



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

July 19, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Cumberland Valley National Bank & Trust Company
Charter Number 10254**

**1112 Highway 490
East Bernstadt, KY 40729**

**Comptroller of the Currency
Louisville Field Office
9200 Shelbyville Road, Suite 505
Louisville, KY 40222**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

Ratings

The bank's overall rating is based upon the full-scope reviews performed on both of the bank's assessment areas ("AA").

Cumberland Valley National Bank's ("CVNB") overall ratings, under each test, are the consolidation of conclusions reached for each full-scope AA. When consolidating AA conclusions into overall ratings, more weight was given to the Non-metropolitan Assessment Area 1 ("AA 1") than Assessment Area 2 ("AA 2") due to the majority of CVNB's branches being located in AA 1.

Major Conclusions:

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

SCOPE OF EXAMINATION

Evaluation Period/Products Evaluated

We performed a full-scope review of the two assessment areas. However, since the majority of CVNB's branches are located in AA 1, we placed more weight on AA 1. For AA 1 and AA 2, the evaluation period for the lending test is January 1, 2004 through July 24, 2006 (the current year plus the prior two years). Our analysis for this examination is based upon a sample of loans taken from this evaluation period. For community development ("CD") loans, investments, and services, our evaluation period runs from the ending date of the last CRA examination which is March 6, 2002, through July 24, 2006, the starting date of this evaluation.

Overall, we evaluated CVNB's two primary product lines, home mortgages and business loans, as well as any CD loans originated. When determining conclusions for the Lending Test, home mortgage loans were weighted more heavily than business loans. This weighting is reflective of the bank's respective lending volumes.

DESCRIPTION OF INSTITUTION

Cumberland Valley National Bank is an intrastate financial institution headquartered in East Bernstadt, Kentucky. CVNB is wholly owned by Cumberland Valley Financial Corporation, headquartered in London, Kentucky, with total assets of approximately \$440 million. As of March 31, 2006, CVNB reported total assets of \$440 million.

CVNB is a full-service lender offering various loan and deposit products. CVNB offers conventional and government guaranteed home mortgage loans, home improvement loans, consumer loans, and a full range of business loans and trust services. In addition, CVNB offers loans through the Kentucky Housing Corporation (KHC), Federal Home Loan Bank (FHLB), Affordable Housing Program (AHP), and Veteran's Administration (VA). As of March 31, 2006, net loans represented 57 percent of total assets and consisted of commercial and commercial real estate loans (37 percent), residential real estate loans (40 percent), construction and development loans (13 percent), consumer loans (5 percent), agricultural and agricultural real estate loans (4 percent), and municipal loans (1 percent). CVNB has historically been a commercial and mortgage lender. While consumer lending is considered to be an important aspect of CVNB's service to their community, it is not a primary line of business for CVNB.

There are no legal, financial, or other factors impeding CVNB's ability to help meet the credit needs of the community it serves. As of March 31, 2006, CVNB reported Tier 1 capital of \$40 million.

CVNB was rated "Satisfactory" at its last CRA evaluation dated March 5, 2002.

DESCRIPTION OF ASSESSMENT AREAS

CVNB has delineated two assessment areas. AA 1 is in a non-metropolitan area which consists of Knox, Laurel, Pulaski, and Whitley counties. AA 2 is in the non-metropolitan area of Madison County. Both of the AAs are legal and the bank did not arbitrarily exclude any low- or moderate-income geographies. (Please refer to Appendix A for details regarding the market profiles of each of the assessment areas as well as branch locations, competition, and local demographics.)

We performed one and reviewed two recently completed community contacts to ascertain the community and credit needs in the AAs. The community contacts indicated a need for all loan types especially affordable housing loans for low- and moderate-income families, and for industrial and small business loans to continue recruiting industry to the area to help reduce unemployment.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Lending Test

Refer to Tables 1 through 7 in Appendix B for facts and data used to evaluate the bank's lending.

Performance is rated Satisfactory.

