



## PUBLIC DISCLOSURE

May 16, 2016

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Forcht Bank, National Association  
Charter Number 24349

2404 Sir Barton Way, Lexington, Kentucky 40509

Office of the Comptroller of the Currency

10200 Forest Green Boulevard, Suite 501, Louisville, Kentucky 40223

**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: Satisfactory.**

- **Lending test rating: Satisfactory**
- **Community development test rating: Satisfactory**

Forcht Bank, National Association (FB or Bank) had a satisfactory record of meeting its communities' credit needs during the evaluation period. These conclusions are based on the following.

- A substantial majority of the loans originated by FB were to customers from within its assessment areas (AA).
- FB's loan-to-deposit ratio (LTD) was reasonable given the Bank's size and financial condition and its AAs' credit needs.
- FB's distribution of loans to individuals of different income levels and businesses of different sizes reflected reasonable penetration.
- The geographic distribution of loans reflected reasonable dispersion throughout the AAs, including low- and moderate-income (LMI) census tracts (CTs).
- FB's community development (CD) performance demonstrated adequate responsiveness to the CD needs of its AAs.

**Scope of the Examination**

We conducted an evaluation of FB's Community Reinvestment Act (CRA) performance under the Office of the Comptroller of the Currency's (OCC) Intermediate Small Bank (ISB) procedures. The ISB procedures include a lending test and a CD test. The lending test evaluated the Bank's record of meeting the credit needs of its AAs through its lending activities from January 1, 2013 through December 31, 2015. The CD test evaluated the Bank's CD lending, qualified investments, and service activities since the last CRA examination. This period covered August 14, 2012 through May 16, 2016. We based the lending test on FB's primary loan products: commercial and residential real estate loans (highlighted in the table below). While there was a large number of consumer loans originated during the assessment period, these loans made up a smaller dollar volume of loans originated.

<b>Loan Originations by Loan Type from January 1, 2013 through December 31, 2015</b>				
<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Commercial Loans</b>	<b>292,413</b>	<b>58.09</b>	<b>1,443</b>	<b>14.47</b>
<b>Residential Loans</b>	<b>139,073</b>	<b>27.63</b>	<b>1,706</b>	<b>17.10</b>
Agricultural Loans	4,226	0.84	335	3.36
Consumer Loans	67,627	13.44	6,490	65.07
<b>Total Originations</b>	<b>\$ 503,339</b>	<b>100.00%</b>	<b>9,974</b>	<b>100.00%</b>

*Source: Bank records from January 1, 2013 – December 31, 2015*

The residential real estate loan analysis was based on loans FB reported on its Home Mortgage Disclosure Act Loan Application Register (HMDA LAR) from January 1, 2013

through December 31, 2015. The OCC performed a data integrity review in March 2016 and verified the Bank's HMDA LAR data was reliable. FB was not required to report business loans on its HMDA LAR. The business purpose loan analysis was performed using a random sample of business loans originated or purchased in 2013, 2014, and 2015.

The residential real estate loan analysis included a comparison of the borrower and geographic distribution of loans originated during the evaluation period to the 2010 United States Census (2010 U.S. Census) demographic information. The income level designations used in the residential real estate loan analysis were based on the Federal Financial Institutions Examination Council's (FFIEC) estimate of the 2013, 2014, and 2015 Kentucky Median Family Incomes for metropolitan statistical areas (MSA) and non-metropolitan areas. The business sample loans were compared to 2010 U.S. Census data and 2013, 2014, and 2015 Business Geodemographic Data.

The Office of Management and Budget (OMB) revised the delineations of MSA and metropolitan divisions as of January 1, 2014. The OMB changes altered the Louisville-Jefferson County, Kentucky-Indiana MSA AA income tract composition. Therefore, 2013 demographic data and analyses of lending performance for this AA is presented separately from 2014-2015.

## **Description of the Institution**

FB is a \$1.01 billion intrastate financial institution headquartered in Lexington, Kentucky. FB is wholly owned by Forcht Bancorp, Inc., headquartered in Corbin, Kentucky. As of this evaluation, FB had 30 locations which were accessible to all segments of its communities. All offices, except the Greensburg Banking Center, were equipped with drive-up facilities. FB had an automated teller machine (ATM) at each location and one stand-alone ATM.

Four branches were closed since the previous CRA evaluation. Three were branches of the former Grant County Deposit Bank, acquired by FB in 2014. These branches were in CTs where FB already had offices. A branch in Jefferson County, Kentucky (middle-income CT) was closed in 2014 due to its proximity (1.4 miles) to another FB branch and declining branch traffic. A new branch in Jefferson County was opened in 2013 in a middle-income CT.

FB is a full-service lender offering traditional banking products and services. Its products include conventional home mortgage loans and government guaranteed home mortgage loans through the secondary market. FB also offers home improvement loans, consumer loans, and a full range of business loans, including loans through the Federal Housing Administration, Kentucky Housing Authority, Veterans Administration, U.S. Department of Agriculture/Rural Housing, Small Business Administration, and Farm Service Agency.

As of December 31, 2015, the Bank reported \$560 million in outstanding loans. The loan portfolio consisted of the following loan mix.

Loan Portfolio Summary by Loan Type December 31, 2015		
Loan Category	\$ (000)	%
Commercial Loans	241,165	43.05
Residential Loans	289,336	51.64
Agricultural Loans	2,908	0.52
Consumer Loans	25,194	4.50
Other Loans	1,605	0.29
<b>Total Loans</b>	<b>\$ 560,206</b>	<b>100.00%</b>

*Source: December 31, 2015 Call Report*

Based on community contacts familiar with the AAs, affordable housing and workforce development were credit needs. The contact expressed the willingness of local banks to lend to community projects.

