



PUBLIC DISCLOSURE

March 30, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Home Savings Bank, FSB
Charter Number: 707384

202 Elm Street
Ludlow, KY 41016-1522

Office of the Comptroller of the Currency

Central Ohio Field Office
Westlake Center
4555 Lake Forest Drive, Suite 520
Cincinnati, OH 45242-3760

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, and should not 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.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable distribution of home loans to individuals of different income levels. The bank’s geographic distribution of loans is reasonable.
- Additionally, the bank’s performance relative to the activities considered at the bank-wide level is reasonable. These include:
 - The bank’s loan-to-deposit ratio (LTD) is reasonable.
 - A majority of the bank’s loans are inside its assessment area (AA).

Loan-to-Deposit Ratio

Considering the bank’s size, financial condition, and credit needs of the AA, the bank’s loan-to-deposit ratio is reasonable.

The bank’s quarterly average LTD ratio over the 16 quarters since the previous CRA evaluation (March 31, 2016 to December 31, 2019) is 65.1 percent. The ratio ranged from a low of 62.8 percent at June 30, 2016 to a high of 68.7 percent at December 31, 2019.

The bank’s average LTD ratio is reasonable when compared to similarly situated financial institutions in Kenton County, Kentucky, with total assets less than \$1 billion. The Office of the Comptroller of the Currency (OCC) compared the bank’s LTD ratio to the three other deposit-taking financial institutions headquartered in the AA. The other three financial institutions had an average LTD ratio of 96.3 percent, ranging from 81.6 percent to 112.4 percent. The bank has just one office in Ludlow, Kentucky. The bank’s lending strategy is conservative and not aggressive in bringing in new loans. The AA includes strong competition from other financial institutions including a number of national and regional banks.

Lending in Assessment Area

A majority of the bank’s loans are inside its AA.

The bank originated or purchased 61.7 percent of its total loans inside the bank’s AA during the evaluation period. All 23 loans originated outside the AA were made in the Cincinnati, OH-KY-IN Multistate Metropolitan Statistical Area (MMSA), with 22 of them in neighboring Campbell, Boone, and Grant counties in northern Kentucky, and one loan in Hamilton County, Ohio.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	28	62.2	17	37.8	45	3,174	51.6	2,972	48.4	6,146

Small Business	9	60.0	6	40.0	15	746	49.8	753	50.2	1,499
Total	37	61.7	23	38.3	60	3,920	51.3	3,725	48.7	7,645

Source: 1/1/2017 – 12/31/2019 Bank Data; Loan Sample.
Due to rounding, totals may not equal 100.0 percent.

Description of Institution

Home Savings Bank, FSB, (HSB or bank) is a federally chartered mutual savings association headquartered in Ludlow, Kentucky. As of December 31, 2019, HSB reported total assets of \$25.9 million and tier 1 capital of \$3.6 million, representing 13.9 percent of total assets. HSB's only office and automated teller machine (ATM) are located at 202 Elm Street in Ludlow, Kentucky, in a moderate-income census tract (CT). The bank has a drive-thru facility at this location. The bank has not opened or closed any offices since the previous CRA evaluation in February 2016. HSB does not have a holding company or any affiliates. There is no merger or acquisition activity that affected the scope of the bank's operations during the evaluation period.

HSB is a single-state financial institution with one rating area (State of Kentucky) and one AA (Kenton County AA). The Kenton County AA includes Kenton County, Kentucky, in its entirety.

HSB offers a variety of traditional banking products and services, including residential real estate (home mortgage) and commercial real estate (small business) loans. As of December 31, 2019, the bank's net loans and leases totaled \$13.3 million, or 51.4 percent of total assets. The bank's loan portfolio, as of the December 31, 2019 Consolidated Report of Condition and Income (Call Report), is comprised of 81.8 percent home mortgage loans (including Home Equity Lines of Credit) and 18.2 percent small business loans.

