

PUBLIC DISCLOSURE

January 27, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Monticello Banking Company
RSSD #266945**

**50 North Main Street
Monticello, Kentucky 42633**

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: **Outstanding**

Monticello Banking 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 reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- A substantial majority of loans and other lending-related activities are in the assessment areas.
- 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.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas. 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 reviewed 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 four delineated assessment areas within Kentucky.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, was obtained from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report as of June 30, 2019.

Assessment Area	Offices		Deposits as of June 30, 2019		Assessment Area Review Procedures
	#	%	\$ (000s)	%	
Central Kentucky	10	52.6%	\$497,773	76.5%	Full-Scope
Bowling Green	4	21.1%	\$58,900	9.0%	Full-Scope
Harlan	3	15.8%	\$93,163	14.3%	Limited-Scope
Lexington	2	10.5%	\$1,219	0.2%	Limited-Scope
OVERALL	19	100.0%	\$651,055	100.0%	2 Full-Scope 2 Limited-Scope

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Central Kentucky assessment area was given primary consideration, followed by the Bowling Green assessment area, as those assessment areas contain the majority of the bank's loan and deposit activity. The two remaining assessment areas were reviewed using limited-scope procedures.

Furthermore, residential real estate, small business, and consumer motor vehicle 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 Home Mortgage Disclosure Act (HMDA) loan category carried the most significance toward the bank's overall performance, followed by small business and consumer motor vehicle, respectively. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	December 31, 2016 – September 30, 2019
Assessment Area Concentration	January 1, 2018 – December 31, 2018
Loan Distribution by Borrower's Profile	January 1, 2018 – December 31, 2018
Geographic Distribution of Loans	January 1, 2018 – December 31, 2018
Response to Written CRA Complaints	October 17, 2016 – January 26, 2020
Community Development Activities	October 17, 2016 – January 26, 2020

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data by the U.S. Census Bureau and certain business and farm demographics are based on 2018 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 assessment area. 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 \$525.2 million to \$897.7 million as of September 30, 2019.

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 assessment areas.

- 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, four community contact interviews with members of the local community were relied upon to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. 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, applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

Monticello Banking Company is a full-service retail bank offering both consumer and commercial loan and deposit products operating entirely in the state of Kentucky. The bank is wholly owned by Monticello Bankshares, Inc., a one-bank holding company. The bank and its holding company are both headquartered in Monticello. The bank's branch network consists of 19 offices (including the main office); 15 of these branches have cash-dispensing-only automated teller machines (ATMs) and two branches have full-service deposit-taking ATMs. Seventeen of the branches also have drive-up accessibility.

The bank opened two branch offices during the review period, located in Fayette and Jessamine Counties, which resulted in the addition of the Lexington assessment area. In addition, it acquired Bank of Harlan in March 2017 and Blue Grass Community Bank in September 2018. The Bank of Harlan acquisition resulted in three additional branches and the addition of the Harlan County assessment area. The Blue Grass Community Bank acquisition resulted in two additional branches located within the bank's existing Central Kentucky assessment area; however, one branch obtained during the Blue Grass Community Bank acquisition has since closed. Based on this branch network and other service delivery systems, such as weekend hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of its assessment areas.

The bank currently operates in four CRA assessment areas. The Central Kentucky and Harlan County assessment areas are in nonmetropolitan statistical areas (nonMSAs). The Central Kentucky assessment area consists of Boyle, Casey, Pulaski, Russell, Clinton, and Wayne Counties. The Harlan County assessment is comprised entirely of Harlan County. The Bowling Green assessment area consists of Barren and Warren counties, which are two of four counties comprising the Bowling Green-Glasgow, Kentucky combined statistical area (CSA). The Lexington assessment area consists of Fayette and Jessamine Counties, which are two of the six counties comprising the Lexington-Fayette, Kentucky metropolitan statistical area (MSA).

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 assessment areas based on its available resources and financial products. As of September 30, 2019, the bank reported total assets of \$764.2 million. As of the same date, loans and leases outstanding were \$575.7 million (75.3 percent of total assets), and deposits totaled \$663.6 million. The bank's loan portfolio composition by credit category is displayed in the following table:

Distribution of Total Loans as of September 30, 2019		
Credit Category	Amount (\$000s)	Percentage of Total Loans
Construction and Development	\$76,866	13.4%
Commercial Real Estate	\$163,264	28.4%
Multifamily Residential	\$21,863	3.8%
1–4 Family Residential	\$187,148	32.5%
Farmland	\$38,124	6.6%
Farm Loans	\$10,570	1.8%
Commercial and Industrial	\$39,853	6.9%
Loans to Individuals	\$26,641	4.6%
Total Other Loans	\$11,363	2.0%
TOTAL	\$575,692	100%

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 construction and development loans. The bank also originates and subsequently sells a moderate volume of loans related to residential real estate. The bank sold approximately 70 residential real estate loans into the secondary market in the 12 months prior to this evaluation. As these loans are sold into the secondary market shortly after origination, this activity would not be captured in the table. While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on October 17, 2016.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Monticello Banking Company meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria as applicable.

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 12-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size (\$000s) as of September 30, 2019	Average LTD Ratio
Monticello Banking Company	Monticello, Kentucky	\$764,178	79.0%
Regional Banks	Lancaster, Kentucky	\$897,729	76.8%
	Danville, Kentucky	\$557,929	81.5%
	Somerset, Kentucky	\$525,165	66.7%

Based on data from the previous table, the bank's level of lending is generally in line with other banks in the region. During the review period, the bank's quarterly LTD ratio experienced a generally increasing trend, from a low of 73.0 percent to a high of 85.9 percent, with a 12-quarter average of 79.0 percent. In comparison, the average LTD ratios for the regional peers ranged from 66.7 percent to 81.5 percent. Peer LTD ratios exhibited a slight upward trend during the review period. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

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 assessment areas.

Lending Inside and Outside of Assessment Area January 1, 2018 through December 31, 2018						
Product	Inside Assessment Area		Outside Assessment Area		TOTAL	
HMDA	264	95.3%	13	4.7%	277	100%
	35,002	93.4%	2,469	6.6%	37,471	100%
Small Business	111	91.0%	11	9.0%	122	100%
	12,526	93.0%	942	7.0%	13,468	100%
Consumer Motor Vehicle	156	93.4%	11	6.6%	167	100%
	1,087	93.2%	79	6.8%	1,166	100%
TOTAL LOANS	531	93.8%	35	6.2%	566	100%
	48,615	93.3%	3,490	6.7%	52,105	100%

A substantial majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 93.8 percent of the total loans were made inside the assessment areas, accounting for 93.3 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is reasonable.

Full-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Central Kentucky	Reasonable
Bowling Green	Reasonable
OVERALL	REASONABLE

Limited-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Harlan	Consistent
Lexington	Consistent
OVERALL	Consistent

In addition, the bank's distribution of lending by income level of census tracts reflects reasonable dispersion.

Full-Scope Assessment Areas	Geographic Distribution of Loans
Central Kentucky	Excellent
Bowling Green	Reasonable
OVERALL	REASONABLE

Limited-Scope Assessment Areas	Geographic Distribution of Loans
Harlan	Below
Lexington	Below
OVERALL	BELOW

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (October 17, 2016 through January 26, 2020).

COMMUNITY DEVELOPMENT TEST

Monticello Banking Company's performance under the Community Development Test is rated outstanding. The bank demonstrates excellent responsiveness to the community development

needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas.

Full-Scope Assessment Areas	Community Development Test Performance Conclusions
Central Kentucky	Excellent
Bowling Green	Excellent
OVERALL	EXCELLENT

Limited Scope Assessment Areas	Community Development Test Performance Conclusions
Harlan	Below
Lexington	Below
OVERALL	BELOW

The bank's community development responsiveness is excellent, given its level of community development activities. While performance varied between the four assessment areas, the overall Community Development Test rating was based most heavily on performance in the bank's full-scope assessment areas, Central Kentucky and Bowling Green. While performance in the two limited-scope assessment areas were below the performance of the full-scope assessment areas, it did not impact the bank's community development performance overall.

During the review period, the bank made 168 qualifying loans in its assessment areas totaling approximately \$31.9 million. Of those loans, 111 were for economic development, 46 served to revitalize and stabilize the assessment areas, 10 were to community service organizations, and one was for affordable housing.

The bank also made community development investments and donations in its assessment areas totaling \$18.3 million. This amount included 17 new qualified investments totaling \$15.5 million; 11 investments made in a prior review period but still outstanding totaling \$2.8 million; and 350 donations totaling \$80,967. The majority of the investments were municipal bonds issued by qualifying school districts for community services. Furthermore, a majority of the donations were to qualifying school districts or organizations having a community development purpose.

During the review period, bank personnel used financial expertise to log 118 service activities to community development organizations within the bank's assessment areas. Of these services, 77 were community services targeting LMI individuals and 41 were for the purpose of revitalizing or stabilizing the assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board of directors (board) members.

In addition to adequately meeting the community development needs of its own assessment areas, the bank made 71 investments totaling \$41.0 million and three loans totaling \$6,585 outside its assessment area. The majority of these investments were municipal bonds issued by qualifying school districts.

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.

NONMETROPOLITAN KENTUCKY STATEWIDE AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CENTRAL KENTUCKY ASSESSMENT AREA

Bank Structure

The bank operates 10 of 19 offices (52.6 percent) in this assessment area. Five of these locations are in moderate-income census tracts, three are in middle-income tracts, and two are in upper-income geographies. During the review period, the bank acquired two additional branches in Boyle County through the acquisition of The Blue Grass Community Bank; however, one of these branches was subsequently closed. Nine of these locations include cash-dispensing ATMs and drive-up accessibility. Based on this branch network, weekend hours of operation, and full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of this assessment area.

General Demographics

The assessment area comprises Boyle, Casey, Clinton, Pulaski, Russell, and Wayne Counties in their entireties. This assessment area is located in south central Kentucky. Based on 2015 ACS data, the assessment area population was 157,489. Of the 24 FDIC-insured depository institutions with a branch presence in the assessment area, the bank ranked first in deposit market share, encompassing 16.4 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. A significant portion of the assessment area (ten middle-income census tracts in Casey, Clinton, Russell, and Wayne Counties) are designated as distressed due to heightened poverty levels. Community contacts noted the challenges poverty presented in the assessment area and observed that large numbers of potential borrowers with poor credit histories and insufficient funds for down payments were likely common throughout the area. Also noted was the diminishing affordable housing stock within the area. While community groups are working on affordable housing projects, additional needs throughout the area persist.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area 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	9	25	5	0	39
	0.0%	23.1%	64.1%	12.8%	0.0%	100%
Family Population	0	7,884	26,610	6,581	0	41,075
	0.0%	19.2%	64.8%	16.0%	0.0%	100%

As shown above, 23.1 percent of the census tracts in the assessment area are LMI geographies and 19.2 percent of the family population resides in these tracts. In addition to the ten previously mentioned census tracts that are distressed due to poverty, seven are also distressed due to unemployment, and nine are classified as underserved due to their remote, rural location. Seven of the moderate-income census tracts are contiguous, spanning southern Clinton, Wayne, and Pulaski Counties, with one additional moderate-income census tract each located in Russell and Casey Counties.