There were no legal or financial impediments to FB's ability to meet the credit and CD needs of its AAs. The Bank was rated Satisfactory at its August 13, 2012 CRA examination.

## Description of the Assessment Areas

FB's AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas. FB delineated four AAs for CRA purposes, consistent with the previous examination. AA1 is Fayette County, Kentucky, located in the Lexington-Fayette, Kentucky MSA. AA2 is Jefferson County, Kentucky, located in the Louisville-Jefferson County, Kentucky-Indiana MSA. AA3 is in the Cincinnati-Middletown MSA in Ohio, Kentucky, and Indiana. It consists of Boone and Grant counties. AA4 is in a nonmetropolitan area located in south-central Kentucky. This AA consists of McCreary, Pulaski, Knox, Whitley, Laurel, Green, Taylor, and Madison counties in Kentucky.

### AA1: Lexington-Fayette, Kentucky MSA (Fayette County)

**2010 U.S. Census Data:** The AA consisted of 82 CTs. Twelve were low-income, 18 were moderate-income, 24 were middle-income, and 28 were upper-income tracts.

**Economic Data:** The December 2015 unemployment rate for Fayette County was 3.90 percent, comparing favorably to the state and national unemployment rates of 5.70 percent and 5.0 percent, respectively. Major employers were Xerox (2,625); Lexmark International, Inc. (2,107 employees); and Amazon.com (1,100 employees).

Competition from other financial institutions was strong. The Bank's competitors included several local community banks, branches of large regional banks, and savings banks. According to the Federal Deposit Insurance Corporation's (FDIC) Summary of

Deposits as of June 30, 2015, 26 banks with 114 offices operated in the county. These branches held a combined total of \$6.7 billion in deposits with FB having 0.95 percent market share. FB operated four branches in Fayette County.

Demographic Information for Full-Scope Area Lexington-Fayette, KY MSA 2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	82	14.63	21.95	29.27	34.15	0.00
Population by Geography	295,803	13.77	22.70	29.65	33.88	0.00
Owner-Occupied Housing by Geography	68,771	6.55	17.86	33.59	42.00	0.00
Businesses by Geography	24,757	10.24	21.54	32.47	35.75	0.00
Farms by Geography	916	5.90	13.21	37.34	43.55	0.00
Families by Income Level	69,746	22.57	15.16	18.94	43.33	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	26,315	19.68	32.47	30.17	17.68	0.00
Median Family Income 2015	\$68,200	Median Housing Value		\$175,061		
Households Below the Poverty Level	16.17%	Unemployment Rate		See above		

Source(s): 2010 U.S. Census and 2015 FFIEC estimated Median Family Income.

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

## AA2: Louisville-Jefferson County, Kentucky/Indiana MSA (Jefferson County)

### AA Prior to January 1, 2014

**2010 U.S. Census Data:** The AA consisted of 191 CTs. Thirty-three were low-income, 36 were moderate-income, 64 were middle-income, 57 were upper-income, and one tract was not assigned an income classification.

**Economic Data:** The December 2013 unemployment rate was 6.50 percent, comparing favorably to the state and national unemployment rates of 7.10 percent and 6.70 percent, respectively. Major employers were United Parcel Service (UPS) (20,047 employees); Ford Motor Company (8,512 employees); and Humana Inc. (11,235 employees).

Competition from other financial institutions was strong. The Bank's competitors included several local community banks, branches of large regional banks, and savings

banks. According to the FDIC's Summary of Deposits as of June 30, 2013, 25 banks with 259 offices operated in the county. These locations held a combined total of \$16.4 billion in deposits with FB having 0.42 percent market share. FB operated four branches in Jefferson County.

Demographic Information for Full-Scope Area Louisville-Jefferson County, KY-IN MSA 2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	191	17.28	18.85	33.51	29.84	0.52
Population by Geography	741,096	13.75	16.09	39.08	31.08	0.00
Owner-Occupied Housing by Geography	194,488	6.98	13.59	42.46	36.97	0.00
Businesses by Geography	71,393	14.16	13.35	30.71	41.38	0.40
Farms by Geography	1,439	7.37	12.51	37.25	42.59	0.28
Families by Income Level	185,069	22.97	17.26	19.78	39.99	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	74,460	23.66	22.84	37.88	15.62	0.00
Median Family Income 2013	\$60,400	Median Housing Value		\$159,265		
Households Below the Poverty Level	14.75%	Unemployment Rate		See above		

Source(s): 2010 U.S. Census and 2013 FFIEC estimated Median Family Income.

(\*) The NA category consists of geographies that have not been assigned an income classification. Only 190 of the 191 CTs are rated low, moderate, middle, or upper income. One CT was left unrated by the US Census Bureau. Consequently, data connected to this one unrated CT is reflected as being "N/A."

## AA After January 1, 2014

**2010 U.S. Census Data:** The AA consisted of 191 CTs. Thirty-four were low-income, 35 were moderate-income, 64 were middle-income, 57 were upper-income, and one tract was not assigned an income classification.

**Economic Data:** The December 2015 unemployment rate for Jefferson County was 4.80 percent, comparing favorably to the state and national unemployment rates of 5.70 percent and 5.0 percent, respectively. Major employers were UPS (18,398 employees); Ford Motor Company (8,745 employees); and Humana, Inc. (7,458 employees).

Competition from other financial institutions was strong. The Bank's competitors included several local community banks, branches of large regional banks, savings

associations, and savings banks. According to the FDIC’s Summary of Deposits as of June 30, 2015, 25 banks with 250 offices operated in the county. These locations held a combined total of \$17.7 billion in deposits with FB having 0.42 percent market share. FB operated four branches in Jefferson County.

