

PUBLIC DISCLOSURE

December 4, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**United Southern Bank
RSSD #110945**

**1813 East Ninth Street
Hopkinsville, Kentucky 42240**

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

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INSTITUTION’S COMMUNITY REINVESTMENT ACT RATING

United Southern Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank’s loan-to-deposit (LTD) ratio is reasonable given the bank’s size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank’s loans and other lending-related activities are originated inside the AAs.
- The borrower’s profile analysis reveals reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AAs.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council’s (FFIEC’s) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank’s CRA performance. Bank performance under this test is rated within each of the bank’s AAs. The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each AA completed as part of this evaluation.

Assessment Area	Offices		Deposits as of June 30, 2023		Review Procedures
	#	%	\$	%	
Clarksville-Hopkinsville, Tennessee-Kentucky Partial MSA Assessment Area (Christian County)	5	62.5%	\$150,692	58.2%	Full Scope
Todd County Nonmetropolitan Statistical Area (Todd County)	3	37.5%	\$108,253	41.8%	Limited Scope
TOTAL	8	100%	\$258,945	100%	1 – Full Scope

In light of branch structure, loan and deposit activity, and the bank’s CRA evaluation history, CRA performance in the Christian County AA was reviewed using full-scope examination procedures, as it contains the bank’s headquarters, in addition to the majority of the bank’s branches and deposit activity. The bank’s Todd County AA was reviewed using limited-scope procedures.

Home Mortgage Disclosure Act (HMDA) and small business loans were used to evaluate the bank’s lending performance, as these loan categories are considered the bank’s core business lines based on lending volume and the bank’s stated business strategy. Furthermore, based on HMDA lending activity representing a higher volume by number and dollar amount, it carries more weight than small business when making overall performance conclusions. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	September 30, 2017 – September 30, 2023
AA Concentration	January 1, 2022 – December 31, 2022
Geographic Distribution of Loans	
Loan Distribution by Borrower’s Profile	
Response to Written CRA Complaints	August 28, 2017 – December 3, 2023

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey data; certain business demographics are based on 2022 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are 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 in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from \$185.4 million to \$521.8 million as of September 30, 2023.

To augment this evaluation, one community contact interview was utilized with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank’s AA. Key details from this community contact interview are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

United Southern Bank is an intrastate community bank headquartered in Hopkinsville, Kentucky. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Todd Bancshares of Hopkinsville, Kentucky.
- The bank has total assets of \$312.5 million as of June 30, 2023. That represents an increase of 37.0 percent since the last evaluation.
- In addition to its main office in Hopkinsville, the bank has eight offices located in Crofton, Clifty, Elkton, Trenton, and Pembroke, Kentucky. All branches are full service aside from the branch in Clifty, which is drive-through service only.
- Each branch is equipped with a full-service ATM.
- As shown in the following table, the bank’s primary business focus is 1–4 family residential loans and commercial lending.

Composition of Loan Portfolio as of June 30, 2023		
Loan Type	Amount \$ (000s)	Percentage of Total Loans
1–4 Family Residential	\$86,899	37.7%
Commercial Real Estate	\$46,559	20.2%
Farmland	\$41,327	17.9%
Commercial and Industrial	\$20,842	9.0%
Construction and Development	\$14,205	6.2%
Loans to Individuals	\$10,990	4.8%
Multifamily Residential	\$4,217	1.8%
Farm Loans	\$3,711	1.6%
Total Other Loans	\$1,751	0.8%
TOTAL	\$230,501	100%

Note: Percentages may not total 100.0% due to rounding.

The bank was rated Satisfactory by the Federal Deposit Insurance Corporation (FDIC) under the CRA at its August 28, 2017 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank’s overall performance under the Lending Test is satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank’s average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, branch locations, and loan portfolio.