There are no financial, legal, or other factors that impede HSB's ability to help meet the credit needs of its AA. The bank's previous CRA evaluation was conducted on February 16, 2016 and resulted in a Satisfactory rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The OCC conducted a full-scope Community Reinvestment Act (CRA) evaluation to assess the bank's record of meeting the credit needs of its entire community, including low-and moderate-income (LMI) areas. The OCC completed this CRA evaluation using small bank procedures. Home mortgage loans and small loans to businesses are the bank's primary lending products. The OCC analyzed lending activity in full-year increments during the evaluation period, January 1, 2017 to December 31, 2019. The evaluation included a review of all originated and purchased home mortgage and small business loans for 2017, 2018, and 2019. The OCC only used the loans originated and purchased inside the AA to evaluate HSB's performance relative to the geographic-and borrower-income distributions.

For analysis purposes, the OCC compared the bank's lending performance with demographic data from the 2015 American Community Survey (ACS) U.S. Census and 2018 and 2019 Dun and Bradstreet (D&B) data. The income designation of one CT in the AA changed in 2019, due to the addition of a new county to the Cincinnati MMSA. Therefore, the OCC analyzed the 2017 and 2018 loan data separately from the 2019 loan data. Twenty loans were necessary for meaningful analysis. No affiliate

activity was included in this analysis. Please refer to the table in appendix A for more information on the scope of the review.

Selection of Areas for Full-Scope Review

For purposes of this evaluation, HSB has one AA (Kenton County) in the State of Kentucky, which was the focus of the full-scope review. A community profile for the AA is provided in the “Description of Institution’s Operations in Kentucky” section of this evaluation.

Ratings

The rating is based on activity in the Kenton County AA.

The OCC placed more weight on the bank’s home mortgage lending performance, as home mortgage loans represent the bank’s primary lending product with 75 percent of loan originations during the evaluation period. The OCC completed a full-scope review. Refer to the Scope under the State Rating section for more details.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) 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. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Kentucky

CRA rating for the State of Kentucky¹: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- HSB exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- The bank's geographic distribution of loans is reasonable.

Description of Institution's Operations in Kentucky

Kenton County is in the Cincinnati, OH-KY-IN MMSA. The AA is contiguous, meets the requirements of the regulation, and does not arbitrarily exclude any LMI areas. Bank management selected the AA based on their targeted lending area, the area with the most deposit activity, and office location. The bank has one office and one ATM in the AA.

Based on the 2015 ACS U.S. Census data, Kenton County consisted of seven low-income, ten moderate-income, eighteen middle-income, and six upper-income CTs in 2017 and 2018. Due to the addition of Franklin County, Indiana to the Cincinnati, OH-KY-IN MMSA on January 1, 2019, the demographic numbers inside the entire MMSA changed. For 2019 the bank's AA consisted of seven low-income, nine moderate-income, nineteen middle-income, and six upper-income CTs. CT #670.0 changed from moderate-income to middle-income. This was the only CT re-classification during the evaluation period.

According to the 2015 ACS U.S. Census data, the median housing value in Kenton County was \$145,936. Based on the 2017 median family income of \$70,589, low-income families earn less than \$35,294. Therefore, median housing values are at least 4.1 times the annual income of low-income families in the AA. The high housing costs relative to income is a substantial obstacle to homeownership among low-income families. There are 69,369 total housing units in the AA, of which 59.0 percent are owner-occupied and 30.7 percent are rental occupied units. The poverty rate is substantial, as approximately 11.8 percent of families and 13.7 percent of households live below the poverty level.

During the evaluation period, the local economy was stable with lower unemployment rates than the state and national levels. Based on U.S. Bureau of Labor Statistics Data, the unemployment rate (not seasonally adjusted) in Kenton County was 3.2 percent as of December 2019; the Kentucky statewide unemployment rate was 3.9 percent and the national unemployment rate was 3.4 percent. Northern

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

Kentucky has a diverse mix of companies across many industries. Major employers in the AA include the Kenton County Schools, St. Elizabeth Healthcare, and Fidelity Investments.

The bank's primary lending focus is home mortgage and small business lending. Based on the number of loans originated or purchased during the evaluation period, home mortgages account for 75.0 percent of the loan originations and purchases, with small business loans accounting for 25.0 percent.