Demographic Information for Full-Scope Area Louisville-Jefferson County, KY-IN MSA 2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	191	17.80	18.32	33.52	29.84	0.52
Population by Geography	741,096	14.10	15.75	39.07	31.08	0.00
Owner-Occupied Housing by Geography	194,488	7.29	13.28	42.46	36.97	0.00
Businesses by Geography	58,199	15.09	12.99	30.40	41.12	0.40
Farms by Geography	1,206	6.97	11.28	36.98	44.60	0.17
Families by Income Level	185,069	23.07	17.33	19.85	39.75	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	74,764	24.34	22.11	37.91	15.64	0.00
Median Family Income 2015	\$65,400	Median Housing Value		\$159,265		
Households Below the Poverty Level	14.75%	Unemployment Rate		See above		

Source(s): 2010 U.S. Census and 2015 FFIEC estimated Median Family Income.

(\*) The NA category consists of geographies that have not been assigned an income classification. Only 190 of the 191 CTs are rated low, moderate, middle, or upper income. One CT was left unrated by the US Census Bureau. Consequently, data connected to this one unrated CT is reflected as being "N/A."

### AA3: Cincinnati-Middletown, Ohio-Kentucky-Indiana MSA (Boone and Grant Counties)

**2010 U.S. Census Data:** The AA consisted of 26 CTS. There were no low-income CTs, eight were moderate-income, nine were middle-income, eight were upper- income, and one tract was not assigned an income classification.

**Economic Data:** The December 2015 unemployment rates for Boone and Grant counties were 4.30 percent and 5.30 percent, respectively. Both counties compared favorably to the state unemployment rate of 5.70 percent. Boone County also compared favorably to the 5.0 percent national unemployment rate, while Grant County was slightly higher. Major employers in Boone County were Citicorp Credit Services (2,600 employees); Mubea, Inc. (1,400 employees); and Robert Bosch Automotive Steering

(1,200 employees). The major employer in Grant County was Dana Light Axle Manufacturing (330 employees).

Competition from other financial institutions was moderate. The Bank’s competitors included several local community banks, branches of large regional banks, savings associations, and savings banks. According to the FDIC’s Summary of Deposits as of June 30, 2015, 17 banks with 64 offices operated in the counties. These locations held a combined total of \$2.5 billion in deposits with FB having 8.16 percent market share. FB operated five branches in the AA.

Demographic Information for Full-Scope Area Cincinnati-Middletown, OH-KY-IN MSA 2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	0.00	30.77	34.61	30.77	3.85
Population by Geography	143,473	0.00	31.89	32.74	35.37	0.00
Owner-Occupied Housing by Geography	38,046	0.00	28.43	33.50	38.07	0.00
Businesses by Geography	9,904	0.00	39.66	32.77	27.15	0.42
Farms by Geography	413	0.00	34.39	40.19	25.42	0.00
Families by Income Level	37,417	18.13	16.69	22.18	43.00	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,029	0.00	51.55	31.37	17.08	0.00
Median Family Income 2015	\$72,400	Median Housing Value		\$164,750		
Households Below the Poverty Level	9.36%	Unemployment Rate		See above		

Source(s): 2010 U.S. Census and 2015 FFIEC estimated Median Family Income.

(\*) The NA category consists of geographies that have not been assigned an income classification. Only 25 of the 26 CTs are rated low, moderate, middle, or upper income. One CT was left unrated by the US Census Bureau. Consequently, data connected to this one unrated CT is reflected as being "N/A."

**AA4: Nonmetropolitan AA of South-Central Kentucky (McCreary, Pulaski, Knox, Whitley, Laurel, Green, Taylor, and Madison Counties)**

**2010 U.S. Census Data:** The AA consisted of 75 CTs. Four were low-income, 13 were moderate-income, 43 were middle-income, and 15 were upper-income tracts.

**Economic Data:** The December 2015 unemployment rates for the counties in the AA were: McCreary, 8.60 percent; Pulaski, 6.20 percent; Knox, 8.70 percent; Whitley 7.10 percent; Laurel, 6.50 percent; Green, 5.00 percent; Taylor, 5.50 percent; and Madison,



4.30 percent. All but Green, Taylor, and Madison counties exceeded the state unemployment rate of 5.70 percent. All counties equaled, or exceeded, the national unemployment rate.

Major employers for each county included the following:

- McCreary County: Outdoor Venture Corporation (230 employees).
- Pulaski County: Toyotetsu America, Inc. (778 employees); Blackboard Student Service (500 employees); and Armstrong Wood Products (402 employees).
- Knox County: CSC (370 employees); and Jackson WWS, Inc. (168 employees).
- Whitley County: Firestone Industrial Products (400 employees); and Williamsburg Plastics (275 employees).
- Laurel County: General Dynamics Information Technology (2,292 employees); SERCO (865 employees); Wal-Mart Distribution Center #6097 (851 employees); and Hearthside Food Solutions (734 employees).
- Green County: Topps Safety Apparel, Inc. (33 employees).
- Taylor County: Amazon.com (857 employees); Cox Interior, Inc. (447 employees); and Global Services (374 employees).
- Madison County: Hitachi Automotive Systems Americas, Inc. (1,272 employees); and NACCO Materials Handling Group (618 employees).

Competition from other financial institutions was strong. The Bank's competitors included several local community banks and branches of large regional banks. According to the FDIC's Summary of Deposits as of June 30, 2015, 32 banks with 141 offices operated in the counties. These locations held a combined total of \$4.3 billion in deposits with FB having 10.13 percent market share. FB operated 17 branches in the AA.

