



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

June 08, 2009

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Forcht Bank, National Association  
Charter Number: 24349

2404 Sir Barton Way  
Lexington, KY 40509

Office of the Comptroller of the Currency

Louisville Field Office  
9200 Shelbyville Road, Suite 505  
Louisville, KY. 40222-5134

**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 this 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.

**INSTITUTION'S CRA RATING: This institution is rated Satisfactory**

**The Lending Test is rated: Outstanding.**

**The Community Development Test is rated: Satisfactory.**

**Major Conclusions:**

- A substantial majority of loans and other lending-related activities are in the bank's assessment areas (AAs).
- The average loan-to-deposit ratio is reasonable, considering the bank's size, financial condition, and assessment area credit needs.
- Geographic distribution of both home mortgage loans and business loans is excellent, considering the community's credit needs and demographics in relation to the bank's location and capacity to lend. There were no conspicuous gaps in lending.
- The distribution of loans reflects reasonable penetration among individuals of different income levels for mortgages and excellent levels of lending to businesses of different sizes.
- Community development activities are satisfactory.
- There were no CRA-related complaints.

## **Scope of Examination**

### **Evaluation Period/Products Evaluated**

We performed a full-scope review of the assessment areas delineated by the bank. The evaluation period for the lending test is January 1, 2007 through March 31, 2009 for residential real estate loans and January 1, 2007 through June 23, 2009 for business loans. For the year 2007, we only used data from the former First National Bank of Lexington ("FNBL") and the AA in effect at that time. For 2008 and YTD 2009, we used data from the merged Forcht Bank, N.A. ("FB") and its four delineated assessment areas. Conclusions for the lending test are based upon our overall analysis of the two sets of loan data (i.e., pre-merger and post-merger). For community development ("CD") loans, investments, and services, our evaluation period runs from January 1, 2007 through June 23, 2009.

We evaluated two primary product lines of FB, home mortgage loans (i.e., purchase money, refinance, and home improvement) and business loans, as well as potential community development (CD) loans. When determining conclusions for the Lending Test, business loans and home purchase loans were weighted more heavily than home improvement and home refinance loans. This weighting is reflective of the bank's lending volumes.

We used the 2000 demographic information for our analysis of both borrower distribution and geographic distribution.

### **Data Integrity**

We tested FB's publicly filed information on home mortgage loans as part of this evaluation. We tested 2007 loan data for the former FNBL and 2008 data for the merged FB. We found the home mortgage loan data for both years to be substantially accurate, which ensured accurate data for this evaluation.

## **Description of Institution**

Forcht Bank, National Association, is an intrastate financial institution headquartered in Lexington, Kentucky. FB is wholly owned by Forcht Bancorp, Inc., headquartered in Corbin, Kentucky, with total assets of approximately \$1.06 billion. As of March 31, 2009, FB also reported total assets of \$1.06 billion. The bank was formerly known as First National Bank of Lexington ("FNBL"). FNBL was headquartered in Lexington, Kentucky and had two branch offices with assets of approximately \$100 million. On December 31, 2007, eight separately chartered national bank affiliates and two state chartered affiliate banks merged with FNBL and became Forcht Bank, N.A. The bank's charter number remained the same. The merged FB had thirty-four branch offices. Two additional branches have been added since the merger.

FB is a full-service lender offering various loan and deposit products. FB offers conventional home mortgage loans and government guaranteed home mortgage loans through the secondary market. Also offered are home improvement, consumer, and a full range of business loans. As of March 31, 2009, net loans represented 78 percent of total assets and consisted of residential real estate loans (45 percent), commercial and commercial real estate loans (28 percent), agricultural and agricultural real estate loans (5 percent), construction and development loans (13 percent), consumer loans (7 percent), and other loans (2 percent).

There are no legal, financial, or other factors impeding FB's ability to help meet the credit needs of the communities it serves. As of March 31, 2009, FB reported tier-one capital of \$89 million.

FNBL was rated "Satisfactory" at its last CRA evaluation dated October 18, 2004.

## **Description of Assessment Area(s)**

FB has delineated four assessment areas. Assessment area 1 ("AA1") is in the Lexington MSA and consists of Fayette and Clark counties. Assessment area 2 ("AA2"), is in the Louisville MSA and consists of portions of Jefferson County. Assessment area 3 ("AA3") is in the Cincinnati MSA and consists of Boone and Grant counties. Assessment area 4 ("AA4") is in a non-metropolitan area located in south-central Kentucky and consists of McCreary, Pulaski, Knox, Whitley, Laurel, Green, and Taylor counties. All of the AAs comply with CRA regulations. The bank did not arbitrarily exclude any low- or moderate-income geographies. Please refer to Appendix A for details regarding the market profiles of each of the assessment areas as well as branch locations, competition, and local demographics.

A review of community contacts familiar with the AAs' credit needs indicated all local banks are active in the various communities and willing to provide financing for potential projects. The contacts identified affordable housing for low- and moderate-income families as a major credit need. In addition, the contacts indicated there is a need for small business loans and recruiting industry to all of the assessment areas.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

Performance is rated outstanding. This conclusion is based upon our overall analysis of lending performance for Charter Number 24349. This analysis is based upon two separate analyses: lending for FNB of Lexington during the year of 2007 in AA1 (pre-merger) and lending for Forcht Bank, N.A. during the years of 2008-2009 in AA1, AA2, AA3, and AA4 (post-merger). The analysis focuses upon the bank's lending as compared to the demographics of their assessment area. For geographic distribution, we compared the bank's level of lending within low- and moderate-income census tracts to the percentage of owner occupied units within the low- and moderate-income census tracts. For lending to borrowers of different income levels, we compared the bank's level of lending to low- and/or moderate-income borrowers to the percentage of low- and/or moderate-income families within the individual assessment areas. For business loans, we performed two separate analyses to determine the following: 1) the level of lending to businesses located within low- and moderate-income census tracts and 2) the level of lending to small businesses (i.e., business revenue less than \$1 million.) As part of this analysis, we also reviewed the other pertinent demographics of the various assessment areas such as poverty levels, percentages of people living on fixed incomes, etc., to determine the level of opportunities available to the bank for lending.

Refer to Tables 1 through 10 in Appendix B for facts and data used to evaluate the bank's lending.

### **Loan-to-Deposit Ratio**

FB's quarterly average loan-to-deposit ratio since the last CRA examination is approximately 92 percent. This is considered reasonable when compared to both local competitors and similarly situated banks with ratios ranging from 55 to 124 percent.

### **Lending in Assessment Area**

A substantial majority of loans are made to borrowers within the AA.