HSB operates in a very competitive financial services market, with national and regional banks, savings associations, and community banks present. According to the Federal Deposit Insurance Corporation's (FDIC's) Deposit Market Share Report as of June 30, 2019, there are 18 deposit-taking financial institutions in Kenton County, with 54 total banking offices. HSB held approximately \$19.6 million in total deposits, which represents a 0.7 percent deposit market share. HSB ranked sixteenth in deposit market share. Financial institutions with significant deposit market share in the AA include Branch Banking and Trust Company, Fifth Third Bank, Huntington National Bank, and U.S. Bank National Association.

Per 2018 HMDA Data, top mortgage lenders in the AA include large banks such as Huntington National Bank, U.S. Bank National Association, Wells Fargo, and Fifth Third Bank, as well as mortgage bankers Guardian Savings Bank, American Mortgage Service Company, and Quicken Loans. Per 2018 CRA small business/small farm data, top small business lenders in the AA include American Express National Bank, U.S. Bank National Association, and Branch Banking and Trust Company.

As part of this CRA evaluation, the OCC reviewed information provided from an interview with a representative of an affordable housing/community development organization. The contact identified affordable housing as a primary need in the community. In the contact's opinion, local financial institutions are adequately meeting the credit and community development needs of the community.

Kenton County AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Kenton County AA – 2017-18						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	17.1	24.4	43.9	14.6	0.0
Population by Geography	163,007	11.5	19.4	53.4	15.8	0.0
Housing Units by Geography	69,369	13.0	22.0	50.8	14.3	0.0
Owner-Occupied Units by Geography	40,956	6.7	17.2	57.9	18.3	0.0
Occupied Rental Units by Geography	21,269	21.7	27.5	41.8	9.0	0.0
Vacant Units by Geography	7,144	23.4	33.0	37.1	6.5	0.0
Businesses by Geography	8,971	7.1	24.4	45.9	22.6	0.0
Farms by Geography	255	4.3	14.1	63.1	18.4	0.0
Family Distribution by Income Level	40,301	23.9	17.6	21.2	37.4	0.0
Household Distribution by Income Level	62,225	24.8	16.3	18.3	40.6	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$70,589	Median Housing Value			\$145,936
			Median Gross Rent			\$749

	Families Below Poverty Level	11.8%
<i>Source: 2015 ACS Census and 2018 D&B Data. Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>		

Table A – Demographic Information of the Assessment Area						
Assessment Area: Kenton County AA – 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	17.1	22.0	46.3	14.6	0.0
Population by Geography	163,007	11.5	17.8	54.9	15.8	0.0
Housing Units by Geography	69,369	13.0	18.9	53.9	14.3	0.0
Owner-Occupied Units by Geography	40,956	6.7	16.3	58.7	18.3	0.0
Occupied Rental Units by Geography	21,269	21.7	21.2	48.1	9.0	0.0
Vacant Units by Geography	7,144	23.4	26.8	43.4	6.5	0.0
Businesses by Geography	10,150	7.1	15.2	55.6	22.1	0.0
Farms by Geography	299	6.0	13.0	64.9	16.1	0.0
Family Distribution by Income Level	40,301	23.9	17.6	21.2	37.4	0.0
Household Distribution by Income Level	62,225	24.8	16.3	18.3	40.6	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$69,949	Median Housing Value			\$145,936
			Median Gross Rent			\$749
			Families Below Poverty Level			11.8%
<i>Source: 2015 ACS Census and 2019 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

LENDING TEST

The bank’s performance under the Lending Test in Kentucky is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank’s performance in the Kenton County AA is good.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State.

Home Mortgage Loans

Refer to Table O in the state of Kentucky section of appendix D for the facts and data used to evaluate the geographic distribution of the bank’s home mortgage loan originations and purchases.

The OCC compared the percentage of home mortgage loans originated and purchased by the bank to the percentage of owner-occupied housing units (demographic data) in the four geographic income categories, placing emphasis on LMI geographies. The OCC also compared the bank's performance against the percentage of home mortgage loans of other mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank exhibits reasonable geographic distribution of home mortgage loans in the AA.