2015						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	75	5.33	17.33	57.34	20.00	0.00
Population by Geography	326,424	2.90	19.40	58.24	19.46	0.00
Owner-Occupied Housing by Geography	86,588	2.00	19.59	58.29	20.12	0.00
Businesses by Geography	18,655	1.33	12.44	66.09	20.14	0.00
Farms by Geography	1,156	0.43	7.09	74.75	17.73	0.00
Families by Income Level	85,461	24.38	16.77	18.61	40.24	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	35,173	3.74	27.37	57.31	11.58	0.00
Median Family Income for 2015	\$46,900	Median Housing Value		\$97,843		
Households Below the Poverty Level	23.38%	Unemployment Rate		See above		

Source(s): 2010 U.S. Census and 2015 FFIEC estimated Median Family Income.

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

## Conclusions with Respect to the Performance Tests

FB’s performance under the lending test was Satisfactory.

- FB’s average LTD ratio was reasonable given the Bank’s size and financial condition, and its AAs’ credit needs.
- A substantial majority of loan originations were to customers from within the AAs.
- FB’s borrower distribution reflected reasonable penetration among borrowers of different income levels and businesses of different sizes.
- The geographic distribution of FB’s residential and business loans reflected reasonable dispersion throughout the AAs, including low- and moderate-income CTs.

The lending test rating is a consolidation of conclusions reached for each AA. When consolidating the AA’s conclusions into the overall rating, more weight and consideration was given to the nonmetropolitan, south-central Kentucky AA. The majority of the Bank’s offices were located in this AA as were the majority of loan originations.

## LENDING TEST

## Loan-to-Deposit Ratio

FB's average LTD ratio was reasonable given the Bank's size, financial condition, and funding makeup and the credit needs of its AAs. The Bank's LTD ratio averaged 68.59 percent over the 12 quarters since the last CRA examination, with a quarterly high of 70.75 percent and quarterly low of 65.92 percent. FB ranked fifth among a total of eight similarly situated banks serving its AAs. The other seven banks had average LTD ratios of 73.44 percent, ranging from 61.59 percent to 90.19 percent over the same 12 quarters. Our conclusions considered the competitive environments of the AAs and FB's volume of secondary market activity. The Bank originated \$98.4 million in loans for sale on the secondary market during the evaluation period, which were not captured in the LTD ratio.

## Lending in the Assessment Areas

FB originated a substantial majority of loans within the AAs. FB originated 82.69 percent of residential loans, by number, in the AAs. One hundred percent of business loans, by number, were originated in the AAs. The following table details FB's lending within the AAs by number and dollar amount during the evaluation period.

Lending in All Assessment Areas Residential and Business Loan Originations January 1, 2013 – December 31, 2015										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reported	1,586	82.69	332	17.31	1,918	191,585	77.14	54,848	22.26	246,433
Business Purpose	20	100.00	0	0.00	20	1,306,898	100.00	0	0.00	1,306,898
Total	1,606	82.87	332	17.13	1,938	1,498,483	96.47	54,848	3.53	1,553,331

*Source(s): HMDA data for residential loans originated between January 1, 2013 and December 31, 2015. Random sample of business purpose loans, originated between January 1, 2013 and December 31, 2015, from the Bank's loan records.*

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

The distribution of loans reflected reasonable penetration among low- and moderate-income individuals and business entities with annual revenues of less than \$1 million.

### Lexington-Fayette, Kentucky MSA AA

FB had reasonable penetration among borrowers of different income levels in the AA. The Bank originated 8.70 percent of residential loans to low-income borrowers and 20 percent to moderate-income borrowers. Although lending to low-income borrowers was below the demographic comparator, FB's performance was reasonable. During the evaluation period, FB created a mortgage product specifically designed for low-to-moderate income borrowers in this AA. However, 16.17 percent of AA households were

identified as below the poverty level, and 20 percent were on fixed incomes. These demographics make it difficult for some individuals to afford or maintain a home. The AA had a moderate-to-high percentage of rental units available to meet the housing needs of low- and moderate-income borrowers. As these individuals turn to rental housing, opportunities for banks to originate home loans is reduced.

<b>Borrower Distribution of Residential Real Estate Loans Lexington-Fayette, KY MSA AA 2013-2015</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchases	22.57	9.86	15.16	22.54	18.94	23.94	43.33	43.66
Home Improvement	22.57	25.00	15.16	0.00	18.94	0.00	43.33	75.00
Home Refinance	22.57	5.00	15.16	17.50	18.94	15.00	43.33	62.50
Total	22.57	8.70	15.16	20.00	18.94	20.00	43.33	51.30

Source(s): HMDA data for residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

The distribution of business loans reflected reasonable penetration among small business with revenues of less than \$1 million. Of the loans sampled, 60 percent were to small businesses, which was less than the demographic comparator of 75.89 percent. Since 18.91 percent of businesses had no revenue data, less reliance was placed on the comparison of the sample to the demographics regarding gross annual revenues.

<b>Borrower Distribution of Loans to Businesses Lexington-Fayette, KY MSA AA 2013-2015</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75.89	5.20	18.91	100.00
% of Bank Loans in AA by #	60.00	40.00	0.00	100.00
% of Bank Loans in AA by \$	55.41	44.59	0.00	100.00

Source(s): 2010 U.S. Census data. Random sample of business loans originated between January 1, 2013 and December 31, 2015.

