

# **PUBLIC DISCLOSURE**

**June 30, 2025**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Paducah Bank and Trust Company  
RSSD #285740**

**555 Jefferson Street  
Paducah, Kentucky 42001**

**Federal Reserve Bank of St. Louis**

**P.O. Box 442  
St. Louis, Missouri 63166-0442**

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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**INSTITUTION’S CRA RATING: This institution is rated SATISFACTORY.**

**The Lending Test is rated:**

**Satisfactory**

**The Community Development Test is rated:**

**Satisfactory**

The Paducah Bank and Trust Company meets the criteria for a Satisfactory rating based on the evaluation of the bank’s lending and community development activities. The factors supporting the institution’s rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution’s size, financial condition, and credit needs of the assessment areas (AAs).
- A majority of loans and other lending-related activities are in the AAs.
- The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AAs.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank’s overall community development performance demonstrates adequate responsiveness to the community development needs of its AAs, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AAs. The bank has responded to these needs through community development loans, qualified investments, and community development services.

**SCOPE OF EXAMINATION**

The bank’s CRA performance was evaluated using the Federal Financial Institutions Examination Council’s (FFIEC’s) Intermediate Small Bank Procedures. The Intermediate Small Bank Examination Procedures entail two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level.

The bank maintains operations in two delineated AAs within the state of Kentucky. The primary AA is McCracken County, which is located in a nonmetropolitan statistical area (nonMSA) portion of western Kentucky. The other AA is Jefferson County, which is located in the Louisville/Jefferson County, Kentucky-Indiana MSA.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each AA completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the

**The Paducah Bank and Trust Company**  
**Paducah, Kentucky**

**CRA Performance Evaluation**  
**June 30, 2025**

Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2024.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	\$ (000s)	%	
McCracken County	5	83.3	738,922	95.3	Full Scope
Partial Louisville MSA	1	16.7	36,758	4.7	Limited Scope
<b>TOTAL<sup>1</sup></b>	<b>6</b>	<b>100.0</b>	<b>775,680</b>	<b>100.0</b>	<b>1 – Full Scope</b>

In light of branch structure, loan and deposit activity, and the bank’s CRA evaluation history, CRA performance in the McCracken County AA was given primary consideration, as it contains the majority of the bank’s loan and deposit activity. Therefore, the McCracken County AA was reviewed using full-scope examination procedures, and performance in the Partial Louisville MSA AA was reviewed using limited-scope procedures.

Furthermore, residential real estate (RRE) loans reported under the Home Mortgage Disclosure Act (HMDA) and small business loans were used to evaluate the bank’s lending performance, as these loan categories are considered the bank’s core business lines based on lending volume and the bank’s stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank’s overall lending performance. However, as the bank has a particular emphasis on home mortgage lending, performance based on the HMDA loan category carried the most significance toward the bank’s overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	September 30, 2021 – March 31, 2025
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	September 20, 2021– June 29, 2025
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey (ACS) data, and certain business demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank’s lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$708.5 million to \$1.4 billion as of March 31, 2025.

<sup>1</sup> Note: In this table and others throughout this document, percentages may not total 100 percent due to rounding.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AAs. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section for the McCracken County AA.

## **DESCRIPTION OF INSTITUTION**

The bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Paducah Bank Shares, Inc., a one-bank holding company. The bank and its holding company are both headquartered in Paducah, Kentucky. The bank's branch network consists of six offices (including the main office), four of which have full-service ATMs on site. In addition to being full-service facilities, the main office and four branches have drive-up accessibility. The bank also operates three standalone ITMs, all located in Paducah, Kentucky. The bank opened and subsequently closed a branch during this review period. Based on this branch network and other service delivery systems, such as full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of its AAs.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its AAs based on its available resources and financial products. As of March 31, 2025, the bank reported total assets of \$1.0 billion. As of the same date, loans and leases outstanding were \$735.5 million (71.7 percent of total assets), and deposits totaled \$831.1 million. The bank's loan portfolio composition by credit category is displayed in the following table.

<b>Distribution of Total Loans as of March 31, 2025</b>		
<b>Credit Category</b>	<b>Amount \$ (000s)</b>	<b>Percentage (%) of Total Loans</b>
Commercial Real Estate	265,769	36.1
1-4 Family Residential	209,252	28.5
Commercial and Industrial	162,450	22.1
Construction and Development	48,852	6.6
Farmland	24,943	3.4
Multifamily Residential	13,407	1.8
Total Other Loans	5,846	0.8
Loans to Individuals	4,950	0.7
<b>TOTAL LOANS</b>	<b>735,469</b>	<b>100.0</b>

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans, loans secured by 1-4 family residential properties, and commercial and industrial loans. The bank also originates and subsequently sells a significant volume of loans related to RRE. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on September 20, 2021.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

#### Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 15-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of March 31, 2025	Average LTD Ratio (%)
The Paducah Bank and Trust Company	Paducah, Kentucky	1,026,374	91.7
Regional Banks	Benton, Kentucky	1,395,292	74.8
	Mayfield, Kentucky	708,533	73.5
	Bardstown, Kentucky	854,417	65.3

Based on data from the previous table, the bank's level of lending is significantly above those of other banks in the region. During the review period, the bank's quarterly LTD ratio fluctuated between 85.3 percent and 96.5 percent but experienced a relatively stable trend overall, with a 15-quarter average of 91.7 percent. In comparison, the average LTD ratios for the regional peers were lower and had varying trends. Therefore, compared to data from regional banks, the bank's average LTD ratio is more than reasonable given the bank's size, financial condition, and credit needs of its AAs.

#### Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's AAs.

Lending Inside and Outside the Assessment Areas January 1, 2023 through December 31, 2023								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
HMDA	142	66.4	30,396	61.6	72	33.6	18,932	38.4
Small Business	41	46.6	7,527	52.3	47	53.4	6,854	47.7
<b>TOTAL LOANS</b>	183	60.6	37,923	59.5	119	39.4	25,786	40.5

A majority of loans and other lending-related activities were made in the bank's AAs. As shown above, 60.6 percent of the total loans were made inside the AAs, accounting for 59.5 percent of the dollar volume of total loans.

**Borrower and Geographic Distribution**

Overall, performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the full-scope AA, as displayed in the following table.

<b>Full-Scope Assessment Area</b>	<b>Loan Distribution by Borrower's Profile</b>
McCracken County	Reasonable

<b>Limited-Scope Assessment Area</b>	<b>Loan Distribution by Borrower's Profile</b>
Partial Louisville MSA	Below

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration throughout the full-scope AA subject to review.

<b>Full-Scope Assessment Area</b>	<b>Geographic Distribution of Loans</b>
McCracken County	Reasonable

<b>Limited-Scope Assessment Area</b>	<b>Geographic Distribution of Loans</b>
Partial Louisville MSA	Consistent

**Responses to Complaints**

No CRA-related complaints were filed against the bank during this review period (September 20, 2021 through June 29, 2025).

**COMMUNITY DEVELOPMENT TEST**

The bank's performance under the Community Development Test is rated satisfactory. Considering the bank's capacity and the need and availability of such opportunities for community development in the AAs, the bank demonstrates adequate responsiveness to the community development needs of the McCracken County AA.

<b>Full-Scope Assessment Area</b>	<b>Community Development Test Performance Conclusions</b>
McCracken County	Adequate

<b>Limited-Scope Assessment Area</b>	<b>Community Development Test Performance Conclusions</b>
Partial Louisville MSA	Exceeds

The bank's community development responsiveness is adequate given its level of community development activities. The overall Community Development Test rating was based on performance in the bank's primary AA, McCracken County.



Total Community Development Activities Inside Assessment Areas			
Community Development Component	#		\$
Loans	20		\$23.6 million
Investments, Current and Prior	4		\$1.8 million
Current Period	0		\$0
Prior Period, Still Outstanding	4		\$1.8 million
Donations	74		\$186,725
Services	23 employees	1,401 hours	23 organizations

During the review period, the bank made 20 qualifying loans in its AAs totaling approximately \$23.6 million. Of those loans, 12 were to small businesses for economic development, 5 were to organizations for revitalization and stabilization, and 3 were to organizations for affordable housing.

The bank also made community development investments and donations in its AAs totaling \$2.0 million. This amount included four continuing investments made in a prior review period totaling \$1.8 million, and 74 donations totaling \$186,725. Three of the investments were municipal bonds issued by qualifying school districts for community services. One of the investments was mortgage-backed securities for affordable housing.

During the review period, 23 bank employees used financial expertise to provide services to 23 different community development organizations within the bank's AAs. Service activities included providing financial expertise to community service organizations as board members and providing community services to organizations that primarily serve low- to moderate-income individuals.

In addition to adequately meeting the community development needs of its AAs, the bank had community development loans outside its AAs but still within the broader statewide area. The bank made two affordable housing loans totaling \$1.7 million.

## **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

## McCRACKEN COUNTY NONMETROPOLITAN STATISTICAL AREA

*(Full-Scope Review)*

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE McCRACKEN COUNTY ASSESSMENT AREA

#### **Bank Structure**

The bank operates five of its six offices (83.3 percent) in this AA. Of the five offices, one is located in a moderate-income census tract. Since the last evaluation, the bank did not open or close any branches in this AA. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the AA.

#### **General Demographics**

The AA comprises McCracken County in its entirety. This is the bank's primary AA and is located in western Kentucky bordering southern Illinois. Based on 2020 ACS data, the AA population was 67,875. Of the ten FDIC-insured depository institutions with a branch presence in this AA, the bank ranked first in deposit market share, holding 34.7 percent of total deposit dollars.

Credit needs in the AA include a mix of consumer and business loan products. Other particular credit needs in the AA, as noted primarily from community contacts, include affordable housing. For this AA, contacts noted that residential real estate was available yet unaffordable for LMI residents.

