, agricultural, credit card, and consumer loans. Killbuck offers a website, killbuckbank.com, that provides customers with information about fraud protection, the ability for customers to open a deposit account, reorder checks, and use no-fee online and mobile banking. Customers can monitor and confirm balances, review posted transactions, transfer funds and deposit checks. Using My Card Rules™ customers are given control to manage when, where, and how they use their debit card providing more security. Killbuck also offers online bill pay, Mastercard debit card, and mobile wallet via Apple Pay and (Google) Android Pay.

- Killbuck’s loan portfolio composition is show in the table below.

COMPOSITION OF LOAN PORTFOLIO		
Loan Type	3/31/2024	
	\$ (000s)	Percent
Construction and Development	34,786	6.9%
Secured by One- to Four- Family Dwellings	218,865	43.5%
Other Real Estate: Farmland	43,496	8.7%
Multifamily	5,902	1.2%
Nonfarm nonresidential	121,461	24.2%
Commercial and Industrial	69,431	13.8%
Loans to Individuals	5,353	1.1%
Agricultural Loans	3,279	0.7%
Total	\$502,573	100.00%

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.

Killbuck’s investment portfolio as of March 31, 2024, was \$288.5 million, which represents 34.4% of total assets. Since the previous CRA evaluation, total investments increased by 74.8%. U.S. Treasury & Agency securities accounted for 53.3%, followed by municipal securities, all other securities, fed funds sold, and interest-bearing bank balances at 23.5%, 15.0%, 5.0%, and 3.1%, respectively of total investments.

There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

Killbuck was rated Satisfactory at its previous CRA performance evaluation (December 2, 2019). The lending test was rated Satisfactory, and the community development test was rated Outstanding.

DESCRIPTION OF ASSESSMENT AREA

Killbuck has one delineated CRA AA located in Nonmetropolitan Ohio. Killbuck's AA is comprised of the entireties of Holmes, Knox, and Wayne counties and portions of Ashland, Coshocton, and Tuscarawas counties. See Appendix A for an AA map and Appendix B for additional demographic data.

- Since the previous exam, Killbuck expanded its delineated CRA AA in November 2022 to include the entireties of Knox and Wayne counties.
- The AA consists of 64 total geographies consisting of five moderate-, 45 middle-, 13 upper-, and one unknown-income tracts. There are no low-income tracts in the AA. No middle-income tracts were designated as distressed or underserved in 2023, as defined annually by the regulatory agencies.¹
- According to the June 30, 2023, Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits Report, Killbuck ranked fifth amongst 26 financial institutions operating in the AA with a 7.7% deposit market share. The Huntington National Bank holds the largest share of deposits in the market at 12.7%, followed by The Park National Bank, PNC Bank National Association, and The Commercial and Savings Bank of Millersburg, Ohio at 11.6%, 11.4%, and 11.0%, respectively.
- There were two community contact interviews conducted as part of this evaluation providing supplemental information regarding the area's credit needs and context to demographic and economic conditions of the local community.
 - The first interview was conducted with an agency that provides a multitude of wraparound services to LMI individuals and families, including but not limited to healthcare assistance and financial literacy education. The contact stated this region continues to face significant economic challenges exacerbated by rising poverty and decreasing financial contributions to local charities post COVID. Income inequality continues to increase, particularly for seniors (aged 65+) on fixed incomes. The contact also noted area businesses are struggling to find and retain qualified workers due to the widening skills gap and inability to pay enough to cover rapidly rising bills. Additionally, the lack of reliable transportation infrastructure in remote rural communities continues to create barriers to work for LMI individuals. The contact stressed the growing need of more access to affordable housing, especially in rural communities where handshake deals, and lack of formal rental lease agreements leave many LMI renters vulnerable to exploitation. The contact indicated there are opportunities for local financial institutions to provide financial literacy training and foster partnerships with social service agencies to empower LMI individuals towards financial security and sustainable lifestyles.

¹[Federal Financial Institutions Examination Council \(FFIEC\) – Distressed and Underserved Nonmetropolitan Middle-Income Geographies](#)

- The second interview was with a representative from a workforce development organization that provides programs and services to promote job readiness and job matching programs and services. The contact stated that there is a lack of affordable housing in the area, especially transitional housing for individuals in local shelters temporarily without a primary residence. LMI individuals currently residing in affordable housing are unable to grow out of their space due to a lack of affordable starter homes, which creates a bottleneck for people in need of transitional housing. The contact communicated that manufacturing is the largest employment sector in the region and there are various workforce development initiatives targeting LMI individuals through partnerships with local manufacturing companies. These programs are provided free of charge and many of them specifically target economically disadvantaged high school students to connect them with summer programs leading to job interviews. The contact added that workforce development in the region is strong, but one challenge affecting the local workforce is the lack of affordable childcare services. Typically, after individuals obtain employment, they lose their financial childcare assistance. Additionally, many local jobs require employees to work third shift when childcare providers are closed. The contact said that local companies frequently express to them the need for more financial literacy classes in the community. Workers regularly run into financial issues stemming from money mismanagement. There are significant opportunities for banks to be more active, specifically by providing financial literacy programs, home ownership services, and funding for childcare.

Population Change					
Assessment Area: Nonmetropolitan Ohio					
Area	2015 Population	2020 Population	Percent Change	2023 Population	Percent Change
Ashland County	53,189	52,447	-1.4%	52,190	-0.5%
Coshocton County	36,724	36,612	-0.3%	36,869	0.7%
Holmes County	43,436	44,223	1.8%	44,386	0.4%
Knox County	61,004	62,721	2.8%	63,320	1.0%
Tuscarawas County	92,697	93,263	0.6%	91,874	-1.5%
Wayne County	115,371	116,894	1.3%	116,510	-0.3%
Assessment Area	402,421	406,160	0.9%	405,149	-0.2%
Ohio	11,575,977	11,799,448	1.9%	11,785,935	-0.1%

Source: 2011-2015 U.S. Census Bureau American Community Survey
2020 U.S. Census Bureau Decennial Census
2023 U.S. Census Bureau Decennial Census

- The AA experienced a slight gain (0.7%) in population from 2015 to 2023. During this time Ashland County experienced the greatest decrease and Knox County experienced the greatest increase in population.
- 74.8% of the AA population was 18 years of age or older, the legal age to enter into a contract.