In 2017-2018, the bank originated 20 home mortgage loans inside the Kenton County AA. The bank did not originate or purchase any loans in low-income CTs, which is below the aggregate percentage (6.2 percent) of mortgage loans in low-income CTs and below the demographic data (6.7 percent). However, the bank originated 40 percent of its mortgage loans in moderate-income CTs, which exceeded the aggregate (17.7 percent) and demographic (17.2 percent) data.

In 2019, the bank only originated eight mortgage loans in the AA. No mortgage loans were in low-income CTs, while five mortgage loans were in moderate-income CTs. The low volume did not allow for a meaningful comparative analysis; however, the five loans in moderate-income CTs are supportive of the reasonable loan distribution noted in the 2017-2018 review period.

The OCC considered several contextual matters in its analysis. HSB's only office is in a moderate-income CT and is not in the immediate vicinity of the low-income CTs, which are mostly in the City of Covington. The OCC noted a significant amount of competition from other financial institutions, including large banks. Additionally, the bank has a conservative lending strategy and limited resources. Finally, the OCC noted the supply of owner-occupied housing units in the nearest low-income CT to the bank was low, representing limited home lending opportunities.

Small Loans to Businesses

Refer to Table Q in the state of Kentucky section of appendix D for the facts and data regarding the geographic distribution of the bank's originations and purchases of small loans to businesses.

Because the bank has limited resources in comparison to its competition, the OCC considered small loans to businesses despite the small number originated; however, the OCC did not conduct the usual comparative analysis to either the aggregate or demographic data.

In 2017-2018, out of eight total small loans to businesses originated, one loan was to a business in a low-income CT, and four loans were to businesses in moderate-income CTs. In 2019, the bank only originated one loan to a business inside the AA, which was in a low-income CT. The 2019 loan further supports the bank's lending performance in the 2017-2018 period.

Lending Gap Analysis

The OCC reviewed summary reports and analyzed the bank's home mortgage and small business lending over the evaluation period to identify any significant gaps in the geographic distribution of loans. The OCC did not identify any unexplained conspicuous gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Kentucky section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The OCC compared the percentage of home mortgage loans originated and purchased by the bank to low, moderate, middle, and upper-income borrowers to the percentage distribution of families by income level (demographic data) in the AA, placing emphasis on lending to LMI families. The OCC also compared the bank's performance against home mortgage loans of other home mortgage lenders (aggregate data) in the AA, as demonstrated by HMDA aggregate data.

The bank exhibits a reasonable distribution of home mortgage loans to individuals of different income levels in the AA.

In 2017-2018, the bank did not have any loans to low-income borrowers in the AA, which is below the aggregate data of 12.1 percent. Although the originations to low-income families is also well below the aggregate data of 23.9 percent, the OCC noted the poverty rate for families is substantial at 11.8 percent. The OCC also recognized the median price of housing in Kenton County relative to the maximum income of low-income borrowers represents another barrier to homeownership, and thus constricts mortgage loan demand. Refer to the "Description of Institution's Operations in Kentucky" section for more details on the median price of housing in the AA. The bank also faces strong competition from larger banks with superior lending resources. The bank's lending to moderate-income borrowers in 2017-2018 is excellent at 40 percent which easily exceeds the aggregate data of 23.5 percent and demographic data of 17.6 percent.

In 2019, the bank only originated eight mortgage loans. One mortgage loan was to a low-income borrower, while one other was to a moderate-income borrower. The low volume did not allow for a meaningful comparative analysis, but the two loans in either a low-or moderate-income CT are supportive of a reasonable loan distribution.

Small Loans to Businesses

Refer to Table R in the state of Kentucky section of appendix D for the facts and data regarding the borrower distribution of the bank's originations and purchases of small loans to businesses.

Because the bank has limited resources in comparison to its competition, the OCC considered small loans to businesses despite the small number originated; however, the OCC did not conduct the usual comparative analysis to either the aggregate or demographic data.