Comparative LTD Ratios September 30, 2017 – September 30, 2023			
Institution	Location	Asset Size \$ (000s)	LTD Ratio (%)
			25-Quarter Average
United Southern Bank	Hopkinsville, Kentucky	\$315,000	78.2%
Similarly Situated Institutions			
Regional Banks	Madisonville, Kentucky	\$521,827	82.2%
	Elkton, Kentucky	\$185,401	43.4%

The bank’s LTD ratio is reasonable. The bank’s lending level, while fluctuating a bit throughout the examination period, finished above one regional peer bank and slightly below another larger regional peer bank.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
Home Purchase	83	84.7	13,310	76.3	15	15.3	4,142	23.7
Home Improvement	13	92.9	1,152	95.8	1	7.1	51	4.2
Multifamily Housing	2	50	1,281	50.0	2	50	1,283	50.0
Other Purpose Closed-End	15	62.5	1,416	50.6	9	37.5	1,381	49.4
Refinancing	36	90.0	6,292	87.0	4	10.0	943	13.0
Total HMDA Related	149	82.8	23,451	75.0	31	17.2	7,800	25.0
Small Business	97	95.1	8,374	85.7	5	4.9	1,396	14.3
TOTAL LOANS	246	87.2	31,825	77.6	36	12.8	9,196	22.4

Note: Percentages may not total 100.0% due to rounding.

A majority of the bank’s loans, by number and dollar, are originated inside the AAs. Overall, 87.2 percent of the total loans were originated inside the AAs, accounting for 77.6 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

The bank’s performance by borrower’s income/revenue profile is reasonable, as driven by performance in Christian County.

Assessment Area	Loan Distribution by Borrower’s Profile
Christian County	Reasonable
Todd County	Consistent
OVERALL	Reasonable

The bank’s distribution of lending by income level of census tract reflects reasonable penetration throughout its AAs.

Assessment Area	Geographic Distribution of Loans
Christian County	Reasonable
Todd County	Consistent
OVERALL	Reasonable

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.

CLARKSVILLE-HOPKINSVILLE, TENNESSEE- KENTUCKY PARTIAL MSA ASSESSMENT AREA *(Full-Scope Review)*

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE CHRISTIAN COUNTY ASSESSMENT AREA

The bank’s Christian County AA consists of the entirety of Christian County (see Appendix B for an AA map).

- No changes have occurred to the bank’s AA delineation since the prior evaluation.
- According to the June 30, 2023 Federal Deposit Market Share report, the bank has a market share of 11.2 percent, which ranks third out of eight FDIC-insured depository institutions operating in the AA.
- According to the Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are manufacturing (22.8 percent), healthcare and social assistance (15.1 percent), and retail trade (13.4 percent).
- One community contact was utilized to provide information on local community credit needs. The interview was conducted with an individual from an organization that offers community and social services to residents in need.

Assessment Area Demographics by Geography Income Level						
Assessment Area: Christian County						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	3	6	7	3	2	21
	14.3%	28.6%	33.3%	14.3%	9.5%	100%
Family Population	1,949	6,780	5,915	2,827	0	17,471
	11.2%	38.8%	33.9%	16.2%	0.0%	100%

- As shown in the table above, 42.9 percent of the census tracts are LMI geographies, with 50.0 percent of the AA family population residing in these tracts.
- The majority of the LMI geographies are concentrated in and around Hopkinsville, one of the larger cities in the county, where several of the bank’s branches are located.

Population Change			
Assessment Area: Christian County			
Area	2015 Population	2020 Population	Percent Change
Christian County	74,159	72,748	-1.9%
Clarksville, Tennessee-Kentucky MSA	287,675	320,535	11.4%
Kentucky	4,397,353	4,505,836	2.5%
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey</i>			

- As shown in the table above, the AA population declined from 2015 to 2020, while the MSA as a whole experienced notable population growth (increasing 11.4 percent), and the state of Kentucky experienced modest growth (increasing 2.5 percent) over the same period.
- These population trends align with community contact information citing uneven regional population change due to the MSA’s proximity to larger cities.

Median Family Income Change			
Assessment Area: Christian County			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Christian County	\$50,537	\$51,372	1.7%
Clarksville, Tennessee-Kentucky MSA	\$58,976	\$65,849	11.7%
Kentucky	\$60,493	\$65,893	8.9%
<i>Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- The table above shows that the median family income in the AA trailed the MSA as a whole and the state of Kentucky in 2015 and 2020. Moreover, the income growth over the time period in Christian County significantly trailed the corresponding growth in the full Clarksville, Tennessee-Kentucky MSA and the state of Kentucky as a whole.