Based on 2015 ACS data, the median family income for the assessment area was \$43,369. At the same time, median family income for nonMSA Kentucky was \$45,920. More recently, the FFIEC estimates the 2018 median family income for nonMSA Kentucky to be \$49,400. The following table displays population percentages of assessment area families by income level compared to the nonMSA Kentucky population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	10,631	6,882	7,949	15,613	41,075
	25.9%	16.8%	19.4%	38.0%	100%
NonMSA Kentucky	115,907	78,623	90,078	202,198	486,806
	23.8%	16.2%	18.5%	41.5%	100%

As shown in the table above, 42.7 percent of families within the assessment area were considered LMI, which is slightly above the LMI family percentage of 40.0 percent in nonMSA Kentucky. The percentage of families living below the poverty level in the assessment area (19.1 percent) is slightly above the 18.2 percent level in nonMSA Kentucky. Considering these factors, the assessment area appears slightly less affluent when compared to nonMSA Kentucky as a whole.

Housing Demographics

Median gross rents in the assessment area (\$566) are lower than that of nonMSA Kentucky (\$578). While monthly rents are lower in the assessment area, the percentage of renters whose rental costs exceed 30 percent of income is 43.9 percent in the assessment area compared to 41.0 percent in all of nonMSA Kentucky. The affordability ratio of the area (34.5 percent) is lower than nonMSA as a whole (39.0 percent), which suggests that housing is generally less affordable in the assessment area, when taking income into consideration. This is further supported by the median housing value in the assessment area (\$96,731) being above the value of nonMSA Kentucky (\$90,321).

Industry and Employment Demographics

The assessment area supports a sizable business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data that indicates 90.2 percent of assessment area businesses have gross annual revenues of \$1 million or less. County business patterns indicate that there are 50,825 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (22.5 percent), followed by healthcare and social assistance (21.0 percent), and then retail trade (14.4 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Kentucky as a whole.

Unemployment Levels for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2017	2018	2019 (Jan-Sep)
Boyle County	5.1%	4.4%	4.8%
Casey County	4.9%	4.7%	4.2%
Clinton County	6.6%	5.5%	5.7%
Pulaski County	5.7%	5.1%	4.9%
Russell County	7.2%	5.8%	5.8%
Wayne County	7.8%	7.0%	6.0%
Assessment Area Average	5.9%	5.2%	5.1%
NonMSA Kentucky	6.0%	5.2%	5.2%

As shown in the table above, unemployment levels varied between individual counties within the assessment area. Unemployment rates were highest in Clinton, Russell, and Wayne Counties and lowest in Boyle, Casey, and Pulaski Counties. As shown, the assessment area as a whole had a similar unemployment rate when compared to nonMSA Kentucky as a whole. For the assessment area and nonMSA Kentucky, unemployment rates have declined since 2017.

Community Contact Information

Two community contact interviews were relied upon in the assessment area as part of this evaluation. One contact was from an organization focusing on affordable housing and the other was from an organization focusing on economic development.

The contacts stated that economic growth in the area was slow in some portions of the assessment area. Both contacts indicated that poverty had been a persistent challenge in many areas of the region. They attributed this in part to lack of higher-paying job opportunities for area residents. Many available jobs are service oriented and pay lower wages. In addition, housing stock is generally older and often considered substandard and not energy efficient. The population in the area is also aging—with many younger residents leaving to pursue better opportunities in larger cities—and housing is often not suitable for older residents with healthcare needs. One contact noted that new affordable housing development in the area was limited and many borrowers had

poor credit and/or lack of funds for a sufficient down payment, making home purchases difficult. The contact believed that home purchase and home repair loans are most needed in the community.

Both contacts indicated that Pulaski County has been experiencing more economic success than the surrounding areas. They attributed this prosperity partly to Pulaski County's access to highways, railroads, and waterways, which leads to more job opportunities. As a result, Pulaski County has good schools, better-paying jobs, and greater access to art and entertainment. Many residents in surrounding counties commute to Pulaski County for employment. Contacts also emphasized the importance of tourism, healthcare, and agricultural industries to the area. One contact noted that while Kentucky has strong tax incentives and a rich natural energy resource, finding talented and skilled workers is a struggle due to a high number of retiring workers and the exodus of young residents. This contact also observed that area residents often have poor credit history and minimal funds available for down payments.

The contacts noted that there are a sufficient number of banks in the assessment area to serve residents, but that access to pay day lending services is readily available. Community development opportunities are abundant and include investments in community development financial institutions, providing grant funds to be used toward down payments, conducting financial literacy training, and investing in multi-family housing using low income housing tax credits. Both contacts noted that many banks are active in the community, including Monticello Banking Company.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CENTRAL KENTUCKY ASSESSMENT AREA

LENDING TEST

The bank's overall distribution of loans by borrower's income/revenue reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. The overall geographic distribution of loans reflects excellent penetration throughout the moderate-income census tracts in the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA, followed by small business loans, and finally consumer motor vehicle loans.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figures as estimated by the FFIEC (\$49,400 for nonMSA Kentucky as of 2018). The following table shows the distribution of HMDA reported loans by borrower income level compared to family population income demographics and 2018 aggregate performance for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income								
January 1, 2018 through December 31, 2018								
Product Type	Borrower Income Levels	2018						
		Count		Dollar			Families	
		Bank	HMDA Aggregate	Bank	HMDA Aggregate			
#	%	%		\$ (000s)	\$ %	\$ %	%	
Home Purchase	Low	5	4.8%	4.3%	234	2.2%	2.2%	25.9%
	Moderate	21	20.0%	16.1%	1,430	13.5%	10.8%	16.8%
	Middle	18	17.1%	22.0%	1,896	17.9%	19.6%	19.4%
	Upper	55	52.4%	39.5%	6,513	61.4%	49.8%	38.0%
	Unknown	6	5.7%	18.1%	543	5.1%	17.7%	0.0%
	TOTAL	105	100.0%	100.0%	10,616	100.0%	100.0%	100.0%
Refinance	Low	6	7.7%	8.9%	143	1.6%	4.6%	25.9%
	Moderate	12	15.4%	15.2%	788	8.6%	10.0%	16.8%
	Middle	15	19.2%	21.6%	1,255	13.6%	18.1%	19.4%
	Upper	33	42.3%	44.1%	4,511	49.0%	54.6%	38.0%
	Unknown	12	15.4%	10.2%	2,515	27.3%	12.8%	0.0%
	TOTAL	78	100.0%	100.0%	9,212	100.0%	100.0%	100.0%

Home Improvement	Low	0	0.0%	8.9%	0	0.0%	7.0%	25.9%
	Moderate	0	0.0%	14.4%	0	0.0%	12.0%	16.8%
	Middle	1	50.0%	17.1%	19	27.5%	15.6%	19.4%
	Upper	0	0.0%	54.1%	0	0.0%	60.9%	38.0%
	Unknown	1	50.0%	5.5%	50	72.5%	4.5%	0.0%
	TOTAL	2	100.0%	100.0%	69	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	25.9%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.8%
	Middle	1	20.0%	7.7%	200	23.7%	3.8%	19.4%
	Upper	1	20.0%	19.2%	335	39.7%	11.1%	38.0%
	Unknown	3	60.0%	73.1%	308	36.5%	85.1%	0.0%
	TOTAL	5	100.0%	100.0%	843	100.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	12.7%	0	0.0%	14.9%	25.9%
	Moderate	0	0.0%	9.9%	0	0.0%	5.1%	16.8%
	Middle	0	0.0%	19.7%	0	0.0%	17.9%	19.4%
	Upper	0	0.0%	54.9%	0	0.0%	58.7%	38.0%
	Unknown	0	0.0%	2.8%	0	0.0%	3.4%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt	Low	0	0.0%	11.4%	0	0.0%	9.9%	25.9%
	Moderate	0	0.0%	14.3%	0	0.0%	7.6%	16.8%
	Middle	0	0.0%	17.1%	0	0.0%	17.7%	19.4%
	Upper	0	0.0%	54.3%	0	0.0%	63.7%	38.0%
	Unknown	0	0.0%	2.9%	0	0.0%	1.1%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	1.8%	0	0.0%	1.5%	25.9%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.8%
	Middle	0	0.0%	1.8%	0	0.0%	2.2%	19.4%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	38.0%
	Unknown	0	0.0%	96.4%	0	0.0%	96.3%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	11	5.8%	6.0%	377	1.8%	3.0%	25.9%
	Moderate	33	17.4%	15.1%	2,218	10.7%	10.0%	16.8%
	Middle	35	18.4%	20.9%	3,370	16.2%	18.4%	19.4%
	Upper	89	46.8%	41.1%	11,359	54.8%	49.7%	38.0%
	Unknown	22	11.6%	16.9%	3,416	16.5%	18.9%	0.0%
	TOTAL	190	100.0%	100.0%	20,740	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (5.8 percent) is below the low-income family population level (25.9 percent) but is in line with the aggregate lending level to low-income borrowers (6.0 percent), reflecting reasonable performance. Elevated poverty levels in the assessment area (19.1 percent) likely present a challenge when lending to low-income individuals. The bank's level of lending to moderate-income borrowers (17.4 percent) is slightly above the moderate-income family population percentage (16.8 percent) and the aggregate lending levels to moderate-income borrowers (15.1 percent), reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of HMDA 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 2018 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of Loans Inside Assessment Area by Business Revenue							
January 1, 2018 through December 31, 2018							
Business Revenue & Loan Size		Count		Dollars		Total Businesses	
		Bank		Aggregate			
		#	%	%	\$ (000s)	\$ %	%
Business Revenue	\$1million or Less	79	85.9%	40.8%	\$5,909	64.5%	31.9%
	Over \$1 Million/ Unknown	13	14.1%	59.2%	\$3,259	35.5%	68.1%
	TOTAL	92	100.0%	100.0%	\$9,168	100.0%	100.0%
Loan Size	\$100,000 or Less	72	78.3%	96.7%	\$2,392	26.1%	52.0%
	\$100,001– \$250,000	12	13.0%	1.9%	\$1,837	20.0%	13.5%
	\$250,001– \$1 Million	8	8.7%	1.4%	\$4,939	53.9%	34.5%
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%
	TOTAL	92	100.0%	100.0%	\$9,168	100.0%	100.0%
Loan Size Revenue \$1 Mill or Less	\$100,000 or Less	67	84.8%		\$2,188	37.0%	
	\$100,001– \$250,000	8	10.1%		\$1,207	20.4%	
	\$250,001– \$1 Million	4	5.1%		\$2,514	42.5%	
	Over \$1 Million	0	0.0%		\$0	0.0%	
	TOTAL	79	100.0%		\$5,909	100.0%	

The bank's level of lending to small businesses is reasonable. The bank originated a significant majority of its small business loans (85.9 percent) to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 40.8 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2018 aggregate lending level to small businesses is 90.2 percent. Additionally, of the loans made by the bank to businesses with revenues under \$1 million dollars, 84.8 percent were made in dollar amounts equal to or less than \$100,000 which is generally considered a greater need for small businesses.