- 17.0% of the population in the AA was age 65 and over, compared to 16.9% in Ohio.
- While AA population is remaining steady, it is aging, resulting in a shrinking working population or lack of labor supply and increasing demand for leisure and healthcare services.
- 6.4% of the AA’s population reside in the AA’s moderate-income tracts.
- Wooster (Wayne County) is the largest city in the AA with a population of 27,030 according to 2022 U.S. Census data. Wooster’s population decreased by 0.8% since 2020. By comparison, Millersburg’s (Holmes County) population was 3,180 according to 2022 U.S. Census data. Millersburg’s population increased by 1.0% since 2020.

Borrower Income Levels										
Assessment Area: Nonmetropolitan Ohio										
FFIEC Estimated Median			Low		Moderate		Middle		Upper	
Year	\$	% Change	0	- 49.9%	50%	- 79.9%	80%	- 119.9%	120%	- & above
2020	\$63,400		0	- \$31,699	\$31,700	- \$50,719	\$50,720	- \$76,079	\$76,080	- & above
2021	\$64,700	2.1	0	- \$32,349	\$32,350	- \$51,759	\$51,760	- \$77,639	\$77,640	- & above
2022	\$74,900	15.8	0	- \$37,449	\$37,450	- \$59,919	\$59,920	- \$89,879	\$89,880	- & above
2023	\$79,500	6.1	0	- \$39,749	\$39,750	- \$63,599	\$63,600	- \$95,399	\$95,400	- & above

Source: 2020-2023 FFIEC Census Data

- The median family income (MFI) increased by 25.4% from 2020 to 2023 Nonmetropolitan Ohio, with the largest annual increase occurring from 2021 to 2022.
- Ohio minimum wage for 2023 is \$10.10 per hour or \$21,008 annually.² The Federal minimum wage is \$7.25 per hour and has not increased since 2009.³

Poverty Rates			
Assessment Area: Nonmetropolitan Ohio			
Area	2020	2021	2022
Ashland County	12.5%	12.4%	11.7%
Coshocton County	17.4%	19.1%	18.9%
Holmes County	9.7%	9.0%	8.9%
Knox County	12.1%	12.7%	12.2%
Tuscarawas County	12.9%	13.0%	12.5%
Wayne County	10.7%	10.0%	8.8%
Ohio	13.6%	13.4%	13.4%

Source: Federal Reserve Economic Data | FRED | St. Louis Fed

- With the exception of Coshocton County, poverty rates in the AA were consistently lower than poverty rates across Ohio.

²[Ohio Minimum Wage](#)

³[Federal Minimum Wage](#)

- Of the 66,448 families in the AA, 33.0% are designated as LMI with 7.2% living below poverty.
- Of the 92,899 households in the AA, 10.3% are below the poverty level and 2.0% receive public assistance
- Supplemental Nutrition Assistance Program (SNAP)⁴ helps LMI individuals and families, the elderly, and the working poor purchase food and reduce food insecurity and may free up resources for other necessities, such as clothing, housing, and medical expenses. The table below shows the percentage of population by county and state receiving SNAP benefits.

SNAP Recipients		
Assessment Area: Nonmetropolitan Ohio		
Area	2020	2021
Ashland County	7.7%	7.8%
Coshocton County	15.4%	15.7%
Holmes County	2.4%	2.2%
Knox County	9.2%	8.7%
Tuscarawas County	10.6%	10.9%
Wayne County	8.0%	8.2%
Ohio	12.3%	12.7%

Source: Federal Reserve Economic Data | FRED | St. Louis Fed

- Coshocton, Tuscarawas, and Knox had the highest poverty rates and are also the counties with the highest percentage of SNAP recipients. Holmes County had the lowest poverty rate and percentage of SNAP recipients.

Housing Cost Change						
Assessment Area: Nonmetropolitan Ohio						
Area	Median Housing Value			Median Gross Rent		
	2020	2022	Percent Change	2020	2022	Percent Change
Ashland County	\$132,200	\$163,600	23.8%	\$711	\$815	14.6%
Coshocton County	\$106,300	\$128,600	21.0%	\$632	\$694	9.8%
Holmes County	\$224,400	\$245,800	9.5%	\$666	\$749	12.5%
Knox County	\$162,700	\$197,400	21.3%	\$769	\$878	14.2%
Tuscarawas County	\$136,700	\$163,700	19.8%	\$772	\$844	9.3%
Wayne County	\$156,300	\$189,800	21.4%	\$754	\$824	9.3%
Ohio	\$151,400	\$183,300	21.1%	\$825	\$945	14.5%

*Source: 2018-2022 U.S. Census Bureau: American Community Survey
2016-2020 U.S. Census Bureau: American Community Survey*

- The cost of homes across the AA outpaced MFI (i.e., wage growth) from 2020 to 2022. Home prices rose between 20.0% to 24.0% with the exception of Holmes County, while

⁴ [Federal Reserve Economic Data \(FRED\)](#)

MFI rose only 18.0% during this period. Rents rose between 9.0% to 15.0% during this period of time.

- According to the U.S. Department of Housing and Urban Development's (HUD) 2022 Fair Market Rents (FMR) data,⁵ the average rent for a two-bedroom unit in the AA was \$785 a month (requiring a minimum annual salary of \$31,500).
- With Ohio's minimum wage at \$10.10, renters across the state can only afford \$525 in monthly rent. The typical minimum wage worker cannot afford rent for a FMR two-bedroom apartment in this AA.
- According to the National Low Income Housing Coalition,⁶ full-time workers must earn at least \$19 an hour (\$39,520 annual salary) in Ohio, which is nearly double the minimum wage to afford an average two-bedroom unit. Rents continue to increase nationwide; currently the national average rent is \$1,372 a month, which requires workers to earn a minimum wage of \$28.58 (\$59,445 annual salary).
- There are 100,932 housing units in the AA, of which 69.2% are owner-occupied, 22.9% are rental and 8.0% are vacant. There are more households in the AA who own their homes than there are renters.
- There are 7,277 (7.2%) total housing units in moderate-income tracts and 54.0% are owner-occupied, 35.0% are rental, and 11.0% are vacant.
- With 31.0% of total housing units across the AA being either rental or vacant, there may be limited opportunities to originate mortgage loans, particularly in moderate-income tracts with approximately 46.0% of total housing units being either rental or vacant.
- The median age of housing stock in the AA is 52 years old, compared to 61 years old in moderate-income tracts. Across the AA, 25.0% of housing units were built prior to 1950. The age of the housing stock, particularly in moderate-income tracts demonstrates a potential need for home improvement lending and refinance or home improvement loans to remove lead-based paint that was commonly used on houses and apartments built before 1978.⁷