### **Louisville-Jefferson County, Kentucky-Indiana MSA AA**

FB had reasonable penetration among borrowers of different income levels in the AA in 2013. The Bank originated 7.69 percent of residential loans to low-income borrowers and 24.04 percent to moderate-income borrowers. Although lending to low-income borrowers was below the demographic comparator, FB's lending to low-income borrowers was reasonable. FB created a mortgage product specifically designed for low-to-moderate income borrowers in this AA. However, 14.75 percent of AA households were identified as below the poverty level, and 27.87 percent were on fixed incomes. These demographics make it difficult for some individuals to afford or maintain

a home. The AA had a moderate percentage of rental units available to meet the housing needs of low- and moderate-income borrowers. As these individuals turn to rental housing, opportunities for banks to originate home loans is reduced.

<b>Borrower Distribution of Residential Real Estate Loans Louisville-Jefferson County, KY-IN MSA AA 2013</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchases	22.97	7.14	17.26	26.19	19.78	30.95	39.99	35.71
Home Improvement	22.97	80.00	17.26	0.00	19.78	20.00	39.99	0.00
Home Refinance	22.97	1.75	17.26	24.56	19.78	29.82	39.99	43.86
Total	22.97	7.69	17.26	24.04	19.78	29.81	39.99	38.46

Source(s): HMDA data for residential loans originated between January 1, 2013 and December 31, 2013 and 2010 U.S. Census data.

FB had reasonable penetration among borrowers of different income levels in the AA in 2014 and 2015. The Bank originated 10.34 percent of residential loans to low-income borrowers and 22.99 percent to moderate-income borrowers. Although lending to low-income borrowers was below the percentage of low-income families in the AA, FB's lending to low-income borrowers was reasonable, as discussed above.

<b>Borrower Distribution of Residential Real Estate Loans Louisville-Jefferson County, KY-IN MSA AA 2014-2015</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchases	23.07	10.29	17.33	23.53	19.85	27.94	39.75	38.24
Home Improvement	23.07	10.00	17.33	20.00	19.85	40.00	39.75	30.00
Home Refinance	23.07	10.42	17.33	22.92	19.85	18.75	39.75	47.92
Total	23.07	10.34	17.33	22.99	19.85	23.56	39.75	43.10

Source(s): HMDA data for residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

The distribution of business loans reflected reasonable penetration among small business with revenues of less than \$1 million. Of the loans sampled, 80 percent were to small businesses, which was slightly less than the demographic comparator of 75.79 percent. Since 18.45 percent of businesses had no revenue data, less reliance was placed on the comparison of the sample to the demographics regarding gross annual revenues.

<b>Borrower Distribution of Loans to Businesses Louisville-Jefferson County, KY-IN MSA AA 2013-2015</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75.79	5.75	18.45	100.00
% of Bank Loans in AA by #	80.00	20.00	0.00	100.00
% of Bank Loans in AA by \$	59.21	40.79	0.00	100.00

Source(s): 2010 U.S. Census data. Random sample of business loans originated between January 1, 2013 and December 31, 2015.

### **Cincinnati-Middletown, Ohio-Kentucky-Indiana MSA AA**

FB had reasonable penetration among borrowers of different income levels in the AA. The Bank originated 17.28 percent of residential loans to low-income borrowers and 18.11 percent to moderate-income borrowers. This penetration level was comparable to the number of low- to moderate-income families in the AA.

<b>Borrower Distribution of Residential Real Estate Loans Cincinnati-Middletown, OH-KY-IN MSA AA 2013-2015</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchases	18.13	17.28	16.69	14.81	22.18	32.10	43.00	35.80
Home Improvement	18.13	14.29	16.69	21.43	22.18	21.43	43.00	42.86
Home Refinance	18.13	17.57	16.69	19.59	22.18	20.27	43.00	42.57
Total	18.13	17.28	16.69	18.11	22.18	24.28	43.00	40.33

Source(s): HMDA data for residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

The distribution of business loans reflected reasonable penetration among small business with revenues of less than \$1 million. Of the loans sampled, 85 percent were to small businesses, which was higher than the demographic comparator of 75.79 percent. Since 19.37 percent of businesses had no revenue data, less reliance was placed on the comparison of the sample to the demographics regarding gross annual revenues.

<b>Borrower Distribution of Loans to Businesses Cincinnati-Middletown, OH-KY-IN MSA AA 2013-2015</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75.79	4.85	19.37	100.00
% of Bank Loans in AA by #	85.00	15.00	0.00	100.00
% of Bank Loans in AA by \$	60.37	39.63	0.00	100.00

Source(s): 2010 U.S. Census data. Random sample of business loans originated between January 1, 2013 and December 31, 2015.

### Non-MSA South-Central Kentucky AA

FB had reasonable penetration among borrowers of different income levels in the AA. The Bank originated 7.50 percent of residential loans to low-income borrowers and 16.79 percent to moderate-income borrowers. Although lending to low-income borrowers was below the percentage of low-income families in the AA, FB's lending to low-income borrowers was reasonable. Over twenty-three percent of AA households were identified as below the poverty level, and 35.51 percent were on fixed incomes. These demographics make it difficult for some individuals to afford or maintain a home. The AA had a moderate percentage of rental units available to meet the housing needs of low- and moderate-income borrowers. As these individuals turn to rental housing, opportunities for banks to originate home loans is reduced.