Lastly, the distribution of consumer motor vehicle loans was analyzed by income level of the borrower. The following table shows the distribution of consumer motor vehicle loans compared to household income characteristics for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income					
January 1, 2018 through December 31, 2018					
Borrower Income Levels	2018				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	56	40.6%	\$253	27.1%	28.9%
Moderate	41	29.7%	\$263	28.1%	15.0%
Middle	20	14.5%	\$193	20.6%	17.0%
Upper	21	15.2%	\$226	24.2%	39.2%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	138	100.0%	\$935	100.0%	100.0%

The bank's level of lending to low-income borrowers (40.6 percent) exceeds the percentage of assessment area households that are low income (28.9 percent) and is considered excellent. Lending to moderate-income borrowers is considered excellent, given that the bank's lending level (29.7 percent) exceeds the moderate-income household population (15.0 percent). When considering overall performance based on both income categories, the bank's distribution of consumer motor vehicle loans by borrower's profile is excellent.

Geographic Distribution of Loans

As noted previously, the Central Kentucky assessment area does not include any low-income tracts; however, it does have eight moderate-income census tracts, representing 23.1 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans reflects excellent penetration, based on the three loan categories reviewed.

The following table displays the geographic distribution of 2018 HMDA loans compared to owner-occupied housing demographics and aggregate lending data for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography								
January 1, 2018 through December 31, 2018								
Product Type	Tract Income Levels	2018						
		Count		Dollar			Owner-Occupied Units	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	32	30.5%	11.0%	2,039	19.2%	7.7%	19.7%
	Middle	58	55.2%	66.1%	5,753	54.2%	61.7%	65.2%
	Upper	15	14.3%	22.9%	2,824	26.6%	30.5%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	105	100.0%	100.0%	10,616	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	28	35.9%	16.5%	1,813	19.7%	11.7%	19.7%
	Middle	42	53.8%	62.3%	5,561	60.4%	61.4%	65.2%
	Upper	8	10.3%	21.2%	1,838	20.0%	26.9%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	78	100.0%	100.0%	9,212	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	50.0%	11.0%	19	27.5%	12.7%	19.7%
	Middle	1	50.0%	61.6%	50	72.5%	56.2%	65.2%
	Upper	0	0.0%	27.4%	0	0.0%	31.1%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	2	100.0%	100.0%	69	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	7.7%	0	0.0%	7.2%	19.7%
	Middle	5	100.0%	80.8%	843	100.0%	67.8%	65.2%
	Upper	0	0.0%	11.5%	0	0.0%	25.0%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	5	100.0%	100.0%	843	100.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	7.0%	0	0.0%	7.9%	19.7%
	Middle	0	0.0%	62.0%	0	0.0%	52.2%	65.2%
	Upper	0	0.0%	31.0%	0	0.0%	39.9%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%

Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	11.4%	0	0.0%	7.5%	19.7%
	Middle	0	0.0%	60.0%	0	0.0%	60.8%	65.2%
	Upper	0	0.0%	28.6%	0	0.0%	31.7%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	17.9%	0	0.0%	10.5%	19.7%
	Middle	0	0.0%	64.3%	0	0.0%	56.7%	65.2%
	Upper	0	0.0%	17.9%	0	0.0%	32.8%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	61	32.1%	12.4%	3,871	18.7%	8.9%	19.7%
	Middle	106	55.8%	64.8%	12,207	58.9%	61.5%	65.2%
	Upper	23	12.1%	22.8%	4,662	22.5%	29.6%	15.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	190	100.0%	100.0%	20,740	100.0%	100.0%	100.0%

The analysis of HMDA loans revealed excellent lending performance to borrowers residing in moderate-income geographies. The bank's total penetration of moderate-income census tracts by number of loans (32.1 percent) exceeds the percentage of owner-occupied housing units in moderate-income census tracts (19.7 percent). The bank's performance in moderate-income census tracts is well above that of other lenders in the assessment area based on aggregate data, which indicates that 12.4 percent of HMDA loans inside this assessment area were made to borrowers residing in moderate-income geographies.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2018 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2018 small business aggregate data.

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2018 through December 31, 2018							
Tract Income Levels	2018						
	Count		Dollar			Businesses	
	Bank	Aggregate	Bank		Aggregate		
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	41	44.6%	8.8%	\$2,759	30.1%	8.0%	15.6%
Middle	47	51.1%	67.1%	\$6,203	67.7%	71.0%	67.0%
Upper	4	4.3%	20.6%	\$206	2.2%	17.7%	17.4%
Unknown	0	0.0%	3.4%	\$0	0.0%	3.3%	0.0%
TOTAL	92	100.0%	100.0%	\$9,168	100.0%	100.0%	100.0%

The bank's percentage of loans in moderate-income census tracts (44.6 percent) is considerably higher than the 2018 aggregate lending percentage in moderate-income census tracts (8.8 percent) and higher than the percentage of small businesses in moderate-income census tracts (15.6 percent), representing excellent performance.

The bank's geographic distribution of consumer motor vehicle lending was reviewed. The following table displays 2018 consumer motor vehicle lending activity by geography income level compared to the location of households throughout this assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2018 through December 31, 2018					
Tract Income Levels	2018				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	72	52.2%	\$433	46.3%	19.5%
Middle	62	44.9%	\$473	50.6%	65.8%
Upper	4	2.9%	\$29	3.1%	14.7%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	138	100.0%	\$935	100.0%	100.0%

The bank's percentage of loans in moderate-income census tracts (52.2 percent) significantly exceeds the percentage of households residing in moderate-income census tracts (19.5 percent). Therefore, the bank's geographic distribution of consumer motor vehicle loans is excellent.

Lastly, based on reviews from all loan categories, the bank had loan activity in 74.4 percent of all assessment area census tracts. While not all census tracts contain HMDA, small business, and/or

consumer motor vehicle loans, only one moderate-income tract did not contain a loan. Therefore, no conspicuous lending gaps were noted in moderate-income areas.

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates excellent responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need/availability of such opportunities for community development in the assessment area. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank extended 132 community development loans totaling \$21.1 million in the assessment area. These loans were primarily for economic development, a need noted by community contacts in this area, and revitalization and stabilization. Examples of community development loans in the assessment area included:

- One loan totaling \$5.2 million for a drug rehabilitation facility in an LMI community.
- One loan totaling \$2.0 million to finance a small business in a distressed middle-income census tract.
- One loan totaling \$1.1 million to finance an apartment complex in a distressed middle-income census tract.

The bank also made community development investments and donations inside this assessment area totaling \$14.2 million. This amount included eight new qualified investments that funded qualifying school districts, two that funded organizations focused on affordable housing, and one for construction of a detention center in an LMI community. In addition, there were seven prior period investments in school bonds totaling \$1.8 million that remain in the bank's portfolio. Furthermore, 284 donations totaling \$61,968 were made to organizations that serve LMI individuals, LMI geographies, and distressed and underserved middle-income geographies.

Finally, bank employees provided 58 services totaling approximately 340 hours throughout the assessment area. Service activities included financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board members, presidents, or treasurers.

BOWLING GREEN-GLASGOW, KENTUCKY COMBINED STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BOWLING GREEN ASSESSMENT AREA

Bank Structure

The bank operates 4 of its 19 offices (21.1 percent) in this assessment area. Two branches are located in moderate-income census tracts, and two are located in middle-income geographies. Since the last examination, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area is comprised of Barren and Warren Counties in their entireties. Barren and Warren Counties are two of six counties that make up the Bowling Green-Glasgow, Kentucky CSA (Bowling Green CSA). Based on 2015 ACS data, the assessment area population was 161,875. Of the 22 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked thirteenth in deposit market share, encompassing 1.7 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. A portion of the assessment area (six middle-income census tracts in Barren County) are designated as distressed due to heightened poverty levels. Thus, loans to this segment of the population represents a credit need in the assessment area. Other particular credit needs in the assessment area as noted primarily from community contacts include affordable housing financing and small business lending. Contacts noted that while some affordable housing projects had been completed, there is additional demand. Contacts also noted limited job opportunities in some areas and some small businesses unable to obtain startup financing due to limited funds on hand.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	2	6	13	12	1	34
	5.9%	17.7%	38.2%	35.3%	2.9%	100%
Family Population	1,571	6,364	16,024	17,040	269	41,268
	3.8%	15.4%	38.8%	41.3%	0.7%	100%

As shown in the preceding table, 5.9 percent of the assessment area's census tracts are low-income and 17.7 percent are moderate-income. The LMI census tracts are primarily clustered in central Warren County, with one moderate-income tract in central Barren County. Comparably, of the total families in the assessment area, 3.8 percent live in low-income tracts and 15.4 percent live in moderate-income tracts. The largest portion of census tracts (38.2 percent) are middle-income tracts, containing 38.8 percent of the assessment area family population.

Based on 2015 ACS data, the median family income for the assessment area was \$55,562. At the same time, median family income for the Bowling Green CSA, in its entirety, was \$55,109. More recently, the FFIEC estimates the 2018 median family income for the Bowling Green CSA as a whole to be \$56,800. The following table displays population percentages of assessment area families by income level compared to the entire Bowling Green CSA population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	8,420	6,704	8,060	18,084	41,268
	20.4%	16.3%	19.5%	43.8%	100%
Bowling Green CSA	8,995	7,304	8,392	17,248	41,939
	21.5%	17.4%	20.0%	41.1%	100%

As shown in the table above, 36.7 percent of families within the assessment area were considered LMI, which is slightly lower than the LMI family percentage of 38.9 percent in the Bowling Green CSA. Additionally, the percentage of families living below the poverty line (14.0 percent) is in line with the level in the Bowling Green CSA (13.9 percent). Considering these factors, the assessment area appears to be just slightly more affluent than the Bowling Green CSA.