⁵ [HUD FY 2022 Ohio FMR Summary](#)

⁶ [National Low Income Housing Coalition \(2023\)](#)

⁷ [Ohio Department of Health/Know Our Programs/Childhood Lead Poisoning](#)

Housing Cost Burden						
Assessment Area: Nonmetropolitan Ohio						
Area	Cost Burden - Owners			Cost Burden - Renters		
	Low Income	Moderate Income	All Owners	Low Income	Moderate Income	All Renters
Ashland County	61.7%	21.9%	14.6%	66.8%	16.7%	31.8%
Coshocton County	45.8%	19.0%	15.8%	57.9%	10.7%	31.6%
Holmes County	53.9%	31.5%	16.9%	49.3%	11.8%	21.9%
Knox County	62.1%	24.9%	12.9%	76.6%	18.1%	36.5%
Tuscarawas County	57.8%	22.0%	15.4%	74.2%	32.3%	37.0%
Wayne County	55.5%	24.8%	14.4%	68.7%	11.8%	31.2%
Assessment Area	56.2%	23.7%	14.8%	68.6%	19.2%	33.1%
Ohio	59.3%	26.1%	16.4%	71.1%	24.7%	38.9%

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2016-2020 Comprehensive Housing Affordability Strategy

- 56.2% of low-income homeowners and 68.6% of low-income renters are cost burdened, compared to 23.7% of moderate-income homeowners and 19.2% of moderate-income renters.
- 14.8% of all homeowners across the AA are cost burdened, compared to 16.4% of all homeowners in Ohio.
- 33.1% of all renters across the AA are cost burdened, compared to 38.9% of all renters in Ohio.
- The data shows that cost burden disproportionately affects renter-occupied households, particularly low-income renters as well as low-income homeowners.
- Cost-burdened renters may have a difficult time saving enough monies to make a sufficient down payment to purchase a home or otherwise afford increasing rents.
- Cost-burdened households may potentially forgo food, childcare, or medication, and be unable to build emergency, education, or retirement savings.

Unemployment Rates			
Assessment Area: Nonmetropolitan Ohio			
Area	2021	2022	2023
Ashland County	4.4%	3.9%	3.4%
Coshocton County	5.9%	4.9%	4.5%
Holmes County	2.8%	2.8%	2.8%
Knox County	4.1%	3.5%	3.3%
Tuscarawas County	4.7%	3.8%	3.6%
Wayne County	3.7%	3.2%	2.8%
Assessment Area	4.1%	3.5%	3.3%
Ohio	5.1%	4.0%	3.5%

Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics

- Between 2021 and 2023 unemployment rates decreased each year across the AA. Unemployment rates across the AA were consistently lower than unemployment rates in Ohio during this period.
- According to Ohio Office of Research:⁸
 - Land use in AA is primarily rural with less than 11.0% available for urban (i.e., residential, commercial, industrial, or recreational) development.
 - The leading industries in the AA are manufacturing, government, retail trade, health care and social assistance, and accommodation and food services.
 - The average weekly wage for the private sector is \$919, which indicates that employed persons could afford median rents in the AA.
- Major employers include but are not limited to Case Farms, Weaver Leather, Rexam Inc., and Pride of the Hills Manufacturing in Holmes County.⁹ Ariel Corporation, Knox Community Hospital, Kenyon College, and Knox County government in Knox County.¹⁰ The College of Wooster, Wooster Brush Company, J.M. Smucker Co., Schaeffler, Morton Salt, Smith Foods, Main Street Bank, Gerber Poultry, E&H Ace Hardware Group, Aultman Orrville Hospital, and Frito-Lay North America in Wayne County.¹¹
- Holmes County is home to the second-largest Amish community in the United States.¹² Wayne, Coshocton, Knox, Tuscarawas, also have Amish communities. The Amish community is a key driver of economic growth in this area. Millions of visitors explore Amish County yearly bringing in funds to the local economy via the service industry. However, jobs created from tourism are not typically high paying and the tourism industry does not necessarily allow for much upward movement in the economy.¹³
- Farming has been in decline due to population growth and land scarcity, as a result only a minority of Amish remain in dairy farming and crop cultivation. Consequently, small business ownership is popular among the Amish consisting of furniture and handicrafts shops, restaurants, manufacturers, and homebuilders, etc.¹⁴ From a banking perspective, the Amish tend to favor smaller local banks for their deposit and lending needs.¹⁵ Overall having a large Amish population should not significantly impact Killbuck's ability to originate loans or provide other banking products and services. However, according to bank management, while Killbuck originates loans and provides deposit and checking services to the Amish, it considers the Amish Helping Fund to be a competitor. The Securities and Exchange Commission (SEC) described the Amish Helping Fund as a religious-based non-profit headquartered in Millersburg, Ohio that was established in 1995 to help preserve the Amish way of life by raising funds to loan to Amish families at

⁸ Ohio County Trends: [County Trends | Development](#)

⁹ [Ohio Southeast Economic Development](#)

¹⁰ [Knox County Area Foundation](#)

¹¹ [Wayne Economic Development Council](#)

¹² [World Atlas – Largest Amish Communities](#)

¹³ [Economic Development Council – Holmes County](#)

¹⁴ [Ohio's AmishCountry](#)

¹⁵ [Amish America](#)

low-interest rates to enable them to purchase real estate and gain access to working capital.¹⁶ Therefore, the ability to originate small business loans may be impacted because Killbuck could have difficulty competing with the Amish communities' low cost of funds.

- According to 2022 Census data and BroadbandOhio,¹⁷ while 69.0% of households have computers and 62.0% have a broadband internet subscription, 88.0% of Holmes County's populated area and 73.0% of households do not have access to the minimum bandwidth needed for basic internet activity. By comparison, while 87.0% of households have computers and 83.0% have a broadband internet subscription, 58.0% of Wayne County's populated area and 31.0% of households do not have access to the minimum bandwidth needed for basic internet activity. Nationally, those with access to a broadband-enabled computer are employed at a higher rate in urban and rural counties.