<b>Borrower Distribution of Residential Real Estate Loans Non-MSA South-Central Kentucky AA 2013-2015</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchases	24.38	5.61	16.77	18.11	18.61	28.06	40.23	48.21
Home Improvement	24.38	19.64	16.77	16.07	18.61	25.00	40.23	39.29
Home Refinance	24.38	7.65	16.77	15.56	18.61	24.49	40.23	52.30
Total	24.38	7.50	16.77	16.79	18.61	26.19	40.23	49.52

Source(s): HMDA data for residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

The distribution of business loans reflected excellent penetration among small business with revenues of less than \$1 million. Of the loans sampled, 95 percent were to small businesses, which was higher than the demographic comparator of 78.13 percent. Since 17.81 percent of businesses had no revenue data, less reliance was placed on the comparison of the sample to the demographics regarding gross annual revenues.

<b>Borrower Distribution of Loans to Businesses Non-MSA South-Central Kentucky AA 2013-2015</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78.13	4.05	17.81	100.00
% of Bank Loans in AA by #	95.00	5.00	0.00	100.00
% of Bank Loans in AA by \$	92.28	7.72	0.00	100.00

Source(s): 2010 U.S. Census data. Random sample of business loans originated between January 1, 2013 and December 31, 2015.

### Geographic Distribution of Loans

The overall geographic distribution of loans reflected reasonable dispersion into the low- and moderate-income CTs.

### Lexington-Fayette, Kentucky MSA AA

The geographic distribution of loans reflected reasonable dispersion into the LMI CTs. Of the 82 CTs in the AA, 12 were low-income and 18 were moderate-income.

FB's distribution of loans to low-income CTs represented 5.43 percent of total residential real estate loan originations, which was comparable to the demographic comparator of 6.55 percent. Likewise, distribution of 13.18 percent of originations to moderate-income CTs was comparable to the demographic comparator of 17.86 percent.

<b>Geographic Distribution of Residential Real Estate Loans Lexington-Fayette, KY MSA AA 2013-2015</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchases	6.55	5.48	17.86	17.81	33.59	35.62	42.00	41.10
Home Improvement	6.55	0.00	17.86	25.00	33.59	50.00	42.00	25.00
Home Refinance	6.55	5.77	17.86	5.77	33.59	26.92	42.00	61.54
Total	6.55	5.43	17.86	13.18	33.59	32.56	42.00	48.84

Source(s): HMDA data for Residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

FB's distribution of business loans in the AA reflected reasonable dispersion into the LMI CTs. The Bank originated 5 percent of their business loans to entities located in low-income CTs and 30 percent to those located in moderate-income CTs. The AA's



low-income CTs are more residential in nature than commercial. Additionally, these CTs are readily serviced by larger banks in closer proximity.

Geographic Distribution of Loans to Businesses Lexington-Fayette, KY MSA AA 2013-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans
Total	10.24	5.00	21.54	30.00	32.47	25.00	35.76	40.00

Source(s) % of AA Businesses derived from 2010 Census information. Bank generated reports containing Business Loans originated between January 1, 2013 and December 31, 2015.

### Louisville-Jefferson County, Kentucky-Indiana MSA AA

#### Prior to January 1, 2014

Lending to geographies of different income levels in the AA reflected reasonable dispersion in 2013. Of the 191 CTs in the AA, 33 were low-income and 36 were moderate-income. Less than 7 percent of owner-occupied housing within the AA was in a low-income tract. The low-income tracts were clustered on the northern border of the AA and were surrounded by the majority of moderate-income CTs. FB’s offices were situated in the southern and southeastern areas of the AA, one of which was in a moderate-income tract. Many other banks were in closer proximity to LMI CTs, several of which were larger and had greater market presence.

FB’s distribution of loans to low-income CTs represented less than 1 percent of total residential loan originations, which was below the demographic comparator of 6.98 percent. Distribution of 10.19 percent of originations to moderate-income CTs was comparable to the demographic comparator of 13.59 percent.

Geographic Distribution of Residential Real Estate Loans Louisville-Jefferson County, KY-IN MSA AA 2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchases	6.98	2.33	13.59	16.28	42.47	62.79	36.97	18.60
Home Improvement	6.98	0.00	13.59	0.00	42.47	100.00	36.97	0.00
Home Refinance	6.98	0.00	13.59	6.67	42.47	68.33	36.97	25.00
Total	6.98	0.93	13.59	10.19	42.47	67.59	36.97	21.30

Source(s): HMDA data for Residential loans originated between January 1, 2013 and December 31, 2013 and 2010 U.S. Census data.

FB's distribution of business loans originated in the AA in 2013 reflected reasonable dispersion into the LMI CTs. Ten percent of loans within the sample were to businesses located in a low-income CT, below the demographic comparator of 14.16 percent. Ten percent of loans within the sample were to businesses located in a moderate-income CT, below the demographic comparator of 13.35 percent.

Geographic Distribution of Loans to Businesses Louisville-Jefferson County, KY-IN MSA AA 2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans
Total	14.16	10.00	13.35	10.00	30.71	65.00	41.38	15.00

Source(s): % of AA Businesses derived from 2010 Census information. Bank generated reports containing Business loans originated between January 1, 2013 and December 31, 2015.

### After January 1, 2014

Lending to geographies of different income levels in the AA reflected reasonable dispersion in 2014 and 2015. Of the 191 CTs in the AA, 34 were low-income and 35 were moderate-income. Slightly more than 7 percent of owner-occupied housing within the AA was in a low-income tract. As discussed above, many other banks were in closer proximity to these LMI CTs, several of which were larger and had greater market presence.

FB's distribution of loans to low-income CTs represented 1.49 percent of total residential real estate loan originations, below the demographic comparator of 7.29 percent. Distribution of 15.84 percent of originations to moderate-income CTs exceeded the demographic comparator of 13.28 percent.