Housing Demographics

Median gross rents in the assessment area (\$672) are similar to that of the Bowling Green CSA (\$677). The affordability ratio of the area of 33.3 percent is lower than the Bowling Green CSA at 34.8 percent. Additionally, the median housing value in the assessment area (\$129,366) is above that of the Bowling Green CSA (\$124,581). Based on the data, housing appears to be slightly less affordable in the assessment area than the Bowling Green CSA.

Industry and Employment Demographics

The assessment area supports an active business community, including a strong small business sector, as evidenced by Dun & Bradstreet data that indicates 90.6 percent of assessment area businesses have gross annual revenues of \$1 million or less. County business patterns indicate that there are 67,842 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (19.0 percent), healthcare and social assistance (16.7 percent), and retail trade (15.6 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the Bowling Green CSA.

Unemployment Levels			
Dataset	Time Period (Annual Average)		
	2017	2018	2019 (Jan–Sep)
Barren County	4.7%	4.4%	4.5%
Warren County	4.1%	3.7%	3.9%
Assessment Area Average	4.2%	3.9%	4.0%
Bowling Green CSA	4.4%	4.0%	4.2%

As shown in the preceding table, unemployment levels have slightly declined in the assessment area and Bowling Green CSA during the review period. While unemployment levels have decreased for both areas, levels for the assessment area have remained consistently below the levels of the entirety of the Bowling Green CSA during the review period.

Community Contact Information

Two community contact interviews were relied upon in the assessment area as part of this evaluation. One contact was from an organization focusing on affordable housing and the other was from an organization working on small business development. The contacts categorized the local economy as strong with notable population growth, low unemployment, and industry diversification. The assessment area also benefits from its strategic location along Interstate 65 between Nashville, Tennessee and Louisville, Kentucky. Nevertheless, both contacts also noted high poverty rates in the area, particularly in Barren County, where there are fewer job opportunities, lower paying jobs, lower education levels, and fewer transportation options.

One contact noted that housing development in the area has increased due to the population surge, but that there is generally a shortage of affordable housing in Warren County. The contact noted a need in the assessment area for financial education and assistance in improving potential borrowers' credit scores, as well as more multi-family housing specifically to meet the needs of its growing LMI senior housing population. Home repair loans and lower fee home purchase loans were also a stated need. The second contact noted that the area is very pro-small business but that barriers do exist, including having the cash or equity to support the business venture, difficulty finding banks willing to lend in small dollar amounts, limited experience running a business, and poor personal credit histories. Finding and retaining skilled employees is also a barrier according

to the contact, as small businesses are often unable to compete with the higher wages and better benefits offered by larger employers.

Both contacts indicated that the area is well banked; however, the contacts also noted that many LMI residents do not make use of traditional banking services due to poor credit histories, turning instead to payday lenders and pawnshops. In addition, the city of Bowling Green is a designated resettlement city for immigrants and refugees, and, according to the contact, much of this population prefers cash or community lending to traditional banking services. While one contact indicated that banks are involved in supporting small business development in the area, the other contact indicated that banks could be doing more to support affordable housing in the area. Various community development opportunities exist for banks to support both affordable housing and economic development, including investing in low income housing tax credits, contributing to small business loan funds, and supporting revitalization efforts in downtown Bowling Green.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BOWLING GREEN 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 overall geographic distribution of loans reflects reasonable penetration throughout the Bowling Green assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA-reported loans, followed by small business loans, and finally consumer motor vehicle loans.

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 (\$55,109 for the Bowling Green CSA as of 2018). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2018 aggregate performance for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income								
January 1, 2018 through December 31, 2018								
Product Type	Borrower Income Levels	2018						
		Count		Dollar			Families	
		Bank	HMDA Aggregate	Bank	HMDA Aggregate	\$ %		
Home Purchase	Low	0	0.0%	4.4%	0	0.0%	2.7%	20.4%
	Moderate	2	11.1%	16.8%	268	5.6%	12.3%	16.3%
	Middle	1	5.6%	20.7%	148	3.1%	18.2%	19.5%
	Upper	5	27.8%	38.3%	2,116	44.2%	48.1%	43.8%
	Unknown	10	55.6%	19.9%	2,252	47.1%	18.7%	0.0%
	TOTAL	18	100.0%	100.0%	4,784	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	5.6%	0	0.0%	2.7%	20.4%
	Moderate	1	7.1%	14.8%	60	2.1%	8.9%	16.3%
	Middle	2	14.3%	20.0%	298	10.6%	16.6%	19.5%
	Upper	5	35.7%	45.2%	1,284	45.7%	57.2%	43.8%
	Unknown	6	42.9%	14.5%	1,167	41.5%	14.6%	0.0%
	TOTAL	14	100.0%	100.0%	2,809	100.0%	100.0%	100.0%

Home Improvement	Low	1	50.0%	9.0%	90	37.2%	5.7%	20.4%
	Moderate	0	0.0%	11.4%	0	0.0%	8.1%	16.3%
	Middle	0	0.0%	19.9%	0	0.0%	14.1%	19.5%
	Upper	0	0.0%	50.6%	0	0.0%	59.2%	43.8%
	Unknown	1	50.0%	9.0%	152	62.8%	12.9%	0.0%
	TOTAL	2	100.0%	100.0%	242	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	1.2%	0	0.0%	0.2%	20.4%
	Moderate	0	0.0%	1.2%	0	0.0%	0.1%	16.3%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.5%
	Upper	0	0.0%	12.3%	0	0.0%	3.5%	43.8%
	Unknown	1	100.0%	85.2%	1,836	100.0%	96.2%	0.0%
	TOTAL	1	100.0%	100.0%	1,836	100.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	6.1%	0	0.0%	2.9%	20.4%
	Moderate	0	0.0%	10.3%	0	0.0%	7.7%	16.3%
	Middle	0	0.0%	18.8%	0	0.0%	15.9%	19.5%
	Upper	0	0.0%	61.8%	0	0.0%	69.2%	43.8%
	Unknown	0	0.0%	3.0%	0	0.0%	4.3%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt	Low	0	0.0%	7.5%	0	0.0%	4.8%	20.4%
	Moderate	0	0.0%	15.0%	0	0.0%	10.0%	16.3%
	Middle	0	0.0%	18.8%	0	0.0%	14.0%	19.5%
	Upper	0	0.0%	55.6%	0	0.0%	68.2%	43.8%
	Unknown	0	0.0%	3.0%	0	0.0%	3.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	20.4%
	Moderate	0	0.0%	1.5%	0	0.0%	8.0%	16.3%
	Middle	0	0.0%	1.5%	0	0.0%	1.7%	19.5%
	Upper	0	0.0%	4.5%	0	0.0%	3.4%	43.8%
	Unknown	1	100.0%	92.4%	187	100.0%	86.8%	0.0%
	TOTAL	1	100.0%	100.0%	187	100.0%	100.0%	100.0%
HMDA TOTALS	Low	1	2.8%	4.9%	90	0.9%	2.4%	20.4%
	Moderate	3	8.3%	15.4%	328	3.3%	9.8%	16.3%
	Middle	3	8.3%	19.8%	446	4.5%	15.2%	19.5%
	Upper	10	27.8%	40.9%	3,400	34.5%	44.7%	43.8%
	Unknown	19	52.8%	19.1%	5,594	56.7%	27.9%	0.0%
	TOTAL	36	100.0%	100.0%	9,858	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (2.8 percent) is well below the low-income family population figure (20.4 percent) and below the aggregate lending level (4.9 percent), reflecting poor performance. Similarly, the bank's level of lending to moderate-income borrowers (8.3 percent) is below the moderate-income family population percentage (16.3 percent) and the aggregate lending level (15.4 percent), again

reflecting poor performance. Therefore, considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is poor.

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 2018 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of Loans Inside Assessment Area by Business Revenue							
January 1, 2018 through December 31, 2018							
Business Revenue and Loan Size		2018					
		Count		Dollars		Total Businesses	
		Bank	Aggregate	Bank	Aggregate		
#	%	%	\$ (000s)	\$ %	\$ %	%	
Business Revenue	\$1million or Less	12	85.7%	47.8%	\$2,468	82.2%	37.1%
	Over \$1 Million/ Unknown	2	14.3%	52.2%	\$535	17.8%	62.9%
	TOTAL	14	100.0%	100.0%	\$3,003	100.0%	100.0%
Loan size	\$100,000 or Less	6	42.9%	91.5%	\$193	6.4%	33.0%
	\$100,001– \$250,000	5	35.7%	4.8%	\$915	30.5%	19.3%
	\$250,001– \$1 Million	3	21.4%	3.8%	\$1,895	63.1%	47.8%
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%
	TOTAL	14	100.0%	100.0%	\$3,003	100.0%	100.0%
Loan Size Revenue \$1 Mill or Less	\$100,000 or Less	6	50.0%	\$193	\$193	7.8%	33.0%
	\$100,001– \$250,000	4	33.3%		\$790	32.0%	
	\$250,001– \$1 Million	2	16.7%		\$1,485	60.2%	
	Over \$1 Million	0	0.0%		\$0	0.0%	
	TOTAL	12	100.0%	\$2,468	100.0%		

The bank's level of lending to small businesses is 85.7 percent, which is below the demographic (90.6 percent) but well above aggregate lending data (47.8 percent). Additionally, 50.0 percent of the bank's small business loans to small businesses were in amounts of less than \$100,000, which indicates the bank's willingness to lend small dollar amounts, a stated need by community contacts. Consequently, the bank's borrower profile performance for the small business loan category is reasonable.

Lastly, the distribution of consumer motor vehicle loans was analyzed by income level of the borrower. The following table shows the distribution of consumer motor vehicle loans in 2018 compared to household income characteristics for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income						
January 1, 2018 through December 31, 2018						
Borrower Income Levels	2018					
	Count		Dollar		Households	
	#	%	\$ (000s)	\$ %	%	%
Low	4	26.7%	\$45	33.6%	24.0%	
Moderate	6	40.0%	\$41	30.6%	14.2%	
Middle	1	6.7%	\$13	9.7%	17.3%	
Upper	4	26.7%	\$35	26.1%	44.5%	
Unknown	0	0.0%	\$0	0.0%	0.0%	
TOTAL	15	100.0%	\$134	100.0%	100.0%	

The bank's level of lending to low-income borrowers (26.7 percent) slightly exceeds the percentage of assessment area households that are low-income (24.0 percent) and is considered reasonable. Lending to moderate-income borrowers is considered excellent, given that the bank's lending level (40.0 percent) greatly exceeds the moderate-income household population (14.2 percent). When considering overall performance based on both income categories, the bank's distribution of consumer motor vehicle loans by borrower's profile is excellent.