Unemployment Rates					
Assessment Area: Christian County					
Area	2018	2019	2020	2021	2022
Christian County	5.2%	5.4%	7.8%	5.5%	4.8%
Clarksville, Tennessee-Kentucky MSA	4.2%	4.1%	7.5%	4.9%	4.0%
Kentucky	4.2%	4.1%	6.5%	4.4%	3.9%
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>					

- As shown in the above table, the unemployment levels for the AA remained above both the MSA as a whole and the state of Kentucky throughout the review period.
- All areas experienced a spike in unemployment in 2020 due to the COVID-19 pandemic; however, unemployment has since returned to pre-pandemic levels.

- The community contact indicated that there are good, high-paying jobs in the AA, but employers struggle to fill positions due to challenges with the local workforce.

Housing Cost Burden Assessment Area: Christian County						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low- Income	Moderate- Income	All Renters	Low- Income	Moderate- Income	All Owners
Christian County	74.3%	45.2%	42.4%	59.7%	30.5%	19.4%
Clarksville, Tennessee- Kentucky MSA	75.8%	51.8%	40.4%	59.8%	37.6%	19.0%
Kentucky	67.6%	27.0%	37.6%	53.3%	24.9%	16.6%
<i>Cost burden is housing cost that equals 30 percent or more of household income. Source: U.S. Department of Housing and Urban Development (HUD), 2015–2019 Comprehensive Housing Affordability Strategy</i>						

- Renters and homeowners in Christian County have similar, yet slightly lower, cost-burden levels compared to the MSA as a whole, while the rates for the state of Kentucky are consistently lower.
- The community contact indicated that there is a significant need in the assessment area for affordable single-family and rental housing.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CHRISTIAN
COUTNY ASSESSMENT AREA**

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has a reasonable distribution among individuals of different income levels and businesses of different sizes. Specifically, the bank's HMDA lending performance to LMI borrowers is reasonable, while the bank's performance lending to small businesses is excellent; however, more weight is placed on performance in the HMDA loan category.

HMDA Lending

The bank's HMDA loan distribution is reasonable. The bank's performance lending to low-income borrowers (8.5 percent) exceeds aggregate (5.8 percent) but trails the demographic comparator (29.2 percent), reflecting reasonable performance. The bank's performance lending to moderate-income borrowers (16.2 percent) approaches, yet trails, both aggregate lending levels (20.5 percent) and the demographic figure (22.1 percent) and is also reasonable.

Distribution of 2022 HMDA Lending by Borrower Income Level Assessment Area: Christian County							
Borrower Income Level	Bank and Aggregate Loans						Families by Family Income %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	6	10.2%	4.0%	364	3.7%	2.2%	29.2%
Moderate	13	22.0%	22.0%	1,383	14.2%	19.0%	22.1%
Middle	5	8.5%	30.6%	551	5.7%	31.6%	20.6%
Upper	25	42.4%	23.6%	5,823	59.8%	27.7%	28.1%
Unknown	10	16.9%	19.7%	1,613	16.6%	19.5%	0.00%
TOTAL	59	100.0%	100.0%	9,734	100.0%	100.0%	100.0%
Refinance Loans							
Low	3	9.7%	7.6%	325	5.9%	4.4%	29.2%
Moderate	5	16.1%	21.1%	508	9.2%	17.8%	22.1%
Middle	5	16.1%	22.3%	637	11.5%	23.0%	20.6%
Upper	12	38.7%	32.5%	2,927	52.8%	38.7%	28.1%
Unknown	6	19.4%	16.4%	1,144	20.6%	16.1%	0.00%
TOTAL	31	100.0%	100.0%	5,541	100.0%	100.0%	100.0%
Home Improvement Loans							
Low	0	0.0%	11.7%	0	0.0%	5.5%	29.2%
Moderate	1	8.3%	8.5%	63	5.6%	6.0%	22.1%
Middle	3	25.0%	21.3%	287	25.4%	16.7%	20.6%
Upper	1	8.3%	45.7%	100	8.9%	50.7%	28.1%
Unknown	7	58.3%	12.8%	679	60.1%	21.1%	0.0%
TOTAL	12	100.0%	100.0%	1,129	100.0%	100.0%	100.0%
Total Home Mortgage Loans							
Low	10	8.5%	5.8%	716	3.8%	2.7%	29.2%
Moderate	19	16.2%	20.5%	1,954	10.3%	17.6%	22.1%
Middle	13	11.1%	27.0%	1,475	7.8%	27.8%	20.6%
Upper	44	37.6%	27.6%	9,646	50.7%	30.0%	28.1%
Unknown	31	26.5%	19.0%	5,218	27.5%	21.9%	0.0%
TOTAL	117	100.0%	100.0%	19,009	100.0%	100.0%	100.0%
<p><i>Source: 2022 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding. Multifamily loans are not included in the borrower distribution analysis.</i></p>							

