

PUBLIC DISCLOSURE

March 29, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Commercial Savings Bank
RSSD# 194440

325 West Highway 30
Carroll, Iowa 51401

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

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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BANK'S CRA RATING

Commercial Savings Bank (CSB) is rated Satisfactory.

The bank is meeting the credit needs of its community based on an analysis of its lending activities. The loan-to-deposit ratio is reasonable considering the bank's size, financial condition, and assessment area credit needs. A majority of the bank's loans were originated in the assessment area. Geographic distribution of loans reflects reasonable distribution throughout the assessment area. The loan distribution reflects reasonable penetration among businesses and farms of different sizes and borrowers of different income levels, particularly those considered low- or moderate-income. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Based on asset size, the bank's performance was evaluated under the Federal Financial Institutions Examination Council's (FFIEC) Small Institution Examination Procedures. This performance was viewed in the context of the bank's financial condition; competition; and economic and demographic characteristics.

The performance criteria listed below incorporate activities within the bank's designated assessment area of nonmetropolitan Carroll County, Iowa. This assessment area was evaluated through a full-scope review as it is the bank's sole assessment area.

Performance in the assessment area was evaluated using the streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 17-quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – A statistical sample of the bank's home mortgage, small business, and small farm loans originated from December 1, 2019 to November 30, 2020 were reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – A statistical sample of the bank's home mortgage, small business, and small farm loans originated in the assessment area, from December 1, 2019 to November 30, 2020, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels.
- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – A statistical sample of the bank's home mortgage, small business, and small farm loans originated in the assessment area, from December 1, 2019 to November 30, 2020, were

reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses and farms with different revenue sizes.

- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.

In addition, two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. Representatives shared information specifically about economic development and housing conditions.

DESCRIPTION OF INSTITUTION

CSB is a wholly owned subsidiary of Commercial Ban Corp., headquartered in Carroll, Iowa. The bank has no affiliates or subsidiaries. As of September 30, 2020, the bank’s Uniform Bank Performance Report (UBPR) reported assets of \$217.8 million. With standard deposit and loan products offered at both locations within Carroll County, the bank is positioned to meet the credit needs of Carroll County residents, businesses, and farms. Specifically, the loan portfolio mix consists primarily of 43.4 percent commercial loans; 38.3 percent residential real estate loans; and 14.7 percent agricultural loans.

Operations consist of the main office in Carroll and a branch in Dedham, Iowa. Since the previous CRA examination, the main office was relocated nearby within the same census tract. The previous full-service, stand-alone automated teller machine (ATM) in Carroll was also relocated to the main office.

Loan Portfolio Mix & Asset Size		
9/30/2020	\$ (000s)	% of Gross
Assets	\$217,754	
Residential RE	\$62,911	38.3%
Commercial	\$71,284	43.4%
Agricultural	\$24,104	14.7%
Consumer	\$5,278	3.2%
Other	\$860	0.5%
Gross Loans	\$164,437	
Net Loans	\$162,783	
Note: Net Loans equals Gross Loans, net of unearned income and the ALLL.		

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

The bank was rated satisfactory under the CRA at its previous evaluation conducted on March 20, 2017.

DESCRIPTION OF ASSESSMENT AREA

The assessment area delineated by the bank consists of the entirety of Carroll County, Iowa in the west-central portion of the state. The assessment area remains unchanged since the previous CRA examination. Carroll County is a mainly rural, nonmetropolitan county, with six census tracts; the largest town is Carroll, comprising approximately half the population of the county. All six census tracts in the county were designated as underserved due to their remote rural location in 2018, 2019, and 2020.

In addition to the main office in Carroll and the branch in Dedham, Iowa, four ATMs also operate in Carroll. Two full-service ATMs operate at the main office, while two cash-only ATMs operate separately from any bank locations. The main office and full-service stand-alone ATM relocations did not impact delivery services to the assessment area.

According to the FDIC Deposit Market Share Report as of June 30, 2020, CSB is ranked second out of nine institutions operating in Carroll County with 17.2 percent of market share. The bank with the largest market share is Availa Bank with 23.0 percent of the market.