#### **Income and Wealth Demographics**

The following table summarizes the distribution of AA census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	0	5	3	10	1	19
	0.0%	26.3%	15.8%	52.6%	5.3%	100.0%
Family Population	0	2,281	3,177	11,045	359	16,862
	0.0%	13.5%	18.8%	65.5%	2.1%	100.0%

As shown in the preceding table, 26.3 percent of the census tracts in the AA are LMI geographies; however, only 13.5 percent of the family population resides in these tracts. There are no low-income census tracts in McCracken County.

Based on 2020 ACS data, the median family income for the AA was \$64,778. At the same time, the median family income for nonMSA Kentucky was \$54,327. More recently, the FFIEC estimates the 2023 median family income for nonMSA Kentucky to be \$64,900. The following table displays population percentages of AA families by income level compared to nonMSA Kentucky as a whole.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	2,841	2,774	2,726	8,521	16,862
	16.8%	16.5%	16.2%	50.5%	100.0%
NonMSA Kentucky	109,027	79,154	88,561	196,893	473,635
	23.0%	16.7%	18.7%	41.6%	100.0%
Kentucky	253,148	196,689	225,205	464,074	1,139,116
	22.2%	17.3%	19.8%	40.7%	100.0%

As shown in the table above, 33.3 percent of families within the AA were considered LMI, which is lower than the LMI family percentage of 39.7 percent in nonMSA Kentucky. Additionally, the percentage of families living below the poverty threshold in the AA, 10.6 percent, is below the 16.0 percent level in nonMSA Kentucky. Considering these factors, families in the AA appear to be more affluent than those in nonMSA Kentucky as a whole.

### **Housing Demographics**

Based on housing values, income levels, and rental costs, housing in the AA appears to be less affordable than nonMSA Kentucky.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	69.4	28.9	38.6	57.1	23.3	15.0
NonMSA Kentucky	60.3	28.7	34.0	50.1	20.9	16.3
Kentucky	68.2	31.3	36.9	54.9	24.6	16.1
<i>Cost burden is housing cost that equals 30 percent or more of household income.</i> <i>Source: U.S. Department of Housing and Urban Development (HUD), 2017–2021 Comprehensive Housing Affordability Strategy</i>						

According to the table above, more LMI renters are cost burdened in the AA than nonMSA Kentucky. This is further supported by the AA having a higher median rent payment (\$744/month) than nonMSA Kentucky as a whole (\$657/month). Similarly, the table shows that LMI homeowners in the AA are more cost burdened than homeowners throughout nonMSA Kentucky. Furthermore, the AA has a lower housing affordability ratio (32.4 percent) and a higher median housing value (\$145,200) than nonMSA Kentucky (39.0 percent and \$107,295, respectively). One of the community contacts indicated that there are substantial issues with affordable housing for rent and purchase in the AA.

### **Industry and Employment Demographics**

According to the U.S. Department of Labor, Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages data, there are 36,380 paid employees in the AA (including 4,031 government employees). By percentage of nongovernment employees, the three largest job categories are healthcare and social assistance (22.2 percent), retail trade (16.0 percent), and accommodation and food service (13.9 percent).

The following table details BLS unemployment data (not seasonally adjusted) for the AA, nonMSA Kentucky, and the state of Kentucky.

Unemployment Levels (%)				
Dataset	Time Period (Annual Average)			
	2021	2022	2023	2024 (Jan.–Nov.)
Assessment Area	4.8	4.1	4.0	4.8
NonMSA Kentucky	4.8	4.5	4.7	5.5
Kentucky	4.5	4.0	4.2	4.9

As shown in the table above, unemployment levels in the AA have remained lower than levels in nonMSA Kentucky throughout the review period and experienced a downward trend before increasing in 2024.

### **Community Contact Information**

Information from two community contacts was used to help shape the performance context in which the bank's activities in this AA were evaluated. One of the interviews was with an individual specializing in economic development. The contact characterized the economy as generally stable, with steady levels of job growth and investment in Paducah, which was considered the epicenter of the AA. The other interview was with an individual specializing in affordable housing and addressed issues with LMI individuals having access to affordable housing. The contact indicated that there is a significant need for affordable housing in the area and that while banks are involved in the community and collaborate with community partners, financial education remains a need for area residents.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE McCRACKEN COUNTY ASSESSMENT AREA

### LENDING TEST

The bank's overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the geographic distribution of loans reflects reasonable penetration throughout the McCracken County AA.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$64,900 for nonMSA Kentucky as of 2023). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the AA. Additionally, 2023 aggregate data for the AA is displayed.