Distribution of 2022 HMDA Lending by Borrower Income Level Assessment Area: Christian County							
Borrower Income Level	Bank and Aggregate Loans						Families by Family Income %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Other Purpose LOC							
Low	0	0.0%	19.2%	0	0.0%	13.1%	29.2%
Moderate	0	0.0%	15.4%	0	0.0%	7.5%	22.1%
Middle	0	0.0%	19.2%	0	0.0%	22.1%	20.6%
Upper	0	0.0%	38.5%	0	0.0%	50.1%	28.1%
Unknown	0	0.0%	7.7%	0	0.0%	7.4%	0.0%
TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	1	7.7%	9.5%	27	2.0%	4.3%	29.2%
Moderate	0	0.0%	18.9%	0	0.0%	17.2%	22.1%
Middle	0	0.0%	20.3%	0	0.0%	10.9%	20.6%
Upper	5	38.5%	40.5%	515	38.9%	50.5%	28.1%
Unknown	7	53.8%	10.8%	782	59.1%	17.0%	0.0%
TOTAL	13	100.0%	100.0%	1,324	100.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	10.5%	0	0.0%	10.7%	29.2%
Moderate	0	0.0%	10.5%	0	0.0%	11.1%	22.1%
Middle	0	0.0%	5.3%	0	0.0%	6.6%	20.6%
Upper	0	0.0%	5.3%	0	0.0%	6.0%	28.1%
Unknown	0	0.0%	68.4%	0	0.0%	65.6%	0.0%
TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
<i>Source: 2022 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.</i>							

Small Business Lending

The borrower distribution of small business lending is excellent. As displayed in the following table, the bank’s lending to small businesses (90.0 percent) far exceeds the aggregate lending level (61.8 percent) and is comparable to the demographic figure (91.0 percent).

Distribution of 2022 Small Business Lending by Revenue Size of Businesses Assessment Area: Christian County								
Business Revenue and Loan Size		Count			Dollars			Total Businesses %
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	54	90.0%	61.8%	\$4,764	97.9%	44.3%	91.0%
	Over \$1 Million/ Unknown	6	10.0%	38.2%	\$104	2.1%	55.7%	9.0%
	TOTAL	60	100.0%	100.0%	\$4,868	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	50	83.3%	96.8%	\$1,685	34.6%	43.5%	
	\$100,001–\$250,000	6	10.0%	1.1%	\$1,062	21.8%	8.2%	
	\$250,001–\$1 Million	4	6.7%	2.1%	\$2,121	43.6%	48.2%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	60	100.0%	100.0%	\$4,868	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	44	81.5%		\$1,581	33.2%		
	\$100,001–\$250,000	6	11.1%		\$1,062	22.3%		
	\$250,001–\$1 Million	4	7.4%		\$2,121	44.5%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	54	100.0%		\$4,764	100%		

*Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0% due to rounding.*

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

HMDA Lending

The geographic distribution of home mortgage lending is reasonable. The bank’s overall distribution of HMDA loans to low-income census tracts (7.7 percent) is reasonable, as the bank’s performance exceeds aggregate (5.7 percent) yet slightly trails the demographic figure (9.0 percent). Conversely, the bank’s performance lending to moderate-income census tracts (19.7 percent) exceeds the demographic figure (18.3 percent) but trails aggregate lending (32.9 percent). The higher aggregate percentage, in comparison to demographic levels, in moderate-income census tracts suggests competition is high and firms are meeting the area’s credit needs. Therefore, HMDA lending performance in moderate-income geographies is also reasonable.