In 2017-2018, the bank originated eight small loans to businesses inside the AA, with all eight to businesses with annual gross revenues under \$1.0 million. In 2019, the bank originated one small business loan inside the Kenton County AA. That loan was to a borrower with annual gross revenues under \$1 million. The loan further supports the bank's lending performance in the 2017-2018 period.

Responses to Complaints

HSB has not received any complaints about its CRA performance in helping to meet the AA's credit needs during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2017 – 12/31/2019	
Bank Products Reviewed:	Home mortgage and small business loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State – Kentucky		
Kenton County AA	Full-Scope	<i>The Kenton County AA includes Kenton County, KY in its entirety.</i>

Appendix B: Summary of State Ratings

RATINGS: HOME SAVINGS BANK, FSB	
Overall Bank:	Lending Test Rating
Home Savings Bank, FSB	Satisfactory
State:	
Kentucky	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

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

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017-18	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Kenton County AA	20	1,866	100.0	6,362	6.7	0.0	6.2	17.2	40.0	17.7	57.9	60.0	59.7	18.3	0.0	16.4	0.0	0.0	0.0		
Total	20	1,866	100.0	6,362	6.7	0.0	6.2	17.2	40.0	17.7	57.9	60.0	59.7	18.3	0.0	16.4	0.0	0.0	0.0		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data; 2018 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2019	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$ (000s)	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Kenton County AA	8	1,308	100.0	6,362	6.7	0.0	6.2	16.3	62.5	17.7	58.7	25.0	59.7	18.3	12.5	16.4	0.0	0.0	0.0		
Total	8	1,308	100.0	6,362	6.7	0.0	6.2	16.3	62.5	17.7	58.7	25.0	59.7	18.3	12.5	16.4	0.0	0.0	0.0		

*Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data; 2018 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-18	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$ (000s)	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Kenton County AA	20	1,866	100.0	6,362	23.9	0.0	12.1	17.6	40.0	23.5	21.2	20.0	21.2	37.4	35.0	29.4	0.0	5.0	13.7	
Total	20	1,866	100.0	6,362	23.9	0.0	12.1	17.6	40.0	23.5	21.2	20.0	21.2	37.4	35.0	29.4	0.0	5.0	13.7	

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data; 2018 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019	
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$ (000s)	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Kenton County AA	8	1,308	100.0	6,362	23.9	12.5	12.1	17.6	12.5	23.5	21.2	25.0	21.2	37.4	50.0	29.4	0.0	0.0	13.7	
Total	8	1,308	100.0	6,362	23.9	12.5	12.1	17.6	12.5	23.5	21.2	25.0	21.2	37.4	50.0	29.4	0.0	0.0	13.7	

*Source: 2015 ACS Census; 01/01/2019 - 12/31/2019 Bank Data; 2018 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-18	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Kenton County AA	8	611	100.0	2,561	7.1	12.5	7.5	24.4	50.0	29.4	45.9	37.5	43.8	22.6	0.0	19.3	0.0	0.0	0.0	
Total	8	611	100.0	2,561	7.1	12.5	7.5	24.4	50.0	29.4	45.9	37.5	43.8	22.6	0.0	19.3	0.0	0.0	0.0	

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Kenton County AA	1	135	100.0	2,561	7.1	100.0	7.5	15.2	0.0	29.4	55.6	0.0	43.8	22.1	0.0	19.3	0.0	0.0	0.0	
Total	1	135	100.0	2,561	7.1	100.0	7.5	15.2	0.0	29.4	55.6	0.0	43.8	22.1	0.0	19.3	0.0	0.0	0.0	

*Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-18	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Kenton County AA	8	611	100.0	2,561	83.1	100.0	49.5	5.7	0.0	11.2	0.0	
Total	8	611	100.0	2,561	83.1	100.0	49.5	5.7	0.0	11.2	0.0	
<i>Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$ (000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Kenton County AA	1	135	100.0	2,561	84.5	100.0	49.5	5.1	0.0	10.4	0.0	
Total	1	135	100.0	2,561	84.5	100.0	49.5	5.1	0.0	10.4	0.0	
<i>Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data. Due to rounding, totals may not equal 100.0.</i>												