- For the year of 2007, the bank originated 69 percent of its residential real estate ("HMDA") loans in AA1 and 65 percent of its business loans in AA1. (Percentages for business loans are based upon a sample of 20 business loans taken from AA1 originated in 2007).
- For the years of 2008-2009, the bank originated 83 percent of its HMDA loans and 70 percent of its business loans within assessment areas 1 through 4. (Percentages for business loans are based upon a sample of 80 business loans taken from throughout the four AAs originated in 2008-2009).

### **Geographic Distribution of Loans**

FB's overall geographic distribution of loans originated both pre- and post-merger reflects excellent dispersion throughout the assessment area for mortgages and business loans, with excellent geographic penetration of the low- and moderate-income census tracts ("CTs"). FB's lending activity extends throughout the assessment area. There were no conspicuous gaps in lending noted within any of the CTs.

Individual evaluations of the separate assessment areas, both pre- and post-merger, reveal the following:

### Home Purchase Loans

- For AA1, FB originated 8 percent of their home purchase loans in low-income geographies and 15 percent in moderate-income geographies in 2007. FB originated 13 percent of their home purchase loans in low-income geographies and 6 percent in moderate-income geographies during 2008/2009. Compared to the demographics for the percentage of owner-occupied housing in low- and moderate-income geographies (i.e., 4 percent and 17 percent respectively), lending in low-income geographies overall exceeds standards while lending in moderate-income geographies is considered poor to low reasonable. Lending in low- and moderate-income geographies in AA1 is reasonable. Note: Conclusions for AA1 are based upon a combined analysis of 2007 and 2008/2009 lending.
- For AA2, FB originated 0 percent of their home purchase loans in low-income geographies and 10 percent in moderate-income geographies in 2008/2009. Compared to the demographics for the percentage of owner-occupied housing in low- and moderate-income geographies (i.e., 1 percent and 11 percent respectively), lending in both low- and moderate-income geographies meets standards. Lending in low- and moderate-income geographies in AA2 is reasonable.
- For AA3, FB originated 54 percent of their home purchase loans in moderate-income geographies in 2008/2009. AA 3 does not have any low-income geographies. Compared to the demographics for the percentage of owner-occupied housing located in moderate-income geographies (i.e., 22 percent), lending in moderate-income geographies in AA3 exceeds standards and is excellent.
- For AA4, FB originated 28 percent of their home purchase loans in moderate-income geographies in 2008/2009. AA4 does not have any low-income geographies. Compared to the demographics for the percentage of owner-occupied housing located in moderate-income geographies (i.e., 25 percent), lending in moderate-income geographies in AA4 exceeds standards and is excellent.

Please refer to Appendix B – Table 2 for more details regarding the geographic distribution of home purchase loans.

## Home Improvement Loans

- For AA1, FB originated 17 percent of their home improvement loans in low-income geographies and 50 percent in moderate-income geographies in 2007. FB originated 0 percent of their home improvement loans in low-income geographies and 11 percent in moderate-income geographies during 2008/2009. Compared to the demographics for the percentage of owner-occupied housing in low- and moderate-income geographies (i.e., 4 percent and 17 percent respectively), lending in low- and moderate-income geographies overall exceed standards. Lending in low- and moderate-income geographies in AA1 is excellent. Note: Conclusions for AA1 are based upon a combined analysis of 2007 and 2008/2009 lending.
- For AA2, FB originated 0 percent of their home improvement loans in low-income geographies and 11 percent in moderate-income geographies in 2008/2009. Compared to the demographics for the percentage of owner occupied housing in low- and moderate-income geographies (i.e., 1 percent and 11 percent respectively), lending in low- and moderate-income geographies meets standards and is reasonable.
- For AA3, FB originated 57 percent of their home improvement loans in moderate-income geographies in 2008/2009. AA3 does not have any low-income geographies. Compared to the demographics for the percentage of owner-occupied housing located in moderate-income geographies (i.e., 22 percent), lending in moderate-income geographies in AA3 exceeds standards and is excellent.
- For AA4, FB originated 30 percent of their home improvement loans in moderate-income geographies in 2008/2009. AA4 does not have any low-income geographies. Compared to the demographics for the percentage of owner-occupied housing located in moderate-income geographies (i.e., 25 percent), lending in moderate-income geographies in AA4 exceeds standards and is excellent.

Please refer to Appendix B – Table 3 for more details regarding the geographic distribution of home improvement loans.

## Home Mortgage Refinance Loans

- For AA1, FB originated 8 percent of their home mortgage refinance loans in low-income geographies and 31 percent in moderate-income geographies in 2007. FB originated 6 percent of their home mortgage refinance loans in low-income geographies and 19 percent in moderate-income geographies during 2008/2009. Compared to the demographics for the percentage of owner-occupied housing in low- and moderate-income geographies (i.e., 4 percent and 17 percent respectively), lending in both low- and moderate-income geographies in AA1 exceed standards and is excellent. Note: Conclusions for AA1 are based upon a combined analysis of 2007 and 2008/2009 lending.
- For AA2, FB originated 0 percent of their home mortgage refinance loans in low-income geographies and 19 percent in moderate-income geographies in 2008/2009. Compared to the demographics for the percentage of owner-occupied housing in low- and moderate-income geographies (i.e., 1 percent and 11 percent respectively), lending in low-income geographies meets standards while lending in moderate-income geographies exceed standards. Overall, lending in low- and moderate-income geographies in AA2 is excellent.
- For AA3, FB originated 73 percent of their home mortgage refinance loans in moderate-income geographies in 2008/2009. AA3 does not have any low-income geographies. Compared to the demographics for the percentage of owner-occupied housing located in moderate-income geographies (i.e., 22 percent), lending in moderate-income geographies in AA3 exceeds standards and is excellent.
- For AA4, FB originated 23 percent of their home mortgage refinance loans in moderate-income geographies in 2008/2009. AA4 does not have any low-income geographies. Compared to the demographics for the percentage of owner occupied housing located in moderate-income geographies (i.e., 25 percent), lending in moderate-income geographies in AA4 meets standards and is reasonable.

Please refer to Appendix B – Table 4 for more details regarding the geographic distribution of home mortgage refinance loans.

## Business Loans

FB's geographic distribution of business loans within low- and moderate-income geographies is excellent.

- For AA1, FB originated 30 percent of their business loans in low-income geographies and 25 percent in moderate-income geographies in 2007. FB originated 15 percent of their business loans in low-income geographies and 25 percent in moderate-income geographies in 2008/2009. Compared to the demographics for the percentage of businesses located in low- and moderate-



income geographies (i.e., 14 percent and 17 percent respectively), business loans located in both low- and moderate-income geographies exceed standards. Business lending in low- and moderate-income geographies within AA1 is excellent.