Geographic Distribution of Loans

As noted previously, the Bowling Green assessment area includes two low-income and six moderate-income census tracts. Overall, the bank's geographic distribution of loans reflects reasonable penetration, based on the three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA-reported loans, followed by small business loans, and finally consumer motor vehicle loans.

The following table displays the geographic distribution of 2018 HMDA loans compared to owner-occupied housing demographics and aggregate lending data for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography								
January 1, 2018 through December 31, 2018								
Product Type	Tract Income Levels	2018						
		Count		Dollar		HMDA Aggregate	Owner-Occupied Units	
		Bank	HMDA Aggregate	Bank	HMDA Aggregate			
#	%	%	\$ (000s)	%	\$ %	%	%	
Home Purchase	Low	1	5.6%	2.7%	73	1.5%	1.3%	1.9%
	Moderate	3	16.7%	11.5%	1,092	22.8%	9.4%	11.1%
	Middle	5	27.8%	36.3%	928	19.4%	31.6%	40.1%
	Upper	9	50.0%	49.0%	2,691	56.3%	57.0%	46.6%

	Unknown	0	0.0%	0.6%	0	0.0%	0.7%	0.3%
	TOTAL	18	100.0%	100.0%	4,784	100.0%	100.0%	100.0%
Refinance	Low	1	7.1%	2.5%	210	7.5%	1.3%	1.9%
	Moderate	2	14.3%	8.2%	334	11.9%	6.1%	11.1%
	Middle	2	14.3%	37.4%	354	12.6%	32.1%	40.1%
	Upper	8	57.1%	51.4%	1,671	59.5%	59.9%	46.6%
	Unknown	1	7.1%	0.4%	240	8.5%	0.7%	0.3%
	TOTAL	14	100.0%	100.0%	2,809	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	4.2%	0	0.0%	2.3%	1.9%
	Moderate	0	0.0%	6.6%	0	0.0%	4.5%	11.1%
	Middle	0	0.0%	34.3%	0	0.0%	31.9%	40.1%
	Upper	2	100.0%	54.8%	242	100.0%	61.3%	46.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.3%
	TOTAL	2	100.0%	100.0%	242	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	13.6%	0	0.0%	3.7%	1.9%
	Moderate	0	0.0%	28.4%	0	0.0%	20.6%	11.1%
	Middle	1	100.0%	43.2%	1,836	100.0%	40.6%	40.1%
	Upper	0	0.0%	9.9%	0	0.0%	10.0%	46.6%
	Unknown	0	0.0%	4.9%	0	0.0%	25.2%	0.3%
	TOTAL	1	100.0%	100.0%	1,836	100.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	3.0%	0	0.0%	2.0%	1.9%
	Moderate	0	0.0%	6.7%	0	0.0%	8.2%	11.1%
	Middle	0	0.0%	31.5%	0	0.0%	24.8%	40.1%
	Upper	0	0.0%	57.6%	0	0.0%	64.1%	46.6%
	Unknown	0	0.0%	1.2%	0	0.0%	0.8%	0.3%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt	Low	0	0.0%	1.5%	0	0.0%	0.7%	1.9%
	Moderate	0	0.0%	8.3%	0	0.0%	5.9%	11.1%
	Middle	0	0.0%	30.1%	0	0.0%	28.2%	40.1%
	Upper	0	0.0%	60.2%	0	0.0%	65.3%	46.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.3%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	1.5%	0	0.0%	0.7%	1.9%
	Moderate	0	0.0%	16.7%	0	0.0%	12.5%	11.1%
	Middle	0	0.0%	42.4%	0	0.0%	45.2%	40.1%
	Upper	1	100.0%	36.4%	187	100.0%	36.6%	46.6%
	Unknown	0	0.0%	3.0%	0	0.0%	4.9%	0.3%
	TOTAL	1	100.0%	100.0%	187	100.0%	100.0%	100.0%

HMDA TOTALS	Low	2	5.6%	2.8%	283	2.9%	1.6%	1.9%
	Moderate	5	13.9%	10.5%	1,426	14.5%	10.0%	11.1%
	Middle	8	22.2%	36.4%	3,118	31.6%	32.9%	40.1%
	Upper	20	55.6%	49.6%	4,791	48.6%	51.6%	46.6%
	Unknown	1	2.8%	0.7%	240	2.4%	3.8%	0.3%
	TOTAL	36	100.0%	100.0%	9,858	100.0%	100.0%	100.0%

The bank's lending level to borrowers residing in low-income geographies (5.6 percent) is above the percentage of owner-occupied housing units in low-income census tracts (1.9 percent) and that of other lenders in the assessment area (2.8 percent), reflecting excellent performance. Similarly, the bank's total penetration of moderate-income census tracts by number of loans (13.9 percent) is above the percentage of owner-occupied housing units in moderate-income census tracts (11.1 percent) and aggregate lending levels in moderate-income geographies (10.5 percent), reflecting excellent performance. Therefore, the analysis of HMDA loans revealed excellent lending performance to borrowers residing in LMI geographies.

Second, the bank's geographic distribution of small business lending was reviewed. The following table displays 2018 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2018 small business aggregate lending data.

Distribution of Loans Inside Assessment Area by Income Level of Geography							
January 1, 2018 through December 31, 2018							
Tract Income Levels	2018						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	4.9%	\$0	0.0%	6.3%	6.5%
Moderate	0	0.0%	19.2%	\$0	0.0%	18.9%	17.8%
Middle	8	57.1%	31.5%	\$1,640	54.6%	33.4%	38.2%
Upper	6	42.9%	40.3%	\$1,363	45.4%	39.0%	34.3%
Unknown	0	0.0%	4.1%	\$0	0.0%	2.5%	3.2%
TOTAL	14	100.0%	100.0%	\$3,003	100.0%	100.0%	100.0%

The bank did not originate any small business loans in low- or moderate-income tracts in 2018, despite the fact that 6.5 percent of all assessment area business are located in low-income tracts and 17.8 percent are located in moderate-income tracts. In addition, aggregate lenders originated 4.9 percent of loans in low-income tracts and 19.2 percent in moderate-income tracts in 2018. Therefore, the bank's small business lending in low- and moderate-income tracts is very poor.

The bank's geographic distribution of consumer motor vehicle lending was reviewed. The following table displays 2018 consumer motor vehicle lending activity by geography income level compared to the location of households throughout this assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography					
January 1, 2018 through December 31, 2018					
Tract Income Levels	2018				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	4.9%
Moderate	3	20.0%	\$13	9.7%	18.5%
Middle	9	60.0%	\$95	70.9%	38.0%
Upper	3	20.0%	\$26	19.4%	37.1%
Unknown	0	0.0%	\$0	0.0%	1.6%
TOTAL	15	100.0%	\$134	100.0%	100.0%

The bank did not originate any consumer motor vehicle loans in low-income census tracts despite the fact that 4.9 percent of the households reside in low-income census tracts, reflecting poor performance. The bank's percentage of loans in moderate-income census tracts (20.0 percent) exceeds the percentage of households residing in moderate-income census tracts (18.5 percent), indicating reasonable performance. Taking into consideration both income categories, the bank's overall geographic distribution of consumer motor vehicle loans is reasonable.

Lastly, based on a review of all loan categories, the bank had loan activity in 70.6 percent of all assessment area census tracts. While the majority of census tracts contained HMDA, small business, and/or consumer motor vehicle loans, one low-, three moderate-, three middle-, and three upper-income tracts did not contain a loan. The lack of loans in these tracts is largely due to significant competition in the area. Therefore, no conspicuous lending gaps were noted in LMI areas.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs within the Bowling Green assessment area, 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 21 community development loans totaling \$7.9 million in this assessment area. The qualified community development loans funded activities for organizations that provide community services targeted to LMI individuals, served to promote economic development in the assessment area, or helped revitalize and stabilize the area. Examples of community development loans in the assessment area include:

- One loan totaling \$4.7 million to expand and renovate a nonprofit healthcare facility in a distressed middle-income census tract.
- One loan totaling \$695,000 for the construction of two housing units in a moderate-income census tract.

- Four loans totaling \$1.7 million to a healthcare facility targeting elderly LMI individuals.

The bank had one prior period investment totaling \$325,366 to fund construction of a correctional facility and made one new investment totaling \$985,000 that funded improvements for a school district with a majority LMI student population. The bank also made 50 donations totaling \$13,622 to organizations that serve LMI individuals, LMI geographies, and distressed or underserved middle-income geographies. Bank employees completed 36 services totaling 66 hours at various community development organizations in the assessment area.

NONMETROPOLITAN KENTUCKY STATEWIDE AREA

(Limited-Scope Reviews)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE HARLAN COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Harlan County. The bank operates three offices in this assessment area. All three branches were obtained through the acquisition of Bank of Harlan in March 2017. The tables below detail key demographics relating to this assessment area. Five middle-income census tracts in this assessment area are designated as distressed due to population loss and heightened levels of poverty and unemployment, as well as being designated underserved due to their remote rural locations.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	2,737	1,388	1,504	2,274	7,903
	34.6%	17.6%	19.0%	28.8%	100.0%
Household Population	3,968	2,136	1,763	3,539	11,406
	34.8%	18.7%	15.5%	31.0%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	1	4	5	1	0	11
	9.1%	36.4%	45.5%	9.1%	0.0%	100%
Family Population	1,204	4,058	2,292	349	0	7,903
	15.2%	51.4%	29.0%	4.4%	0.0%	100%
Household Population	1,712	5,989	3,259	446	0	11,406
	15.0%	52.5%	28.6%	3.9%	0.0%	100%
Business Institutions	33	371	203	18	0	625
	5.3%	59.4%	32.5%	2.9%	0.0%	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE HARLAN COUNTY ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's overall Lending Test performance in the nonMSA portion of Kentucky that was reviewed using full-scope procedures, as summarized in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower's Profile	Consistent
Geographic Distribution of Loans	Below
OVERALL	CONSISTENT

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below its Community Development Test performance in the Central Kentucky assessment area.

During the review period, the bank made 14 community development loans totaling \$1.8 million. Seven community development loans were for the purpose of revitalizing and stabilizing the area, six were for the purpose of economic development, and one was extended to a community service organization. Additionally, the bank made four new investments totaling \$725,000 that funded school districts serving LMI students and maintained three prior investments totaling \$702,541, for the same purpose. The bank also made 15 donations totaling \$5,000 and completed 24 community services in the assessment area.

