

PUBLIC DISCLOSURE

September 5, 2023

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 and financial condition and the credit needs of the assessment areas.
- A 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.

During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act¹ Paycheck Protection Program (PPP). The bank’s participation in the PPP was also considered in the bank’s rating.

¹Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020.

SCOPE OF EXAMINATION

The bank’s CRA performance was reviewed using the Federal Financial Institutions Examination Council’s (FFIEC’s) Intermediate Small Bank Procedures. These 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 five delineated assessment areas within the commonwealth of 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, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2022.

Assessment Area	Offices		Deposits as of June 30, 2022		Assessment Area Review Procedures
	#	%	\$ (000s)	%	
Central Kentucky	11	52.4%	\$689,224	71.7%	Full Scope
Bowling Green	4	19.0%	\$104,625	10.0%	Full Scope
Harlan County	2	9.5%	\$134,340	14.0%	Limited Scope
Lexington	3	14.3%	\$31,247	3.0%	Limited Scope
Louisville	1	4.8%	\$1,495	<0.1%	Limited Scope
OVERALL	21	100%	\$960,931	100%	2 Full Scope 3 Limited Scope

The Central Kentucky Nonmetropolitan (Central Kentucky) and Bowling Green assessment areas were reviewed using full-scope examination procedures, as they represent the majority of the bank’s branches and deposits. Of the two markets, more weight was given to the Central Kentucky assessment area, as it contains a plurality of the bank’s branches and a majority of the bank’s total deposits. The bank’s performance in the Harlan County, Lexington, and Louisville assessment areas was reviewed using limited-scope procedures.

Lending performance was evaluated using Home Mortgage Disclosure Act (HMDA), small business loan, and consumer motor vehicle (CMV) loan data. These products were selected as they represent the bank’s core lending products. Moreover, these three products are significant to the short-term and long-term strategies for the bank. In determining performance conclusions, HMDA lending performance was given more weight due to the bank’s volume of residential real estate loans in its lending portfolio.

The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2020 – March 31, 2023
Assessment Area Concentration	January 1, 2022 – December 31, 2022
Geographic Distribution of Loans	
Loan Distribution by Borrower’s Profile	
Response to Written CRA Complaints	January 27, 2020 – September 4, 2023
Community Development Activities	

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 2020 American Community Survey (ACS) data; certain business and farm 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 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 in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$730.2 million to \$1.2 billion as of March 31, 2023.

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 utilized 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 operating entirely in the commonwealth of Kentucky, offering both consumer and commercial loan and deposit products. 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 21 offices (including the main office); 17 of these branches have cash-dispensing-only automated teller machines (ATMs), and two branches have full-service deposit-taking ATMs. Nineteen of the branches also have drive-up accessibility. The bank has experienced some limited branching growth since the previous evaluation. In 2021, the bank closed a branch in Harlan, Kentucky (Harlan County), and opened a de novo branch in Louisville, Kentucky (Jefferson County). This branch opening in Louisville brought with it a new assessment area in the Louisville/Jefferson County, Kentucky-Indiana metropolitan statistical area (MSA). Additionally, in 2022, the bank opened two more de novo branches located in Richmond, Kentucky (Madison County), and

London, Kentucky (Laurel County). These new branches did not add any new assessment areas to the bank’s delineation but did add one new county (Madison) to its previously delineated Lexington assessment area. Based on this branch network and other service delivery systems, such as extended banking 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 five CRA assessment areas:

- Central Kentucky assessment area, which includes Boyle, Casey, Laurel, Pulaski, Russell, Clinton, and Wayne counties.
- Harlan County assessment area, which includes Harlan County.
- Bowling Green assessment area, which includes Barren and Warren counties (2 of 6 counties comprising the Bowling Green-Glasgow, Kentucky combined statistical area [CSA]).
- Lexington assessment area, which includes Fayette, Jessamine, and Madison counties (3 of the 11 counties comprising the Lexington-Fayette–Richmond–Frankfort, Kentucky CSA).
- Louisville assessment area, which includes Jefferson County (1 of the 10 counties comprising the Louisville/Jefferson County, Kentucky-Indiana 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 June 30, 2023, the bank reported total assets of approximately \$1.2 billion. As of the same date, loans and leases outstanding were \$840.7 million (71.4 percent of total assets), and deposits totaled \$937.9 million. The bank’s loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2023		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
Construction and Development	\$140,737	16.7%
Commercial Real Estate	\$251,802	30.0%
Multifamily Residential	\$64,320	7.7%
1–4 Family Residential	\$256,847	30.6%
Farmland	\$33,177	3.9%
Farm Loans	\$4,444	0.5%
Commercial and Industrial	\$48,089	5.7%
Loans to Individuals	\$21,709	2.6%
Total Other Loans	\$19,562	2.3%
TOTAL	\$840,687	100%

As indicated by the previous table, a significant portion of the bank’s lending resources is directed to 1–4 family residential and commercial real estate loans. The bank also originates and subsequently sells a limited volume of loans related to residential real estate. As these loans are

sold on the secondary market shortly after origination, this activity would not be captured in the table. In 2022, the bank originated 12 loans totaling \$3.1 million, which were sold into the secondary market.

While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as CMV 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 January 27, 2020.

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 13-quarter average, dating back to the bank’s last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of March 31, 2023	Average LTD Ratio
Monticello Banking Company	Monticello, Kentucky	\$1,164,339	76.2%
Regional Banks	Lancaster, Kentucky	\$1,225,247	66.3%
	Danville, Kentucky	\$879,550	66.7%
	Glasgow, Kentucky	\$730,234	80.0%

Based on data from the previous table, the bank’s level of lending in relation to the level of deposits is comparable to its peers. During the review period, the bank’s quarterly LTD ratio experienced a fluctuating trend, with a high of 86.3 percent and a low of 69.0 percent. The bank’s average LTD ratio outperformed two peers while trailing the third peer. Therefore, compared to the data of peer banks, Monticello Banking Company’s LTD ratio is reasonable given the bank’s size and financial condition and the 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 Areas January 1, 2022 through December 31, 2022						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
HMDA	365	86.7%	56	13.3%	421	100%
	\$106,961	86.3%	\$17,039	13.7%	\$124,000	100%
Small Business	99	76.2%	31	23.8%	130	100%
	\$14,960	76.1%	\$4,705	23.9%	\$19,665	100%
CMV	139	88.5%	18	11.5%	157	100%
	\$1,711	87.3%	\$249	12.7%	\$1,960	100%
TOTAL LOANS	603	85.2%	105	14.8%	708	100%
	\$123,632	84.9%	\$21,994	15.1%	\$145,626	100%

A majority of loans and other lending-related activities were made in the bank’s assessment areas. As shown in the previous table, 85.2 percent of the total loans were made inside the assessment areas, accounting for 84.9 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower’s income/revenue 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 County	Consistent
Lexington	Below
Louisville	Below
OVERALL	BELOW

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	Reasonable
Bowling Green	Reasonable
OVERALL	REASONABLE

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

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (January 27, 2020 through September 4, 2023).

COMMUNITY DEVELOPMENT TEST

The bank’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

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Harlan County	Below
Lexington	Below
Louisville	Below

The bank’s community development performance in both full-scope assessment areas was excellent and included a mix of qualifying community development loans, investments, donations, and services.

Total Community Development Activities Inside Assessment Areas January 27, 2020 – September 4, 2023		
Community Development Component	#	\$
Loans	1,051	\$78.5 million
Investments, Current and Prior	45	\$30.1 million
Current Period	28	\$22.1 million
Prior Period, Still Outstanding	17	\$7.9 million
Donations	181	\$58,703
Services	89 services 25 organizations	

The qualified community development activities included activities for all of the community development purposes, including affordable housing, economic development for small businesses and small farms, community services for LMI individuals, and revitalization and stabilization of LMI geographies and distressed/underserved middle-income areas. As was aforementioned, the bank was an active participant in the federal PPP, which offered emergency financial assistance to businesses in order to retain their staff. Of the bank’s qualified community development loans, 928 totaling about \$33.3 million were PPP loans that revitalized or stabilized LMI or distressed/underserved middle-income geographies.

In addition to meeting the community development needs of its assessment areas, the bank made eight community development investments totaling about \$5.6 million outside of its assessment areas. All of the eight qualified investments occurred in the commonwealth of Kentucky.

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.

CENTRAL KENTUCKY NONMETROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates 11 of 21 branches (52.0 percent) in this assessment area, 9 of which have cash-dispensing-only ATMs on site and a drive-through. Five of these locations are in moderate-income census tracts, five are in middle-income census tracts (three of which are in distressed or underserved middle-income geographies), and one branch is in an unknown income geography. During this review period, the bank opened one branch in this assessment area, which was in Laurel County. Based on this branch network 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 includes Boyle, Casey, Clinton, Laurel, Pulaski, Russell, and Wayne counties in their entireties. This assessment area is located in nonMSA portions of south-central Kentucky. The following table lists the counties in the bank's assessment area along with their respective populations.

County	Population
Boyle County	30,614
Casey County	15,941
Clinton County	9,253
Laurel County	62,613
Pulaski County	65,034
Russell County	17,991
Wayne County	19,555
TOTAL ASSESSMENT AREA POPULATION	221,001

This assessment area is a moderately competitive banking market, with 30 total financial institutions operating within the assessment area. The bank is ranked first among the 30 FDIC-insured depository institutions operating within the assessment area, encompassing 12.9 percent of the assessment area's deposit market share.

Credit needs in the assessment area include affordable housing for LMI individuals. A significant portion of the assessment area (11 middle-income census tracts in Casey, Clinton, Russell, and Wayne counties) are designated as distressed or underserved due to heightened poverty levels or remote rural nature. Community contacts noted the challenges poverty presented in the assessment area and observed that large numbers of potential borrowers have insufficient funds for down payments. Also noted was the diminishing affordable housing stock within the area.

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	20	34	13	1	68
	0.0%	29.4%	50.0%	19.1%	1.5%	100%
Family Population	0	14,764	28,398	12,802	512	56,476
	0.0%	26.1%	50.3%	22.7%	0.9%	100%

As shown above, the assessment area has no low-income census tracts. Of the 68 census tracts in the assessment area, 20, or 29.4 percent, are moderate-income geographies. However, only 26.1 percent of the family population resides in these tracts.

Based on 2020 ACS data, the median family income for the assessment area was \$52,974. At the same time, median family income for nonMSA Kentucky was \$54,327. More recently, the FFIEC estimates the 2022 median family income for nonMSA Kentucky to be \$61,700. The following table displays population percentages of assessment area families by income level compared to the nonMSA Kentucky family population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	13,893	9,838	10,022	22,723	56,476
	24.6%	17.4%	17.8%	40.2%	100%
NonMSA Kentucky	109,027	79,154	88,561	196,893	473,635
	23.0%	16.7%	18.7%	41.6%	100%

As shown in the table above, 42.0 percent of families within the assessment area were considered LMI, which is above the LMI family percentage of 39.7 percent in nonMSA Kentucky. The percentage of families living below the poverty level in the assessment area, 16.3 percent, is slightly above but comparable to the 16.0 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

As displayed in the following table, homeownership in the assessment area is slightly less affordable compared to nonMSA Kentucky as a whole.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	\$112,102	36.5%	\$660
NonMSA Kentucky	\$107,295	39.0%	\$657

Median gross rents varied significantly by county in the assessment area from a low of \$511 in Clinton County to a high of \$715 in Boyle County. Affordability ratios in the assessment area also varied, ranging from a high of 42.5 percent in Clinton County, which is located in the southeastern portion of the assessment area, to a low of 33.8 percent in Casey County. Community contacts confirmed that homeownership in the assessment area is largely out of reach for LMI residents.

Industry and Employment Demographics

The assessment area supports a sizable business community, including a strong small business sector, as evidenced by Dun & Bradstreet data that indicates that 90.7 percent of assessment area businesses have gross annual revenues of \$1 million or less. County business patterns indicate that there are 71,193 private sector employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (20.7 percent), followed by retail trade (15.1 percent) and healthcare and social assistance (15.0 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for each county of the assessment area, the assessment area as a whole, and overall nonMSA Kentucky.