### Loan Distribution by Borrower's Profile

Borrower Distribution of HMDA Loans Assessment Area: McCracken County								
Product Type	Borrower Income Levels	2023						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	1	1.0	3.9	67	0.3	1.4	16.8
	Moderate	14	14.1	14.9	1,436	5.8	8.2	16.5
	Middle	16	16.2	22.2	2,607	10.5	17.0	16.2
	Upper	54	54.5	42.0	17,695	71.3	57.2	50.5
	Unknown	14	14.1	17.0	3,017	12.2	16.2	0.0
	<b>TOTAL</b>	<b>99</b>	<b>100.0</b>	<b>100.0</b>	<b>24,822</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	1	4.8	5.1	64	3.1	2.1	16.8
	Moderate	6	28.6	17.0	288	13.9	9.2	16.5
	Middle	4	19.0	21.6	308	14.9	19.7	16.2
	Upper	8	38.1	45.5	1,224	59.0	56.4	50.5
	Unknown	2	9.5	10.8	189	9.1	12.6	0.0
	<b>TOTAL</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>2,073</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	3.3	0	0.0	2.7	16.8
	Moderate	2	28.6	13.3	27	7.3	5.4	16.5
	Middle	0	0.0	20.0	0	0.0	13.6	16.2
	Upper	1	14.3	50.0	12	3.3	61.4	50.5
	Unknown	4	57.1	13.3	330	89.4	16.9	0.0
	<b>TOTAL</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>369</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<b>Multifamily</b>	Low	0	0.0	0.0	0	0.0	0.0	N/A
	Moderate	0	0.0	0.0	0	0.0	0.0	N/A
	Middle	0	0.0	14.3	0	0.0	2.6	N/A
	Upper	0	0.0	0.0	0	0.0	0.0	N/A
	Unknown	1	100.0	85.7	147	100.0	97.4	N/A
	<b>TOTAL</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>
<b>HMDA TOTALS</b>	Low	2	1.6	4.1	131	0.5	1.5	16.8
	Moderate	22	17.2	15.0	1,751	6.4	8.0	16.5
	Middle	20	15.6	21.9	2,915	10.6	17.0	16.2
	Upper	63	49.2	42.6	18,931	69.1	55.8	50.5
	Unknown	21	16.4	16.4	3,683	13.4	17.7	0.0
	<b>TOTAL</b>	<b>128</b>	<b>100.0</b>	<b>100.0</b>	<b>27,411</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (1.6 percent) is substantially below the low-income family population figure (16.8 percent) and slightly below the aggregate lending level to low-income borrowers (4.1 percent), reflecting poor performance. The bank's level of lending to moderate-income borrowers (17.2 percent) is slightly above the moderate-income family population percentage (16.5 percent) and the aggregate lending level to moderate-income borrowers (15.0 percent), reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: McCracken County								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	23	65.7	61.8	3,764	58.0	45.3	90.3
	Over \$1 Million/Unknown	12	34.3	38.2	2,728	42.0	54.7	9.7
	TOTAL	35	100.0	100.0	6,492	100.0	100.0	100.0
Loan Size	\$100,000 or Less	15	42.9	93.2	739	11.4	36.1	
	\$100,001–\$250,000	11	31.4	3.9	1,965	30.3	19.0	
	\$250,001–\$1 Million	9	25.7	2.9	3,788	58.3	44.9	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	35	100.0	100.0	6,492	100.0	100.0	
Loan Size	Revenue \$1 Million or Less	12	52.2		501	13.3		
	\$100,001–\$250,000	5	21.7		939	24.9		
	\$250,001–\$1 Million	6	26.1		2,324	61.7		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	23	100.0		3,764	100.0		

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (65.7 percent) to businesses with revenues of \$1 million or less. Furthermore, while the AA demographics estimate that 90.3 percent of businesses in the AA had annual revenues of \$1 million or less, the bank compares favorably to the aggregate lending level to small businesses (61.8 percent).

### Geographic Distribution of Loans

As noted previously, the AA does not include any low-income census tracts but has five moderate-income census tracts, representing 26.3 percent of all AA census tracts. Overall, the bank's geographic distribution of loans in this AA reflects reasonable penetration throughout these moderate-income census tracts, based on the HMDA and small business loan categories. As previously stated, performance in the HMDA loan category carried the most significance in the overall conclusion of reasonable for geographic distribution. Furthermore, based on reviews from both loan categories, the bank had loan activity in 100.0 percent of all AA census tracts, and there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution of loans is reasonable.

