

REGULATION P : PRIVACY POLICY

INTRODUCTION:

Commercial State Bank understands the importance of safeguarding customer information. The federal agencies' Regulation P requires our bank to inform our customers of the type of information we collect, as well as how and with whom we share the information. The following is our Privacy Policy as it pertains to our sharing of customer information.

TERMS DEFINED:

Non-public personal information: information about a customer that we collect in connection with providing financial products and services. Non-public information does not include information that is available from public sources, such as telephone directories or government records.

Affiliate: a company we own or control, a company that owns or controls us, or a company that is owned or controlled by the same company that owns or controls us. Ownership does not mean complete ownership but means owning enough to have control.

Non-affiliated third party: a company that is not an affiliate of ours.

INFORMATION WE COLLECT:

We collect non-public personal information from our customers from the following sources:

- Information we receive from customers on applications or forms;
- Information about customer transactions with us, our affiliates or others;
- Information we receive from a consumer credit reporting agency;
- Information we receive from the following sources: comment cards and letters, customer surveys, community organizations, and requests for information

INFORMATION WE DISCLOSE:

We do NOT disclose any non-public personal information about customers to anyone, except as permitted by law.

CATEGORIES OF PARTIES TO WHOM WE DISCLOSE:

We are permitted by exceptions to the opt-out requirements to disclose information to service and processing providers and joint marketing firms without seeking customer approval.

SERVICE PROVIDER/JOINT MARKETING EXCEPTION:

We may disclose all of the information we collect as described earlier in this notice to companies that provide service and processing, perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements, as permitted by law.

THE CONFIDENTIALITY, SECURITY, AND INTEGRITY OF CUSTOMER NON-PUBLIC PERSONAL INFORMATION:

We restrict access to non-public personal information about customers to those “employees who need to know that information to provide products or services to our customers.” We maintain physical, electronic and procedural safeguards that comply with federal standards to guard customer non-public personal information. These safeguards are detailed in our Customer Information Security Program, EDP controls, Disaster Recovery Program and other individual policies that may address each individual aspect of security.

NON-PUBLIC PERSONAL INFORMATION AND FORMER CUSTOMERS

We do not disclose non-public personal information about customers or former customers to anyone except as permitted by law.

ANNUAL AND INITIAL PRIVACY RIGHTS NOTICE AND DISCLOSURE

All consumer customers will receive a notice of their privacy rights as they pertain to Commercial State Bank, upon opening an account. This includes those that have a deposit account, loan account, safe deposit box or a retail installment contract we hold and service. Consumer customers with above relationships will receive a copy of the notice annually thereafter.

BOARD OF DIRECTORS

The Board of Directors will review and approve this policy on an annual basis or more if deemed necessary. They will appoint a Privacy Officer to handle day-to-day monitoring of privacy compliance. This officer will make a formal report annually to the board and apprise them of any changes that need to be made and make recommendations to ensure compliance.