Unemployment Levels for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2020	2021	2022 (Jan.–Aug.)
Boyle County	7.1%	5.0%	4.0%
Casey County	6.0%	4.1%	3.7%
Clinton County	4.9%	4.4%	4.3%
Laurel County	6.7%	4.5%	4.0%
Pulaski County	7.1%	4.9%	4.5%
Russell County	8.0%	5.4%	4.9%
Wayne County	6.3%	5.1%	4.9%
Assessment Area Average	6.8%	4.8%	4.3%
NonMSA Kentucky	7.0%	5.1%	4.5%

As shown in the table above, unemployment levels varied greatly between individual counties within the assessment area. Unemployment rates were highest in Russell, Boyle, and Pulaski counties and lowest in Casey, Clinton, and Wayne counties. As shown, the assessment area as a whole had a lower unemployment rate when compared to nonMSA Kentucky as a whole. For the assessment area and nonMSA Kentucky, unemployment rates have declined since 2020.

Community Contact Information

For the Central Kentucky assessment area, three community contact interviews were completed as part of this evaluation. The interviewees were from economic development offices and a local business development organization that serves counties in this assessment area. The community contact interviewees categorized the local economy as remaining relatively stable during the review period. The COVID-19 pandemic did not affect the assessment area as heavily as other places in the commonwealth due to the assessment area’s focus on outdoor tourism and related activities. A recurring theme that was expressed by community contacts was the lack of affordable housing for LMI individuals in the assessment area. There is not enough affordable housing in the

assessment area to meet demand. Also, due to high levels of poverty in portions of the assessment area, many individuals lack funds for down payments on houses. One contact mentioned that the Kentucky Housing Corporation offered a program with up to 100 percent financing, but the program is no longer offered. This has made it more difficult for first-time homebuyers to afford houses in the assessment area.

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 reasonable 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, CMV 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 (\$61,700 for nonMSA Kentucky as of 2022). The following table shows the distribution of HMDA-reported loans by borrower income level compared to 2022 aggregate performance for the assessment area and to family population income demographics.

Borrower Distribution of HMDA Loans							
Assessment Area: Central Kentucky							
January 1, 2022 through December 31, 2022							
Borrower Income Levels	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	14	15.9%	5.2%	\$662	6.6%	2.3%	24.6%
Moderate	17	19.3%	18.7%	\$1,222	12.3%	12.7%	17.4%
Middle	11	12.5%	23.7%	\$914	9.2%	21.1%	17.7%
Upper	34	38.6%	34.8%	\$5,369	53.8%	46.3%	40.2%
Unknown	12	13.6%	17.6%	\$1,808	18.1%	17.7%	0.0%
TOTAL	88	100.0%	100.0%	\$9,975	100.0%	100.0%	100.0%
Refinance							
Low	8	9.5%	8.7%	\$275	2.5%	4.3%	24.6%
Moderate	12	14.3%	19.2%	\$1,291	11.8%	14.1%	17.4%
Middle	25	29.8%	25.1%	\$2,427	22.1%	22.3%	17.7%
Upper	32	38.1%	38.9%	\$6,010	54.8%	50.2%	40.2%
Unknown	7	8.3%	8.0%	\$961	8.8%	9.0%	0.0%
TOTAL	84	100.0%	100.0%	\$10,964	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	7.1%	\$0	0.0%	3.9%	24.6%
Moderate	1	25.0%	12.4%	\$50	47.2%	8.5%	17.4%
Middle	1	25.0%	22.0%	\$8	7.5%	16.5%	17.7%
Upper	1	25.0%	55.6%	\$28	26.4%	69.0%	40.2%
Unknown	1	25.0%	2.9%	\$20	18.9%	2.1%	0.0%
TOTAL	4	100.0%	100.0%	\$106	100.0%	100.0%	100.0%

Other Purpose LOC							
Low	0	0.0%	7.4%	\$0	0.0%	4.6%	24.6%
Moderate	0	0.0%	14.0%	\$0	0.0%	7.7%	17.4%
Middle	0	0.0%	19.9%	\$0	0.0%	15.6%	17.7%
Upper	0	0.0%	55.9%	\$0	0.0%	68.9%	40.2%
Unknown	0	0.0%	2.9%	\$0	0.0%	3.2%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	6.0%	\$0	0.0%	3.6%	24.6%
Moderate	0	0.0%	10.4%	\$0	0.0%	11.3%	17.4%
Middle	0	0.0%	23.9%	\$0	0.0%	20.7%	17.7%
Upper	0	0.0%	49.3%	\$0	0.0%	49.0%	40.2%
Unknown	0	0.0%	10.4%	\$0	0.0%	15.4%	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%	24.6%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	17.4%
Middle	0	0.0%	3.7%	\$0	0.0%	3.4%	17.7%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	40.2%
Unknown	0	0.0%	96.3%	\$0	0.0%	96.6%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	24.6%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	17.4%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	17.7%
Upper	0	0.0%	7.3%	\$0	0.0%	7.8%	40.2%
Unknown	5	100.0%	92.7%	\$2,170	100.0%	92.2%	0.0%
TOTAL	5	100.0%	100.0%	\$2,170	100.0%	100.0%	100.0%
Total Home Mortgage Loans							Families by Family Income %
Low	22	12.2%	6.3%	\$937	4.0%	2.8%	24.6%
Moderate	30	16.6%	17.9%	\$2,563	11.0%	12.4%	17.4%
Middle	37	20.4%	23.5%	\$3,349	14.4%	20.5%	17.7%
Upper	67	37.0%	37.6%	\$11,407	49.1%	46.9%	40.2%
Unknown	25	13.8%	14.7%	\$4,959	21.4%	17.4%	0.0%
TOTAL	181	100.0%	100.0%	\$23,215	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (12.2 percent) is nearly double the aggregate lending level to low-income borrowers (6.3 percent). However, the bank's performance trailed the low-income family population level (24.6 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (16.6 percent) is slightly below, but comparable to, aggregate lending levels to moderate-income borrowers (17.9 percent) as well as the moderate-income family population percentage (17.4 percent), also reflecting reasonable performance. Therefore, considering performance in 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 2022 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Central Kentucky January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	43	89.6%	49.6%	\$3,600	90.7%	34.3%	90.7%
	Over \$1 Million/ Unknown	5	10.4%	50.4%	\$370	9.3%	65.7%	9.3%
	TOTAL	48	100.0%	100.0%	\$3,970	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	36	75.0%	95.5%	\$1,330	33.5%	47.1%	
	\$100,001–\$250,000	9	18.8%	2.6%	\$1,398	35.2%	16.7%	
	\$250,001–\$1 Million	3	6.3%	1.9%	\$1,242	31.3%	36.2%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	48	100.0%	100.0%	\$3,970	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	32	74.4%		\$1,193	33.1%		
	\$100,001–\$250,000	8	18.6%		\$1,165	32.4%		
	\$250,001–\$1 Million	3	7.0%		\$1,242	34.5%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	43	100.0%		\$3,600	100.0%		

The bank’s level of lending to small businesses is excellent. The bank originated a significant majority of its small business loans (89.6 percent) to businesses with revenues of \$1 million or less. In comparison, the 2022 aggregate lending level to small businesses is 49.6 percent, and assessment area demographics estimate that 90.7 percent of businesses in the assessment area had annual revenues of \$1 million or less. Additionally, of the loans made by the bank to businesses with revenues under \$1 million dollars, 74.4 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 CMV loans was analyzed by income level of the borrower. The following table shows the distribution of CMV loans compared to household income characteristics for the assessment area.

Borrower Distribution of CMV Loans					
Assessment Area: Central Kentucky					
January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	34	28.6%	\$293	21.2%	27.4%
Moderate	43	36.1%	\$409	29.6%	15.8%
Middle	26	21.8%	\$402	29.0%	14.7%
Upper	16	13.4%	\$280	20.2%	42.2%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	119	100.0%	\$1,384	100.0%	100.0%

The bank’s level of lending to low-income borrowers (28.6 percent) exceeds, yet is comparable to, the percentage of assessment area households that are low-income (27.4 percent) and is considered reasonable. The bank’s level of lending to moderate-income borrowers (36.1 percent) more than doubles the percentage of assessment area households that are moderate-income (15.8 percent) and is considered excellent. When considering overall performance based on both income categories, the bank’s distribution of CMV 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 20 moderate-income census tracts, representing 29.4 percent of all assessment area census tracts. Overall, the bank’s geographic distribution of loans reflects reasonable penetration, based on the three loan categories reviewed.

The following table displays the geographic distribution of 2022 HMDA loans compared to aggregate lending data for the assessment area’s owner-occupied housing demographics.

Geographic Distribution of HMDA Loans Assessment Area: Central Kentucky January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank		HMDA Aggregate	Bank		HMDA Aggregate	% of Owner- Occupied Units
	#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase							
Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Moderate	20	22.7%	20.0%	1,724	17.3%	18.0%	25.2%
Middle	51	58.0%	54.6%	5,652	56.7%	51.5%	52.0%
Upper	16	18.2%	24.1%	2,170	21.8%	28.9%	22.0%
Unknown	1	1.1%	1.3%	429	4.3%	1.6%	0.7%
TOTAL	88	100.0%	100.0%	9,975	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Moderate	22	26.2%	19.6%	2,267	20.7%	18.5%	25.2%
Middle	55	65.5%	54.8%	7,349	67.0%	52.6%	52.0%
Upper	7	8.3%	24.7%	1,348	12.3%	28.2%	22.0%
Unknown	0	0.0%	0.9%	0	0.0%	0.7%	0.7%
TOTAL	84	100.0%	100.0%	10,964	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Moderate	1	25.0%	13.3%	50	47.2%	12.7%	25.2%
Middle	2	50.0%	51.0%	28	26.4%	46.5%	52.0%
Upper	1	25.0%	34.9%	28	26.4%	40.5%	22.0%
Unknown	0	0.0%	0.8%	0	0.0%	0.4%	0.7%
TOTAL	4	100.0%	100.0%	106	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%	17.6%	0	0.0%	17.4%	25.2%
Middle	0	0.0%	45.6%	0	0.0%	43.7%	52.0%
Upper	0	0.0%	36.8%	0	0.0%	39.0%	22.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.7%
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%	6.0%	0	0.0%	3.7%	25.2%
Middle	0	0.0%	59.7%	0	0.0%	53.1%	52.0%
Upper	0	0.0%	34.3%	0	0.0%	43.2%	22.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.7%
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%	29.6%	0	0.0%	25.0%	25.2%
Middle	0	0.0%	63.0%	0	0.0%	64.8%	52.0%
Upper	0	0.0%	7.4%	0	0.0%	10.2%	22.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.7%
TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Moderate	1	20.0%	17.1%	300	13.8%	10.3%	36.8%
Middle	3	60.0%	61.0%	1,145	52.8%	57.8%	43.2%
Upper	1	20.0%	19.5%	725	33.4%	27.8%	15.1%
Unknown	0	0.0%	2.4%	0	0.0%	4.1%	4.9%
TOTAL	5	100.0%	100.0%	2,170	100.0%	100.0%	100.0%
Total Home Mortgage Loans							% of Owner-Occupied Units
Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Moderate	44	24.3%	19.3%	4,341	18.7%	17.7%	25.2%
Middle	111	61.3%	54.4%	14,174	61.1%	51.8%	52.0%
Upper	25	13.8%	25.3%	4,271	18.4%	29.2%	22.0%
Unknown	1	0.6%	1.1%	429	1.8%	1.4%	0.7%
TOTAL	181	100.0%	100.0%	23,215	100.0%	100.0%	100.0%

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in moderate-income geographies. The bank's total penetration of moderate-income census tracts by number of loans is 24.3 percent. The bank's performance in moderate-income census tracts is above that of other lenders in the assessment area based on aggregate data, which indicates that 19.3 percent of HMDA loans inside this assessment area were made to borrowers residing in

moderate-income geographies. Additionally, the bank’s total penetration of moderate-income census tracts by number of loans only slightly trails the percentage of owner-occupied housing units in moderate-income census tracts (25.2 percent).

Second, the bank’s geographic distribution of small business loans was reviewed. The following table displays 2022 small business loan activity by geography income level compared to 2022 small business aggregate data and the location of businesses throughout this assessment area.