The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Geographic Distribution of HMDA Loans Assessment Area: McCracken County								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	5	5.1	10.7	535	2.2	5.9	11.2
	Middle	23	23.2	19.3	3,930	15.8	14.7	16.8
	Upper	70	70.7	68.4	20,219	81.5	78.3	70.6
	Unknown	1	1.0	1.6	138	0.6	1.1	1.4
	<b>TOTAL</b>	<b>99</b>	<b>100.0</b>	<b>100.0</b>	<b>24,822</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	3	14.3	7.4	504	24.3	7.3	11.2
	Middle	6	28.6	17.0	834	40.2	16.0	16.8
	Upper	12	57.1	75.0	735	35.5	76.4	70.6
	Unknown	0	0.0	0.6	0	0.0	0.3	1.4
	<b>TOTAL</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>2,073</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	28.6	6.7	62	16.8	3.7	11.2
	Middle	0	0.0	16.7	0	0.0	13.1	16.8
	Upper	5	71.4	76.7	307	83.2	83.3	70.6
	Unknown	0	0.0	0.0	0	0.0	0.0	1.4
	<b>TOTAL</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>369</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multifamily	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	14.3	0	0.0	2.6	9.0
	Middle	1	100.0	14.3	147	100.0	3.1	9.8
	Upper	0	0.0	71.4	0	0.0	94.3	73.3
	Unknown	0	0.0	0.0	0	0.0	0.0	7.8
	<b>TOTAL</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>HMDA TOTALS</b>	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	10	7.8	10.1	1,101	4.0	6.0	11.2
	Middle	30	23.4	18.7	4,911	17.9	14.5	16.8
	Upper	87	68.0	69.9	21,261	77.6	78.4	70.6
	Unknown	1	0.8	1.3	138	0.5	1.0	1.4
	<b>TOTAL</b>	<b>128</b>	<b>100.0</b>	<b>100.0</b>	<b>27,411</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The bank's total penetration of moderate-income census tracts by number of loans (7.8 percent) is slightly below the percentage of owner-occupied housing units in moderate-income census tracts (11.2 percent) and the performance of other lenders based on aggregate data (10.1 percent).



Therefore, the analysis of HMDA loans revealed reasonable lending performance to borrowers residing in moderate-income geographies.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2023 small business loan activity by geography income level compared to the location of businesses throughout the bank's AA and 2013 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: McCracken County							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	8	22.9	15.3	1,769	27.3	24.9	16.3
Middle	3	8.6	11.6	362	5.6	5.4	13.6
Upper	23	65.7	67.8	4,336	66.8	59.1	65.1
Unknown	1	2.9	5.3	24	0.4	10.5	5.1
<b>TOTAL</b>	<b>35</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The bank's percentage of loans in moderate-income census tracts (22.9 percent) is above the aggregate lending percentage in moderate-income census tracts (15.3 percent) and the percentage of small businesses in moderate-income census tracts (16.3 percent), representing excellent performance. Therefore, the bank's overall geographic distribution of small business loans is excellent.

#### COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates adequate responsiveness to community development needs of the AA, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 11 community development loans totaling \$3.1 million in this AA. Three of these loans were made to revitalize and stabilize community infrastructure. Eight of the loans were made to promote economic development in the AA and are sponsored by the U.S. Small Business Administration.

At the time of the evaluation, the bank had a total of \$777,564 in investments that qualified for community development credit, all of which were prior-period investments that remain in the bank's portfolio. These investments were in the form of school bonds issued by a school district in the AA with the majority of students from LMI families. Additionally, the bank made 56 donations totaling \$97,625 to organizations in this AA having a community development purpose. Finally, 19 members of bank personnel provided 915 hours of services to 17 different community development organizations in this AA.

# LOUISVILLE/JEFFERSON COUNTY, KENTUCKY- INDIANA METROPOLITAN STATISTICAL AREA

*(Limited-Scope Review)*

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PARTIAL LOUISVILLE MSA ASSESSMENT AREA

This AA includes the entirety of Jefferson County. The bank operates one office in this AA. In addition, one office was opened and subsequently closed during the review period. The tables below detail key demographics relating to this AA.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	42,206	34,015	36,402	74,293	<b>186,716</b>
	22.5%	18.2%	19.5%	39.8%	<b>100.0%</b>
Household Population	78,677	53,594	58,356	125,784	<b>316,411</b>
	24.9%	16.9%	18.4%	39.8%	<b>100.0%</b>

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	28	56	73	52	7	<b>216</b>
	13.0%	25.9%	33.8%	24.1%	3.2%	<b>100.0%</b>
Family Population	14,042	44,352	69,758	56,424	2,140	<b>186,716</b>
	7.5%	23.8%	37.4%	30.2%	1.1%	<b>100.0%</b>
Household Population	27,196	77,313	120,254	86,195	5,453	<b>316,411</b>
	8.6%	24.4%	38.0%	27.2%	1.7%	<b>100.0%</b>
Business Institutions	2,669	5,876	13,593	13,427	788	<b>36,353</b>
	7.3%	16.2%	37.4%	36.9%	2.2%	<b>100.0%</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PARTIAL LOUISVILLE MSA ASSESSMENT AREA**

**LENDING TEST**

The bank's Lending Test performance in this AA is below the bank's Lending Test performance in the AA that was reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this AA, see the tables in *Appendix A*.

<b>Lending Test Criteria</b>	<b>Performance</b>
Distribution of Loans by Borrower's Profile	Below
Geographic Distribution of Loans	Consistent
<b>OVERALL</b>	<b>Below</b>

**COMMUNITY DEVELOPMENT TEST**

The bank's Community Development Test performance in this AA exceeds the bank's Community Development Test performance in the McCracken County AA that was reviewed using full-scope procedures.

During the review period, the bank made nine community development loans totaling \$20.5 million that provided revitalization and stabilization, economic development, and affordable housing within the AA. Additionally, the bank made an investment totaling \$1.0 million in mortgage-backed securities that financed affordable housing. The bank also made 18 donations totaling \$89,100, and four members of bank staff provided 486 hours of services to six different community development organizations in this AA.