- For AA2, FB originated 0 percent of their business loans in low-income geographies and 30 percent in moderate-income geographies in 2008/2009. Compared to the demographics for the percentage of businesses located in low- and moderate-income geographies (i.e., 1 percent and 13 percent respectively), business loans located in low-income geographies meet standards while business loans in moderate-income geographies exceed standards. Overall, business lending in low- and moderate-income geographies within AA2 is excellent.
- For AA3, FB originated 20 percent of their business loans in moderate-income geographies. AA3 does not have any low-income geographies. Compared to the demographics for the percentage of businesses located in moderate-income geographies (i.e., 29 percent), business lending in moderate-income geographies within AA3 meets standards and is reasonable.
- For AA4, FB originated 30 percent of their business loans in moderate-income geographies. AA4 does not have any low-income geographies. Compared to the demographics for the percentage of businesses located in moderate-income geographies (i.e., 17 percent), business lending in moderate-income geographies within AA4 exceeds standards and is excellent.

Please refer to Appendix B – Table 5 for more details regarding the geographic distribution of sampled business loans.

### **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

FB's overall distribution of home mortgage loans (i.e., home purchase loans, home improvement loans, and home refinance loans) reflects adequate penetration among individuals of different income levels within the different assessment areas. In addition, FB's distribution of loans to small businesses (i.e. businesses with revenues less than \$1 million) is excellent. This is based upon an overall assessment of lending throughout the different assessment areas, both pre- and post-merger. The areas where the bank exceeded standards balanced out the areas that had poor or reasonable penetration, resulting in an overall satisfactory penetration of the various income levels. For those areas that contained borderline percentages, we considered additional demographic information.

The additional information considered included the following:

<b>Assessment Area</b>	<b>% Receiving Social Security</b>	<b>% Living on Public Assistance</b>	<b>% Retired</b>	<b>% Living Below Poverty Level</b>	<b>% of 1-4 Family Units being Rental Units</b>
AA – 1 Lexington MSA	20.40%	2.29%	15.28%	12.69%	44.49%
AA – 2 Louisville MSA	27.24%	2.57%	20.56%	9.47%	28.07%
AA – 3 Cincinnati MSA	20.91%	1.92%	14.44%	7.24%	26.69%
AA – 4 Non-MSA Counties	33.56%	5.78%	16.04%	24.41%	26.24%

Based upon this information, there may be barriers in the way of low- or moderate-income borrowers preventing them from obtaining a mortgage or qualifying for a home improvement or refinance loan. A high percentage of people within the assessment areas live either below the poverty level or live on fixed incomes preventing them from obtaining a mortgage for a home. Without additional funds available for down payments, potential borrowers have to look for viable options when it comes to housing. The moderate to high percentage of rental units available provides that option. As low- and moderate-income borrowers turn to rental housing, opportunities for banks to originate home improvement or refinance loans to those low- and moderate-income borrowers is reduced.

Individual evaluations of the separate assessment areas, both pre- and post-merger, reveal the following:

#### Home Purchase Loans

- For AA1, FB originated 17 percent of their home purchase loans to low-income families and 17 percent to moderate-income families in 2007. FB originated 9 percent of their home purchase loans to low-income families and 22 percent to moderate-income families during 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 21 percent and 17 percent respectively), lending to low-income families appears to be overall poor as the bank's percentages are significantly below assessment area demographics. However, lending to moderate-income families exceeds standards. Overall, lending to low- and moderate-income families in AA1 is reasonable. Note: Conclusions for AA1 are based upon a combined analysis of 2007 and 2008/2009 lending.
- For AA2, FB originated 83 percent of their home purchase loans to low-income families and 0 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 19 percent and 18 percent respectively), lending to low-income families significantly exceeds standards while lending to moderate-income families is considered poor. Overall, lending to low- and moderate-income families in AA2 is considered excellent.

- For AA3, FB originated 19 percent of their home purchase loans to low-income families and 8 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 17 percent and 17 percent respectively), lending to low-income families exceeds standards while lending to moderate-income families is considered poor. Overall, lending to low- and moderate-income families in AA3 is reasonable.
- For AA4, FB originated 12 percent of their home purchase loans to low-income families and 21 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 26 percent and 19 percent respectively), lending to low-income families is poor. However, lending to moderate-income families exceeds standards. Overall, lending to low- and moderate-income families in AA4 is considered reasonable.

Please refer to Appendix B – Table 6 for more details regarding borrower distribution of home purchase loans.

### Home Improvement Loans

- For AA1, FB originated 0 percent of their home improvement loans to low-income families and 40 percent to moderate-income families in 2007. FB originated 60 percent of their home improvement loans to low-income families and 0 percent to moderate-income families during 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 21 percent and 17 percent respectively), lending to both low- and moderate-income families overall exceeds standards and is excellent. Note: Conclusions for AA1 are based upon a combined analysis of 2007 and 2008/2009 lending.
- For AA2, FB originated 11 percent of their home improvement loans to low-income families and 11 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 19 percent and 18 percent respectively), lending to low-income and moderate-income families within AA2 appears to be poor and shows poor penetration of low- and moderate-income families. This can be explained by the high percentage of people living on fixed incomes in this assessment area (27 percent) and a large portion living below the poverty level (9.5 percent). The opportunity to make home improvement loans in this assessment area to low- and moderate-income borrowers is low.
- For AA3, FB originated 8 percent of their home improvement loans to low-income families and 42 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 17 percent and 17 percent respectively), lending to low-income families is poor. However, lending to moderate-income families significantly exceeds standards. Overall, lending to low- and moderate-income families in AA3 is excellent.

- For AA4, FB originated 16 percent of their home improvement loans to low-income families and 24 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 26 percent and 19 percent respectively), lending to low-income families is poor to borderline reasonable. However, lending to moderate-income families exceeds demographics. Overall, lending to low- and moderate-income families in AA4 is considered reasonable.

Please refer to Appendix B – Table 7 for more details regarding borrower distribution of home improvement loans.

### Home Mortgage Refinance Loans

- For AA1, FB originated 13 percent of their home mortgage refinance loans to low-income families and 38 percent to moderate-income families in 2007. FB originated 12 percent of their home mortgage refinance loans to low-income families and 15 percent to moderate-income families during 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 21 percent and 17 percent respectively), lending to low-income families is poor to borderline reasonable. However, lending to moderate-income families meets standards. Overall, lending to low- and moderate-income families is considered low but reasonable. Note: Conclusions for AA1 are based upon a combined analysis of 2007 and 2008/2009 lending.
- For AA2, FB originated 8 percent of their home mortgage refinance loans to low-income families and 8 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 19 percent and 18 percent respectively), lending to low-income families is considered to be poor. Lending to moderate-income families is considered to be poor. Overall, lending to low- and moderate-income families within AA2 is considered poor. This can be explained by the high percentage of people living on fixed incomes in this assessment area (27 percent) and a large portion living below the poverty level (9.5 percent). The opportunity to make home mortgage refinance loans in this assessment area to low- and moderate-income borrowers is low due to potential borrowers turning towards rental units as a housing option.
- For AA3, FB originated 18 percent of their home mortgage refinance loans to low-income families and 18 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 17 percent and 17 percent respectively), lending to low-income and moderate-income families within AA3 meets standards and is reasonable.
- For AA4, FB originated 10 percent of their home mortgage refinance loans to low-income families and 20 percent to moderate-income families in 2008/2009. Compared to the demographics for the percentage of low- and moderate-income families (i.e., 26 percent and 19 percent respectively), lending to low-income

families appears to be poor while lending to moderate-income families meets demographics. Overall, lending to low- and moderate-income families in AA4 is considered borderline reasonable.