Distribution of 2022 HMDA Lending by Income Level of Geography Assessment Area: Christian County							
Geographic Income Level	Bank and Aggregate Loans						Owner-Occupied Units %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	4	6.8%	5.8%	309	3.2%	4.5%	9.0%
Moderate	11	18.6%	34.5%	1,945	20.0%	30.9%	18.3%
Middle	33	55.9%	42.8%	4,543	46.7%	45.2%	49.2%
Upper	11	18.6%	16.8%	2,937	30.2%	19.5%	23.6%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	59	100.0%	100.0%	9,734	100.0%	100.0%	100.0%
Refinance Loans							
Low	2	6.5%	4.3%	129	2.3%	3.0%	9.0%
Moderate	6	19.4%	30.2%	616	11.1%	27.1%	18.3%
Middle	17	54.8%	46.1%	3,651	65.9%	47.2%	49.2%
Upper	6	19.4%	19.5%	1,145	20.7%	22.7%	23.6%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	31	100.0%	100.0%	5,541	100.0%	100.0%	100.0%
Home Improvement Loans							
Low	1	8.3%	7.4%	56	5.0%	4.4%	9.0%
Moderate	3	25.0%	28.7%	341	30.2%	28.9%	18.3%
Middle	4	33.3%	38.3%	383	33.9%	41.1%	49.2%
Upper	4	33.3%	25.5%	349	30.9%	25.5%	23.6%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	12	100.0%	100.0%	1,129	100.0%	100.0%	100.0%
Total Home Mortgage Loans							Owner-Occupied Units %
Low	9	7.7%	5.7%	683	3.6%	4.1%	9.0%
Moderate	23	19.7%	32.9%	3,441	18.1%	31.1%	18.3%
Middle	61	52.1%	43.1%	10,127	53.3%	45.1%	49.2%
Upper	24	20.5%	18.3%	4,758	25.0%	19.7%	23.6%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	117	100.0%	100.0%	19,009	100.0%	100.0%	100.0%
Source: 2022 FFIEC Census Data							
2016–2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0% due to rounding.							

Distribution of 2022 Residential Real Estate Lending by Income Level of Geography Assessment Area: Christian County							
Geographic Income Level	Bank and Aggregate Loans						Owner- Occupied Units %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Other Purpose LOC							
Low	0	0.0%	3.8%	0	0.0%	2.0%	9.0%
Moderate	0	0.0%	19.2%	0	0.0%	17.8%	18.3%
Middle	0	0.0%	46.2%	0	0.0%	46.9%	49.2%
Upper	0	0.0%	30.8%	0	0.0%	33.3%	23.6%
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	2	15.4%	9.5%	189	14.3%	9.7%	9.0%
Moderate	2	15.4%	31.1%	258	19.5%	25.3%	18.3%
Middle	6	46.2%	35.1%	550	41.5%	36.6%	49.2%
Upper	3	23.1%	24.3%	327	24.7%	28.4%	23.6%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	13	100.0%	100.0%	1,324	100.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	10.5%	0	0.0%	8.3%	9.0%
Moderate	0	0.0%	26.3%	0	0.0%	28.3%	18.3%
Middle	0	0.0%	47.4%	0	0.0%	45.8%	49.2%
Upper	0	0.0%	15.8%	0	0.0%	17.6%	23.6%
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%
Source: 2022 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.							

Small Business Lending

The geographic distribution of small business lending in the assessment area is poor. The bank’s overall distribution of small business loans to low-income census tracts (11.7 percent) is in line with aggregate (12.6 percent) and trails the demographic figure (16.9 percent), reflecting reasonable performance. However, small business lending in moderate-income census tracts (10.0 percent) significantly trails both the aggregate (24.1 percent) and demographic (31.8 percent) and is considered poor.

Distribution of 2022 Small Business Lending by Income Level of Geography Assessment Area: Christian County							
Tract Income Levels	Count			Dollar			Total Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	7	11.7%	12.6%	\$325	6.7%	12.2%	16.9%
Moderate	6	10.0%	24.1%	\$315	6.5%	25.4%	31.8%
Middle	33	55.0%	43.6%	\$2,643	54.3%	30.4%	33.4%
Upper	14	23.3%	17.3%	\$1,585	32.6%	31.1%	16.3%
Unknown	0	0.0%	2.3%	\$0	0.0%	0.9%	1.6%
TOTAL	60	100.0%	100.0%	\$4,868	100.0%	100.0%	100.0%
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.</i>							

TODD COUNTY NONMSA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TODD COUNTY ASSESSMENT AREA

This AA includes the entirety of Todd County. The bank operates three offices in this AA. The tables below detail key demographics relating to this AA.