Geographic Distribution of Small Business Loans							
Assessment Area: Central Kentucky							
January 1, 2022 through December 31, 2022							
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	13	27.1%	24.1%	\$1,021	25.7%	26.7%	28.8%
Middle	28	58.3%	51.0%	\$2,003	50.5%	48.9%	48.7%
Upper	7	14.6%	21.3%	\$946	23.8%	20.5%	18.6%
Unknown	0	0.0%	3.6%	\$0	0.0%	3.9%	3.8%
TOTAL	48	100.0%	100.0%	\$3,970	100.0%	100.0%	100.0%

The bank’s percentage of loans in moderate-income census tracts (27.1 percent) is slightly higher than the 2022 aggregate lending percentage in moderate-income census tracts (24.1 percent) yet slightly lower than the percentage of small businesses in moderate-income census tracts (28.8 percent), representing reasonable performance.

Finally, the bank’s geographic distribution of CMV lending was reviewed. The following table displays 2022 CMV lending activity by geography income level compared to the location of households throughout this assessment area.

Geographic Distribution of CMV Loans					
Assessment Area: Central Kentucky					
January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	41	34.5%	\$416	30.1%	26.3%
Middle	72	60.5%	\$885	63.9%	51.7%
Upper	6	5.0%	\$83	6.0%	20.9%
Unknown	0	0.0%	\$0	0.0%	1.1%
TOTAL	119	100.0%	\$1,384	100.0%	100.0%

The bank’s percentage of loans in moderate-income census tracts (34.5 percent) exceeds the percentage of households residing in moderate-income census tracts (26.3 percent). Therefore, the bank’s geographic distribution of CMV loans is excellent.

Lastly, based on reviews from all loan categories, the bank had loan activity in 79.4 percent of all assessment area census tracts. While not all census tracts contain HMDA, small business, and/or CMV loans, only four moderate-, seven middle-, and three upper-income tracts 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, area needs, and the availability of opportunities. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments and grants, and community development services.

The number and dollar amount of community development activities are shown in the following table, with noteworthy activities described further below.

Community Development Activities Central Kentucky Assessment Area			
Community Development Component	#		\$
Loans	819		\$33.2 million
Investments, Current and Prior	20		\$18.6 million
Current Period	9		\$11.7 million
Prior Period, Still Outstanding	11		\$6.9 million
Donations	122		\$35,800
Services	35 Services	13 Organizations	

The bank’s community development activity reached public, private, nonprofit, and academic organizations through the following noteworthy activities:

- The bank extended 761 loans totaling approximately \$23.0 million to small businesses located in LMI or distressed/underserved middle-income census tracts as part of the Small Business Administration’s (SBA’s) PPP. These loans helped provide revitalization and stabilization efforts in these LMI geographies by supporting permanent job creation and maintenance.
- The bank made nine equity investments totaling \$11.7 million, which all consisted of municipal bonds to finance various projects at school districts in the assessment area where the majority of students receive free or reduced lunch, thus providing community services to LMI individuals.
- The bank made donations totaling \$35,800 to organizations that provide community services to LMI individuals.
- Various employees served in numerous leadership positions at organizations in the assessment area that facilitate economic development and provide community services to LMI individuals.

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 21 offices (19.0 percent) in this assessment area. One branch is located in a moderate-income census tract, two branches are in middle-income geographies, and one branch is in an upper-income census tract. 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 entirety, which are two of six counties that make up the Bowling Green-Glasgow, Kentucky CSA (Bowling Green CSA). The CSA includes the Bowling Green MSA (Warren County) and the Glasgow Micropolitan Statistical Area (Barren County). The following table details population figures by assessment area county.

County	Population
Barren County	44,485
Warren County	134,554
TOTAL ASSESSMENT AREA POPULATION	179,039

Of the 22 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked eleventh in deposit market share, encompassing 2.1 percent of total deposit dollars.

This assessment area includes part of the Bowling Green metropolitan area, along with more rural parts of the CSA. As a result, credit needs in the area varied, including a blend of consumer and business banking services. In particular, additional housing development and home mortgage loan products are in high demand, driven by a strong economy, industry influx, and a recent natural disaster that destroyed a significant portion of affordable housing units.

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	2	8	21	8	1	40
	5.0%	20.0%	52.5%	20.0%	2.5%	100%
Family Population	1,674	7,499	21,566	11,315	530	42,584
	3.9%	17.6%	50.6%	26.6%	1.2%	100%

As shown above, 25.0 percent of the census tracts in the assessment area are LMI geographies, but only 21.5 percent of the family population resides in these tracts. These LMI areas are primarily concentrated in central Warren County. Comparably, of the total families in the assessment area, 3.9 percent live in low-income tracts, and 17.6 percent live in moderate-income tracts. The largest portion of census tracts (52.5 percent) is middle-income tracts, containing 50.6 percent of the assessment area family population.

Based on 2020 ACS data, the median family income for the assessment area was \$61,137. At the same time, median family income for the Bowling Green MSA was \$62,888, and the figure for nonMSA Kentucky was \$54,327. More recently, the FFIEC estimates the 2022 median family income for the MSA and nonMSA statewide area to be \$70,200 and \$61,700, respectively. The following table displays population percentages of assessment area families by income level compared to the entire Bowling Green MSA population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	9,120	7,324	8,156	17,984	42,584
	21.4%	17.2%	19.2%	42.2%	100%
Bowling Green MSA	9,806	7,205	8,564	18,067	43,642
	22.5%	16.5%	19.6%	41.4%	100%

As shown in the table above, 38.6 percent of families within the assessment area were considered LMI, which is slightly lower than the LMI family percentage of 39.0 percent in the Bowling Green MSA. The percentage of families living below the poverty level in the assessment area, 14.1 percent, is slightly above but comparable to the 13.0 percent level in the Bowling Green MSA. Considering these factors, the assessment area income and wealth levels appear to be just below, but substantially similar as compared to, the Bowling Green MSA.

Housing Demographics

As displayed in the following table, homeownership in the assessment area is slightly less affordable compared to the Bowling Green MSA as a whole.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	\$165,974	30.1%	\$787
Bowling Green MSA	\$161,514	31.9%	\$797

Median gross rents varied significantly by county in the assessment area, from a low of \$681 in Barren County to a high of \$822 in Warren County. Affordability ratios in the assessment area also varied slightly, ranging from 32.8 percent in Barren County to 30.2 percent in Warren County. Furthermore, both these figures are below the overall affordability ratio for the entire state of Kentucky, 35.5 percent, which aligns with community contact sentiment. The community contact noted that due to housing demand significantly outpacing supply, housing costs were growing sharply in the assessment area; consequently, housing in general, and homeownership in particular, is out of reach for a significant portion of the LMI population.

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 90.9 percent of assessment area businesses have gross annual revenues of \$1 million or less. County business patterns indicate that there are 70,294 private sector employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (19.1 percent), healthcare and social assistance (17.0 percent), and retail trade (15.2 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 for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2020	2021	2022 (Jan.–Aug.)
Barren County	7.3%	5.3%	4.3%
Warren County	6.4%	4.3%	3.6%
Assessment Area Average	6.6%	4.5%	3.7%
Bowling Green MSA	6.3%	4.3%	3.7%

As shown in the preceding table, unemployment levels have declined in the assessment area and Bowling Green MSA during the review period. While unemployment levels have decreased for both areas, levels for the assessment area have remained consistently equal to or above the levels of the entirety of the Bowling Green MSA during the review period.

Community Contact Information

For this assessment area, one community contact interview was completed as part of this evaluation, which was with an individual specializing in affordable housing. The contact characterized the area as economically strong and driven by manufacturing (particularly automobile manufacturing). In addition, new employers are moving into the area, providing even more good-quality jobs. While these circumstances are increasing workforce demand, the contact noted that the area benefits from being an immigration focal point in the region, boosting the supply of available workers. While this job growth is spurring population growth, housing development is lagging. Exacerbating the housing gap, in 2021, a tornado damaged a large swath of residential real estate, a significant portion of which was lower-cost/affordable housing units. These circumstances have resulted in large increases in housing costs. Factoring in high housing costs, student loan debt, and high childcare costs, there are very strong barriers to new homeownership in this assessment area, particularly for the LMI population, according to the community contact.

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, CMV 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 (\$70,200 for the Bowling Green MSA as of 2022 and \$61,700 for nonMSA Kentucky). The following table shows the distribution of HMDA loans by borrower income level compared to 2022 aggregate performance and family population income demographics for the assessment area.

Borrower Distribution of HMDA Loans Assessment Area: Bowling Green January 1, 2022 through December 31, 2022							
Borrower Income Levels	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	2	6.5%	3.6%	\$134	2.0%	1.7%	21.4%
Moderate	0	0.0%	16.5%	\$0	0.0%	11.7%	17.2%
Middle	2	6.5%	23.8%	\$168	2.5%	21.9%	19.2%
Upper	4	12.9%	34.8%	\$1,408	20.6%	44.3%	42.2%
Unknown	23	74.2%	21.2%	\$5,129	75.0%	20.3%	0.0%
TOTAL	31	100.0%	100.0%	\$6,839	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	8.0%	\$0	0.0%	4.5%	21.4%
Moderate	1	10.0%	17.7%	\$173	11.1%	12.8%	17.2%
Middle	2	20.0%	20.7%	\$146	9.4%	17.1%	19.2%
Upper	4	40.0%	41.5%	\$955	61.4%	52.0%	42.2%
Unknown	3	30.0%	12.1%	\$282	18.1%	13.6%	0.0%
TOTAL	10	100.0%	100.0%	\$1,556	100.0%	100.0%	100.0%

Home Improvement							
Low	0	0.0%	4.2%	\$0	0.0%	2.5%	21.4%
Moderate	0	0.0%	12.4%	\$0	0.0%	9.4%	17.2%
Middle	0	0.0%	25.1%	\$0	0.0%	20.3%	19.2%
Upper	1	100.0%	50.8%	\$37	100.0%	54.1%	42.2%
Unknown	0	0.0%	7.4%	\$0	0.0%	13.7%	0.0%
TOTAL	1	100.0%	100.0%	\$37	100.0%	100.0%	100.0%
Other Purpose LOC							
Low	0	0.0%	5.2%	\$0	0.0%	2.6%	21.4%
Moderate	0	0.0%	16.9%	\$0	0.0%	12.4%	17.2%
Middle	0	0.0%	22.5%	\$0	0.0%	18.7%	19.2%
Upper	0	0.0%	53.1%	\$0	0.0%	64.9%	42.2%
Unknown	0	0.0%	2.3%	\$0	0.0%	1.3%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	7.4%	\$0	0.0%	3.7%	21.4%
Moderate	0	0.0%	10.6%	\$0	0.0%	6.5%	17.2%
Middle	0	0.0%	25.5%	\$0	0.0%	17.7%	19.2%
Upper	0	0.0%	51.1%	\$0	0.0%	68.4%	42.2%
Unknown	0	0.0%	5.3%	\$0	0.0%	3.8%	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%	21.4%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	17.2%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	19.2%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	42.2%
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%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	3.8%
Moderate	0	0.0%	0.8%	\$0	0.0%	0.0%	42.3%
Middle	0	0.0%	0.8%	\$0	0.0%	0.1%	29.9%
Upper	0	0.0%	1.6%	\$0	0.0%	0.6%	11.5%
Unknown	6	100.0%	96.7%	\$13,816	100.0%	99.3%	12.6%
TOTAL	6	100.0%	100.0%	\$13,816	100.0%	100.0%	100.0%
Total Home Mortgage Loans							Families by Family Income %
Low	2	4.2%	4.8%	\$134	0.6%	1.8%	21.4%
Moderate	1	2.1%	16.1%	\$173	0.8%	8.9%	17.2%
Middle	4	8.3%	22.5%	\$314	1.4%	15.4%	19.2%
Upper	9	18.8%	38.0%	\$2,400	10.8%	35.2%	42.2%
Unknown	32	66.7%	18.6%	\$19,227	86.4%	38.7%	0.0%
TOTAL	48	100.0%	100.0%	\$22,248	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank’s percentage of lending to low-income borrowers (4.2 percent) is slightly below, but comparable to, the aggregate lending level (4.8 percent) yet well below the low-income family population figure (21.4 percent), reflecting reasonable performance. The bank’s level of lending to moderate-income borrowers (2.1 percent) is well below the aggregate lending level (16.1 percent) and the moderate-income family population percentage (17.2 percent), 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 2022 small business loans by loan amount and business revenue size compared to aggregate data and Dun & Bradstreet data.