Please refer to Appendix B – Table 8 for more details regarding borrower distribution of home mortgage refinance loans.

### Business Loans

FB's distribution of loans to small businesses (i.e. businesses with revenues less than \$1 million) is excellent based upon our sample of twenty business loans from each of the assessment areas. Loans to businesses with revenues of \$1 million or less originated within AA1 in 2007 represents 90 percent of the bank's sampled business loans. Loans to businesses with revenues of \$1 million or less originated within AA1 and AA4 in 2008/2009 represents 95 percent of the bank's sampled business loans. Loans to businesses with revenues of \$1 million or less originated within AA2 in 2008/2009 represented 75% of the bank's sampled business loans and 100% of the sampled business loans originated within AA3 in 2008/2009.

Please refer to Appendix B – Table 9 for more details regarding borrower distribution of sampled business loans.

### **Responses to Complaints**

There were no CRA-related complaints.

## **COMMUNITY DEVELOPMENT TEST**

Performance is rated overall Satisfactory.

### **Community Development Loans**

Community development (CD) lending is considered satisfactory. FB submitted 131 potential CD loans for consideration. Of those loans, 72 loans qualified as CD loans. This volume of CD loans is highly favorable because the majority of this money went into rental housing for low- and/or moderate-income families. In addition, a large amount of loans helped create jobs for low- and/or moderate-income individuals or funded programs that provide services and benefits to low- and/or moderate-income families and children in the AAs.

In all, the following CD loans were made in the individual AAs:

- AA1 - Lexington MSA: 9 loans for a total of 4,556,355
- AA2 - Louisville MSA: 17 loans for a total of \$1,139,723
- AA3 - Cincinnati MSA: 5 loans for a total of \$5,233,794
- AA4 - Non MSA Counties: 41 loans for a total of \$2,977,174

Community development lending in all four AAs is considered satisfactory due to the limited opportunities for available community development projects. While the number of actual projects available to participate in was considered low, the bank took the initiative to make CD loans to individuals that went toward the provision of low-income rental housing to lower income families as well as toward local programs aimed at providing services to low- and/or moderate-income families. As a result, the bank made 72 qualified CD loans totaling approximately \$13.9 million, or 15.56 percent of tier-one capital.

Please refer to Table 10 in Appendix B for facts and data used to evaluate the bank's level of CD loans.

### **Qualified Investments**

Qualified investment performance is satisfactory. We considered a combination of community development opportunities in the four AAs, as well as the capacity for the local infrastructure to create qualified investments. In addition, we considered CD qualified donations and donation opportunities. In the end, we determined qualified investments were high satisfactory when one considered the amount of overall investments made within the AAs and the amount of qualified investments made outside of the bank's AAs. On the other hand, while opportunities for qualified donations were abundant, the actual level of qualified donations is poor. Overall, the bank's qualified investments were found to be of an adequate level.

Individual findings include the following:

- During the evaluation period, FB purchased sixteen local revenue bonds for \$3.8 million. The majority of available qualified investments typically involved local revenue bonds for school districts or a variety of charitable organizations where low- and/or moderate-income areas and families are targeted as beneficiaries. We determined FB's investments in local revenue bonds is high satisfactory considering the number of opportunities readily available for investing are somewhat limited. The majority of these investments were local school revenue bonds in the non-MSA assessment areas. No investments were submitted for consideration from assessment areas AA1 and AA2.
  - AA1 – Lexington MSA: 0 investments
  - AA2 – Louisville MSA: 0 investments
  - AA3 – Cincinnati MSA: 5 investments for \$1,204,705
  - AA4 – Non-MSA areas: 11 investments for \$2,601,468
- In addition to the local school revenue bonds, the bank purchased twenty-three other school revenue bonds from outside their assessment areas. These bonds were from census tracts designated as either low- and/or moderate-income or Distressed Middle-Income CTs for \$5 million.
- FB made a small number of donations to a several organizations, all of which have a CD purpose. The main donation was made to one organization, totaling \$20 thousand to the Kentucky Harvest Food Drive within the Lexington MSA. CD donations were low.

### **Community Development Services**

Performance under the CD service test is satisfactory. In evaluating FB's services, we considered the bank's size in relation to the size of the AAs, as well as the low number of low- and moderate-income geographies located throughout the four AAs. This analysis also included a review of employee involvement in CRA-related activities.

Refer to Appendix A for facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

- The Forcht Bank's delivery systems are accessible to essentially all geographies and individuals of different income levels in their assessment areas. Full financial services and drive-thru services are offered at all 36 branches in addition to maintaining full service ATMs at these locations. The bank also has four stand-alone ATMs in various locations that dispense cash only.
- There were two branch banks in 2007 under the First National Bank of Lexington charter. On December 31, 2007, FNB of Lexington merged thirty-two affiliated banks/branches into their charter and changed their name to Forcht Bank, N. A. In addition to the merger, the bank opened a branch in the Lexington market in 2008

and opened a branch in Barbourville in 2009 for a total of thirty-six branches. There have been no branch closings.

- FB's hours of operation are considered outstanding. Individual branches differ in the exact hours of operation but several offices offer extended hours of operation: sixteen of the thirty-six offices offer lobby hours from 8:00 A.M. until 5:30 P.M., Monday through Friday; two of the offices offer extended lobby hours on Friday until 6:00 P.M.; and one of the offices offers extended lobby hours by opening at 7:00 A.M. every day. Drive-through banking is available at all thirty-six branches with twenty-three branches open until 6:00 P.M.; two branches open until 6:30 P.M.; and one branch open until 7:00 P.M., Monday through Friday. Thirty-five of the thirty-six branches also offer Saturday banking.
- FB has various checking and deposit products with free cashing of government checks for both bank and non-bank customers, as well as Internet banking for viewing accounts and on-line transactional banking. The on-line computer banking service allows customers to obtain deposit and loan account information, make payments on bank loans, transfer funds, and pay bills. The bank also offers a toll-free 24-hour telephone service. In addition to the bank offering traditional lending products within their AAs, FB also offers access to affordable housing loan products through the secondary market. Lastly, the bank offers the following loan products or services: Kentucky Housing Corporation down payment assistance; Federal Home Loan Bank Welcome Home funds; Fannie Mae-My Community program for first time homebuyers; and the Freddie Mac - Home Possible program for first time homebuyers.
- Overall, FB's CD services are considered adequate given the moderate- to high-level of opportunities for CRA-related services and/or activities available in the four AAs. While a large number of employees of FB have served in community organizations that provide general services to low- and moderate-income persons, FB's level of bank executives involved in community organizations with a CD purpose is minimal considering the vast amount of opportunities available within their AAs. There are a variety of organizations throughout FB's assessment areas that provide bank management the opportunity to serve as Board members or advisors for organizations such as industrial foundations, advisory councils, housing authorities, etc. In addition, there are opportunities to conduct home ownership seminars and counseling sessions, or to provide financial and/or technical skills to local organizations that provide services to low- or moderate-income individuals.