Population Change			
Area	2015 Population	2020 Population	Percent Change
Todd County	12,524	12,243	-2.2%
NonMSA Kentucky	1,820,262	1,818,994	-0.1%
Kentucky	4,397,353	4,505,836	2.5%
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey</i>			

Median Family Income Change			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Todd County	\$54,693	\$57,778	5.6%
NonMSA Kentucky	\$50,243	\$54,327	8.1%
Kentucky	\$60,493	\$65,893	8.9%
<i>Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

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

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

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

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

Todd County Assessment Area

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	#%	#%	\$	%	\$ %	
Low	1	3.1%	1.6%	\$30	0.7%	0.7%	19.1%
Moderate	6	18.8%	16.3%	\$594	13.4%	11.8%	14.8%
Middle	4	12.5%	21.4%	\$606	13.6%	19.6%	24.9%
Upper	15	46.9%	45.2%	\$2,524	56.8%	47.6%	41.2%
Unknown	6	18.8%	15.5%	\$688	15.5%	20.4%	0.0%
TOTAL	32	100.0%	100.0%	\$4,442	100.0%	100.0%	100.0%

Distribution of 2022 Small Business Lending By Borrower Income Level								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	%	%	%
Business Revenue	\$1 Million or Less	35	94.6%	49.7%	\$3,468	98.9%	31.3%	89.6%
	Over \$1 Million/ Unknown	2	5.4%	50.3%	\$38	1.1%	68.7%	10.4%
	TOTAL	37	100.0%	100.0%	\$3,506	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	28	75.7%	94.9%	\$841	24.0%	42.1%	
	\$100,001–\$250,000	5	13.5%	2.3%	\$815	23.2%	13.2%	
	\$250,001– \$1 Million	4	10.8%	2.9%	\$1,850	52.8%	44.7%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	37	100.0%	100.0%	\$3,506	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	26	74.3%		\$803	23.2%		
	\$100,001–\$250,000	5	14.3%		\$815	23.5%		
	\$250,001– \$1 Million	4	11.4%		\$1,850	53.3%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	35	100.0%		\$3,468	100.0%		

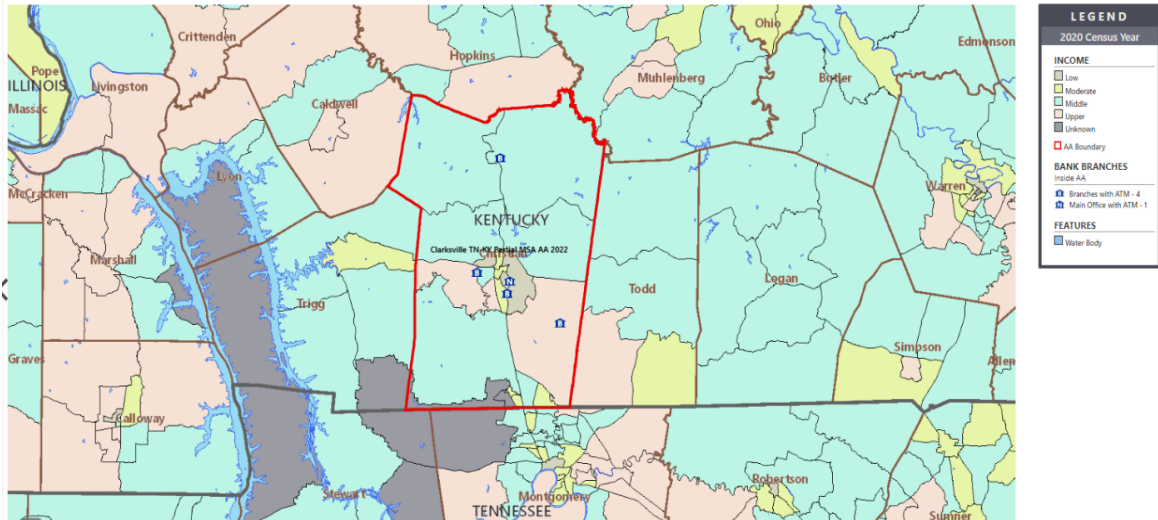
Distribution of 2022 Home Mortgage Lending By Income Level of Geography							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	#%	#%	\$	\$%	\$ %	
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	5	15.6%	13.9%	\$1,168	26.3%	13.2%	19.4%
Middle	19	59.4%	66.3%	\$1,818	40.9%	64.5%	71.2%
Upper	8	25.0%	19.8%	\$1,456	32.8%	22.3%	9.4%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
TOTAL	32	100.0%	100.0%	\$4,442	100.0%	100.0%	100.0%