**APPENDIX A – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE  
REVIEW ASSESSMENT AREAS**

**Partial Louisville MSA Assessment Area**

Borrower Distribution of HMDA Loans Assessment Area: Partial Louisville MSA								
Product Type	Borrower Income Levels	2023						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	10.3	0	0.0	5.3	22.5
	Moderate	0	0.0	24.6	0	0.0	17.2	18.2
	Middle	0	0.0	19.2	0	0.0	18.0	19.5
	Upper	3	42.9	29.7	1,717	70.1	43.3	39.8
	Unknown	4	57.1	16.2	733	29.9	16.2	0.0
	<b>TOTAL</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>2,450</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	13.0	0	0.0	7.2	22.5
	Moderate	0	0.0	20.9	0	0.0	15.2	18.2
	Middle	0	0.0	20.5	0	0.0	17.9	19.5
	Upper	0	0.0	31.5	0	0.0	44.0	39.8
	Unknown	0	0.0	14.1	0	0.0	15.8	0.0
	<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	9.1	0	0.0	4.5	22.5
	Moderate	0	0.0	18.2	0	0.0	11.3	18.2
	Middle	0	0.0	23.3	0	0.0	17.9	19.5
	Upper	0	0.0	43.9	0	0.0	57.9	39.8
	Unknown	0	0.0	5.6	0	0.0	8.4	0.0
	<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Multifamily	Low	0	0.0	0.0	0	0.0	0.0	N/A
	Moderate	0	0.0	0.0	0	0.0	0.0	N/A
	Middle	0	0.0	0.0	0	0.0	0.0	N/A
	Upper	0	0.0	4.5	0	0.0	0.9	N/A
	Unknown	0	0.0	95.5	0	0.0	99.1	N/A
	<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>N/A</b>
HMDA TOTALS	Low	0	0.0	10.6	0	0.0	4.8	22.5
	Moderate	0	0.0	22.7	0	0.0	14.3	18.2
	Middle	0	0.0	19.5	0	0.0	15.5	19.5
	Upper	3	42.9	30.9	1,717	70.1	38.0	39.8
	Unknown	4	57.1	16.4	733	29.9	27.4	0.0
	<b>TOTAL</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>2,450</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Small Business Loans by Revenue and Loan Size Assessment Area: Partial Louisville MSA								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total
		Bank		Aggregate	Bank		Aggregate	Businesses
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	3	50.0	51.6	310	30.0	30.2	90.4
	Over \$1 Million/ Unknown	3	50.0	48.4	725	70.0	69.8	9.6
	<b>TOTAL</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>1,035</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Loan Size	\$100,000 or Less	2	33.3	90.6	150	14.5	28.2	
	\$100,001–\$250,000	3	50.0	4.6	385	37.2	17.1	
	\$250,001–\$1 Million	1	16.7	4.8	500	48.3	54.7	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	<b>TOTAL</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>1,035</b>	<b>100.0</b>	<b>100.0</b>	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	1	33.3		50	16.1		
	\$100,001–\$250,000	2	66.7		260	83.9		
	\$250,001–\$1 Million	0	0.0		0	0.0		
	Over \$1 Million	0	0.0		0	0.0		
	<b>TOTAL</b>	<b>3</b>	<b>100.0</b>		<b>310</b>	<b>100.0</b>		

Geographic Distribution of HMDA Loans Assessment Area: Partial Louisville MSA								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner- Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	6.0	0	0.0	3.3	4.5
	Moderate	2	28.6	23.2	208	8.5	15.0	20.7
	Middle	1	14.3	38.1	125	5.1	33.2	40.2
	Upper	4	57.1	32.3	2,117	86.4	48.1	33.9
	Unknown	0	0.0	0.5	0	0.0	0.5	0.6
	<b>TOTAL</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>2,450</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	5.5	0	0.0	4.0	4.5
	Moderate	0	0.0	21.0	0	0.0	15.0	20.7
	Middle	0	0.0	40.0	0	0.0	35.1	40.2
	Upper	0	0.0	32.9	0	0.0	45.2	33.9
	Unknown	0	0.0	0.6	0	0.0	0.8	0.6
	<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	4.4	0	0.0	3.4	4.5
	Moderate	0	0.0	15.4	0	0.0	9.9	20.7
	Middle	0	0.0	37.6	0	0.0	29.9	40.2
	Upper	0	0.0	42.2	0	0.0	56.4	33.9
	Unknown	0	0.0	0.5	0	0.0	0.4	0.6
	<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Multifamily	Low	0	0.0	15.7	0	0.0	8.7	12.1
	Moderate	0	0.0	36.6	0	0.0	25.5	23.2
	Middle	0	0.0	35.1	0	0.0	50.2	37.7
	Upper	0	0.0	11.2	0	0.0	14.5	21.6
	Unknown	0	0.0	1.5	0	0.0	1.1	5.5
	<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA TOTALS	Low	0	0.0	6.0	0	0.0	4.2	4.5
	Moderate	2	28.6	22.3	208	8.5	16.4	20.7
	Middle	1	14.3	38.3	125	5.1	35.5	40.2
	Upper	4	57.1	32.9	2,117	86.4	43.3	33.9
	Unknown	0	0.0	0.5	0	0.0	0.6	0.6
	<b>TOTAL</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>2,450</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