¹⁶ [Securities Exchange Commission \(SEC\) – Amish Helping Fund \(AHF\)](#)

¹⁷ [BroadbandOhio](#)

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

Killbuck’s performance under the lending test is considered Satisfactory. The net loan-to-deposit ratio is reasonable. The bank made a substantial majority of its loans inside its AA. The borrower distribution is excellent to individuals of different income levels and reasonable to businesses of different revenue sizes. While geographic distribution did not receive much consideration due to the limited number of LMI tracts and opportunities to originate loans in these tracts, geographic distribution is considered reasonable. There was a significant level of lending gaps.

Net Loan-to-Deposit Ratio (NLTD)

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as Killbuck’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA since the previous evaluation in comparison to similarly situated FDIC-insured institutions (custom peer group). The custom peer group was selected based on asset size, market share, and the area where they are located.

Loan-to-Deposit Ratios								
The Killbuck Savings Bank Company, Killbuck, OH				The Commercial and Savings Ban of Millersburg, OH, Millersburg, OH	First Fderal Community Bank, National Association, Dover, OH	Unified Bank, Martins Ferry, OH	Wayne Savings Community Bank, Wooster, OH	CUSTOM PEER RATIO
As of Date	Net Loans \$(000s)	Total Deposits \$(000s)	Bank Ratio	Peer 1 Ratio	Peer 2 Ratio	Peer 3 Ratio	Peer 4 Ratio	Custom Peer Ratio
December 31, 2023	484,443	708,641	68.4	67.6	84.3	72.3	101.0	81.3
September 30, 2023	480,447	702,611	68.4	66.2	85.1	70.2	99.3	80.2
June 30, 2023	484,299	690,486	70.1	64.4	87.2	69.3	98.3	79.8
March 31, 2023	468,056	702,856	66.6	63.7	89.3	69.4	97.8	80.1
December 31, 2022	456,564	707,472	64.5	60.6	88.5	70.4	93.3	78.2
September 30, 2022	434,047	698,579	62.1	58.6	85.6	75.3	90.3	77.5
June 30, 2022	411,060	698,386	58.9	57.9	86.5	74.0	84.5	75.7
March 31, 2022	382,407	691,415	55.3	56.3	89.5	73.4	83.9	75.8
December 31, 2021	363,349	687,020	52.9	54.0	87.2	74.2	81.6	74.2
September 30, 2021	349,752	670,473	52.2	55.5	85.2	74.5	78.8	73.5
June 30, 2021	345,443	647,073	53.4	55.2	84.8	72.7	80.6	73.3
March 31, 2021	345,418	635,655	54.3	59.3	80.9	75.2	80.6	74.0
December 31, 2020	353,513	607,917	58.2	67.4	84.0	75.6	89.6	79.2
September 30, 2020	349,566	562,774	62.1	73.6	87.9	74.3	90.8	81.6
June 30, 2020	364,673	545,665	66.8	77.0	90.2	79.8	92.6	84.9
March 31, 2020	359,291	493,623	72.8	81.5	94.6	79.2	92.0	86.8
December 31, 2019	359,983	491,205	73.3	79.7	92.2	75.3	99.2	86.6
Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation			62.4	64.6	87.2	73.8	90.2	79.0

Killbuck’s NLTD ratio averaged 62.4%, which falls below the custom peer group average of 79.0%. Bank management indicated they experienced an increase in deposits (starting June 30, 2020), outpacing loan growth, due to direct payments to consumers and small businesses from various economic stimulus programs in response to the COVID-19 pandemic. This was a similar trend amongst other community banks. Post-COVID, bank management indicated deposits and lending leveled off, but deposits are increasing and lending is rebounding as interest rates fall. Therefore, Killbuck’s NLTD ratio is reasonable given the bank’s size, financial condition, and AA credit needs.

Assessment Area Concentration

Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Motor Vehicle	68	98.6	\$1,082	93.9	1	1.4	\$70	6.1
Total Consumer related	68	98.6	\$1,082	93.9	1	1.4	\$70	6.1
Home Equity	105	98.1	\$15,683	97.2	2	1.9	\$450	2.8
Residential Loans	83	97.6	\$17,363	97.3	2	2.4	\$486	2.7
Total Non-HMDA	188	97.9	\$33,046	97.2	4	2.1	\$936	2.8
Small Business	142	97.9	\$24,841	98.1	3	2.1	\$470	1.9
Total Small Bus. related	142	97.9	\$24,841	98.1	3	2.1	\$470	1.9
TOTAL LOANS	398	98.0	\$58,969	97.6	8	2.0	\$1,476	2.4

Note: Affiliate loans not included

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. During the evaluation period, 98.0% by volume and 97.6% by dollar amount of the bank's total loans were made inside the AA. Therefore, a substantial majority of loans by volume and other lending-related activities are in the bank's AA.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank's lending has an excellent distribution among individuals of different income levels and reasonable among businesses of different sizes. Borrower distribution of residential real estate and motor vehicle lending is excellent and reasonable for home equity and small business lending.

Small Business Lending

Killbuck originated 142 small business loans totaling \$24.8 million. Killbuck's performance was compared to the percentage of total small businesses (proxy).

Distribution of 2023 Small Business Lending by Revenue Size of Businesses					
Assessment Area: Nonmetropolitan Ohio					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	63	44.4	18,077	72.8	89.9
Over \$1 Million	79	55.6	6,764	27.2	8.3
Revenue Unknown	0	0.0	0	0.0	1.8
Total	142	100.0	24,841	100.0	100.0
By Loan Size					
\$100,000 or Less	80	56.3	3,911	15.7	
\$100,001 - \$250,000	34	23.9	5,920	23.8	
\$250,001 - \$1 Million	28	19.7	15,010	60.4	
Total	142	100.0	24,841	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or Less	17	27.0	1,239	6.9	
\$100,001 - \$250,000	22	34.9	4,048	22.4	
\$250,001 - \$1 Million	24	38.1	12,790	70.8	
Total	63	100.0	18,077	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Killbuck originated 63 (44.4%) of its loans to businesses with revenues of \$1.0 million or less, which fell below the percentage of small businesses at 89.9%.

Killbuck also made 56.3% of its small dollar loans in amounts of \$100,000 or less. Killbuck's willingness to lend in smaller amounts exhibits adequate responsiveness to credit needs of businesses in the AA, since small dollar loans tend to represent amounts typically requested by small businesses. Therefore, the distribution of small business lending is reasonable.