Distribution of 2022 Small Business Lending By Income Level of Geography							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	#%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	5	13.5%	19.4%	\$848	24.2%	20.5%	17.0%
Middle	26	70.3%	60.6%	\$2,510	71.6%	63.9%	67.7%
Upper	6	16.2%	17.7%	\$148	4.2%	14.9%	15.3%
Unknown	0	0.0%	2.3%	\$0	0.0%	0.8%	0.0%
TOTAL	37	100.0%	100.0%	\$3,506	100.0%	100.0%	100.0%

APPENDIX B – MAP OF THE ASSESSMENT AREAS

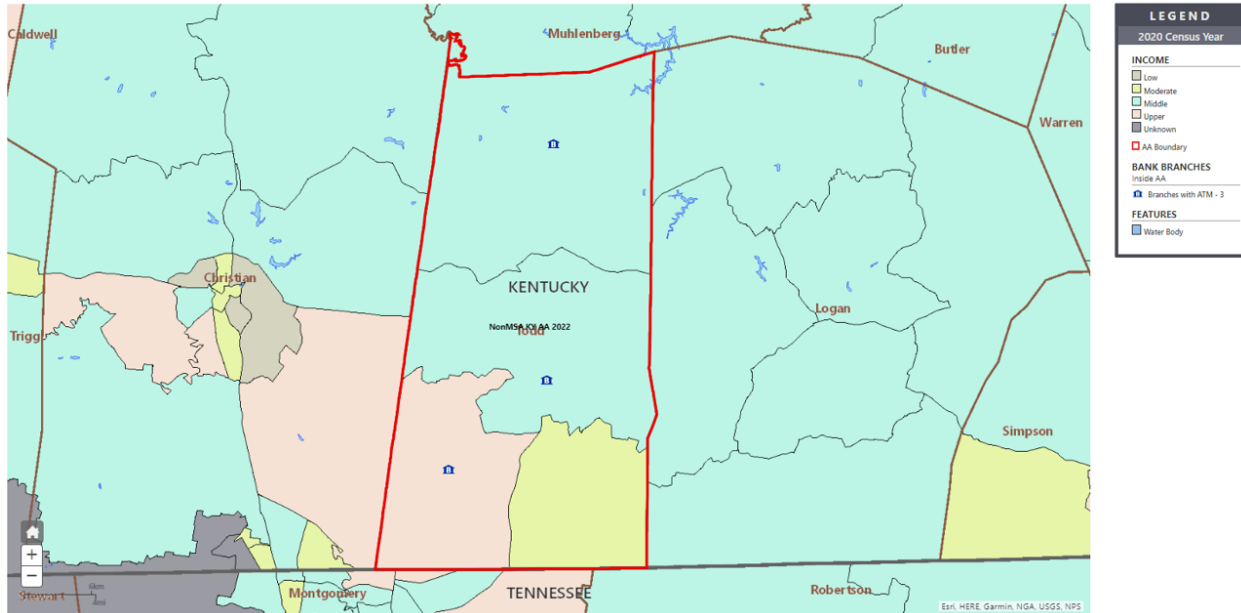
Christian County Assessment Area

United Southern Bk - Hopkinsville, KY 2023
Clarksville TN-KY Partial MSA AA



Todd County Assessment Area

United Southern Bk - Hopkinsville, KY 2023
NonMSA KY AA



APPENDIX C – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

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

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20

percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

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

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

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

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

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

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

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

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

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

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

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

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