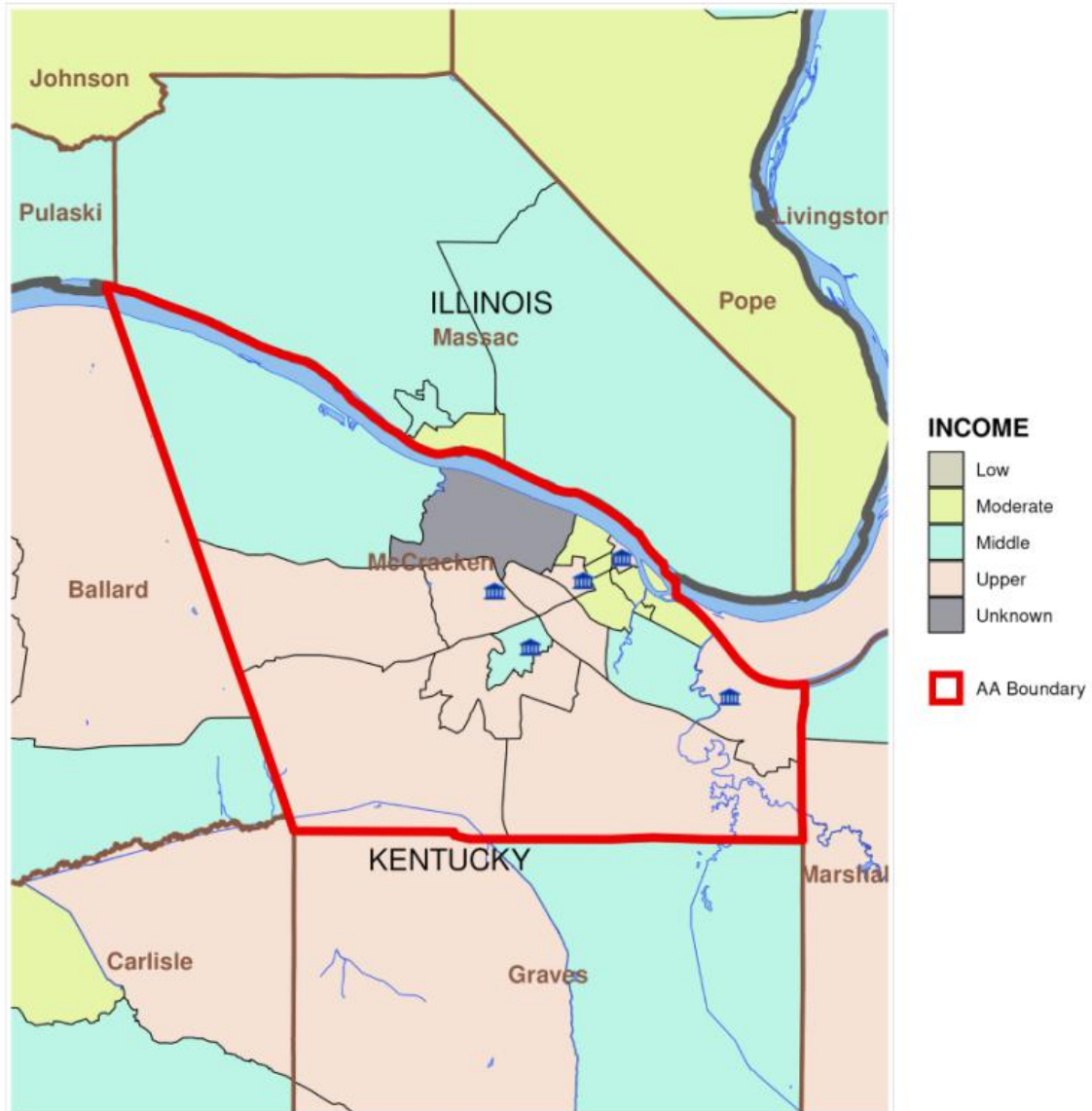
Geographic Distribution of Small Business Loans Assessment Area: Partial Louisville MSA							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	%
Low	1	16.7	5.8	500	48.3	8.4	7.3
Moderate	2	33.3	16.3	275	26.6	15.3	16.2
Middle	2	33.3	35.7	160	15.5	35.0	37.4
Upper	1	16.7	40.3	100	9.7	37.9	36.9
Unknown	0	0.0	2.0	0	0.0	3.4	2.2
<b>TOTAL</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>1,035</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