Some of the organizations FB currently participates with include:

- AA1 - Lexington MSA: Lexington Forum (member), Mortgage Banker's Association of the Bluegrass (member), and Fayette County Chamber of Commerce (participant). See note below about Lexington's involvement with the "Shop with a Cop" program and their aid to underprivileged children.
- AA2 - Louisville MSA: Home Builders of Louisville (Board member), PRP Area Business Association (Board member), Fairdale Area Business Association (Board member), Jeffersontown Chamber of Commerce (member of Project Development committee), Jeffersontown Blues Fest Crusade for Children, and Clothe a Child for PRP Police Department.
- AA3 - Cincinnati MSA: Grant County Chamber of Commerce (two Board members with one also the Treasurer), Grant County Board of Health (two Board members), and Grant County Extension Office (Board member).
- AA4 – Non MSA Counties: Greensburg Chamber of Commerce (member), Grant County Extension Office (member), Bell Whitley Community Action Agency (Vice Chairman), Building Committee for the Williamsburg City Schools, McCreary County Chamber of Commerce (Board member), McCreary County School Board (member), Knox County Chamber of Commerce (Board member), Tri-County Industrial Authority (member), Barbourville Housing Authority (member), Barbourville Zoning Council (member), Taylor County Extension Council (member), and Taylor County Backpack Program (Treasurer).

In addition to these committees, the staff of the Lexington branches, along with the CRA Officer, participates in the "Shop with A Cop" program, which raises monies for low-income children during Christmas. In addition, other Forcht branches make donations to this program. The Forcht Bank is also a corporate sponsor for the Lexington Legends Baseball Team. This sponsorship entitles the bank to receive fifty tickets per game. The bank uses these tickets to take underprivileged children located throughout their assessment areas to the games.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Appendix A: Market Profiles for Full-Scope Areas

### AA1: Lexington MSA of Fayette and Clark Counties

Demographic Information for Full-Scope Area: Lexington MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	69	13.04%	18.84%	40.58%	26.09%	1.45%
Population by Geography	293,656	9.98%	20.07%	39.50%	30.30%	0.15%
Owner-Occupied Housing by Geography	68,848	3.89%	16.89%	42.22%	37.00%	0.00%
Businesses by Geography	27,827	13.67%	16.76%	34.75%	34.57%	0.25%
Farms by Geography	993	6.14%	11.38%	37.16%	45.32%	0.00%
Family Distribution by Income Level	73,169	20.86%	17.26%	21.43%	40.45%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	27,889	12.44%	30.46%	40.97%	16.13%	0.00%
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below the Poverty Level	= \$54,605 = \$59,800 = 12.69%	Median Housing Value = \$114,540 Unemployment Rate = See below				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census and 2005 HUD updated MFI.

Note: Only 68 of the 69 CTs are rated low, moderate, middle, or upper income. One CT has been left unrated by the US Census Bureau. Consequently, data connected to this one unrated CT is reflected as being "N/A."

FB's AA1 consists of Fayette and Clark counties, within the Lexington MSA. AA1 contains 69 census tracts (CTs) with 22 of these CTs being low- or moderate-income CTs. (Note: The AA does not include Bourbon, Jessamine, Scott, and Woodford counties in the Lexington MSA.) FB has three branch offices, each with a full-service ATM. There is also a separate ATM within the AA dispensing cash only. None of the offices are located in low- or moderate-income CTs, but the ATM is located in a moderate-income CT.

As of June 30, 2008, approximately 8 percent of FB's deposits were derived from this MSA. FB's deposits in the Lexington MSA AA total approximately \$67 million. Based upon FDIC deposit market share data as of June 30, 2008, this equates to a 0.85 percent deposit market share that ranks FB as the twenty-fifth largest deposit taking institution in this AA.

AA1 is located in central Kentucky. The local economy is well respected for retail trade, manufacturing, and services. Major employers for each county include the following:

- Fayette County: The largest single employer in Fayette County is the University of Kentucky (education) with the largest private employers being Lexmark International, Inc. (printers & information processing supplies); Trane Company (commercial & industrial air handling equipment); Amazon.com (fulfillment center); ACS (mailroom, scanning, and data capture along with customer care); L-3 Communications Integrated Systems (contractor logistics support); Webasto Sunroof, Inc. (automotive sunroofs); and Valvoline (administrative offices and lab). These private companies employ over 10,000 individuals. In addition to these businesses, the University of Kentucky (UK) is located within this AA. UK employees approximately 12,000 people and services around 26,000 students.
- Clark County: The largest employers include EDS (in-bound call center); Niles America Wintech Inc. (plastic injection auto parts); Catalent Pharma Solutions (pharmaceutical processing); Leggett & Platt, Inc. (inner springs and box springs); Freeman Corporation (hardwood veneer); and Save-A-Lot Distribution Center (food distribution). These companies employ over 2,000 individuals.

As of November 2008, the unemployment rate for the Lexington MSA was 7.0 percent, as compared to 7.0 percent for the State of Kentucky. The unemployment rate in Clark County was 6.3 percent and 4.8 percent in Fayette County.

Based on the demographics of the MSA, community contacts, and discussions with bank management, there is an identified need for mortgages and business loans. Consequently, there are moderate opportunities for community development services due to the existing unmet credit and community development needs in the MSA. In addition, opportunities for community development loans and qualified investments in the AA are moderate. However, competition for CD loans, qualified investments, and services is strong and includes several banks within the AA.