Assessment Area: 2020 IA Non MSA								
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	948	17.2
Moderate-income	0	0.0	0	0.0	0	0.0	929	16.9
Middle-income	6	100.0	5,508	100.0	409	7.4	1,131	20.5
Upper-income	0	0.0	0	0.0	0	0.0	2,500	45.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6	100.0	5,508	100.0	409	7.4	5,508	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	9,398	6,382	100.0	67.9	2,165	23.0	851	9.1
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	9,398	6,382	100.0	67.9	2,165	23.0	851	9.1
	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	1,307	100.0	1,160	100.0	123	100.0	24	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,307	100.0	1,160	100.0	123	100.0	24	100.0
Percentage of Total Businesses:			88.8		9.4		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	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	320	100.0	317	100.0	3	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	320	100.0	317	100.0	3	100.0	0	0.0
Percentage of Total Farms:			99.1		0.9		0.0	
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

Between 2010 and the U.S. Census estimates in 2015, the population of Carroll County is shown to decrease slightly by approximately 0.9 percent. Over the same time period, the state of Iowa grew by 1.5 percent. One area representative indicated the population is stable, rather than in a decline based on estimates, supported by data from local utility usage. The population is stabilized by the variety and range of employment opportunities in the county and its central location in the western half of the state. An absence of housing units is hindering population growth, with new businesses desiring relocation to the county and existing businesses seeking growth, with both challenged by difficulty finding worker housing.

Population Change			
Area	2010 Population	2011-2015 Population	Percentage Change
Carroll County, IA	20,816	20,629	-0.9
State of Iowa	3,046,355	3,093,526	1.5
<i>Source: 2010—U.S. Census Bureau: Decennial Census 2015—U.S. Census Bureau: Annual Population Estimates</i>			

Income Characteristics

Median family income in Carroll County of \$67,436 has kept pace with that of the state, driven by stable employment. While median family income increased by 8.8 percent from 2010 to 2015 in Carroll County, a similar increase of 9.2 percent also occurred in the state of Iowa. Throughout 2020, the state of Iowa has also maintained income stability by having businesses remain operational, even throughout the pandemic. Due to Carroll County’s central location and continuous business operations, employers from other states are considering relocation to the area, according to one community contact.

Median Family Income Change 2010 and 2015			
Area	2006-2010 Median Family Income (In 2010 Dollars)	2011-2015 Median Family Income (In 2015 Dollars)	Percentage Change
Carroll County, IA	61,960	67,436	8.8
State of Iowa	61,804	67,466	9.2
<i>Source: 2010—U.S. Census Bureau: Decennial Census 2011-2015—U.S. Census Bureau: American Community Survey</i>			

Housing Characteristics

Median housing values in Carroll County increased by 6.1 percent from 2010 to 2015, maintaining a measure of affordability when compared to median family income, which increased 8.8 percent. However, median gross rent increased by 16.6 percent over the same time period. One community representative indicated rents have increased in the county due to limited housing stock in general and the consistency of employment opportunities drawing new potential residents to the area. These housing pressures are resulting in ongoing discussions to strategize ways to develop a greater variety of housing options in the area, ranging from luxury to starter and affordable housing units.

Trends in Housing Costs 2010 and 2015				
Area	2006-2010 Median Housing Value	2011-2015 Median Housing Value	2006-2010 Median Gross Rent	2011-2015 Median Gross Rent
Carroll County, IA	106,700	113,200	465	542
State of Iowa	119,200	129,200	617	697
<i>Source: 2010—U.S. Census Bureau: Decennial Census 2011-2015—U.S. Census Bureau: American Community Survey</i>				

Employment and Industry Characteristics

Employment remains strong in Carroll County due to the varied and stable employers located there. As seen in the table below, the unemployment rate in Carroll County was consistently below that of the state of Iowa from 2016 to 2019. One area representative stated that unemployment increased in 2020 due to the pandemic but has since returned to pre-pandemic levels.