LEXINGTON-FAYETTE, KENTUCKY METROPOLITAN STASTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LEXINGTON ASSESSMENT AREA

This assessment area includes the entirety of Fayette and Jessamine Counties, two of the six counties that make up the Lexington-Fayette, Kentucky MSA. The bank operates two offices in this assessment area, both of which were opened during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	20,814	13,856	15,982	35,727	86,379
	24.1%	16.0%	18.5%	41.4%	100%
Household Population	38,494	22,201	22,816	60,553	144,064
	26.7%	15.4%	15.8%	42.0%	100%

	Assessment Area Demographics by Geography Income Level					
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	10	23	31	27	0	91
	11.0%	25.3%	34.1%	29.7%	0.0%	100%
Family Population	6,873	21,171	28,799	29,536	0	86,379
	8.0%	24.5%	33.3%	34.2%	0.0%	100%
Household Population	14,095	39,258	48,966	41,745	0	144,064
	9.8%	27.3%	34.0%	29.0%	0.0%	100%
Business Institutions	1,211	3,789	7,590	6,510	0	19,100
	6.3%	19.8%	39.7%	34.1%	0.0%	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LEXINGTON ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the assessment areas within the MSA portion of the state of Kentucky that were 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 assessment area, see the tables in *Appendix A*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the assessment areas within the MSA portion of the state of Kentucky that were reviewed using full-scope procedures.

During the review period, the bank originated one community development loan totaling \$1.0 million to a community service organization that serves elderly LMI individuals. Additionally, the bank made one investment totaling \$1.3 million in a mortgage backed security that finances affordable housing. The bank also made one donation totaling \$360 to an organization that focuses on affordable housing. The bank did not complete any community services in this assessment area during the review period.

**LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW
ASSESSMENT AREAS**

Harlan Assessment Area

Distribution of Loans Inside Assessment Area by Borrower Income								
January 1, 2018 through December 31, 2018								
Product Type	Borrower Income Levels	2018						
		Count		Dollar			Families	
		Bank	HMDA Aggregate	Bank		HMDA Aggregate		
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	1	8.3%	10.3%	29	3.4%	4.3%	34.6%
	Moderate	5	41.7%	22.2%	168	19.7%	15.7%	17.6%
	Middle	2	16.7%	24.6%	93	10.9%	23.5%	19.0%
	Upper	3	25.0%	35.7%	464	54.3%	47.1%	28.8%
	Unknown	1	8.3%	7.1%	100	11.7%	9.4%	0.0%
	TOTAL	12	100.0%	100.0%	854	100.0%	100.0%	100.0%
Refinance	Low	1	6.3%	4.5%	29	2.6%	1.6%	34.6%
	Moderate	3	18.8%	26.9%	136	12.1%	18.4%	17.6%
	Middle	6	37.5%	29.9%	495	44.1%	32.0%	19.0%
	Upper	5	31.3%	31.3%	394	35.1%	36.8%	28.8%
	Unknown	1	6.3%	7.5%	69	6.1%	11.1%	0.0%
	TOTAL	16	100.0%	100.0%	1,123	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	12.5%	0	0.0%	8.3%	34.6%
	Moderate	0	0.0%	25.0%	0	0.0%	21.0%	17.6%
	Middle	0	0.0%	12.5%	0	0.0%	16.6%	19.0%
	Upper	0	0.0%	50.0%	0	0.0%	54.1%	28.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	34.6%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	17.6%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.0%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	28.8%
	Unknown	2	100.0%	100.0%	400	100.0%	100.0%	0.0%
	TOTAL	2	100.0%	100.0%	400	100.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	34.6%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	17.6%
	Middle	0	0.0%	50.0%	0	0.0%	43.5%	19.0%
	Upper	0	0.0%	50.0%	0	0.0%	56.5%	28.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%

Appendix A (Continued)

Other Purpose Closed/Exempt	Low	0	0.0%	25.0%	0	0.0%	19.4%	34.6%
	Moderate	0	0.0%	25.0%	0	0.0%	10.6%	17.6%
	Middle	0	0.0%	25.0%	0	0.0%	34.7%	19.0%
	Upper	0	0.0%	25.0%	0	0.0%	35.2%	28.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	34.6%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	17.6%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.0%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	28.8%
	Unknown	0	0.0%	100.0%	0	0.0%	100.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	2	6.7%	8.1%	58	2.4%	3.0%	34.6%
	Moderate	8	26.7%	22.1%	304	12.8%	13.8%	17.6%
	Middle	8	26.7%	24.8%	588	24.7%	22.4%	19.0%
	Upper	8	26.7%	32.9%	858	36.1%	36.4%	28.8%
	Unknown	4	13.3%	12.2%	569	23.9%	24.5%	0.0%
	TOTAL	30	100.0%	100.0%	2,377	100.0%	100.0%	100.0%

Appendix A (Continued)

Distribution of Loans Inside Assessment Area by Business Revenue								
January 1, 2018 through December 31, 2018								
Business Revenue & Loan Size		2018						
		Count			Dollars		Total Businesses	
		Bank	Aggregate	Bank	Aggregate			
		#	%	%	\$ (000s)	\$ %	%	
Business Revenue	\$1million or Less	3	75.0%	39.4%	\$253	90.7%	20.8%	88.6%
	Over \$1 Million/ Unknown	1	25.0%	60.6%	\$26	9.3%	79.2%	11.4%
	TOTAL	4	100.0%	100.0%	\$279	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	3	75.0%	97.4%	\$128	45.9%	44.1%	
	\$100,001-\$250,000	1	25.0%	0.6%	\$151	54.1%	4.3%	
	\$250,001-\$1 Million	0	0.0%	1.9%	\$0	0.0%	51.6%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	4	100.0%	100.0%	\$279	100.0%	100.0%	
Loan Size Revenue \$1 Mill or Less	\$100,000 or Less	2	66.7%		\$102	40.3%		
	\$100,001-\$250,000	1	33.3%		\$151	59.7%		
	\$250,001-\$1 Million	0	0.0%		\$0	0.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	3	100.0%		\$253	100.0%		

Distribution of Loans Inside Assessment Area by Borrower Income					
January 1, 2018 through December 31, 2018					
Borrower Income Levels		2018			
		Count		Dollar	
		#	%	\$ (000s)	\$ %
Low		1	100.0%	\$5	100.0%
Moderate		0	0.0%	\$0	0.0%
Middle		0	0.0%	\$0	0.0%
Upper		0	0.0%	\$0	0.0%
Unknown		0	0.0%	\$0	0.0%
TOTAL		1	100.0%	\$5	100.0%

Appendix A (Continued)

Distribution of Loans Inside Assessment Area by Income Level of Geography								
January 1, 2018 through December 31, 2018								
Product Type	Tract Income Levels	2018						
		Count		Dollar			Owner-Occupied Units	
		Bank	HMDA Aggregate	Bank		HMDA Aggregate		
#	%	%	\$ (000s)	%	\$ %	%		
Home Purchase	Low	0	0.0%	8.7%	0	0.0%	6.0%	14.1%
	Moderate	7	58.3%	53.2%	558	65.3%	56.1%	49.3%
	Middle	5	41.7%	35.7%	296	34.7%	34.1%	31.9%
	Upper	0	0.0%	0.8%	0	0.0%	0.4%	4.7%
	Unknown	0	0.0%	1.6%	0	0.0%	3.4%	0.0%
	TOTAL	12	100.0%	100.0%	854	100.0%	100.0%	100.0%
Refinance	Low	4	25.0%	16.4%	270	24.0%	11.8%	14.1%
	Moderate	3	18.8%	34.3%	119	10.6%	39.0%	49.3%
	Middle	6	37.5%	40.3%	481	42.8%	42.3%	31.9%
	Upper	3	18.8%	9.0%	253	22.5%	7.0%	4.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	16	100.0%	100.0%	1,123	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	50.0%	0	0.0%	57.5%	14.1%
	Moderate	0	0.0%	12.5%	0	0.0%	8.8%	49.3%
	Middle	0	0.0%	25.0%	0	0.0%	26.5%	31.9%
	Upper	0	0.0%	12.5%	0	0.0%	7.2%	4.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	14.1%
	Moderate	0	0.0%	50.0%	0	0.0%	85.2%	49.3%
	Middle	2	100.0%	50.0%	400	100.0%	14.8%	31.9%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	4.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	2	100.0%	100.0%	400	100.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	25.0%	0	0.0%	21.7%	14.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	49.3%
	Middle	0	0.0%	50.0%	0	0.0%	52.2%	31.9%
	Upper	0	0.0%	25.0%	0	0.0%	26.1%	4.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%

Appendix A (Continued)

Other Purpose Closed/Exempt	Low	0	0.0%	25.0%	0	0.0%	35.2%	14.1%
	Moderate	0	0.0%	50.0%	0	0.0%	45.4%	49.3%
	Middle	0	0.0%	25.0%	0	0.0%	19.4%	31.9%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	4.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	22.2%	0	0.0%	18.3%	14.1%
	Moderate	0	0.0%	44.4%	0	0.0%	42.8%	49.3%
	Middle	0	0.0%	22.2%	0	0.0%	9.9%	31.9%
	Upper	0	0.0%	11.1%	0	0.0%	29.1%	4.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	4	13.3%	13.5%	270	11.4%	8.1%	14.1%
	Moderate	10	33.3%	44.6%	677	28.5%	53.8%	49.3%
	Middle	13	43.3%	36.5%	1,177	49.5%	33.1%	31.9%
	Upper	3	10.0%	4.5%	253	10.6%	3.3%	4.7%
	Unknown	0	0.0%	0.9%	0	0.0%	1.7%	0.0%
	TOTAL	30	100.0%	100.0%	2,377	100.0%	100.0%	100.0%

Distribution of Loans Inside Assessment Area by Income Level of Geography							
January 1, 2018 through December 31, 2018							
Tract Income Levels	2018						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
#	%	%		\$ 000s	\$ %	\$ %	%
Low	0	0.0%	9.0%	\$0	0.0%	1.7%	5.3%
Moderate	3	75.0%	46.5%	\$189	67.7%	28.0%	59.4%
Middle	0	0.0%	37.4%	\$0	0.0%	22.7%	32.5%
Upper	1	25.0%	5.8%	\$90	32.3%	47.1%	2.9%
Unknown	0	0.0%	1.3%	\$0	0.0%	0.4%	0.0%
TOTAL	4	100.0%	100.0%	\$279	100.0%	100.0%	100.0%