Small Business Loans by Revenue and Loan Size								
Assessment Area: Bowling Green								
January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
#	%	%	\$ (000s)	\$ %	\$ %	%		
Business Revenue	\$1 Million or Less	17	89.5%	55.1%	\$2,795	89.4%	37.2%	90.9%
	Over \$1 Million/Unknown	2	10.5%	44.9%	\$331	10.6%	62.8%	9.1%
	TOTAL	19	100.0%	100.0%	\$3,126	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	10	52.6%	89.0%	\$351	11.2%	29.6%	
	\$100,001–\$250,000	7	36.8%	6.2%	\$1,255	40.1%	20.7%	
	\$250,001–\$1 Million	2	10.5%	4.8%	\$1,520	48.6%	49.6%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	19	100.0%	100.0%	\$3,126	100.0%	100.0%	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	10	58.8%		\$351	12.6%	
		\$100,001–\$250,000	5	29.4%		\$924	33.1%	
		\$250,001–\$1 Million	2	11.8%		\$1,520	54.4%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		TOTAL	17	100.0%		\$2,795	100.0%	

The bank’s level of lending to small businesses is 89.5 percent, which is well above the aggregate lending data (55.1 percent) and slightly below the demographic (90.9 percent). Additionally, 58.8 percent of the bank’s small business loans to small businesses were in amounts of less than \$100,000, which indicates extra flexibility in meeting the credit needs of small businesses. Consequently, the bank’s borrower profile performance for the small business loan category is excellent.

Lastly, the distribution of CMV loans was analyzed by income level of the borrower. The following table shows the distribution of CMV loans in 2022 compared to household income characteristics for the assessment area.

Borrower Distribution of CMV Loans Assessment Area: Bowling Green January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	4	50.0%	\$18	14.4%	23.4%
Moderate	2	25.0%	\$30	24.0%	15.5%
Middle	0	0.0%	\$0	0.0%	18.8%
Upper	2	25.0%	\$77	61.6%	42.4%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	8	100.0%	\$125	100.0%	100.0%

The bank’s level of lending to low-income borrowers (50.0 percent) significantly exceeds the percentage of assessment area households that are low-income (23.4 percent) and is considered excellent. Lending to moderate-income borrowers is considered excellent, given that the bank’s lending level (25.0 percent) is higher than the moderate-income household population (15.5 percent). When considering overall performance based on both income categories, the bank’s distribution of CMV loans by borrower’s profile is excellent.

Geographic Distribution of Loans

As noted previously, the Bowling Green assessment area includes two low-income and eight 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, CMV loans. The following table displays the geographic distribution of 2022 HMDA loans compared to aggregate lending data and owner-occupied housing demographics for the assessment area.

Geographic Distribution of HMDA Loans Assessment Area: Bowling Green January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank		HMDA Aggregate	Bank		HMDA Aggregate	% of Owner- Occupied Units
	#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase							
Low	4	12.9%	2.6%	225	3.3%	1.7%	2.2%
Moderate	11	35.5%	13.2%	1,287	18.8%	9.2%	12.0%
Middle	6	19.4%	50.2%	1,331	19.5%	47.5%	55.6%
Upper	10	32.3%	33.8%	3,996	58.4%	41.3%	30.1%
Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
TOTAL	31	100.0%	100.0%	6,839	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	1.3%	0	0.0%	0.8%	2.2%
Moderate	1	10.0%	11.3%	120	7.7%	8.9%	12.0%
Middle	7	70.0%	54.2%	831	53.4%	47.1%	55.6%
Upper	2	20.0%	32.9%	605	38.9%	43.1%	30.1%
Unknown	0	0.0%	0.3%	0	0.0%	0.2%	0.2%
TOTAL	10	100.0%	100.0%	1,556	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	1.1%	0	0.0%	0.6%	2.2%
Moderate	0	0.0%	10.6%	0	0.0%	11.3%	12.0%
Middle	1	100.0%	54.5%	37	100.0%	47.1%	55.6%
Upper	0	0.0%	33.9%	0	0.0%	41.0%	30.1%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.2%
TOTAL	1	100.0%	100.0%	37	100.0%	100.0%	100.0%

Other Purpose LOC							
Low	0	0.0%	0.7%	0	0.0%	0.1%	2.2%
Moderate	0	0.0%	3.9%	0	0.0%	3.1%	12.0%
Middle	0	0.0%	56.0%	0	0.0%	46.9%	55.6%
Upper	0	0.0%	39.4%	0	0.0%	49.9%	30.1%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.2%
TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	3.2%	0	0.0%	1.0%	2.2%
Moderate	0	0.0%	6.4%	0	0.0%	3.1%	12.0%
Middle	0	0.0%	45.7%	0	0.0%	31.6%	55.6%
Upper	0	0.0%	43.6%	0	0.0%	63.2%	30.1%
Unknown	0	0.0%	1.1%	0	0.0%	1.2%	0.2%
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%	2.2%
Moderate	0	0.0%	23.5%	0	0.0%	15.0%	12.0%
Middle	0	0.0%	41.2%	0	0.0%	40.1%	55.6%
Upper	0	0.0%	35.3%	0	0.0%	44.9%	30.1%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.2%
TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	6.6%	0	0.0%	8.3%	3.8%
Moderate	3	50.0%	40.2%	8,624	62.4%	19.3%	42.3%
Middle	3	50.0%	36.1%	5,192	37.6%	38.5%	29.9%
Upper	0	0.0%	14.8%	0	0.0%	31.9%	11.5%
Unknown	0	0.0%	2.5%	0	0.0%	2.0%	12.6%
TOTAL	6	100.0%	100.0%	13,816	100.0%	100.0%	100.0%
Total Home Mortgage Loans							% of Owner-Occupied Units
Low	4	8.3%	2.1%	225	1.0%	3.2%	2.2%
Moderate	15	31.3%	12.5%	10,031	45.1%	11.6%	12.0%
Middle	17	35.4%	51.4%	7,391	33.2%	45.0%	55.6%
Upper	12	25.0%	33.6%	4,601	20.7%	39.5%	30.1%
Unknown	0	0.0%	0.3%	0	0.0%	0.7%	0.2%
TOTAL	48	100.0%	100.0%	22,248	100.0%	100.0%	100.0%

The bank's lending level to borrowers residing in low-income geographies (8.3 percent) is well above that of other lenders in the assessment area (2.1 percent) as well as the percentage of owner-occupied housing units in low-income census tracts (2.2 percent) and, therefore, reflects excellent performance. Similarly, the bank's total penetration of moderate-income census tracts by number of loans (31.3 percent) more than doubles the aggregate lending levels in moderate-income

geographies (12.5 percent) as well as the percentage of owner-occupied housing units in moderate-income census tracts (12.0 percent) and also reflects 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 2022 small business loan activity by geography income level compared to 2022 small business aggregate lending data and the location of businesses throughout this assessment area.

Geographic Distribution of Small Business Loans							
Assessment Area: Bowling Green							
January 1, 2022 through December 31, 2022							
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%	3.4%	\$0	0.0%	4.6%	5.9%
Moderate	2	10.5%	15.7%	\$381	12.2%	15.8%	17.0%
Middle	8	42.1%	46.5%	\$1,429	45.7%	40.5%	48.9%
Upper	9	47.4%	31.4%	\$1,316	42.1%	35.4%	24.9%
Unknown	0	0.0%	2.9%	\$0	0.0%	3.6%	3.2%
TOTAL	19	100.0%	100.0%	\$3,126	100.0%	100.0%	100.0%

The bank did not originate any small business loans in low-income tracts in 2022, despite the fact that aggregate lenders originated 3.4 percent of loans in low-income tracts in 2022. In addition, 5.9 percent of all assessment area businesses are located in low-income tracts. This reflects poor performance. The bank’s performance of extending small business loans in moderate-income census tracts (10.5 percent) in 2022 was below the aggregate performance (15.7 percent) as well as the percentage of businesses located in moderate-income census tracts (17.0 percent). This also reflected poor performance. Therefore, the bank’s small business lending in LMI census tracts is poor.

Finally, the bank’s geographic distribution of CMV lending was reviewed. The following table displays 2022 CMV lending activity by geography income level compared to the location of households throughout this assessment area.

Geographic Distribution of CMV Loans					
Assessment Area: Bowling Green					
January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	2	25.0%	\$7	5.6%	4.2%
Moderate	0	0.0%	\$0	0.0%	20.6%
Middle	4	50.0%	\$86	68.8%	50.0%
Upper	2	25.0%	\$32	25.6%	23.2%
Unknown	0	0.0%	\$0	0.0%	2.0%
TOTAL	8	100.0%	\$125	100.0%	100.0%

The bank originated 25.0 percent of its CMV loans in low-income census tracts, which greatly exceeded the 4.2 percent of households that reside in low-income census tracts. This reflected reasonable performance due to the fact that this represented just two loans totaling \$7,000. The bank did not originate any CMV loans in moderate-income census tracts, despite the fact that 20.6 percent of households reside in moderate-income census tracts, reflecting poor performance. Taking into consideration both income categories, the bank’s overall geographic distribution of CMV loans is reasonable.

Lastly, based on a review of all loan categories, the bank had loan activity in 72.5 percent of all assessment area census tracts. While the majority of census tracts contained HMDA, small business, and/or CMV loans, two moderate-, six middle-, two upper-, and one unknown-income tracts did not contain a loan. Therefore, no conspicuous lending gaps were noted in LMI areas.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs in this 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, investments, donations, and services.

The number and dollar amount of community development activities are shown in the following table, with noteworthy activities described further below.

Community Development Activities			
Bowling Green Assessment Area			
Community Development Component	#		\$
Loans	95		\$18.3 million
Investments – prior period	4		\$547,826
Donations	8		\$4,175
Services	26 services	5 organizations	

The bank’s community development activity reached public, private, nonprofit, and academic organizations through the following noteworthy activities:

- The bank extended 64 loans totaling approximately \$5.0 million to small businesses located in LMI or distressed/underserved middle-income census tracts as part of the SBA’s PPP. These loans helped provide revitalization and stabilization efforts in these LMI geographies by supporting permanent job creation and maintenance.
- The bank extended a loan to an entity in the assessment area for \$5.7 million for multifamily rental apartments, which provided affordable housing to LMI individuals.
- The bank had four prior-period equity investments totaling \$547,826 million, which consisted of municipal bonds to a local electric company for the construction of a cable/broadband network in a neighboring county, which provided essential services (Internet) to LMI individuals in the assessment area.

- The bank made donations totaling \$4,175 to organizations that provide community services to LMI individuals.
- Various employees served in numerous leadership positions at organizations in the assessment area that facilitate economic development and provide community services to LMI individuals.

HARLAN COUNTY NONMETROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

The bank operates two branches in this assessment area, which includes the entirety of Harlan County. 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	2,882	1,356	1,301	1,900	7,439
	38.7%	18.2%	17.5%	25.6%	100.0%
Household Population	4,183	1,872	1,598	3,092	10,745
	38.9%	17.4%	14.9%	28.8%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	1	5	5	0	0	11
	9.0%	45.5%	45.5%	0.0%	0.0%	100.0%
Family Population	1,020	3,592	2,827	0	0	7,439
	13.7%	48.3%	38.0%	0.0%	0.0%	100.0%
Household Population	1,483	5,010	4,252	0	0	10,745
	13.8%	46.6%	39.6%	0.0%	0.0%	100.0%
Business Institutions	141	139	195	0	0	475
	29.7%	29.3%	41.0%	0.0%	0.0%	100.0%

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 applicable assessment areas 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 the bank’s Community Development Test performance in comparable assessment areas reviewed using full-scope procedures.

During the review period, the bank made 107 community development loans totaling approximately \$6.0 million in Harlan County. Additionally, the bank had two prior-period investments totaling approximately \$435,000 and 13 new investments totaling \$5.2 million. These were municipal bonds for local school districts where the majority of students receive free or reduced lunch. The bank also made 49 donations totaling \$18,228 and provided 23 services to five different community development organizations in this assessment area.