Residential Real Estate Lending

Killbuck originated 83 residential real estate loans totaling \$17.4 million, and 29 (34.9%) of these loans were made to borrowers with unknown incomes. Killbuck's performance was compared to the percentage of families by family income (proxy). The borrower distribution of residential real estate lending is excellent, primarily based on its performance to moderate-income borrowers.

Distribution of 2023 Residential Lending by Borrower Income Level Assessment Area: Nonmetropolitan Ohio					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	\$%	
Low	2	3.6	290	1.7	15.2
Moderate	23	27.7	3,506	20.2	17.8
Middle	12	14.5	3,021	17.4	23.9
Upper	16	19.3	4,827	27.8	43.0
Unknown	29	34.9	5,719	32.9	0.0
Total	83	100.0	17,363	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Killbuck originated two (3.6%) residential real estate loans to low-income borrowers, which fell significantly below the percentage of families at 15.2%. The bank originated 23 (27.7%) residential real estate loans to moderate-income borrowers, which exceeded the percentage of families at 17.8%.

Borrower distribution of residential real estate loans to low-income borrowers is poor and excellent to moderate-income borrowers, considering this the largest percentage of loans to borrowers with known incomes. Results could be skewed since nearly 35.0% of loans were made to borrowers with unknown incomes.

Home Equity Lending

Killbuck originated 105 home equity loans totaling \$15.7 million, and 38 (36.2%) home equity loans were made to borrowers with unknown incomes. Killbuck's performance was compared to the percentage of families (proxy). Killbuck's borrower distribution of home equity loans is reasonable.

Distribution of 2023 Home Equity Lending by Borrower Income Level					
Assessment Area: Nonmetropolitan Ohio					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	%	\$(000)	%	
Low	1	1.0	54	0.3	15.2
Moderate	13	12.4	995	6.3	17.8
Middle	23	21.9	2,948	18.8	23.9
Upper	30	28.6	4,171	26.6	43.0
Unknown	38	36.2	7,515	47.9	0.0
Total	105	100.0	15,683	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Killbuck originated one (1.0%) home equity loan to low-income borrowers, which fell significantly below the percentage of families at 15.2%. The bank originated 13 (12.4%) home equity loans to moderate-income borrowers, which fell below the percentage of families at 17.8%.

Borrower distribution of home equity loans to low-income borrowers is poor and reasonable to moderate-income borrowers, considering lower-income households tend to have lower wealth accumulation or equity in their homes. Results could be skewed since slightly more than 36.0% of loans were made to borrowers with unknown incomes.

Motor Vehicle Lending

Killbuck originated 68 motor vehicle loans totaling \$1.1 million. Killbuck’s performance was compared to the percentage of households by household income (proxy). Killbuck’s borrower distribution of motor vehicle lending is excellent.

Distribution of 2023 Motor Vehicle Lending by Borrower Income Level					
Assessment Area: Nonmetropolitan Ohio					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	%	\$(000)	%	
Low	18	26.5	177	16.4	18.3
Moderate	26	38.2	497	46.0	14.8
Middle	15	22.1	252	23.3	19.3
Upper	9	13.2	155	14.3	47.6
Total	68	100.0	1,082	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Killbuck originated 18 (26.5%) motor vehicle loans to low-income borrowers, which exceeded the percentage of households at 18.3%. The bank originated 26 (38.2%) to moderate-income borrowers, which significantly exceeded the percentage of households at 14.8%.

Borrower distribution of motor vehicle loans to LMI borrowers is excellent, considering loans to LMI borrowers represent the majority of originated loans. Also, access to transportation is essential for improving upward social mobility for lower-income individuals and communities.

Geographic Distribution of Loans

Geographic distribution did not receive much consideration due to the limited number of LMI tracts and opportunities to originate loans in these tracts. Only 7.8% of geographies in the AA are moderate-income. There are no low-income tracts.

As shown in the table below, there was a significant level of lending gaps.

Lending Penetration Assessment Area: Nonmetropolitan Ohio				
Geographic Income Level	# Tracts	Tracts w/ No Loans	Tracts w/ Loans	Penetration Rate
Low	0	0	0	No Tracts
Moderate	5	4	1	20.0%
Middle	45	15	30	66.7%
Upper	13	6	7	53.8%
Unknown	1	0	1	100.0%
Total	64	25	39	60.9%

Killbuck originated 14 loans in the moderate-income tract in Coshocton County but did not originate loans in the moderate-income tract in Knox County or the three moderate-income tracts in Wayne County. While this represents a substantial level of lending gaps, there are limited opportunities to originate loans in moderate-income tracts, since only 7.0% of households, 6.4% of families, 5.6% of businesses, and 7.2% of housing units are in these tracts. Also, 46.0% of housing units in moderate-income tracts are either rental or vacant, and 19.1% of families that reside in moderate-income tracts fall below the poverty level.

Taking these factors into account, the geographic distribution of loans reflects a reasonable dispersion throughout the AA. The geographic distribution of small business, residential real estate, home equity, and motor vehicle lending is reasonable.

Small Business Lending

Killbuck originated 142 small business loans totaling \$28.8 million. Killbuck's performance was compared to the percentage of total businesses (proxy). Killbuck's geographic distribution of

small business lending is reasonable, considering the limited opportunities in moderate-income tracts and excellent penetration in middle-income tracts.

Distribution of 2023 Small Business Lending by Income Level of Geography					
Assessment Area: Nonmetropolitan Ohio					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	1	0.7	125	0.5	5.6
Middle	108	76.1	19,836	79.9	75.9
Upper	33	23.2	4,880	19.6	18.0
Unknown	0	0.0	0	0.0	0.5
Total	142	100.0	28,841	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Killbuck originated one (0.7%) small business loan in a moderate-income tract, which fell substantially below the percentage of businesses in these tracts at 5.6%. There are limited opportunities to originate loans, since only 5.6% of businesses are in these tracts. Therefore, Killbuck’s geographic distribution of small business loans in moderate-income tracts is reasonable.

Residential Real Estate Lending

Killbuck originated 83 residential real estate loans totaling \$17.4 million. Killbuck’s performance was compared to the percentage of owner-occupied units (proxy). Killbuck’s geographic distribution of residential real estate loans is reasonable.