APPENDIX B – MAPS OF ASSESSMENT AREAS

McCracken County Assessment Area

**Paducah Bank and Trust Company Paducah, KY 2025**

McCracken County, KY NonMSA AA 2023 - Tract Income

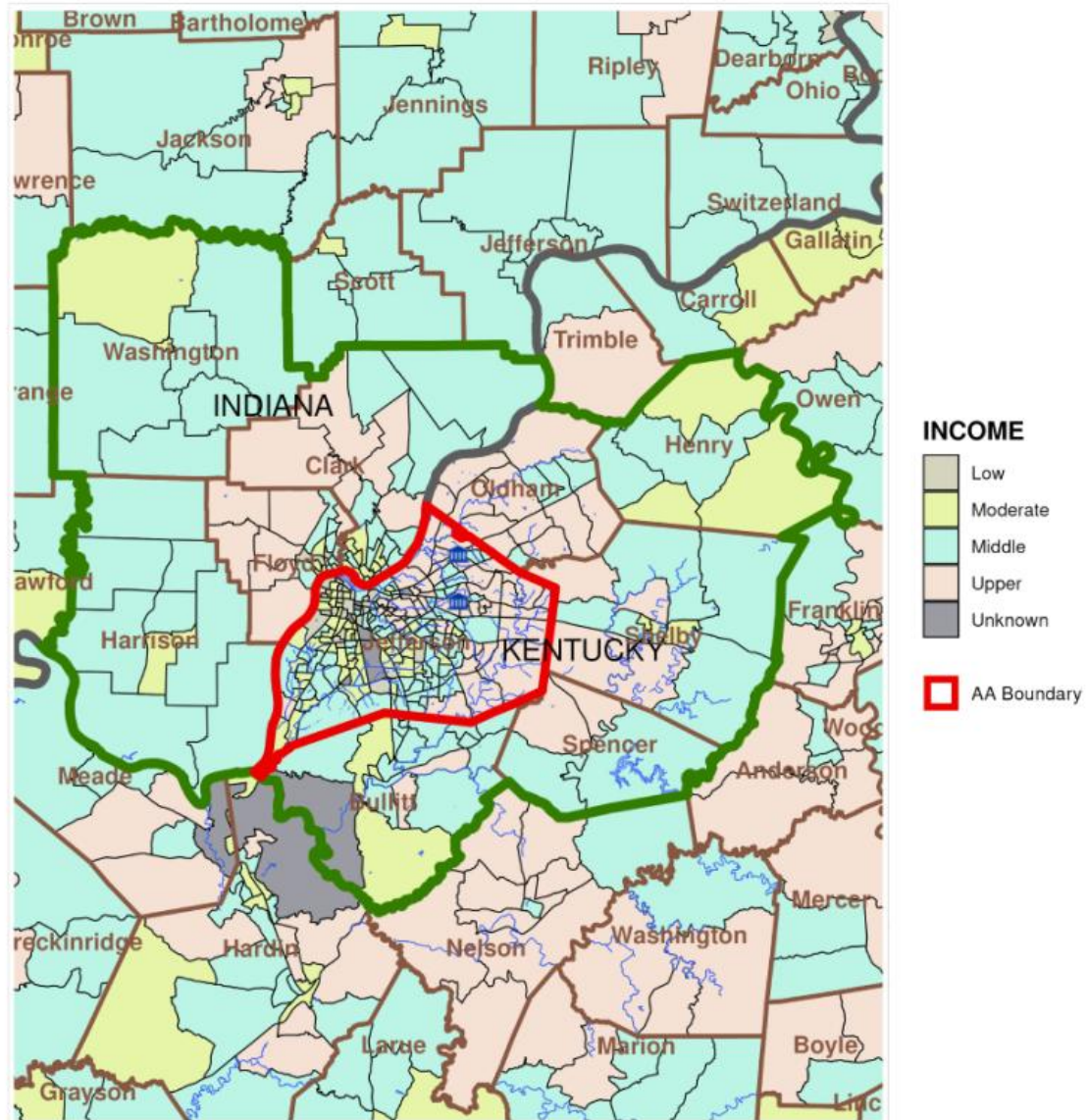




Partial Louisville MSA Assessment Area

**Paducah Bank and Trust Company Paducah, KY 2025**

Louisville, KY Partial MSA AA 2023 - Tract Income



## 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.

**Assessment area:** One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

**Census tract:** A small subdivision of metropolitan and nonmetropolitan 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 on 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 contact:** Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

**Community development:** An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or 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; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Demographics:** The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

**Distressed nonmetropolitan middle-income geography:** A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the

following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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 under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 who 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

**Household:** One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Housing affordability ratio:** Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

**Limited-scope review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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.

**Median family income:** The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an 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.

**Nonmetropolitan statistical area (nonMSA):** Not part of a metropolitan area. (See metropolitan area.)

**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.

**Performance context:** The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

**Performance criteria:** These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

**Performance evaluation (PE):** A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

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

**Small businesses/small farms:** A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

**Small loan(s) to business(es):** That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either 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):** That is, "small farm loans" are 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.

**Underserved middle-income geography:** A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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