## AA2: Louisville MSA of Jefferson County

Demographic Information for Full-Scope Area: Louisville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	49	4.08%	18.37%	51.02%	26.53%	0%
Population by Geography	225,791	3.50%	11.59%	54.91%	30.00%	0%
Owner-Occupied Housing by Geography	65,607	1.18%	10.66%	56.97%	31.19%	0%
Businesses by Geography	18,162	1.11%	13.07%	45.33%	40.49%	0%
Farms by Geography	350	0.57%	9.14%	47.43%	42.86%	0%
Family Distribution by Income Level	63,475	18.80%	18.36%	23.68%	39.16%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	23,587	7.38%	17.60%	59.53%	15.49%	0%
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below the Poverty Level	= \$51,574 = \$59,800 = 12.69%	Median Housing Value = \$106,967 Unemployment Rate See below				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

AA2 consists of several CTs within Jefferson County in the Louisville MSA. AA2 contains 71 census tracts (CTs) with 11 of these CTs being low- or moderate-income CTs. (Note: The AA does not include the Kentucky counties of Bullitt, Henry, Meade, Nelson, Oldham, Shelby, Spencer, and Trimble counties nor any of the Indiana counties located in the Louisville MSA). FB has four branch offices with full-service ATMs at each location. One of the offices is located in a moderate-income CT.

As of June 30, 2008, approximately 9 percent of FB's deposits were derived from this MSA. FB's deposits in the Louisville MSA AA totaled approximately \$75 million. Based upon FDIC deposit market share data as of June 30, 2008, this equates to a 0.35 percent deposit market share that ranks FB as the thirty-fourth largest deposit taking institution in this AA.

AA2 is located in north-central Kentucky. The local economy is stable and supported by service, transportation, and manufacturing industries. Major business employers include: UPS (courier services); GE (household appliances); Humana, Inc. (back office service, sales); Ford Motor Company (truck production); Bank of America (credit and debit card processing); and Yum Restaurant Services Group, Inc. (back office operations). These companies employ approximately 27,000 individuals. In addition to these private companies, the University of Louisville (U of L) is located within this AA. U of L employees approximately 6,000 people and services around 20,000 students.

As of November 2008, the unemployment rate for the Louisville MSA was 6.4 percent, as compared to 7.0 percent for the State of Kentucky.

Based on the demographics of the MSA, community contacts, and discussions with bank management, there is an identified need for mortgages, affordable rental housing, and business loans. Consequently, there are moderate opportunities for community development services due to the existing unmet credit and community development needs in the MSA. In addition, opportunities for community development loans and qualified investments in the AA are moderate. Several banks within the AA provide strong competition.

### AA3: Cincinnati MSA of Boone and Grant Counties

Demographic Information for Full-Scope Area: Cincinnati MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	20	0%	25.00%	45.00%	30.00%	0%
Population by Geography	108,375	0%	21.60%	45.71%	32.69%	0%
Owner-Occupied Housing by Geography	29,256	0%	21.93%	42.60%	35.47%	0%
Businesses by Geography	10,668	0%	28.98%	40.32%	30.70%	0%
Farms by Geography	344	0%	28.20%	45.64%	26.16%	0%
Family Distribution by Income Level	29,927	17.00%	17.07%	25.42%	40.51%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,119	0%	34.50%	47.33%	18.17%	0%
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below the Poverty Level	= \$57,884 = \$59,800 = 7.24%	Median Housing Value = \$115,347 Unemployment Rate See below				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

FB's AA3 consists of Boone and Grant counties in the Cincinnati MSA. AA3 contains 20 census tracts (CTs) with 5 of these CTs being moderate-income CTs. There are no low-income CTs within this designated AA. (Note: The AA does not include the Kentucky counties of Campbell, Gallatin, Kenton, or Pendleton in the Cincinnati MSA nor any of the Ohio counties). FB has eight branch offices, each containing a full-service ATM. There are also two separate ATMs in the AA dispensing cash only. Four of the offices along with their ATMs are located in moderate-income CTs. One of the cash dispensing ATMs is located in a moderate-income CT.

As of June 30, 2008, approximately 21 percent of FB's deposits were derived from this MSA. FB's deposits in the Cincinnati MSA total approximately \$178 million. Based upon FDIC deposit market share data as of June 30, 2008, this equates to a 0.32 percent deposit market share that ranks FB as the twenty-fourth largest deposit taking institution in this AA.

AA3 is located in northern Kentucky. The local employment is centered in service industries. Major employers include: Fidelity Investments (financial services); Comair (air terminal); Citicorp Credit Services (financial services customer service); Toyota Motors (corporate headquarters); and Schwan's Global Supply Chain, Inc. (frozen food). These companies employ over 13,000 individuals.

As of November 2008, the unemployment rate for the Cincinnati MSA was 5.8 percent, as compared to 7.0 percent for the State of Kentucky. The unemployment rate in Boone County was 5.8 percent and 7 percent in Grant County.

Based on the demographics of the MSA, community contacts, and discussions with bank management, there is an identified need for mortgages, affordable rental housing, and business loans. Consequently, there are moderate opportunities for community development services due to the existing unmet credit and community development needs in the MSA. In addition, opportunities for community development loans and qualified investments in the AA are moderate. Several banks within the AA provide strong competition.

## AA4: Non-Metropolitan AA of McCreary, Pulaski, Knox, Whitley, Laurel, Green, and Taylor Counties

Demographic Information for Full-Scope Area: Non-Metropolitan AA in south-central Kentucky						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	50	0%	30.00%	64.00%	6.00%	0%
Population by Geography	228,117	0%	25.69%	66.67%	7.64%	0%
Owner-Occupied Housing by Geography	67,096	0%	25.43%	67.05%	7.52%	0%
Businesses by Geography	18,778	0%	17.11%	72.33%	10.56%	0%
Farms by Geography	697	0%	7.03%	88.81%	4.16%	0%
Family Distribution by Income Level	65,440	25.53%	18.78%	20.94%	34.75%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	28,995	0%	32.81%	62.22%	4.97%	0%
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below the Poverty Level	= \$30,137 = \$59,800 = 24.41%	Median Housing Value = \$57,933 Unemployment Rate See below				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census and 2005 HUD updated MFI.

FB's non-metropolitan AA4 consists of McCreary, Pulaski, Knox, Whitley, Laurel, Green, and Taylor counties. AA4 contains 50 census tracts (CTs) with 15 of these CTs being moderate-income CTs. FB has twenty-one branch offices along with full-service ATMs located at each of the branches. There is also an ATM in Whitley County that only dispenses cash. Four of the offices along with their ATMs are located in moderate-income CTs.

As of June 30, 2008, approximately 62 percent of FB's deposits were derived from these counties. FB's deposits in these counties total approximately \$526 million. Based upon FDIC deposit market share data as of June 30, 2008, this equates to 16.82 percent deposit market share that ranks FB as the largest deposit taking institution in the AA.

AA4 is located in south-central Kentucky. The local economy benefits from trade, transportation, and service industries. Major employers for each county include the following:

- McCreary County: The largest employer is Outdoor Venture Corp. (military tent systems and accessories) that employs approximately 200 individuals.
- Pulaski County: The largest employers include: Toyotetsu America, Inc. (auto



sound proofing); Super Service (truckload interstate carrier); Armstrong Wood Products (hardwood flooring); Eagle Hardwoods (hardwood flooring); and Southern Belle Dairy (milk and juice drinks). These companies employ over 2,000 individuals.