Unemployment Rates				
Area	2016	2017	2018	2019
Carroll County, IA	2.6	2.3	1.9	1.9
State of Iowa	3.7	3.1	2.5	2.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

A variety of industries offer a range of employment opportunities for all skill levels. According to one community contact, the five largest employers have roles ranging from highly specialized and technical to entry-level or unskilled. In 2020, businesses such as Pella have added production shifts and continue seeking workers to support increased operations.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Pella Manufacturing Plant	700	Windows-Manufacturers
St Anthony Regional Hospital	546	Hospitals
Farner-Bocken Company	500	Grocers-Wholesale
Hy-Vee	400	Grocers-Retail
American Home Shield Corporation	400	Home Warranty Plans
New Hope Village	300	Disability Services
Carroll Community School District	300	School Districts
Walmart Supercenter	220	Department Stores
The Graphic Edge	185	Embroidery
Collins Aerospace	170	Aircraft Components-Manufacturers

Source: Business information provided by Infogroup®, Omaha, NE

Community representatives knowledgeable about economic development and housing conditions in the assessment area were consulted to better understand community credit needs. The local economy in Carroll is bolstered by multiple, stable employers offering a variety of job levels and positions. In addition, local efforts continue to grow employment options by attempting to bring in new employers that find the region attractive. One challenge is in the availability of housing stock of different types to suit the needs of an area with such potential for growth. Without available housing, new workers are unable to reside in the immediate community. In addition, rising rents are decreasing affordable housing options since rents exceed the wages a worker may earn who lacks specialized or technical skills. Financial institutions have opportunities to support local organizations dedicated to ongoing business and economic development efforts, as well as housing, and specifically affordable housing, projects.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Performance standards for small banks consist of the following, as applicable: the bank’s loan-to-deposit (LTD) ratio, the percentage of loans and other lending-related activities located in the bank’s assessment area, the record of lending to borrowers of different income levels and businesses of different sizes, the geographic distribution of loans, and the record of taking action in response to written complaints. To determine CRA performance, the preceding standards are analyzed and evaluated within the assessment area

context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the non-metropolitan portions of the state demographic data on median income, nature of housing stock, housing costs, and other relevant data pertaining to the bank's assessment area.

LENDING TEST

Commercial Savings Bank's performance relative to the lending test is rated Satisfactory based on a reasonable loan-to-deposit ratio given the bank's size, financial condition, and the credit needs of the assessment area; a majority of loans originated within the assessment area; and a distribution of loans to individuals of different income levels, including low- and moderate-income individuals, and businesses and farms of different sizes that is reasonable given the demographics of the bank's assessment area.

Loan-to-Deposit Ratio

The bank demonstrates a reasonable loan-to-deposit (LTD) ratio given the bank's size, financial condition, and the credit needs of its assessment area. With a 17-quarter average ending September 30, 2020 of 89.6 percent, the bank's ratio exceeds that of the majority of competitors operating within Carroll County, as well as the average of those competitors listed in the table below. Based on asset growth, the bank is experiencing robust organic growth through ample available lending, which has been more recently bolstered during 2020 by participation in the Paycheck Protection Program (PPP). On a quarterly basis over the evaluation period, CSB's LTD ratio reached a high of 95.8 percent in the third quarter of 2019. The strength of the average LTD ratio demonstrates the bank's willingness to lend to meet area credit needs.

Comparative Loan-to-Deposit Ratios as of September 30, 2020	
Institution	Loan-to-Deposit Ratio (%) 17 – Quarter Average
Commercial Savings Bank	89.6
Competitor Average	84.2
Competitors	
Iowa Savings Bank	77.1
Templeton Savings Bank	86.2
First National Bank of Manning	71.1
Breda Savings Bank	85.1
Westside State Bank	101.6

Assessment Area Concentration

A majority of CSB’s loans are in its assessment area. Analysis of each product demonstrates lending activity within the delineated assessment area of 77.5 percent for home mortgage loans, 81.0 percent for small business loans, and 83.8 percent for small farm loans. Across all loan products, the bank originated 80.5 percent of loans inside the assessment area. This concentration of lending demonstrates the bank’s commitment to providing credit to its community.

Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Mortgage	69	77.5	\$9,702	67.3	20	22.5	\$4,723	32.7
Small Business	85	81.0	\$10,163	85.4	20	19.0	\$1,734	14.6
Small Farm	57	83.8	\$5,523	80.0	11	16.2	\$1,379	20.0
TOTAL LOANS	211	80.5	\$25,388	76.4	51	19.5	\$7,836	23.6

Geographic Distribution of Loans

The assessment area is comprised only of middle-income census tracts and therefore a meaningful analysis could not be performed. The dispersion of the loans in the assessment area was reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. Examiners determined that there were no conspicuous unexplained gaps in contiguous census tracts.

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

CSB provides a distribution of loans to individuals of different income levels, including low- and moderate-income individuals, and businesses and farms of different sizes that is reasonable given the demographics of the bank’s assessment area. Based on origination volume and proportion of the loan portfolio by dollar, home mortgage and small business loans carry slightly greater weight in the analysis of the bank’s performance. The following tables display loan distributions of a sample of all loan products in 2020, while separate tables display 2019 data. The bank’s December 2019 lending distribution tables can be found in Appendix B and will not alter the conclusion based on the analysis of 2020 lending.

Of the sampled home mortgage loans in 2020, 9.1 percent were originated to low-income borrowers. Compared to 17.2 percent of families who are low-income in the assessment area, the bank’s lending levels are reasonable, especially when considering 7.4 percent of families in the assessment area live below the poverty threshold.

The bank’s performance is stronger in its lending to moderate-income borrowers. With 16.7 percent of home mortgage loans being originated to those at the moderate-income level, the bank is lending comparably to the demographic percentage of 16.9 percent of families in the area who are moderate-income. Despite assessment area challenges with an absence of available housing units, these lending levels indicate the bank’s willingness to lend to low- and moderate-income residents in Carroll County.

Borrower Distribution of Home Mortgage Loans						
Assessment Area: 2020 IA Non MSA						
	Borrower Income Levels	Bank & Demographic Comparison				Families by Family Income
		2020				
		Count		Dollar		
		#	%	\$ (000s)	\$ %	%
Totals	Low	6	9.1	485	5.2	17.2
	Moderate	11	16.7	1,076	11.5	16.9
	Middle	8	12.1	822	8.8	20.5
	Upper	41	62.1	6,989	74.6	45.4
	Unknown	0	0.0	0	0.0	0.0
	Total		66	100.0	9,372	100.0

2020 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

CSB originated 63.9 percent of the sampled business loans to businesses with revenues of \$1 million or less, otherwise known as small businesses for CRA purposes. This percentage is reasonable when compared to 88.8 percent of businesses of the same size operating within the assessment area. To address lending needs during the pandemic, the bank has experienced loan growth, including from new borrowers of the bank via Paycheck Protection Program (PPP) loans. Due to this 2020 lending activity, a wider range of business sizes received loans, including an increase in the bank’s lending to businesses with revenues over \$1 million. In additional support of the reasonable performance, 69.8 percent of those loans originated to small businesses were in dollar amounts of \$100,000 or less. Loans in the smallest dollar range are seen as providing important funding for the smallest businesses in the community.

Small Business Lending By Revenue & Loan Size						
Assessment Area: 2020 IA Non MSA						
Product Type		Bank & Demographic Comparison				
		2020		2020		Total Businesses %
Revenue	Loan Size	Count Bank		Dollar Bank		
		#	%	\$ 000s	\$ %	
Small Business	\$1 Million or Less	53	63.9	4,878	48.7	88.8
	Over \$1 Million	30	36.1	5,144	51.3	9.4
	Unknown	0	0.0	0	0.0	1.8
	Total	83	100.0	10,023	100.0	100.0
Small Business	\$100,000 or Less	54	65.1	1,790	17.9	
	\$100,001 - \$250,000	17	20.5	2,888	28.8	
	\$250,001 - \$1 Million	12	14.5	5,344	53.3	
	Total	83	100.0	10,022	100.0	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	37	69.8	909	18.6	
	\$100,001 - \$250,000	11	20.8	1,810	37.1	
	\$250,001 - \$1 Million	5	9.4	2,159	44.3	
	Total	53	100.0	4,878	100.0	
Originations & Purchases						
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

The bank's lending to farms with revenues of \$1 million or less is also reasonable compared to 99.1 percent of farms in the assessment area of the same size. The performance is also supported by 74.5 percent of loans to small farms that were in amounts of \$100,000 or less, demonstrating support of the smallest farms.