LEXINGTON-FAYETTE-RICHMOND-FRANKFORT, KENTUCKY COMBINED STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LEXINGTON ASSESSMENT AREA

This assessment area includes the entireties of Fayette, Jessamine, and Madison counties, 3 of the 11 counties that make up the Lexington-Fayette-Richmond-Frankfort, Kentucky CSA. The bank operates three offices in this assessment area, after opening a new branch office in Madison County; Madison County was subsequently added to the bank's already existing assessment area. 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	23,488	17,254	21,336	47,686	109,764
	21.4%	15.7%	19.4%	43.5%	100.0%
Household Population	44,253	28,980	30,984	79,473	183,690
	24.1%	15.8%	16.9%	43.2%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	10	24	45	42	3	124
	8.1%	19.4%	36.3%	33.9%	2.4%	100.0%
Family Population	5,912	18,553	41,831	42,771	697	109,764
	5.4%	16.9%	38.1%	39.0%	0.6%	100.0%
Household Population	11,656	36,063	69,220	63,334	3,417	183,690
	6.4%	19.6%	37.7%	34.5%	1.8%	100.0%
Business Institutions	990	3,455	7,501	8,249	1,155	21,350
	4.6%	16.2%	35.1%	38.6%	5.5%	100.0%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LEXINGTON ASSESSMENT AREA

LENDING TEST

The bank’s Lending Test performance in this assessment area is below the bank’s overall Lending Test performance 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	Below
Geographic Distribution of Loans	Below
OVERALL	BELOW

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this assessment area is below the bank’s performance in applicable assessment areas reviewed using full-scope procedures.

During the review period, the bank made 13 community development loans for approximately \$15.3 million in this assessment area. Additionally, the bank made five equity investments totaling \$3.2 million. These were municipal bonds for a local school district where the majority of students receive free or reduced lunch. The bank also made two donations totaling \$500 and provided five services to two different community development organizations in this assessment area.

LOUISVILLE/JEFFERSON COUNTY, KENTUCKY- INDIANA METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LOUISVILLE ASSESSMENT AREA

This is a new assessment area, which was delineated when the bank opened its only branch in this assessment area during the review period. This assessment area includes the entirety of Jefferson County, 1 of the 10 counties that make up the Louisville/Jefferson County, Kentucky-Indiana MSA. 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	42,006	34,015	36,402	74,293	186,716
	22.5%	18.2%	19.5%	39.8%	100.0%
Household Population	78,677	53,594	58,356	125,784	316,411
	24.9%	16.9%	18.4%	39.8%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	28	56	73	52	7	216
	13.0%	25.9%	33.8%	24.1%	3.2%	100.0%
Family Population	14,042	44,352	69,758	56,424	2,140	186,716
	7.5%	23.8%	37.4%	30.2%	1.1%	100.0%
Household Population	27,196	77,313	120,254	86,195	5,453	316,411
	8.6%	24.4%	38.0%	27.2%	1.8%	100.0%
Business Institutions	2,697	5,909	13,634	13,498	803	36,451
	7.4%	16.2%	37.3%	36.9%	2.2%	100.0%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LOUISVILLE ASSESSMENT AREA

LENDING TEST

The bank’s Lending Test performance in this assessment area is below the bank’s Lending Test performance in the assessment areas 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	Below
Geographic Distribution of Loans	Below
OVERALL	BELOW

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this assessment area is below the bank’s Community Development Test performance in applicable assessment areas reviewed using full-scope procedures. During the review period, the bank made 17 community development loans totaling approximately \$5.7 million in this assessment area. Additionally, the bank made one investment totaling \$2.0 million. This was a municipal bond for a local school district where the majority of students receive free or reduced lunch. The bank did not have any community development services applicable to this assessment area.

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

Harlan County Assessment Area

Borrower Distribution of HMDA Loans Assessment Area: Harlan County January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0%	7.1%	\$0	0.0%	4.5%	38.7%
Moderate	2	100.0%	24.6%	\$103	100.0%	19.0%	18.2%
Middle	0	0.0%	27.0%	\$0	0.0%	26.1%	17.5%
Upper	0	0.0%	27.8%	\$0	0.0%	36.4%	25.5%
Unknown	0	0.0%	13.5%	\$0	0.0%	14.0%	0.0%
TOTAL	2	100.0%	100.0%	\$103	100.0%	100.0%	100.0%
Refinance							
Low	1	25.0%	10.2%	\$114	27.2%	7.1%	38.7%
Moderate	0	0.0%	10.2%	\$0	0.0%	5.2%	18.2%
Middle	1	25.0%	24.5%	\$72	17.2%	23.0%	17.5%
Upper	2	50.0%	49.0%	\$233	55.6%	59.2%	25.5%
Unknown	0	0.0%	6.1%	\$0	0.0%	5.5%	0.0%
TOTAL	4	100.0%	100.0%	\$419	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	5.9%	\$0	0.0%	5.3%	38.7%
Moderate	1	50.0%	23.5%	\$40	39.2%	29.2%	18.2%
Middle	0	0.0%	29.4%	\$0	0.0%	29.9%	17.5%
Upper	0	0.0%	35.3%	\$0	0.0%	29.0%	25.5%
Unknown	1	50.0%	5.9%	\$62	60.8%	6.6%	0.0%
TOTAL	2	100.0%	100.0%	\$102	100.0%	100.0%	100.0%
Other Purpose LOC							
Low	0	0.0%	33.3%	\$0	0.0%	39.4%	38.7%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	18.2%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	17.5%
Upper	0	0.0%	66.7%	\$0	0.0%	60.6%	25.5%
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%	0.0%	\$0	0.0%	0.0%	38.7%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	18.2%
Middle	0	0.0%	25.0%	\$0	0.0%	22.4%	17.5%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	25.5%
Unknown	0	0.0%	75.0%	\$0	0.0%	77.6%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	44.2%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	35.3%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	20.4%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
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%
Total Home Mortgage Loans							Families by Family Income %
Low	1	12.5%	7.7%	\$114	18.3%	4.9%	38.7%
Moderate	3	37.5%	21.6%	\$143	22.9%	15.3%	18.2%
Middle	1	12.5%	25.5%	\$72	11.5%	23.2%	17.5%
Upper	2	25.0%	33.2%	\$233	37.3%	38.0%	25.5%
Unknown	1	12.5%	12.0%	\$62	9.9%	18.5%	0.0%
TOTAL	8	100.0%	100.0%	\$624	100.0%	100.0%	100.0%

Small Business Loans by Revenue and Loan Size								
Assessment Area: Harlan County								
January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	10	90.9%	42.2%	\$2,531	98.1%	22.1%	89.9%
	Over \$1 Million/ Unknown	1	9.1%	57.8%	\$50	1.9%	77.9%	10.1%
	TOTAL	11	100.0%	100.0%	\$2,581	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	5	45.5%	97.5%	\$283	11.0%	51.9%	
	\$100,001–\$250,000	3	27.3%	0.5%	\$476	18.4%	5.3%	
	\$250,001–\$1 Million	3	27.3%	2.0%	\$1,822	70.6%	42.8%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	11	100.0%	100.0%	\$2,581	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	4	40.0%		\$233	9.2%		
	\$100,001–\$250,000	3	30.0%		\$476	18.8%		
	\$250,001–\$1 Million	3	30.0%		\$1,822	72.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	10	100.0%		\$2,531	100.0%		

Borrower Distribution of CMV Loans					
Assessment Area: Harlan County					
January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	1	9.1%	\$17	10.1%	38.9%
Moderate	4	36.4%	\$74	43.8%	17.4%
Middle	4	36.4%	\$54	32.0%	14.9%
Upper	2	18.2%	\$24	14.2%	28.8%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	11	100.0%	\$169	100.0%	100.0%

Geographic Distribution of HMDA Loans Assessment Area: Harlan County January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0%	14.3%	0	0.0%	17.8%	11.9%
Moderate	1	50.0%	34.1%	58	56.3%	27.3%	47.8%
Middle	1	50.0%	51.6%	45	43.7%	54.9%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	2	100.0%	100.0%	103	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	12.2%	0	0.0%	10.9%	11.9%
Moderate	1	25.0%	38.8%	133	31.7%	47.3%	47.8%
Middle	3	75.0%	49.0%	286	68.3%	41.7%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	4	100.0%	100.0%	419	100.0%	100.0%	100.0%
Home Improvement							
Low	1	50.0%	5.9%	40	39.2%	4.3%	11.9%
Moderate	0	0.0%	41.2%	0	0.0%	41.0%	47.8%
Middle	1	50.0%	52.9%	62	60.8%	54.7%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	2	100.0%	100.0%	102	100.0%	100.0%	100.0%
Other Purpose LOC							
Low	0	0.0%	0.0%	0	0.0%	0.0%	11.9%
Moderate	0	0.0%	33.3%	0	0.0%	45.5%	47.8%
Middle	0	0.0%	66.7%	0	0.0%	54.5%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
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%	12.5%	0	0.0%	5.2%	11.9%
Moderate	0	0.0%	50.0%	0	0.0%	58.2%	47.8%
Middle	0	0.0%	37.5%	0	0.0%	36.6%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
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%	11.9%
Moderate	0	0.0%	75.0%	0	0.0%	77.6%	47.8%
Middle	0	0.0%	25.0%	0	0.0%	22.4%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
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 Loans							% of Multifamily Units
Low	0	0.0%	0.0%	0	0.0%	0.0%	44.2%
Moderate	0	0.0%	100.0%	0	0.0%	100.0%	35.3%
Middle	0	0.0%	0.0%	0	0.0%	0.0%	20.4%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	6	100.0%	100.0%	\$13,816	100.0%	100.0%	100.0%
Total Home Mortgage Loans							% of Owner-Occupied Units
Low	1	12.5%	12.5%	40	6.4%	13.8%	11.9%
Moderate	2	25.0%	37.5%	191	30.6%	39.0%	47.8%
Middle	5	62.5%	50.0%	393	63.0%	47.2%	40.3%
Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
TOTAL	8	100.0%	100.0%	624	100.0%	100.0%	100.0%

Geographic Distribution of Small Business Loans Assessment Area: Harlan County January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	\$ (000s)	\$ %	\$ %	
Low	5	45.5%	23.6%	\$2,057	79.7%	58.0%	29.7%
Moderate	3	27.3%	31.2%	\$173	6.7%	22.6%	29.3%
Middle	3	27.3%	40.7%	\$350	13.6%	18.0%	41.1%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	4.5%	\$0	0.0%	1.4%	0.0%
TOTAL	11	100.0%	100.0%	\$2,580	100.0%	100.0%	100.0%

Geographic Distribution CMV Loans Assessment Area: Harlan County January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	1	9.1%	\$17	10.0%	13.8%
Moderate	2	18.2%	\$29	17.1%	46.6%
Middle	8	72.7%	\$124	72.9%	39.6%
Upper	0	0.0%	\$0	0.0%	0.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	11	100.0%	\$170	100.0%	100.0%

Lexington Assessment Area

Borrower Distribution of HMDA Loans Assessment Area: Lexington January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0%	5.2%	\$0	0.0%	2.7%	21.4%
Moderate	3	6.4%	17.2%	\$629	4.6%	12.2%	15.7%
Middle	1	2.1%	20.6%	\$260	1.9%	17.5%	19.4%
Upper	11	23.4%	38.1%	\$3,221	23.5%	48.5%	43.4%
Unknown	32	68.1%	18.8%	\$9,580	70.0%	19.1%	0.0%
TOTAL	47	100.0%	100.0%	\$13,690	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	10.2%	\$0	0.0%	5.6%	21.4%
Moderate	0	0.0%	18.7%	\$0	0.0%	13.5%	15.7%
Middle	0	0.0%	20.9%	\$0	0.0%	18.7%	19.4%
Upper	6	22.2%	37.2%	\$1,593	18.5%	47.9%	43.4%
Unknown	21	77.8%	12.9%	\$7,038	81.5%	14.3%	0.0%
TOTAL	27	100.0%	100.0%	\$8,631	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	8.1%	\$0	0.0%	4.0%	21.4%
Moderate	0	0.0%	15.2%	\$0	0.0%	8.8%	15.7%
Middle	0	0.0%	22.9%	\$0	0.0%	17.2%	19.4%
Upper	0	0.0%	50.0%	\$0	0.0%	64.2%	43.4%
Unknown	0	0.0%	3.7%	\$0	0.0%	5.8%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%