- Knox, Whitley, and Laurel Counties: The largest employers include: Vangent, Inc. (call center); CTA Acoustics, Inc. (organic fiber padding); Pepsi-Cola (soft drinks); and TCO, Inc. (motor vehicle headlights). These companies employ over 1,300 individuals.
- Green County: The largest employers include: Topps Safety Apparel, Inc. (work clothes) and Aluminum Fabricators (aluminum steeples and architectural metal products). These companies employ over 50 people.
- Taylor: The largest employers include: Amazon.com (fulfillment center); Cox Interior, Inc. (manufacturer of interior trim); Murakami Manufacturing USA, Inc. (automotive mirrors); UpStream II, LLC (hardwood lumber); Ingersoll-Rand Co. (vacuum pumps and air compressors); and Campbellsville Apparel (men's t-shirts). These companies employ nearly 3,000 individuals.

As of November 2008, the unemployment rates for the counties were: McCreary, 9.6 percent; Pulaski, 6.7 percent; Knox, Whitley, and Laurel, 7.1 percent; Green, 7.8 percent; and Taylor, 6 percent. Unemployment for the State of Kentucky was 7.0 percent.

Based on the demographics of the MSA, community contacts, and discussions with bank management, there is an identified need for mortgages, affordable rental housing, and business loans. Consequently, there are moderate opportunities for community development services due to the existing unmet credit and community development needs in the MSA. In addition, opportunities for community development loans and qualified investments in the AA are moderate. Several banks within the AA provide strong competition.

## Appendix B

**Table 1: Lending Volume  
N.A.**

Institution ID: Forcht Bank,

A-2007 Lending Volume		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007			
MA/Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Community Development Loans**		Total Reported Loans	
AA1-Lexington MSA	100.00	50	14,395	20	15,906	5	939	75	31,240

B-2008/2009 Lending Volume		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to June 23, 2009			
MA/Assessment Area	% of Rated Area Loans (#) in MA/AA***	Home Mortgage		Small Loans to Businesses		Community Development Loans		Total Reported Loans	
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)
		AA1-Lexington MSA	9.36	147	22,939	20	5,207	21	4,757
AA2-Louisville MSA	2.24	35	2,915	20	6,953	0	0	55	9,868
AA3-Cincinnati MSA	10.25	161	16,587	20	2,174	5	5,234	186	23,995
AA4-Non-MSA Counties	78.15	1,227	65,582	20	3,499	41	2,977	1288	72,058

\* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

\*\* For Table A & B: The evaluation period for Community Development Loans is from January 01, 2007 to June 08, 2009

\*\*\* Loan Data as of June 01, 2009. Rated area refers to either state or multi-state MA rating area.

**Table 2: Geographic Distribution of Home Purchase Loans**

**Institution ID: Forcht Bank, N.A.**

A-2007Geographic Distribution: Home Purchase		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Purchase		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	%Owner Occ Units**	% Bank Loans***	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans
AA1-Lexington MSA	26	100.00	3.89	7.69	16.89	15.38	42.22	53.85	37.00	23.08

B-2008/2009Geographic Distribution: Home Purchase		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to March 31, 2009				
MA/Assessment Area	Total Home Purchase		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans
AA1-Lexington MSA	83	14.74	3.89	13.26	16.89	6.02	42.22	32.53	37.00	48.19
AA2-Louisville MSA	10	1.78	1.18	0.00	10.66	10.00	56.97	80.00	31.19	10.00
AA3-Cincinnati MSA	45	7.99	0.00	0.00	21.93	53.33	42.60	31.11	35.47	15.56
AA4-Non-MSA Counties	425	75.49	0.00	0.00	25.43	27.76	67.05	67.53	7.52	4.71

\* % of Total: Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area. Source of data: HMDA reported loans.

\*\* % Owner Occ Units: Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\* % Bank Loans: Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2) This information was obtained from an analysis of HMDA reported loans.

**Table 3: Geographic Distribution of Home Improvement Loans**

**Institution ID: Forcht Bank, N.A.**

A-2007Geographic Distribution: Home Improvement Loans		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	%Owner Occ Units**	% Bank Loans***	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans
AA1-Lexington MSA	6	100.00	3.89	16.67	16.89	50.00	42.22	33.33	37.00	0.00

B-2008/2009Geographic Distribution: Home Improvement Loans		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to March 31, 2009				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans
AA1-Lexington MSA	9	2.08	3.89	0.00	16.89	11.12	42.22	44.44	37.00	44.44
AA2-Louisville MSA	9	2.08	1.18	0.00	10.66	11.11	56.97	66.67	31.19	22.22
AA3-Cincinnati MSA	14	3.25	0.00	0.00	21.93	57.15	42.60	35.71	35.47	7.14
AA4-Non-MSA Counties	400	92.59	0.00	0.00	25.43	30.00	67.05	66.50	7.52	3.50

\* % of Total: Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area. Source of data: HMDA reported loans.

\*\* % Owner Occ Units: Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\* % Bank Loans: Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2) This information was obtained from an analysis of HMDA reported loans.

Table 4: Geographic Distribution of Home Mortgage Refinance Loans

Institution ID: Forcht Bank, N.A.

A-2007Geographic Distribution: Home Mortgage Refinance		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	%Owner Occ Units**	% Bank Loans***	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans
AA1-Lexington MSA	13	100.00	3.89	7.69	16.89	30.77	42.22	38.46	37.00	23.08

B-2008/2009Geographic Distribution: Home Mortgage Refinance		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to March 31, 2009				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans	%Owner Occ Units	% Bank Loans
AA1-Lexington MSA	52	9.20	3.89	5.77	16.89	19.23	42.22	36.54	37.00	38.46
AA2-Louisville MSA	16	2.83	1.18	0.00	10.66	18.75	56.97	68.75	31.19	12.50
AA3-Cincinnati MSA	97	17.17	0.00	0.00	21.93	73.20	42.60	24.74	35.47	2.06
AA4-Non-MSA Counties	400	70.80	0.00	0.00	25.43	23.25	67.05	70.75	7.52	6.00

\* % of Total: Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area. Source of data: HMDA reported loans.

\*\* % Owner Occ Units: Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\* % Bank Loans: Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2). This information was obtained from an analysis of HMDA reported loans.

Table 5: Geographic Distribution of Business Loans

Institution ID: Forcht Bank, N.A.