Appendix A (Continued)

Distribution of Loans Inside Assessment Area by Income Level of Geography					
January 1, 2018 through December 31, 2018					
Tract Income Levels	2018				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	15.0%
Moderate	1	100.0%	\$5	100.0%	52.5%
Middle	0	0.0%	\$0	0.0%	28.6%
Upper	0	0.0%	\$0	0.0%	3.9%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	1	100.0%	\$5	100.0%	100.0%

Lexington Assessment Area

Distribution of Loans Inside Assessment Area by Borrower Income							
January 1, 2018 through December 31, 2018							
Product Type	Borrower Income Levels	2018					
		Count		Dollar			Families
		Bank	HMDA Aggregate	Bank		HMDA Aggregate	
Home Purchase	#	%	%	\$ (000s)	\$ %	\$ %	%
	Low	0	0.0%	7.7%	0	0.0%	4.4%
	Moderate	1	14.3%	20.2%	128	8.1%	14.4%
	Middle	0	0.0%	20.9%	0	0.0%	18.6%
	Upper	5	71.4%	37.1%	1,327	83.6%	49.6%
	Unknown	1	14.3%	14.2%	132	8.3%	13.0%
	TOTAL	7	100.0%	100.0%	1,587	100.0%	100.0%
Refinance	Low	0	0.0%	10.0%	0	0.0%	5.3%
	Moderate	0	0.0%	14.9%	0	0.0%	9.9%
	Middle	0	0.0%	16.8%	0	0.0%	14.0%
	Upper	0	0.0%	40.9%	0	0.0%	55.5%
	Unknown	0	0.0%	17.4%	0	0.0%	15.4%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%
Home Improvement	Low	0	0.0%	5.3%	0	0.0%	3.0%
	Moderate	0	0.0%	11.8%	0	0.0%	7.9%
	Middle	0	0.0%	13.7%	0	0.0%	10.7%
	Upper	1	100.0%	36.2%	440	100.0%	42.0%
	Unknown	0	0.0%	33.0%	0	0.0%	36.3%
	TOTAL	1	100.0%	100.0%	440	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%
	Middle	0	0.0%	2.4%	0	0.0%	0.8%
	Upper	0	0.0%	8.7%	0	0.0%	4.8%
	Unknown	0	0.0%	89.0%	0	0.0%	94.5%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%
Other Purpose LOC	Low	0	0.0%	11.0%	0	0.0%	6.7%
	Moderate	0	0.0%	15.8%	0	0.0%	10.6%
	Middle	0	0.0%	22.8%	0	0.0%	15.7%
	Upper	0	0.0%	47.5%	0	0.0%	65.2%
	Unknown	0	0.0%	2.9%	0	0.0%	1.8%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%

Appendix A (Continued)

Other Purpose Closed/Exempt	Low	0	0.0%	3.1%	0	0.0%	2.1%	24.1%
	Moderate	0	0.0%	10.0%	0	0.0%	4.8%	16.0%
	Middle	0	0.0%	19.7%	0	0.0%	15.0%	18.5%
	Upper	0	0.0%	36.3%	0	0.0%	54.0%	41.4%
	Unknown	0	0.0%	30.9%	0	0.0%	24.1%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	0.6%	0	0.0%	0.2%	24.1%
	Moderate	0	0.0%	1.8%	0	0.0%	1.2%	16.0%
	Middle	0	0.0%	1.2%	0	0.0%	1.2%	18.5%
	Upper	0	0.0%	0.6%	0	0.0%	0.0%	41.4%
	Unknown	0	0.0%	95.8%	0	0.0%	97.5%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	7.9%	0	0.0%	4.0%	24.1%
	Moderate	1	12.5%	17.2%	128	6.3%	11.2%	16.0%
	Middle	0	0.0%	18.8%	0	0.0%	15.0%	18.5%
	Upper	6	75.0%	37.5%	1,767	87.2%	45.4%	41.4%
	Unknown	1	12.5%	18.6%	132	6.5%	24.3%	0.0%
	TOTAL	8	100.0%	100.0%	2,027	100.0%	100.0%	100.0%

Appendix A (Continued)

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2018 through December 31, 2018								
Business Revenue & Loan Size		2018						
		Count		Dollars		Total Businesses		
		Bank	Aggregate	Bank	Aggregate			
		#	%	%	\$ (000s)	\$ %	%	
Business Revenue	\$1million or Less	1	100.0%	42.5%	\$75	100.0%	34.8%	90.5%
	Over \$1 Million/ Unknown	0	0.0%	57.5%	\$0	0.0%	65.2%	9.5%
	TOTAL	1	100.0%	100.0%	\$75	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	1	100.0%	90.2%	\$75	100.0%	28.7%	
	\$100,001–\$250,000	0	0.0%	4.9%	\$0	0.0%	17.7%	
	\$250,001–\$1 Million	0	0.0%	4.9%	\$0	0.0%	53.6%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	1	100.0%	100.0%	\$75	100.0%	100.0%	
Loan Size Revenue \$1 Mill or Less	\$100,000 or Less	1	100.0%		\$75	100.0%		
	\$100,001–\$250,000	0	0.0%		\$0	0.0%		
	\$250,001–\$1 Million	0	0.0%		\$0	0.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	1	100.0%		\$75	100.0%		

Distribution of Loans Inside Assessment Area by Borrower Income January 1, 2018 through December 31, 2018					
Borrower Income Levels		2018			
		Count		Dollar	
		#	%	\$ (000s)	\$ %
Low	1	50.0%		\$1	7.7%
Moderate	0	0.0%		\$0	0.0%
Middle	1	50.0%		\$12	92.3%
Upper	0	0.0%		\$0	0.0%
Unknown	0	0.0%		\$0	0.0%
TOTAL	2	100.0%		\$13	100.0%
					100.0%

Distribution of Loans Inside Assessment Area by Income Level of Geography								
January 1, 2018 through December 31, 2018								
Product Type	Tract Income Levels	2018						
		Count		Dollar			Owner-Occupied Units	
		Bank	HMDA Aggregate	Bank	HMDA Aggregate	\$ %		
#	%	%		\$ (000s)	%	\$ %	%	
Home Purchase	Low	1	14.3%	4.1%	128	8.1%	2.7%	5.4%
	Moderate	1	14.3%	22.0%	196	12.4%	15.8%	20.8%
	Middle	1	14.3%	33.0%	207	13.0%	29.5%	35.3%
	Upper	4	57.1%	41.0%	1,056	66.5%	52.1%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	7	100.0%	100.0%	1,587	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	4.5%	0	0.0%	3.2%	5.4%
	Moderate	0	0.0%	20.1%	0	0.0%	13.8%	20.8%
	Middle	0	0.0%	35.7%	0	0.0%	32.6%	35.3%
	Upper	0	0.0%	39.7%	0	0.0%	50.4%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	3.5%	0	0.0%	2.7%	5.4%
	Moderate	0	0.0%	14.5%	0	0.0%	10.6%	20.8%
	Middle	0	0.0%	34.9%	0	0.0%	30.1%	35.3%
	Upper	1	100.0%	47.1%	440	100.0%	56.6%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	1	100.0%	100.0%	440	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	20.5%	0	0.0%	7.2%	5.4%
	Moderate	0	0.0%	31.5%	0	0.0%	42.7%	20.8%
	Middle	0	0.0%	26.0%	0	0.0%	28.6%	35.3%
	Upper	0	0.0%	22.0%	0	0.0%	21.5%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Other Purpose LOC	Low	0	0.0%	1.3%	0	0.0%	0.6%	5.4%
	Moderate	0	0.0%	15.5%	0	0.0%	8.5%	20.8%
	Middle	0	0.0%	32.2%	0	0.0%	30.7%	35.3%
	Upper	0	0.0%	50.9%	0	0.0%	60.2%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%

Appendix A (Continued)

Other Purpose Closed/Exempt	Low	0	0.0%	2.2%	0	0.0%	2.4%	5.4%
	Moderate	0	0.0%	12.2%	0	0.0%	12.4%	20.8%
	Middle	0	0.0%	34.7%	0	0.0%	30.5%	35.3%
	Upper	0	0.0%	50.9%	0	0.0%	54.6%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Purpose Not Applicable	Low	0	0.0%	8.9%	0	0.0%	11.2%	5.4%
	Moderate	0	0.0%	25.6%	0	0.0%	22.6%	20.8%
	Middle	0	0.0%	33.3%	0	0.0%	30.5%	35.3%
	Upper	0	0.0%	32.1%	0	0.0%	35.8%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	1	12.5%	4.2%	128	6.3%	3.4%	5.4%
	Moderate	1	12.5%	20.5%	196	9.7%	18.2%	20.8%
	Middle	1	12.5%	33.8%	207	10.2%	30.2%	35.3%
	Upper	5	62.5%	41.4%	1,496	73.8%	48.3%	38.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	8	100.0%	100.0%	2,027	100.0%	100.0%	100.0%

Distribution of Loans Inside Assessment Area by Income Level of Geography							
January 1, 2018 through December 31, 2018							
Tract Income Levels	2018						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	5.9%	\$0	0.0%	8.7%	6.3%
Moderate	0	0.0%	20.9%	\$0	0.0%	17.6%	19.8%
Middle	0	0.0%	38.4%	\$0	0.0%	41.6%	39.7%
Upper	1	100.0%	33.9%	\$75	100.0%	31.8%	34.1%
Unknown	0	0.0%	0.9%	\$0	0.0%	0.2%	0.0%
TOTAL	1	100.0%	100.0%	\$75	100.0%	100.0%	100.0%