Distribution of 2023 Residential Lending by Income Level of Geography					
Assessment Area: Nonmetropolitan Ohio					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	1	1.2	80	0.5	5.6
Middle	63	75.9	13,204	76.0	72.4
Upper	18	21.7	3,975	22.9	21.2
Unknown	1	1.2	105	0.6	0.7
Total	83	100.0	17,363	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Killbuck originated one (1.2%) residential real estate loan in a moderate-income tract, which fell substantially below the percentage of owner-occupied units in these tracts at 5.6%. There are limited opportunities to originate residential real estate loans in moderate-income tracts, since only 7.0% of households, 6.4% of families, and 7.2% of housing units reside in these tracts. Additionally, 46.0% of housing units in moderate-income tracts are either rental or vacant. Therefore, Killbuck’s geographic distribution of residential real estate loans in moderate-income tracts is reasonable.

Home Equity Lending

Killbuck originated 105 home equity loans totaling \$15.7 million. Killbuck’s performance was compared to the percentage of owner-occupied units (proxy). Killbuck’s geographic distribution of home equity loans is reasonable.

Distribution of 2023 Home Equity Lending by Income Level of Geography					
Assessment Area: Nonmetropolitan Ohio					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	4	3.8	637	4.1	5.6
Middle	84	80.0	12,569	80.1	72.4
Upper	17	16.2	2,477	15.8	21.2
Unknown	0	0.0	0	0.0	0.7
Total	105	100.0	15,683	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding.					

Killbuck originated four (3.8%) home equity loans in moderate-income tracts, which fell below the percentage of owner-occupied units in these tracts at 5.6%. There are limited opportunities to originate home equity loans in moderate-income tracts, since only 7.2% of housing units and 5.6% of owner-occupied units reside in these tracts. However, 54.0% of the housing units are owner-occupied. Therefore, the geographic distribution of home equity loans in moderate-income tracts is reasonable.

Motor Vehicle Lending

Killbuck originated 68 motor vehicle loans totaling \$1.1 million. Killbuck’s performance was compared to the percentage of households by household tract (proxy). Killbuck’s geographic distribution of motor vehicle loans is reasonable.

Distribution of 2023 Motor Vehicle Lending by Income Level of Geography					
Assessment Area: Nonmetropolitan Ohio					
Geographic Income Level	Bank Loans				Total Households %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	7.0
Middle	53	77.9	864	79.9	73.1
Upper	15	22.1	218	20.1	19.2
Unknown	0	0.0	0	0.0	0.7
Total	68	100.0	1,082	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Killbuck originated no motor vehicle loans in moderate-income tracts, compared to the percentage of households in these tracts at 7.0%. There are limited opportunities to originate motor vehicle loans in moderate-income tracts, since only 7.0% of households and 6.4% of families are in these tracts. Also, 19.1% of families that reside in moderate-income tracts fall below the poverty level. According to Experian, the average interest rate for a used vehicle in Q3 2023 was 11.35%.¹⁸ Therefore, geographic distribution of motor vehicle lending in moderate-income tracts is reasonable.

Response to Complaints

There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

Community Development Test

Killbuck’s performance under the community development test is considered Outstanding.

Community development activities funded between December 3, 2019, through July 29, 2024, were assessed along with qualified investments funded during a prior evaluation periods. Three middle-income tracts in Coshocton County were designated as distressed in 2019, 2020, and 2021.

Killbuck facilitated 528 PPP loans totaling \$36.4 million through the U.S. government’s Paycheck Protection Program (PPP) between April 6, 2020, through May 26, 2021, to help small businesses impacted by the COVID-19 emergency. Consistent with information provided in the May 27, 2020, joint statement on CRA Consideration for Activities in Response to Coronavirus FAQs;¹⁹ PPP loans originated in LMI and distressed-middle income tracts were considered in the

¹⁸ [Experian’s State of the Automotive Finance Market Report: 3Q2023](#)

¹⁹ [May 27 2020 - Frequently Asked Questions \(FAQs\) for Consideration for Activities in Response to the Coronavirus](#)

community development test. PPP loans were originated outside of the evaluation period for the retail lending test.

Killbuck’s community development performance demonstrates an excellent responsiveness to the credit and community development needs of its AA through community development loans, qualified investments and donations, and community development services, considering Killbuck’s capacity and the need and availability of such opportunities in the AA. Community development loans supported affordable housing, a women-owned small business, and small businesses during the height of the COVID-19 emergency. Killbuck was able to obtain new qualified investments that supported affordable housing and increase its levels of small dollar donations and community development services since the previous evaluation. Community contacts stressed the need for supporting affordable housing and local charities that provide emergency and other social services targeted LMI individuals and families. Killbuck’s community development activities supported these expressed needs. Killbuck also delivered multiple community development activities (qualified donations and services) to eight organizations further demonstrating responsiveness to community development needs and opportunities in its AA.

Killbuck made a \$1,000 donation to Ohio Bankers Foundation to support financial literacy education across Ohio and a \$4,059 donation to *Cenmark*, Inc. to support financial literacy through education. While Killbuck has very few schools with majority LMI student bodies in its delineated AA, these donations along with Killbuck’s financial literacy training events represent Killbuck’s commitment to promoting financial literacy as a path to financial well-being. Community contacts indicated the need for and importance of financial literacy training. While not eligible for consideration under the Community Development Test, Killbuck is being responsive to this expressed need in its AA.

Community Development Loans

Killbuck originated 30 community development loans totaling approximately \$4.5 million during the evaluation period. The following table reflects the total number of community development loans by purpose, number, and dollar amount.

Purpose of CD Loan	#	\$
Affordable Housing	7	\$2,538,000
Economic Development	2	\$1,455,000
Revitalization / Stabilization	21	\$460,439
Total	30	\$4,453,439
<i>Totals include loans that benefit broader regional area</i>		

Killbuck originated four loans supporting unsubsidized affordable housing totaling \$370,400. These loans provided nine units of affordable housing in Holmes, Knox, and Tuscarawas counties. Community contacts emphasized the critical need for affordable housing.

Killbuck originated a U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) loan totaling \$495,000 to a women-owned farm (vineyard). FSA targets a portion of its loan funds to historically underserved farmers and ranchers, which includes women and minorities. This loan provided working capital for ongoing operations and helped retain five permanent jobs for LMI workers. This loan is considered responsive to credit needs of a women-owned small business. Killbuck originated a commercial real estate loan totaling \$960,000 to a small business to relocate its business within the AA and build a new shop and warehouse. This loan helped the business expand and create eight new permanent jobs for LMI workers.