Other Purpose LOC							
Low	0	0.0%	5.9%	\$0	0.0%	3.2%	21.4%
Moderate	0	0.0%	18.1%	\$0	0.0%	12.0%	15.7%
Middle	0	0.0%	21.9%	\$0	0.0%	14.8%	19.4%
Upper	0	0.0%	51.9%	\$0	0.0%	68.1%	43.4%
Unknown	0	0.0%	2.2%	\$0	0.0%	1.9%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	12.8%	\$0	0.0%	11.9%	21.4%
Moderate	0	0.0%	14.8%	\$0	0.0%	9.4%	15.7%
Middle	0	0.0%	24.1%	\$0	0.0%	19.2%	19.4%
Upper	0	0.0%	41.6%	\$0	0.0%	50.8%	43.4%
Unknown	0	0.0%	6.6%	\$0	0.0%	8.7%	0.0%
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%	1.2%	21.4%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	15.7%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	19.4%
Upper	0	0.0%	0.0%	\$0	0.0%	0.0%	43.4%
Unknown	0	0.0%	98.5%	\$0	0.0%	98.8%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.5%	\$0	0.0%	0.2%	11.0%
Moderate	0	0.0%	0.5%	\$0	0.0%	0.0%	27.5%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	33.1%
Upper	0	0.0%	4.8%	\$0	0.0%	1.2%	22.1%
Unknown	15	100.0%	94.2%	\$26,202	100.0%	98.5%	6.3%
TOTAL	15	100.0%	100.0%	\$26,202	100.0%	100.0%	100.0%
Total Home Mortgage Loans							Families by Family Income %
Low	0	0.0%	7.0%	\$0	0.0%	3.0%	21.4%
Moderate	3	3.4%	17.1%	\$629	1.3%	10.2%	15.7%
Middle	1	1.1%	20.7%	\$260	0.5%	14.6%	19.4%
Upper	17	19.1%	39.5%	\$4,814	9.9%	41.3%	43.4%
Unknown	68	76.4%	15.7%	\$42,820	88.2%	30.9%	0.0%
TOTAL	89	100.0%	100.0%	\$48,523	100.0%	100.0%	100.0%

Small Business Loans by Revenue and Loan Size								
Assessment Area: Lexington								
January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	11	64.7%	51.9%	\$3,688	79.6%	37.0%	91.7%
	Over \$1 Million/ Unknown	6	35.3%	48.1%	\$948	20.4%	63.0%	8.3%
	TOTAL	17	100.0%	100.0%	\$4,636	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	6	35.3%	91.8%	\$337	7.3%	31.0%	
	\$100,001–\$250,000	5	29.4%	3.9%	\$838	18.1%	15.1%	
	\$250,001–\$1 Million	6	35.3%	4.4%	\$3,461	74.7%	54.0%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	17	100.0%	100.0%	\$4,636	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	1	9.1%		\$84	2.3%		
	\$100,001–\$250,000	5	45.5%		\$838	22.7%		
	\$250,001–\$1 Million	5	45.5%		\$2,766	75.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	11	100.0%		\$3,688	100.0%		

Borrower Distribution of CMV Loans					
Assessment Area: Lexington					
January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	1	100.0%	\$32	100.0%	24.1%
Moderate	0	0.0%	\$0	0.0%	15.8%
Middle	0	0.0%	\$0	0.0%	16.9%
Upper	0	0.0%	\$0	0.0%	43.3%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	1	100.0%	\$32	100.0%	100.0%

Geographic Distribution of HMDA Loans Assessment Area: Lexington January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	3	6.4%	3.7%	\$1,033	7.5%	2.7%	3.2%
Moderate	7	14.9%	14.1%	\$2,018	14.7%	10.3%	14.9%
Middle	23	48.9%	41.2%	\$5,848	42.7%	37.8%	38.3%
Upper	14	29.8%	40.4%	\$4,791	35.0%	48.5%	43.2%
Unknown	0	0.0%	0.6%	\$0	0.0%	0.7%	0.4%
TOTAL	47	100.0%	100.0%	\$13,690	100.0%	100.0%	100.0%
Refinance							
Low	2	7.4%	3.2%	\$442	5.1%	2.5%	3.2%
Moderate	5	18.5%	14.4%	\$1,944	22.5%	9.9%	14.9%
Middle	17	63.0%	38.1%	\$5,462	63.3%	33.8%	38.3%
Upper	3	11.1%	43.8%	\$783	9.1%	53.0%	43.2%
Unknown	0	0.0%	0.6%	\$0	0.0%	0.7%	0.4%
TOTAL	27	100.0%	100.0%	\$8,631	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	3.7%	\$0	0.0%	2.6%	3.2%
Moderate	0	0.0%	12.2%	\$0	0.0%	7.9%	14.9%
Middle	0	0.0%	35.3%	\$0	0.0%	31.2%	38.3%
Upper	0	0.0%	48.4%	\$0	0.0%	57.5%	43.2%
Unknown	0	0.0%	0.5%	\$0	0.0%	0.8%	0.4%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose LOC							
Low	0	0.0%	1.8%	\$0	0.0%	1.3%	3.2%
Moderate	0	0.0%	7.6%	\$0	0.0%	4.4%	14.9%
Middle	0	0.0%	35.4%	\$0	0.0%	28.3%	38.3%
Upper	0	0.0%	55.1%	\$0	0.0%	65.7%	43.2%
Unknown	0	0.0%	0.2%	\$0	0.0%	0.3%	0.4%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	4.7%	\$0	0.0%	2.6%	3.2%
Moderate	0	0.0%	12.1%	\$0	0.0%	8.1%	14.9%
Middle	0	0.0%	37.7%	\$0	0.0%	35.2%	38.3%
Upper	0	0.0%	44.7%	\$0	0.0%	53.2%	43.2%
Unknown	0	0.0%	0.8%	\$0	0.0%	0.8%	0.4%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%

Purpose Not Applicable							
Low	0	0.0%	2.9%	\$0	0.0%	2.6%	3.2%
Moderate	0	0.0%	19.1%	\$0	0.0%	16.3%	14.9%
Middle	0	0.0%	42.6%	\$0	0.0%	39.7%	38.3%
Upper	0	0.0%	35.3%	\$0	0.0%	41.4%	43.2%
Unknown	0	0.0%	0.0%	\$0	0.0%	0.0%	0.4%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	1	6.7%	11.1%	\$860	3.3%	3.6%	11.0%
Moderate	1	6.7%	22.8%	\$1,640	6.3%	47.1%	27.5%
Middle	6	40.0%	31.7%	\$7,741	29.5%	25.4%	33.1%
Upper	7	46.7%	31.2%	\$15,961	60.9%	21.2%	22.1%
Unknown	0	0.0%	3.2%	\$0	0.0%	2.8%	6.3%
TOTAL	15	100.0%	100.0%	\$26,202	100.0%	100.0%	100.0%
Total Home Mortgage Loans							% of Owner-Occupied Units
Low	6	6.7%	3.5%	\$2,335	4.8%	2.8%	3.2%
Moderate	13	14.6%	13.7%	\$5,602	11.5%	16.3%	14.9%
Middle	46	51.7%	39.2%	\$19,051	39.3%	34.4%	38.3%
Upper	24	27.0%	43.0%	\$21,535	44.4%	45.5%	43.2%
Unknown	0	0.0%	0.6%	\$0	0.0%	1.0%	0.4%
TOTAL	89	100.0%	100.0%	\$48,523	100.0%	100.0%	100.0%

Geographic Distribution of Small Business Loans							
Assessment Area: Lexington							
January 1, 2022 through December 31, 2022							
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%	4.8%	\$0	0.0%	4.5%	4.6%
Moderate	1	5.9%	15.1%	\$550	11.9%	16.7%	16.2%
Middle	6	35.3%	36.5%	\$727	15.7%	37.3%	35.1%
Upper	10	58.8%	39.1%	\$3,360	72.5%	35.7%	38.6%
Unknown	0	0.0%	4.5%	\$0	0.0%	5.8%	5.4%
TOTAL	17	100.0%	100.0%	\$4,637	100.0%	100.0%	100.0%

Geographic Distribution of CMV Loans Assessment Area: Lexington January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	6.3%
Moderate	0	0.0%	\$0	0.0%	19.6%
Middle	1	100.0%	\$32	100.0%	37.7%
Upper	0	0.0%	\$0	0.0%	34.5%
Unknown	0	0.0%	\$0	0.0%	1.9%
TOTAL	1	100.0%	\$32	100.0%	100.0%

Louisville Assessment Area

Borrower Distribution of HMDA Loans Assessment Area: Louisville January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0%	12.8%	\$0	0.0%	6.7%	22.5%
Moderate	2	28.6%	24.8%	\$391	30.2%	18.2%	18.2%
Middle	0	0.0%	19.6%	\$0	0.0%	19.1%	19.5%
Upper	2	28.6%	29.4%	\$484	37.3%	42.3%	39.8%
Unknown	3	42.9%	13.4%	\$421	32.5%	13.6%	0.0%
TOTAL	7	100.0%	100.0%	\$1,296	100.0%	100.0%	100.0%
Refinance							
Low	0	0.0%	14.8%	\$0	0.0%	8.4%	22.5%
Moderate	0	0.0%	21.6%	\$0	0.0%	15.7%	18.2%
Middle	0	0.0%	21.1%	\$0	0.0%	18.9%	19.5%
Upper	4	15.4%	30.3%	\$579	10.9%	43.1%	39.8%
Unknown	22	84.6%	12.2%	\$4,739	89.1%	14.0%	0.0%
TOTAL	26	100.0%	100.0%	\$5,318	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	8.5%	\$0	0.0%	4.3%	22.5%
Moderate	0	0.0%	17.7%	\$0	0.0%	11.2%	18.2%
Middle	0	0.0%	20.0%	\$0	0.0%	15.1%	19.5%
Upper	0	0.0%	49.6%	\$0	0.0%	62.3%	39.8%
Unknown	0	0.0%	4.2%	\$0	0.0%	7.1%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%

Other Purpose LOC							
Low	0	0.0%	8.6%	\$0	0.0%	4.0%	22.5%
Moderate	0	0.0%	16.5%	\$0	0.0%	10.8%	18.2%
Middle	0	0.0%	23.5%	\$0	0.0%	17.6%	19.5%
Upper	0	0.0%	48.5%	\$0	0.0%	64.7%	39.8%
Unknown	0	0.0%	2.9%	\$0	0.0%	2.8%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	12.4%	\$0	0.0%	8.5%	22.5%
Moderate	0	0.0%	20.7%	\$0	0.0%	12.9%	18.2%
Middle	0	0.0%	21.9%	\$0	0.0%	15.2%	19.5%
Upper	0	0.0%	35.7%	\$0	0.0%	48.6%	39.8%
Unknown	0	0.0%	9.2%	\$0	0.0%	14.8%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Purpose Not Applicable							
Low	0	0.0%	0.8%	\$0	0.0%	0.5%	22.5%
Moderate	0	0.0%	0.4%	\$0	0.0%	0.8%	18.2%
Middle	0	0.0%	0.4%	\$0	0.0%	1.0%	19.5%
Upper	0	0.0%	0.4%	\$0	0.0%	0.2%	39.8%
Unknown	0	0.0%	98.0%	\$0	0.0%	97.4%	0.0%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	0	0.0%	0.4%	\$0	0.0%	0.0%	12.1%
Moderate	0	0.0%	0.4%	\$0	0.0%	0.0%	23.2%
Middle	0	0.0%	0.0%	\$0	0.0%	0.0%	37.7%
Upper	0	0.0%	3.1%	\$0	0.0%	0.2%	21.6%
Unknown	6	100.0%	96.0%	\$5,737	100.0%	99.8%	5.5%
TOTAL	6	100.0%	100.0%	\$5,737	100.0%	100.0%	100.0%
Total Home Mortgage Loans							Families by Family Income %
Low	0	0.0%	12.6%	\$0	0.0%	5.4%	22.5%
Moderate	2	5.1%	22.3%	\$391	3.2%	13.1%	18.2%
Middle	0	0.0%	20.0%	\$0	0.0%	14.5%	19.5%
Upper	6	15.4%	31.8%	\$1,063	8.6%	33.9%	39.8%
Unknown	31	79.5%	13.3%	\$10,897	88.2%	33.1%	0.0%
TOTAL	39	100.0%	100.0%	\$12,351	100.0%	100.0%	100.0%