A-2007Geographic Distribution: Business Loans		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	% of Businesses**	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans
AA1-Lexington MSA	20	100.00	13.67	30.00	16.76	25.00	34.75	25.00	34.82	20.00

B-2008/2009Geographic Distribution: Business Loans		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to June 23, 2009				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans
AA1-Lexington MSA	20	25.00	13.67	15.00	16.76	25.00	34.75	35.00	34.82	25.00
AA2-Louisville MSA	20	25.00	1.11	0.00	13.07	30.00	45.33	30.00	40.49	40.00
AA3-Cincinnati MSA	20	25.00	0.00	0.00	28.98	20.00	40.32	55.00	30.70	25.00
AA4-Non-MSA Counties	20	25.00	0.00	0.00	17.11	30.00	72.33	65.00	10.56	5.00

Note: In regards to AA1, the percentage of businesses located throughout the assessment area do not add up to 100 percent due to location information for 0.25 percent of the businesses not being available. Please refer to Appendix A – AA1: Lexington MSA of Fayette and Clark Counties for details regarding demographics.

\* % of Total: Sample of 20 small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.  
 \*\* % of Businesses: Source Data - 2008 Business Geo-Demographic Data.

**Table 6: Borrower Distribution of Home Purchase Loans**

**Institution ID: Forcht Bank, N.A.**

A-2007Borrower Distribution: Home Purchase		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Purchase		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	% Families**	% Bank Loans***	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans
AA1-Lexington MSA	26	100.00	20.86	16.67	17.26	16.67	21.43	0.00	40.45	66.66

B-2008/2009Borrower Distribution: Home Purchase		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to March 31, 2009				
MA/Assessment Area	Total Home Purchase		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans
AA1-Lexington MSA	83	14.74	20.86	9.26	17.26	22.22	21.43	31.48	40.45	37.04
AA2-Louisville MSA	10	1.78	18.80	83.33	18.36	0.00	23.68	16.67	39.16	0.00
AA3-Cincinnati MSA	45	7.99	17.00	19.23	17.07	7.69	25.42	19.23	40.51	53.85
AA4-Non-MSA Counties	425	75.49	25.53	12.03	18.78	20.55	20.94	24.06	34.75	43.36

\* % of Total: As a percentage of loans with borrower income information available. Source of Data – HMDA reported loans.

\*\* % Families: Percentage of families is based upon the 2000 Census information.

\*\*\* % Bank Loans: Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area. This information was obtained from an analysis of HMDA reported loans.

**Table 7: Borrower Distribution of Home Improvement Loans**

**Institution ID: Forcht Bank, N.A.**

A-2007Borrower Distribution: Home Improvement Loans		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	% Families**	% Bank Loans***	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans
AA1-Lexington MSA	6	100.00	20.86	0.00	17.26	40.00	21.43	40.00	40.45	20.00

B-2008/2009Borrower Distribution: Home Improvement Loans		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to March 31, 2009				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans
AA1-Lexington MSA	9	2.08	20.86	60.00	17.26	0.00	21.43	20.00	40.45	20.00
AA2-Louisville MSA	9	2.08	18.80	11.12	18.36	11.11	23.68	44.44	39.16	33.33
AA3-Cincinnati MSA	14	3.25	17.00	8.33	17.07	41.67	25.42	16.67	40.51	33.33
AA4-Non-MSA Counties	400	92.59	25.53	15.84	18.78	23.64	20.94	22.86	34.75	37.66

\* % of Total: As a percentage of loans with borrower income information available. Source of Data – HMDA reported loans.

\*\* % Families: Percentage of families is based upon the 2000 Census information.

\*\*\* % Bank Loans: Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area. This information was obtained from an analysis of HMDA reported loans.



**Table 8: Borrower Distribution of Home Mortgage Refinance Loans**

**Institution ID: Forcht Bank, N.A.**

A-2007 Borrower Distribution: Home Mortgage Refinance		Geography: AA 1				Evaluation Period: January 1, 2007 to December 31, 2007				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	% Families**	% Bank Loans***	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans
AA1-Lexington MSA	13	100.00	20.86	12.50	17.26	37.50	21.43	12.50	40.45	37.50

B-2008/2009 Borrower Distribution: Home Mortgage Refinance		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2008 to March 31, 2009				
MA/Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans	% Families	% Bank Loans
AA1-Lexington MSA	52	9.20	20.86	11.76	17.26	14.71	21.43	29.41	40.45	44.12
AA2-Louisville MSA	16	2.83	18.80	7.69	18.36	7.69	23.68	84.62	39.16	0.00
AA3-Cincinnati MSA	97	17.17	17.00	17.98	17.07	17.98	25.42	24.72	40.51	39.32
AA4-Non-MSA Counties	400	70.80	25.53	9.66	18.78	20.37	20.94	28.46	34.75	41.51

\* % of Total: As a percentage of loans with borrower income information available. Source of Data – HMDA reported loans.

\*\* % Families: Percentage of families is based upon the 2000 Census information.

\*\*\* % Bank Loans: Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area. This information was obtained from an analysis of HMDA reported loans.

**Table 9: Borrower Distribution of Business Loans**

**Institution ID: Forcht Bank, N.A.**

A-2007Geographic Distribution: Business Loans		Geography: AA 1		Evaluation Period: January 1, 2007 to December 31, 2007			
MA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 Million or Less		Loans by Original Amount Regardless of Business Size		
	#	% of Total*	% of Businesses**	% of Bank Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
AA1-Lexington MSA	20	100.00	63.10	90.00	438,257	350,886	15,116,928

A-2008/2009Geographic Distribution: Business Loans		Geography: AA 1		Evaluation Period: January 1, 2008 to June 23, 2009			
MA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 Million or Less		Loans by Original Amount Regardless of Business Size		
	#	% of Total	% of Businesses	% of Bank Loans	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
AA1-Lexington MSA	20	25.00	63.10	95.00	331,750	1,295,250	3,580,052
AA2-Louisville MSA	20	25.00	59.42	75.00	267,410	1,235,311	5,450,726
AA3-Cincinnati MSA	20	25.00	56.30	100.00	632,923	708,274	832,627
AA4-Non-MSA Counties	20	25.00	53.69	95.00	624,395	774,512	2,099,773

\* % of Total: Sample of 20 small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\* % of Businesses: Businesses with revenues of \$1 million or less as a percentage of all businesses. Source of Data – 2008 Business Demographics.

\*\*\* % of Bank Loans: Small loans to businesses with revenues of \$1 million or less as a percentage of business loans sampled (i.e. sample size of 20 loans).

Table 10: Community Development Loans

Institution ID: Forcht Bank, N.A.

Qualified Investments (CD Loans)		Geography: AA 1, 2, 3, & 4				Evaluation Period: January 1, 2007 to June 23, 2009			
MA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
AA1-Lexington MSA	0	0	9	4,556	26	4,556	32.76	0	0
AA2-Louisville MSA	0	0	17	1,140	17	1,140	8.20	0	0
AA3-Cincinnati MSA	0	0	5	5,234	5	5,234	37.64	0	0
AA4-Non-MSA Counties	0	0	41	2,977	41	2,977	21.40	0	0

\* Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.