Killbuck originated 18 PPP loans totaling \$267,802 in a moderate-income and distressed-middle income geographies in its AA. These loans are considered responsive to credit needs of small businesses and helped to stabilize these communities during the height of the COVID-19 emergency.

Because Killbuck has been responsive to community development needs and opportunities in its AA, consideration was given to three affordable housing loans totaling \$2.2 million that benefited broader regional Nonmetropolitan Ohio. These loans provided 52 units of unsubsidized affordable housing in Guernsey and Huron counties. Community contacts emphasized the critical need for affordable housing. Consideration was also given to three PPP loans totaling \$192,637 in a moderate-income tract in Coshocton County outside of Killbuck’s delineated AA. These loans represent approximately 67.6% of Killbuck’s total community development lending by dollar amount during the evaluation period.

Community Development Investments

Killbuck has \$3.1 million in qualified community development investments and donations.

The following table reflects the total number of qualified investments by purpose, number, and dollar amount:

Purpose of CD Investment	#	\$
Affordable Housing	5	\$2,266,434
Services to LMI	2	\$655,000
Total	7	\$2,921,434
<i>Totals include qualified investments that benefit broader statewide area</i>		

Killbuck obtained four new investments worth approximately \$2.2 million, representing 76.7% of total qualified investments. Killbuck holds three prior period investments with a current book value of approximately \$681,434, representing 23.3% of total investments.

New investments include three mortgage-backed securities worth \$1.2 million that benefit the broader statewide area, including the bank’s AA. These investments support Ohio State Housing – First Time Home Buyers Program. Killbuck also obtained a mortgage-backed security worth \$1.0 million that supports 62 units of affordable housing in Knox County. Qualified prior period investments include a municipal bond with a current book value of \$300,000 that benefited a school district in Coshocton County of which a majority of students qualify for the free- and reduced-price meals under the National School Lunch Program.

Because Killbuck has been responsive to community development needs and opportunities in its AA, consideration was given to a prior period mortgage-backed security with a current book value of \$26,434 that supports 18 units of affordable housing and a municipal school bond with a current book value of \$355,000 that benefited an LMI school district in the broader regional area.

Qualified investments also took the form of donations and grants totaling \$189,108. This represents a significant increase by dollar amount since previous evaluation. Killbuck partners with an array of organizations and nonprofits to fund initiatives aimed at responding to community needs. These donations help provide wraparound services to LMI individuals and families, economic development, and affordable housing activities.

The following table reflects the total number community development small dollar donations by purpose, number, and dollar amount.

Purpose of CD Donation	#	\$
Services to LMI	79	\$107,196
Economic Development	19	\$44,712
Affordable Housing	3	\$650
Total	101	\$152,558
<i>IOLTAs and Welcome Home Fund grants are not included in these totals</i>		

Killbuck made 101 donations totaling \$152,558 to 39 different organizations during the evaluation period. These small dollar donations primarily support nonprofits that provide a multitude of services to LMI individuals and families and small businesses.

Impactful donations include but are not limited to:

- \$44,712 (seven donations) to several economic development organizations focused on business improvement and retention programs, tax credits, infrastructure improvements, and encouraging tourism
- \$20,000 donation to support arts scholarships for LMI students

- \$16,502 (six donations) to local food banks, including during the height of the COVID-19 emergency
- \$2,708 donation to purchase a freezer for a local foodbank
- \$650 donation to a nonprofit affordable housing agency

In addition to small dollar donations, Killbuck also paid interest above market rate on Interest On Lawyer Trust Accounts (IOLTAs) and issued two Welcome Home Fund grants. During the evaluation period, Killbuck paid \$21,550 in interest above the market rate to three law firms’ IOLTAs. IOLTAs have been used to fund civil legal aid for LMI Ohioans who cannot afford an attorney. In this way, civil legal aid ensures fairness in the justice system regardless of how much money a person has.

Killbuck works with the Federal Home Loan Bank of Cincinnati to offer qualifying LMI homebuyers Welcome Home Fund grants. During the evaluation period, Killbuck assisted two LMI homebuyers qualify for \$15,000 of assistance to fund either down payments or closing costs for their new homes in Holmes County.

Because Killbuck has been responsive to community development needs and opportunities in its AA, consideration was given to a Welcome Home Fund grant totaling \$5,000 in the broader regional Stark County area.

Community Development Services

Killbuck provided 3,469 hours of community development services supporting various service activities during the evaluation period. Total community development service hours equate to 1.7 annualized persons (ANP).²⁰ This represents a significant increase in community development services since previous evaluation.

The following table provides a breakdown of qualified community development services by community development purpose. Employees were involved with organizations and activities that promote or facilitate community services targeted to LMI individuals, economic development by financing small businesses, and to a lesser extent, affordable housing.

Purpose of CD Service	# Services	# Organizations	# Employees*	# Hours
Community Services	44	23	18	2,051
Economic Development	40	12	16	1,378
Affordable Housing	4	4	2	40
Total	88	39	36	3,469
<i>*May be double counted if employee provided multiple services</i>				

²⁰ Annualized Persons (ANP): Number CD qualified service hours divided by 2,000 work hours in a year

Killbuck's directors, officers, and staff members provided their financial expertise to the community by serving on boards and committees (4,044 hours), providing technical assistance (57 hours), and/or conducting financial literacy training (52 hours).

Community development services include the following:

- An employee provided financial literacy training as a budget coach working with a nonprofit that mobilizes local churches to offer a holistic approach to helping LMI people in need, including achieving financial independence
- Two employees provided technical expertise to three organizations in the form of fundraising, conducting homeownership needs assessment, and researching fiscal incentives to attract tourism and businesses to the community
- 28 employees served on boards/committees of 33 organizations/nonprofits

Financial Education – Killbuck has partnered with *Cemark, Inc.*²¹ for more than 20 years to offer:

- “How To Do Your Banking”
 - A seven-lesson course in banking skills taught by school faculty as a supplement to their regular teaching curriculum. Instructional materials (with Killbuck's logo) help students learn the basics of money management
 - Killbuck personnel are available as guest speakers
- “Saving with Mandy and Randy”
 - Curriculum supplement in the form of a coloring book – addresses students' competency in mathematics, economics, civics, and language arts
 - Killbuck purchases the workbooks and donates them to schools in its footprint
 - Killbuck personnel are available as guest speakers

During the COVID-19 emergency, Killbuck's employees did not conduct in-person events due to the transition to virtual learning as well as social distancing guidelines that were in place. Generally, the teachers were teaching the financial literacy courses with supplies (workbooks) that Killbuck purchased and donated. Post-pandemic Killbuck is providing in-person financial literacy training to students, as requested. For example, Killbuck has commenced participating in the *Real Money. Real World.* Ohio State University (OSU) Extension sessions for eighth graders. *Real Money. Real World.* is a financial literacy program for students ages 13 to 16 comprised of four classroom lessons followed by a real-life spending simulation where students use their new knowledge.²²

Board and Committee Memberships – Killbuck's officers, managers, and staff provided financial expertise through their involvement with community development organizations throughout the AAs by serving as executive directors, presidents, board members, loan committee members, or treasurers.