Small Farm Lending By Revenue & Loan Size								
Assessment Area: 2020 IA Non MSA								
Product Type		Bank & Demographic Comparison						
		2020						
		Count Bank		Dollar Bank		Total Farms		
		#	%	\$ 000s	\$ %	%		
Small Farm	Revenue	\$1 Million or Less	51	98.1	4,190	89.3	99.1	
		Over \$1 Million	1	1.9	500	10.7	0.9	
		Unknown	0	0.0	0	0.0	0.0	
		Total	52	100.0	4,690	100.0	100.0	
	Loan Size	\$100,000 or Less	38	73.1	827	17.6		
		\$100,001 - \$250,000	7	13.5	1,260	26.9		
		\$250,001 - \$500,000	7	13.5	2,604	55.5		
		Total	52	100.0	4,691	100.0		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	38	74.5	827	19.7		
		\$100,001 - \$250,000	7	13.7	1,260	30.1		
		\$250,001 - \$500,000	6	11.8	2,104	50.2		
		Total	51	100.0	4,191	100.0		
Originations & Purchases								
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Response to Complaints

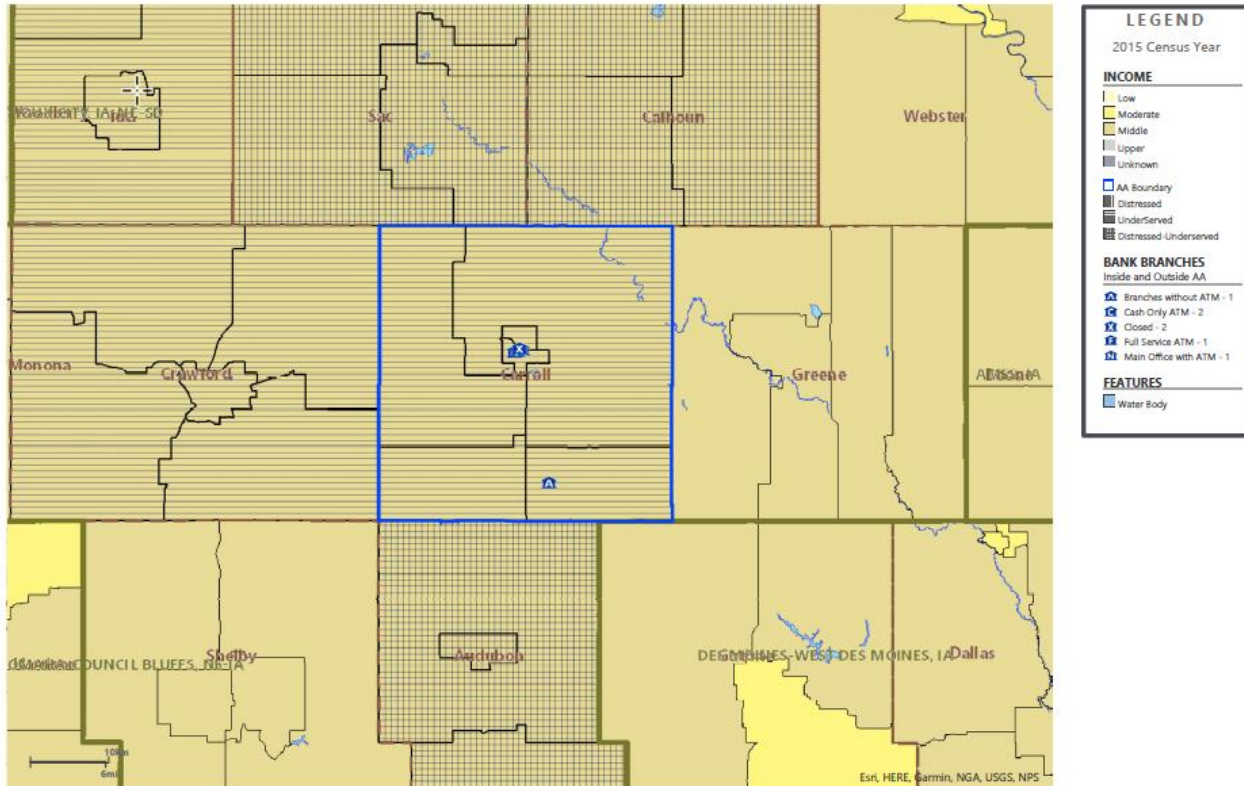
The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A – Map of Assessment Area