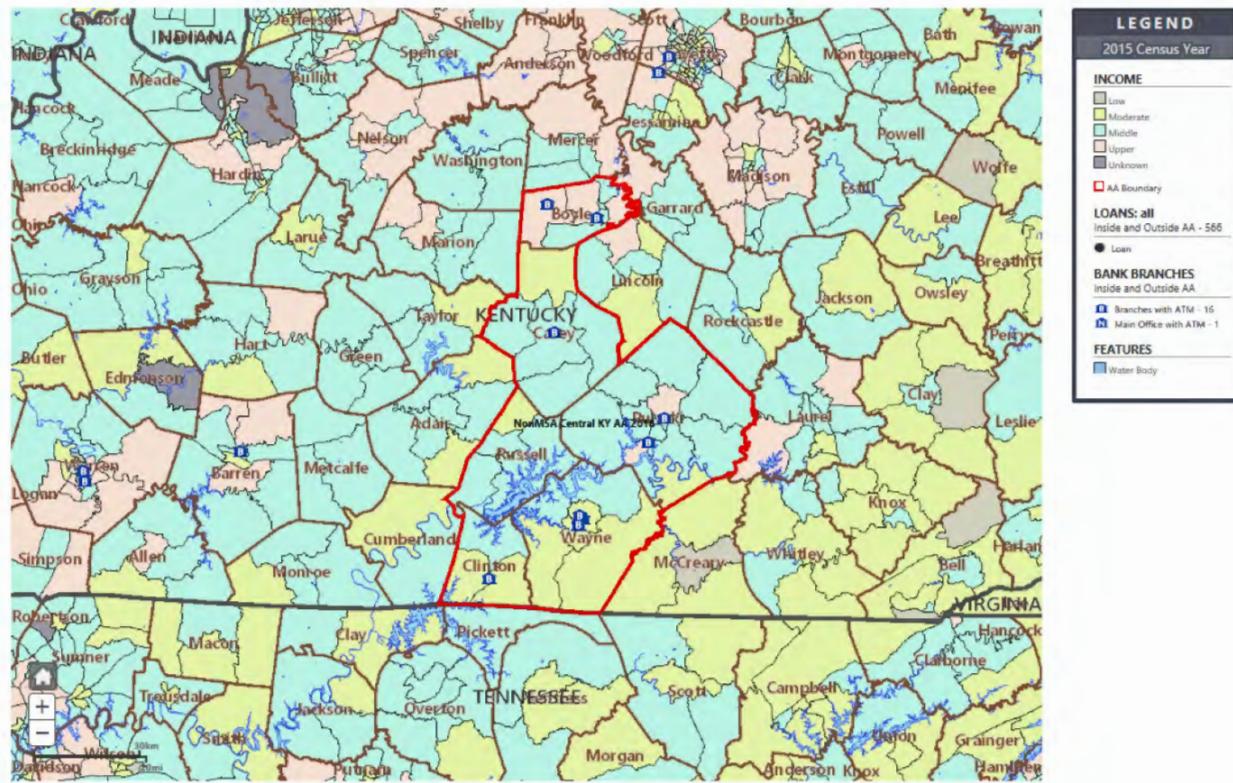
Appendix A (Continued)

Distribution of Loans Inside Assessment Area by Income Level of Geography					
January 1, 2018 through December 31, 2018					
Tract Income Levels	2018				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	9.8%
Moderate	0	0.0%	\$0	0.0%	27.3%
Middle	2	100.0%	\$14	100.0%	34.0%
Upper	0	0.0%	\$0	0.0%	29.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	2	100.0%	\$14	100.0%	100.0%

ASSESSMENT AREAS DETAIL

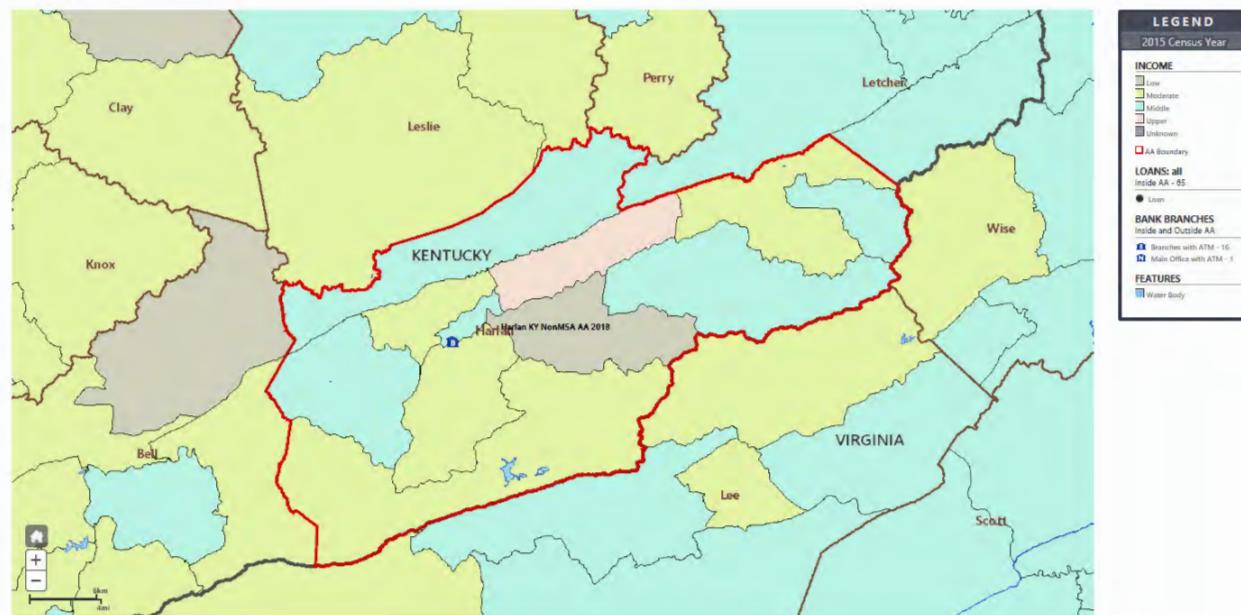
Monticello Bkg Co, Monticello, KY 2020

NonMSA Central KY AA



Monticello Bkg Co, Monticello, KY 2020

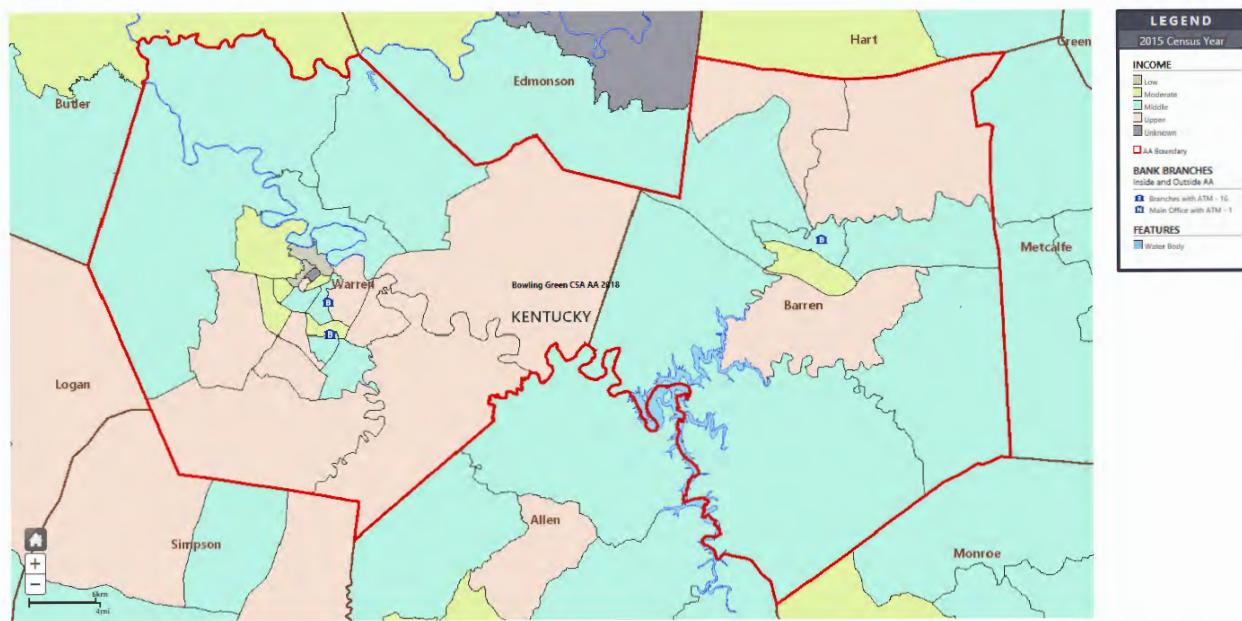
Harlan KY NonMSA AA



Appendix B (Continued)

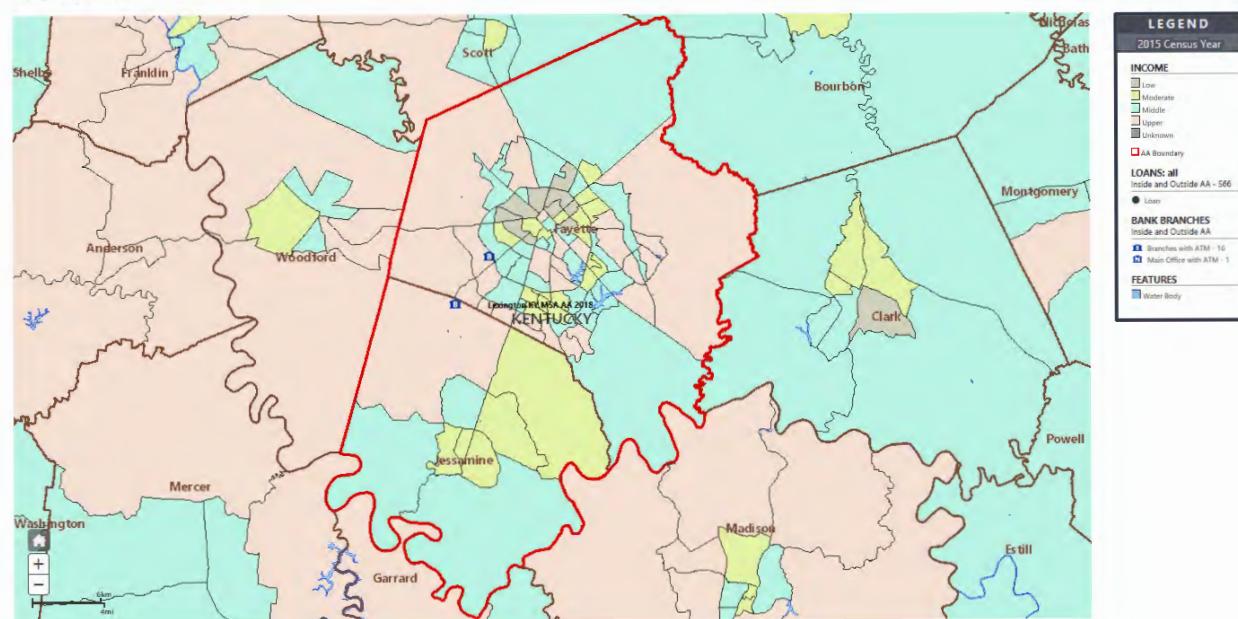
Monticello Bkg Co, Monticello, KY 2020

Bowling Green CSA AA



Monticello Bkg Co, Monticello, KY 2020

Lexington KY MSA AA



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 non-metropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community 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 non-metropolitan 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 (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed non-metropolitan 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 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).

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 that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (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: Is 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 a 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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 non-mortgage, 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.