²¹ [Cemark, Inc. - Banks](#)

²² [Ohio State University Extension. Real Money. Real World.](#)

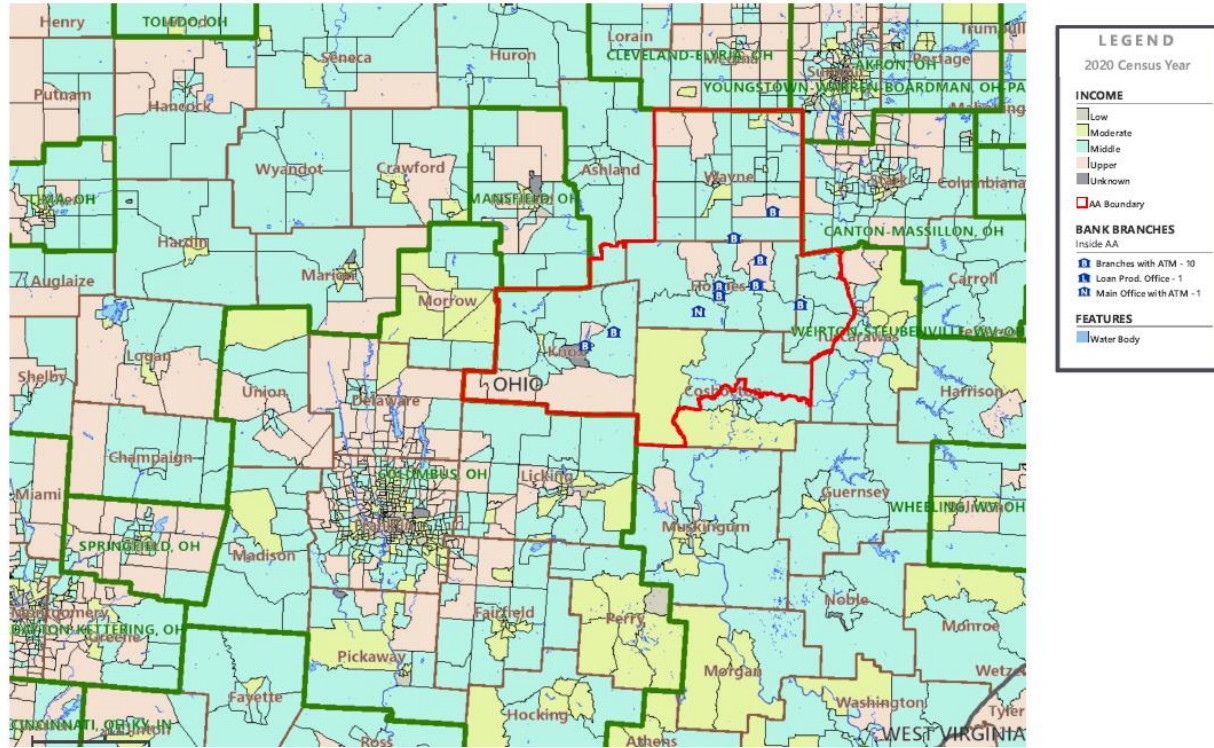
Technical Assistance – Killbuck’s employees provided technical assistance to community development and nonprofit organizations. Technical assistance included fundraising, qualification selection (needs assessment), and researching fiscal incentives to encourage economic development.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

Assessment Area: 2023 Nonmetropolitan Ohio



APPENDIX B – DEMOGRAPHIC INFORMATION

Combined Demographics Report

Assessment Area(s): Nonmetropolitan Ohio 2023

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	10,103	15.2
Moderate-income	5	7.8	4,246	6.4	812	19.1	11,842	17.8
Middle-income	45	70.3	48,411	72.9	3,353	6.9	15,898	23.9
Upper-income	13	20.3	13,440	20.2	595	4.4	28,605	43.0
Unknown-income	1	1.6	351	0.5	0	0.0	0	0.0
Total Assessment Area	64	100.0	66,448	100.0	4,760	7.2	66,448	100.0
	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	7,277	3,926	5.6	54.0	2,548	35.0	803	11.0
Middle-income	73,508	50,569	72.4	68.8	17,315	23.6	5,624	7.7
Upper-income	19,410	14,833	21.2	76.4	3,015	15.5	1,562	8.0
Unknown-income	737	508	0.7	68.9	185	25.1	44	6.0
Total Assessment Area	100,932	69,836	100.0	69.2	23,063	22.9	8,033	8.0
	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	573	5.6	510	5.5	48	5.6	15	8.2
Middle-income	7,824	75.9	7,008	75.7	676	78.9	140	76.1
Upper-income	1,858	18.0	1,705	18.4	125	14.6	28	15.2
Unknown-income	47	0.5	38	0.4	8	0.9	1	0.5
Total Assessment Area	10,302	100.0	9,261	100.0	857	100.0	184	100.0
Percentage of Total Businesses:			89.9		8.3		1.8	
	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	34	3.9	34	3.9	0	0.0	0	0.0
Middle-income	656	74.8	647	74.6	7	87.5	2	100.0
Upper-income	181	20.6	180	20.8	1	12.5	0	0.0
Unknown-income	6	0.7	6	0.7	0	0.0	0	0.0
Total Assessment Area	877	100.0	867	100.0	8	100.0	2	100.0
Percentage of Total Farms:			98.9		.9		.2	

2023 FFIEC Census Data and 2023 D&B Information

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: 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives 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 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 refinancings 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 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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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