Commercial Savings Bank 194440
IA Non MSA



APPENDIX B – 2019 Assessment Area Demographic and Borrower Distribution Lending Tables

Assessment Area: 2019 IA Non MSA								
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	948	17.2
Moderate-income	0	0.0	0	0.0	0	0.0	929	16.9
Middle-income	6	100.0	5,508	100.0	409	7.4	1,131	20.5
Upper-income	0	0.0	0	0.0	0	0.0	2,500	45.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6	100.0	5,508	100.0	409	7.4	5,508	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	9,398	6,382	100.0	67.9	2,165	23.0	851	9.1
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	9,398	6,382	100.0	67.9	2,165	23.0	851	9.1
	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	1,300	100.0	1,154	100.0	123	100.0	23	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,300	100.0	1,154	100.0	123	100.0	23	100.0
Percentage of Total Businesses:			88.8		9.5		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	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	334	100.0	331	100.0	3	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	334	100.0	331	100.0	3	100.0	0	0.0
Percentage of Total Farms:			99.1		0.9		0.0	
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Borrower Distribution of Home Mortgage Loans						
Assessment Area: 2019 IA Non MSA						
	Borrower Income Levels	Bank & Demographic Comparison 2019				Families by Family Income %
		Count		Dollar		
		#	%	\$ (000s)	\$ %	
Totals	Low	0	0.0	0	0.0	17.2
	Moderate	0	0.0	0	0.0	16.9
	Middle	0	0.0	0	0.0	20.5
	Upper	3	100.0	330	100.0	45.4
	Unknown	0	0.0	0	0.0	0.0
	Total	3	100.0	330	100.0	100.0
2019 FFIEC Census Data						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2019 IA Non MSA							
Product Type	Bank & Demographic Comparison 2019						
		Count Bank		Dollar Bank		Total Businesses %	
		#	%	\$ 000s	\$ %		
Small Business	Revenue	\$1 Million or Less	1	50.0	50	35.7	88.8
		Over \$1 Million	1	50.0	90	64.3	9.5
		Unknown	0	0.0	0	0.0	1.8
		Total	2	100.0	140	100.0	100.0
	Loan Size	\$100,000 or Less	2	100.0	140	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	2	100.0	140	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	1	100.0	50	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	1	100.0	50	100.0	
Originations & Purchases							
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

Small Farm Lending By Revenue & Loan Size								
Assessment Area: 2019 IA Non MSA								
Product Type		Bank & Demographic Comparison						
		Count Bank		Dollar Bank		Total Farms		
		#	%	\$ 000s	\$ %			
Small Farm	Revenue	\$1 Million or Less	4	80.0	333	40.0	99.1	
		Over \$1 Million	1	20.0	500	60.0	0.9	
		Unknown	0	0.0	0	0.0	0.0	
		Total	5	100.0	833	100.0	100.0	
	Loan Size	\$100,000 or Less	3	60.0	78	9.4		
		\$100,001 - \$250,000	0	0.0	0	0.0		
		\$250,001 - \$500,000	2	40.0	755	90.6		
		Total	5	100.0	833	100.0		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	3	75.0	78	23.4		
		\$100,001 - \$250,000	0	0.0	0	0.0		
		\$250,001 - \$500,000	1	25.0	255	76.6		
		Total	4	100.0	333	100.0		
Originations & Purchases								
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Home mortgage loans from December 1, 2019 to November 30, 2020 Small business loans from December 1, 2019 to November 30, 2020 Small farm loans from December 1, 2019 to November 30, 2020		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Commercial Savings Bank			Home mortgage loans Small business loans Small farm loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	Not applicable		Not applicable
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Carroll County, Iowa	Full scope review	None	Not applicable

APPENDIX D – Glossary

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

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.¹

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed, or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

¹ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions 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. They 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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. 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
4. 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 definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) 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 or 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 services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement not secured.

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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).