Geographic Distribution of Residential Real Estate Loans Louisville-Jefferson County, KY-IN MSA AA 2014-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchases	7.29	2.67	13.28	14.67	42.47	60.00	36.97	22.67
Home Improvement	7.29	0.00	13.28	10.00	42.47	70.00	36.97	20.00
Home Refinance	7.29	0.85	13.28	17.09	42.47	66.67	36.97	15.38
Total	7.29	1.49	13.28	15.84	42.47	64.36	36.97	18.32

Source(s): HMDA data for Residential loans originated between January 1, 2014 and December 31, 2015 and 2010 U.S. Census data.

FB’s distribution of business loans in the AA in 2014 and 2015 reflected reasonable dispersion into the low- and moderate-income CTs. Five percent of loans within the sample were to businesses located in a low-income CT, below the demographic comparator of 15.09 percent. Ten percent of loans within the sample were to businesses located in a moderate-income CT, below the demographic comparator of 12.99 percent.

Geographic Distribution of Loans to Businesses Louisville-Jefferson County, KY-IN MSA AA 2014-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans
Total	15.09	5.00	12.99	10.00	30.40	65.00	41.13	20.00

Source(s): % of AA Businesses derived from 2010 Census information. Bank generated reports containing Business loans originated between January 1, 2013 and December 31, 2015.

### Cincinnati-Middletown, Ohio-Kentucky-Indiana MSA AA

Lending to geographies of different income levels in the AA reflected excellent dispersion. Of the 26 CTs within the AA, none were low-income, and eight were moderate-income. FB’s residential real estate loan originations of 76.95 percent significantly exceeded the demographic comparator of 28.43 percent.

Geographic Distribution of Residential Real Estate Loans Cincinnati-Middletown, OH-KY-IN MSA AA 2013-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchases	0.00	0.00	28.43	65.26	33.50	23.16	38.07	11.58
Home Improvement	0.00	0.00	28.43	85.71	33.50	14.29	38.07	0.00
Home Refinance	0.00	0.00	28.43	83.13	33.50	9.38	38.07	7.50
Total	0.00	0.00	28.43	76.95	33.50	14.50	38.07	8.55

Source(s): HMDA data for Residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

FB’s distribution of business loans in the AA reflected excellent dispersion into the moderate-income CTs. Eighty percent of business loans were to those located in

moderate-income CTs, significantly higher than the demographic comparator of 39.65 percent.

Geographic Distribution of Loans to Businesses Cincinnati-Middletown, OH-KY-IN MSA AA 2013-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans
Total	0.00	0.00	39.65	80.00	32.77	10.00	27.15	10.00

Source(s): % of AA Businesses derived from 2010 Census information. Bank generated reports containing Business loans originated between January 1, 2013 and December 31, 2015.

### Non-MSA South-Central Kentucky AA

The geographic distribution of loans reflected reasonable dispersion into the LMI CTs. Of the 75 CTs in the AA, four were low-income, and 13 were moderate-income.

FB's distribution of loans to low-income CTs represented less than 1 percent of total residential loan originations, which was less than the demographic comparator of 2 percent. The distribution of 19.36 percent of originations to moderate-income CTs was equal to the demographic comparator.

Geographic Distribution of Residential Real Estate Loans Non-MSA South-Central Kentucky AA 2013-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchases	2.00	0.25	19.59	17.73	58.29	67.73	20.12	14.29
Home Improvement	2.00	0.00	19.59	21.67	58.29	66.67	20.12	11.67
Home Refinance	2.00	0.49	19.59	20.63	58.29	62.38	20.12	16.50
Total	2.00	0.34	19.59	19.36	58.29	65.15	20.12	15.15

Source(s): HMDA data for Residential loans originated between January 1, 2013 and December 31, 2015 and 2010 U.S. Census data.

FB's distribution of business loans in the AA reflected reasonable dispersion into the moderate-income CTs. No business loans were originated in the four low-income tracts. Five percent of business loans were originated in moderate-income tracts, less than the demographic comparator of 12.44 percent.

Geographic Distribution of Loans to Businesses Non-MSA South-Central Kentucky AA 2013-2015								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans	% of AA Business Entities	% of # of Loans
Total	1.33	0.00	12.44	5.00	66.08	75.00	20.14	20.00

Source(s): % of AA Businesses derived from 2010 Census information. Bank generated reports containing Business loans originated between January 1, 2013 and December 31, 2015

### Responses to Complaints

FB did not receive any written complaints regarding its CRA performance during the evaluation period.

### COMMUNITY DEVELOPMENT TEST

FB's performance under the community development test was Satisfactory.

During the evaluation period, FB's CD activities, as a whole, demonstrated adequate responsiveness to the needs and opportunities in the AAs.

### Number and Amount of Community Development Loans

FB's CD lending reflected adequate responsiveness to CD needs within its AAs. FB originated 28 CD loans, totaling \$9.6 million, during the evaluation period. These loans were distributed among various projects including affordable housing, community services, and revitalization and stabilization efforts towards LMI communities.

Community Development Lending									
AA	Responsiveness	Total		Affordable Housing		Community Development Services		Revitalization or Stabilization	
		#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)
1	Poor	0	0	0	0	0	0	0	0
2	Adequate	6	1,675	3	612	3	1,063	0	0
3	Adequate	5	1,756	1	86	3	1,060	1	610
4	Adequate	17	6,168	4	406	8	2,915	5	2,847
Total		28	\$ 9,599	8	\$ 1,104	14	\$ 5,038	6	\$ 3,457

Source: Bank records from August 12, 2012 through May 16, 2016

### Number and Amount of Qualified Investments

FB’s amount of qualified CD investments demonstrated adequate responsiveness to the CD needs of the AAs.