Small Business Loans by Revenue and Loan Size								
Assessment Area: Louisville								
January 1, 2022 through December 31, 2022								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	3	75.0%	49.7%	\$531	82.1%	30.8%	90.2%
	Over \$1 Million/ Unknown	1	25.0%	50.3%	\$116	17.9%	69.2%	9.8%
	TOTAL	4	100.0%	100.0%	\$647	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	0	0.0%	90.6%	\$0	0.0%	27.6%	
	\$100,001–\$250,000	4	100.0%	4.3%	\$647	100.0%	15.5%	
	\$250,001– \$1 Million	0	0.0%	5.1%	\$0	0.0%	56.9%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	4	100.0%	100.0%	\$647	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	0	0.0%		\$0	0.0%		
	\$100,001–\$250,000	3	100.0%		\$531	100.0%		
	\$250,001– \$1 Million	0	0.0%		\$0	0.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	3	100.0%		\$531	100.0%		

Borrower Distribution of CMV Loans					
Assessment Area: Louisville					
January 1, 2022 through December 31, 2022					
Borrower Income Levels	2022				
	Count		Dollars		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	24.9%
Moderate	0	0.0%	\$0	0.0%	16.9%
Middle	0	0.0%	\$0	0.0%	18.4%
Upper	0	0.0%	\$0	0.0%	39.8%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	0	0.0%	\$0	0.0%	100.0%

Geographic Distribution of HMDA Loans Assessment Area: Louisville January 1, 2022 through December 31, 2022							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Home Purchase Loans							
Low	2	28.6%	5.2%	\$609	47.0%	2.9%	4.5%
Moderate	2	28.6%	21.8%	\$327	25.2%	13.9%	20.7%
Middle	3	42.9%	39.7%	\$360	27.8%	34.7%	40.2%
Upper	0	0.0%	32.6%	\$0	0.0%	47.8%	33.9%
Unknown	0	0.0%	0.7%	\$0	0.0%	0.6%	0.6%
TOTAL	7	100.0%	100.0%	\$1,296	100.0%	100.0%	100.0%
Refinance							
Low	2	7.7%	4.2%	\$789	14.8%	2.6%	4.5%
Moderate	7	26.9%	19.2%	\$910	17.1%	11.9%	20.7%
Middle	17	65.4%	41.2%	\$3,619	68.1%	34.7%	40.2%
Upper	0	0.0%	34.7%	\$0	0.0%	50.2%	33.9%
Unknown	0	0.0%	0.6%	\$0	0.0%	0.6%	0.6%
TOTAL	26	100.0%	100.0%	\$5,318	100.0%	100.0%	100.0%
Home Improvement							
Low	0	0.0%	3.3%	\$0	0.0%	2.3%	4.5%
Moderate	0	0.0%	13.1%	\$0	0.0%	6.9%	20.7%
Middle	0	0.0%	34.3%	\$0	0.0%	26.5%	40.2%
Upper	0	0.0%	48.7%	\$0	0.0%	63.8%	33.9%
Unknown	0	0.0%	0.5%	\$0	0.0%	0.6%	0.6%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose LOC							
Low	0	0.0%	1.1%	\$0	0.0%	0.6%	4.5%
Moderate	0	0.0%	10.4%	\$0	0.0%	5.3%	20.7%
Middle	0	0.0%	34.9%	\$0	0.0%	24.3%	40.2%
Upper	0	0.0%	53.0%	\$0	0.0%	68.7%	33.9%
Unknown	0	0.0%	0.7%	\$0	0.0%	1.1%	0.6%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Other Purpose Closed/Exempt							
Low	0	0.0%	4.3%	\$0	0.0%	3.1%	4.5%
Moderate	0	0.0%	20.7%	\$0	0.0%	10.7%	20.7%
Middle	0	0.0%	36.3%	\$0	0.0%	23.2%	40.2%
Upper	0	0.0%	37.8%	\$0	0.0%	62.6%	33.9%
Unknown	0	0.0%	0.9%	\$0	0.0%	0.5%	0.6%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%

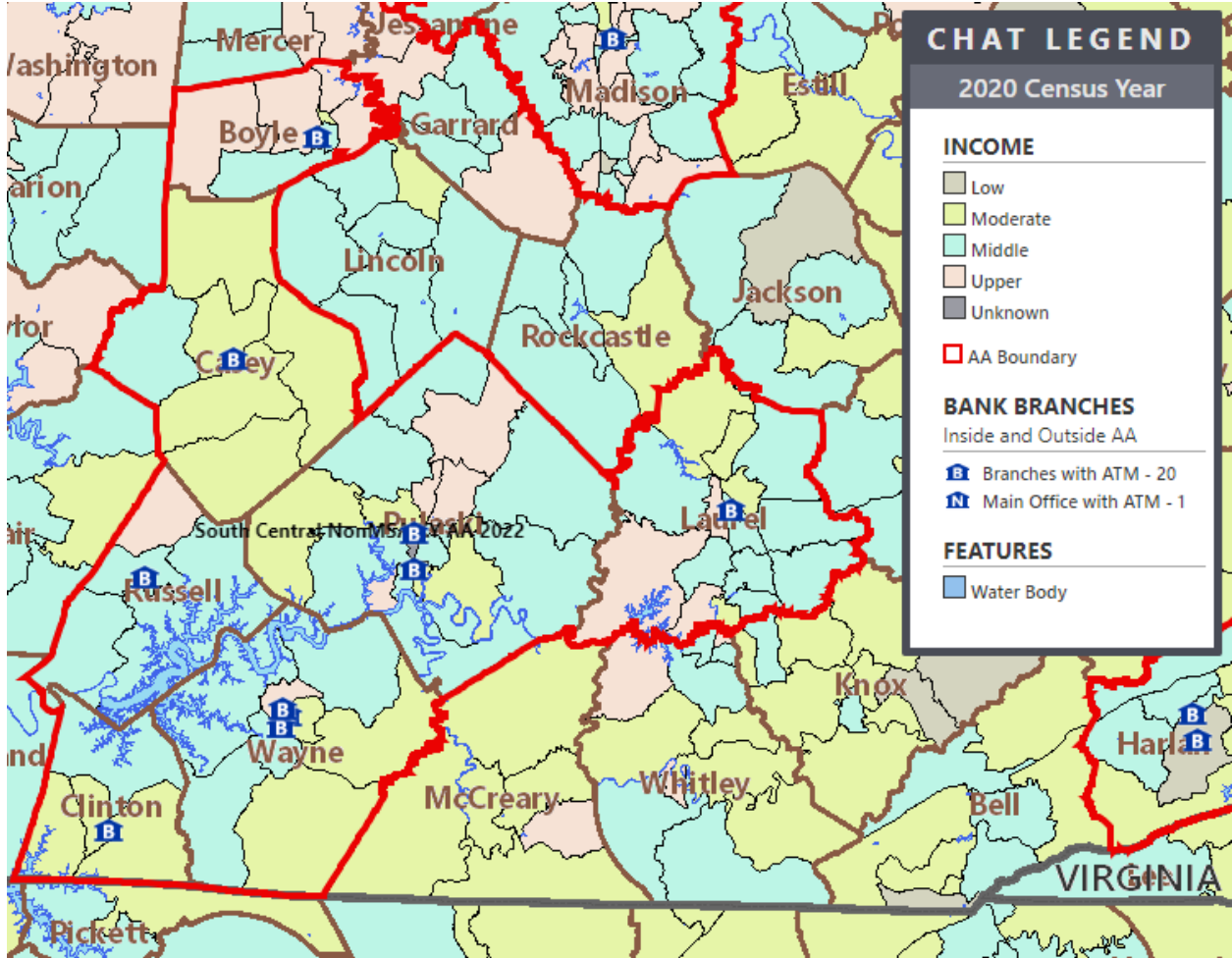
Purpose Not Applicable							
Low	0	0.0%	13.5%	\$0	0.0%	11.2%	4.5%
Moderate	0	0.0%	36.1%	\$0	0.0%	34.8%	20.7%
Middle	0	0.0%	40.6%	\$0	0.0%	39.5%	40.2%
Upper	0	0.0%	9.4%	\$0	0.0%	14.0%	33.9%
Unknown	0	0.0%	0.4%	\$0	0.0%	0.6%	0.6%
TOTAL	0	0.0%	100.0%	\$0	0.0%	100.0%	100.0%
Multifamily Loans							% of Multifamily Units
Low	3	50.0%	19.1%	\$3,000	52.3%	3.8%	12.1%
Moderate	1	16.7%	33.3%	\$800	13.9%	9.3%	23.2%
Middle	2	33.3%	35.1%	\$1,937	33.8%	73.8%	37.7%
Upper	0	0.0%	10.7%	\$0	0.0%	12.2%	21.6%
Unknown	0	0.0%	1.8%	\$0	0.0%	1.0%	5.5%
TOTAL	6	100.0%	100.0%	\$5,737	100.0%	100.0%	100.0%
Total Home Mortgage Loans							% of Owner-Occupied Units
Low	7	17.9%	4.7%	\$4,398	35.6%	3.0%	4.5%
Moderate	10	25.6%	20.0%	\$2,037	16.5%	12.1%	20.7%
Middle	22	56.4%	39.4%	\$5,916	47.9%	43.0%	40.2%
Upper	0	0.0%	35.3%	\$0	0.0%	41.1%	33.9%
Unknown	0	0.0%	0.6%	\$0	0.0%	0.7%	0.6%
TOTAL	39	100.0%	100.0%	\$12,351	100.0%	100.0%	100.0%

Geographic Distribution of Small Business Loans Assessment Area: Louisville January 1, 2022 through December 31, 2022							
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%	6.2%	\$0	0.0%	8.2%	7.4%
Moderate	0	0.0%	16.7%	\$0	0.0%	14.6%	16.2%
Middle	1	25.0%	36.5%	\$195	30.1%	37.5%	37.3%
Upper	3	75.0%	38.4%	\$452	69.9%	35.8%	36.9%
Unknown	0	0.0%	2.3%	\$0	0.0%	3.9%	2.2%
TOTAL	4	100.0%	100.0%	\$647	100.0%	100.0%	100.0%

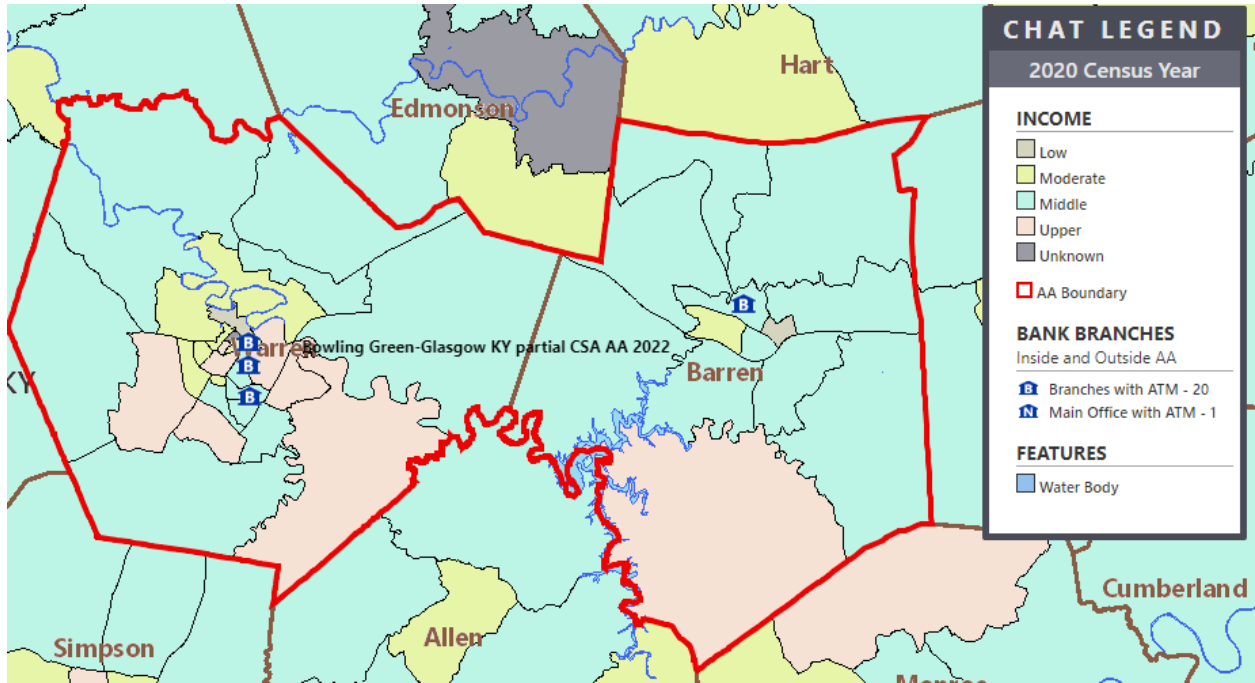
Geographic Distribution of CMV Loans Assessment Area: Louisville January 1, 2022 through December 31, 2022					
Tract Income Levels	Bank Loans				% of Households
	#	# %	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	8.6%
Moderate	0	0.0%	\$0	0.0%	24.4%
Middle	0	0.0%	\$0	0.0%	38.0%
Upper	0	0.0%	\$0	0.0%	27.2%
Unknown	0	0.0%	\$0	0.0%	1.7%
TOTAL	0	0.0%	\$0	0.0%	100.0%

APPENDIX B – ASSESSMENT AREAS DETAIL

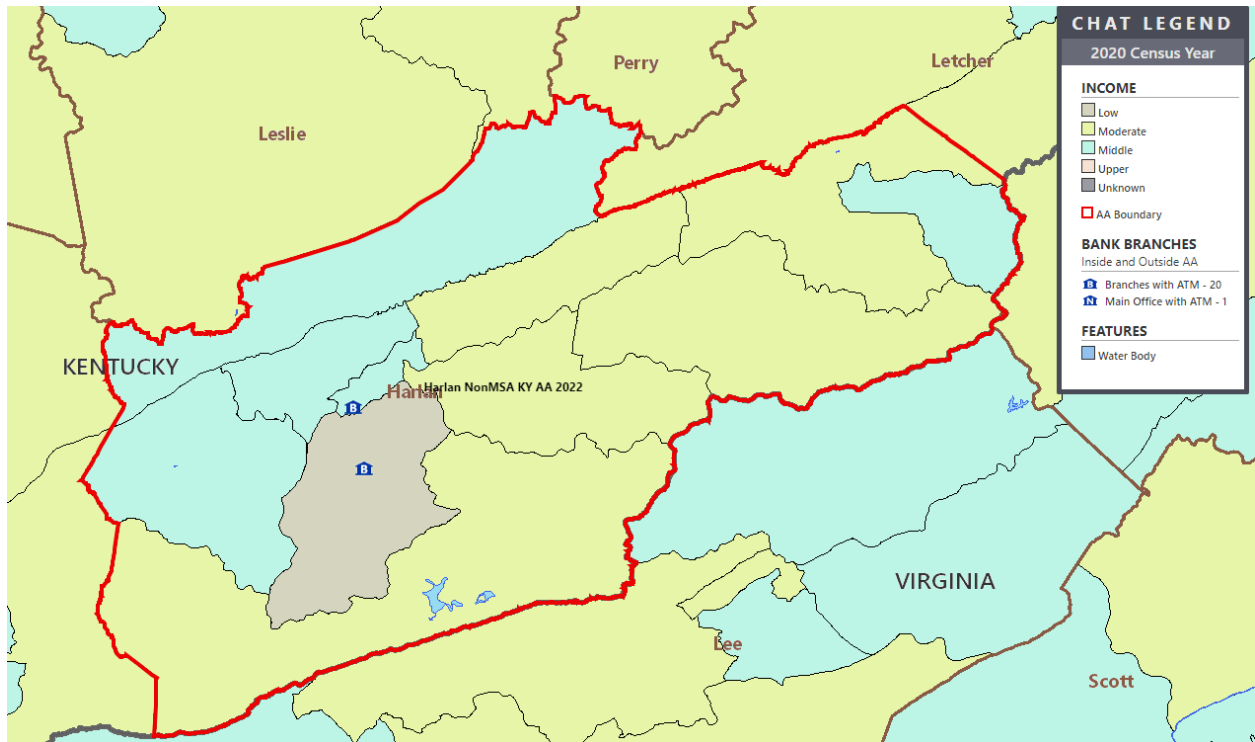
Central Kentucky Assessment Area



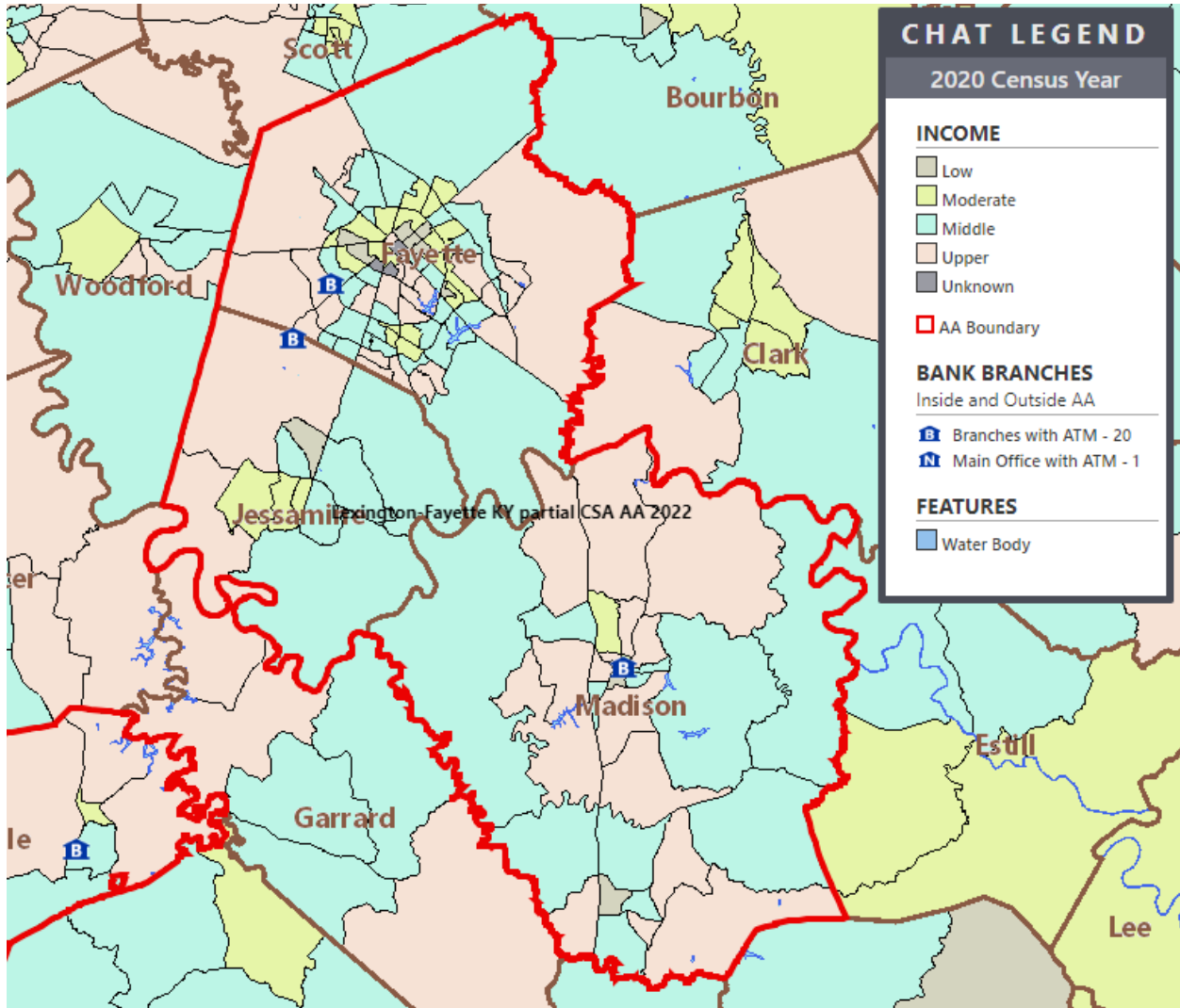
Bowling Green Assessment Area



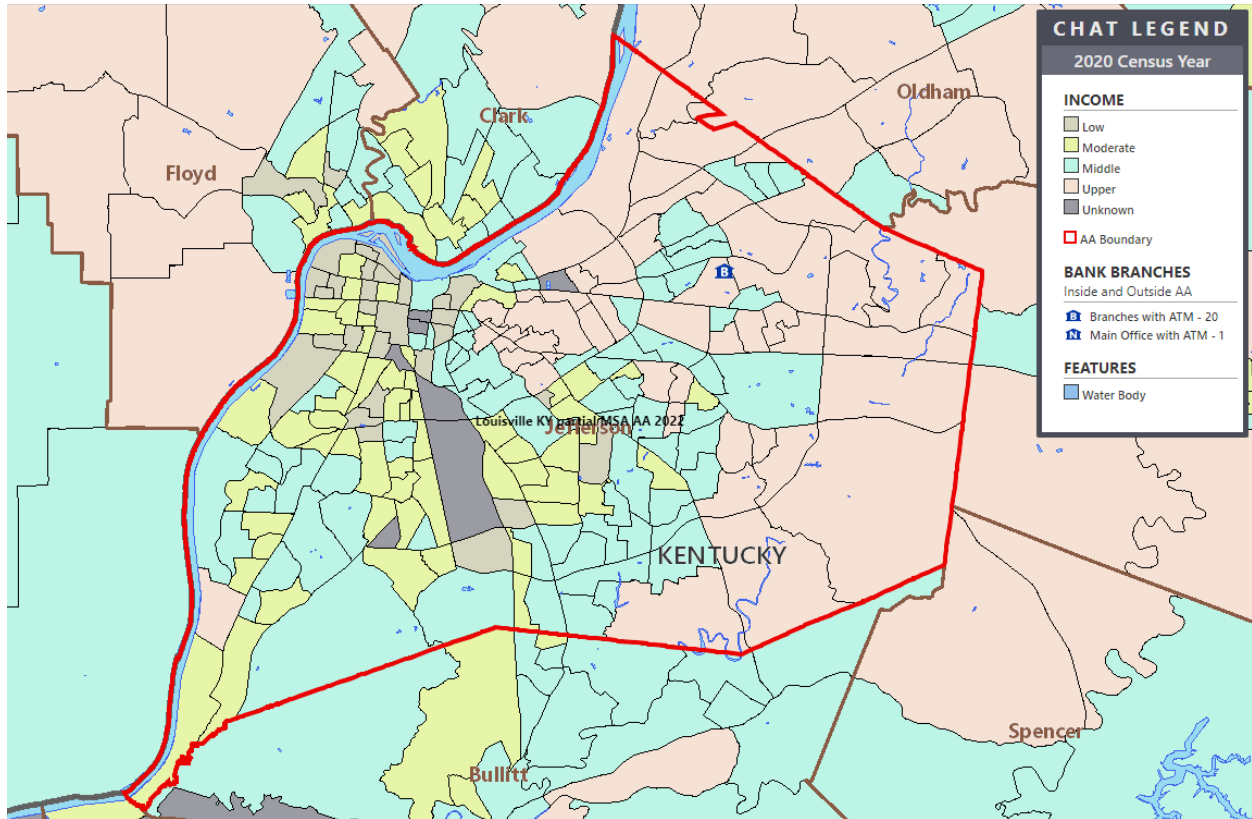
Harlan County Assessment Area



Lexington Assessment Area



Louisville Assessment Area



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-, or middle-income individuals and geographies.

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

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

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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