During the evaluation period, FB purchased the following qualified investments:

Community Development Investments										
AA	Responsive-ness	Total		KY School District Bonds		FNMA Mortgage Pool		KY State Housing Corp		Housing Equity Fund of KY
		#	\$ (000)	#	\$ (000)	#	\$ (000)	#	\$ (000)	\$ (000)
1	Adequate	6	1,796	2	1,250	4	546	0	0	0
2	Adequate	8	2,650	3	1,925	5	725	0	0	0
3	Poor	1	330	1	330	0	0	0	0	0
4	Adequate	10	5,380	10	5,380	0	0	0	0	0
KY		88	57,325	85	51,045	0	0	3	3,280	3,000
Total		113	67,481	101	\$59,930	9	\$1,271	3	\$3,280	\$3,000

Source: Bank records from August 12, 2012 through May 16, 2016

- 101 Kentucky school revenue bonds totaling \$59.9 million. Of these,
  - 16 bonds (\$8.9 million) were located within the AAs. Eight of these bonds (\$4.6 million) were in AA counties designated as distressed.
  - 85 bonds (\$51 million) were located within the broader statewide area. Thirty of these (\$20.4 million) were within distressed areas. Twenty-four bonds (\$13.6 million) were located in both distressed and underserved areas.
  - 13 bonds (\$7.8 million) were to Kentucky counties where the majority of students qualify for free or reduced-price meals under the United States Department of Agriculture’s School Lunch Program.
- Federal National Mortgage Association (FNMA) mortgage pool (\$1.2 million). The nine loans in the pool were to low- and moderate-income borrowers within two AA counties. One loan (\$150,000) was within a low- to moderate-income geography.
- Three Kentucky State Housing Corporation (KSH) revenue bonds (\$3.3 million). KSH is a state agency created to provide affordable housing opportunities.
- Three million dollar equity investment in the Housing Equity Fund of Kentucky III, LLC. The Fund invests in real estate developments in the state that will be available for rent by households earning 60 percent or less of area median income. The Fund invested in three projects during the evaluation period, one of which was East Corbin School Apartments, located in the non-MSA south-central Kentucky AA.

FB made \$37,500 in donations to qualified community organizations. FB donated an additional \$12,365 to various schools and charities in the AAs.

**Extent to Which the Bank Provides Community Development Services**

FB showed Satisfactory responsiveness to meeting community needs through qualified community services.

FB participated in the following programs designed to meet the needs of low- to moderate-income individuals within the AAs.

- New Start Credit – FB started this program in 2013 to help individuals establish, or re-build, their credit. Under the program, customers are able to borrow from \$1,000 to \$2,500 for terms of 12, 18, or 24 months. The loan proceeds are invested in a FB certificate of deposit with matching terms. The customer makes monthly principal and interest payments to repay the note. When the loan is paid in full, the customer receives the proceeds from the certificate of deposit along with interest earned. FB originated 195 New Start Credit loans for a total of \$305,369.
- Residential mortgage product designed in 2014 to assist low- to moderate-income borrowers in the Lexington-Fayette, Kentucky and Louisville-Jefferson County, Kentucky-Indiana MSAs. FB partnered with Resources Education Assistance for Community Housing (REACH) to promote the product. REACH is a private, non-profit organization committed to assisting low- to moderate-income persons in purchasing a home. The program was also presented to community groups in the two AAs.
- The Federal Housing Administration, Kentucky Housing Corporation, Veterans Administration, USDA Rural Housing, and the Federal Home Loan Bank's "Welcome Home Program."
- United Way – Bank on Bluegrass. FB participated in this program to assist consumers previously unbanked or experiencing financial struggles. Certificates earned from completing financial literacy programs are used to open a checking account at a participating bank. Five accounts were opened through this program. Additionally, FB offered a \$25 gift card for those completing a financial literacy course via the FDIC Money Smart Program.
- Junior Achievement – BizTown. BizTown, located in Lexington, Kentucky, is a fully interactive simulated free market lab where students learn how to run a business, manage a checking account, and various hands-on activities in a simulated community. BizTown will be used by schools from 18 surrounding counties. Of these 18 counties, 14 of the districts have 51 percent or greater of their students on free or reduced lunch programs.

FB officers and employees were involved in a variety of CD services during the evaluation period. Those specific to each area included:

#### AA1

- FB's CEO served on the boards of REACH and the Kentucky Economic Development Finance Authority.
- FB's CFO served on the board for Junior Achievement of the Bluegrass.

- An officer served on the board of Community Action Council, a non-profit organization that provides social services to low- and moderate-income persons.
- An officer served as an advisory member of United Way – Bank on Bluegrass.

#### AA3

- A market president and officer served as advisory members of the Grant County Chamber of Commerce and Economic Development.
- An officer served on the Finance Committee of Transitions, Inc., a substance abuse treatment facility.
- An officer served on the board of Ohio Valley Goodwill.

#### AA4

- An officer served as treasurer for Green River Ministries, a non-profit organization which provides support to the homeless in Taylor County, a distressed geography.
- A market president served as a board member of Greensburg Industrial Foundation.
- Two officers served on the board of Knox County Chamber of Commerce.
- An officer served on the board of Lake Cumberland Area Development District.
- Two loan officers served on the McCreary County Economic Development Board.
- An officer served on the board of Somerset Pulaski County Development Foundation.
- Two loan officers served on the board of Bell-Whitley Community Action Agency, Inc.
- A market president served on the board of Downtown Somerset Development Corporation.

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

Pursuant to 12 CFR 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance.

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