- A substantial majority of loans are made to borrowers within the assessment area. The bank originated 92 percent of its home mortgages (based upon a sample of 38 loans) and 89 percent of its business loans (based upon a sample of 53 business loans) in the AAs.
- CVNB's average loan-to-deposit ratio since the last CRA examination is approximately 67 percent. This is considered reasonable when compared to both local competitors and similarly situated banks with ratios ranging from 64 to 104 percent.
- CVNB's overall geographic distribution of loans reflects reasonable dispersion throughout the assessment area for mortgages and business loans with reasonable geographic penetration of the low- and moderate-income census tracts ("CT"). CVNB's lending activity extends throughout the assessment area. There were no conspicuous gaps in lending noted within any of the CTs.
- CVNB's overall distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels within the different assessment areas.
- CVNB's distribution of loans to small businesses (i.e. businesses with revenues less than \$1 million) was excellent based on our sample of business loans from each of the assessment areas. Loans to businesses with revenues of \$1 million or less originated within AA 1 represented approximately 95% of the bank's reportable loans, which was greater than the 62% of area businesses with revenues of less than \$1 million. Loans to businesses with revenues of \$1 million or less originated within AA 2 represented approximately 85% of the bank's reportable loans, which was greater than the 63% of area businesses with revenues of less than \$1 million.
- While CVNB offers traditional lending products within their AA, they also offer access to affordable housing loan products through the secondary market. Since 2002, CVNB has originated 1022 loans for \$98 million that were underwritten within the Freddie Mac guidelines and sold on the secondary market. All of these loans involved the completion of affordable housing units for typically low- and/or moderate-income borrowers.
- CVNB also offers loans through Kentucky Housing Corporation ("KHC"). CVNB has made 51 loans through KHC since 2003 for a total of \$4.5 million. In addition, CVNB has obtained several grants for low- and/or moderate-income ("LMI") individuals to use along with the KHC loans (17 grants for a total of \$151, 211). These grants were obtained through the following programs: Home Family, Welcome Home Program, New Neighbors, and American Dream Homeownership Challenge.
- CVNB has partnered with the Kentucky Highland Investment Corporation and KHC to help renovate homes for low- and/or moderate-income families. At this time, CVNB has helped sponsor two of these homes.

Community Development Test

Community Development Loans

Community development lending positively impacted the bank's rating. CVNB originated 12 qualified loans during the evaluation period totaling approximately \$4.3 million, representing approximately 11 percent of CVNB's tier one capital. This volume is highly favorable because the money went into projects that improved the economics of the AA, created jobs for LMI individuals, or assisted programs providing services and benefits to LMI families and children in the AA.

Refer to Table 1 in Appendix B for facts and data used to evaluate the bank's level of community development loans.

Qualified Investments

Qualified investment performance is outstanding. In evaluating the bank's volume of investments, we considered community development opportunities in the two AAs, as well as the capacity for the local infrastructure to create qualified investments. We determined that opportunities within the non-metropolitan areas (AA 1 and AA 2) are somewhat limited as most community development activities are typically either federally or state funded. Locally, the most prominent community development organizations consist of local Chamber's of Commerce and development foundations. Housing needs are primarily met through services provided by Kentucky Housing Corporation, a federally funded program that serves the entire state of Kentucky. They provide home loans to low- and moderate-income persons at below market interest rates and require little or no down payment. They also provide homeownership counseling. On a local level, the local chapter of the Habitat for Humanity is an initiative that works for affordable housing. Based upon this information, we placed significant weight on the fact that opportunities to make qualified investments other than donations are limited.

Refer to Table 6 in Appendix B for facts and data used to evaluate the bank's level of community development investments.

- CVNB made qualified investments/donations to several local organizations throughout the two AAs for a total of \$49,562, all of which have a CD purpose. CVNB made these donations to affordable housing organizations, to medical relief groups, to organizations that provide financial support to low- and moderate-income individuals, and to groups organized for the purpose of feeding and clothing less fortunate individuals. In addition, they have contributed money to Hurricane Relief.

Community Development Services

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

Refer to Table 7 in Appendix B for facts and data used to evaluate the distribution of the bank's branch delivery system, and branch openings and closings.

- CVNB's delivery systems are accessible to essentially all geographies and individuals of different income levels in the AA. Full financial services and drive-thru services are offered at seventeen of the nineteen branches. In addition, the bank has thirty-three ATMs. Thirty-one of the ATMs are located within the two AAs. Sixteen of the thirty-three ATMs are full service.
- The bank has closed one branch since the last CRA examination.
- CVNB's hours of operation are considered good. Office hours and services do not vary in a way that inconveniences its AA, particularly in moderate-income geographies. CVNB provides banking hours and services Monday through Friday. Saturday banking hours are available at all 19 banking centers located in both AAs. Sunday banking hours are available at three of the nineteen banking centers located in middle-income geographies, in both AAs. All deposit and loan products are available at all branch offices.
- CVNB has various checking and deposit products as well as Internet banking. The on-line computer banking service allows customers to obtain deposit and loan account information, make payments on bank loans, transfer funds, and pay other household bills. Since the bank could not provide specific information on how low- and moderate-income individuals are impacted by Internet banking service or phone access, significant weight was not placed on alternate delivery systems when drawing conclusions in the AA.
- CVNB participated and/or hosted several home counseling programs and seminars along with the local housing authority.
- Overall, CVNB's community development services are considered satisfactory given the moderate-to high-level of opportunities for CRA-related services and/or activities available in the two AAs. While a large number of employees of CVNB have served in organizations in the community that provide general services to low- and moderate-income persons, CVNB's level of bank executives involved in community organizations with a CD purpose is reasonable. There are a variety of organizations throughout CVNB's assessment areas that provide bank management with the opportunity to serve as Board members or advisors for organizations such as industrial foundations, advisory councils, housing authorities, etc. Some of the organizations that CVNB currently participates with includes, but is not limited to:
 1. Chambers of Commerce in London/Laurel County, Somerset/Pulaski County, Madison County (Richmond and Berea), and the city of Corbin: The primary purpose of these organizations is promoting, establishing, and maintaining businesses in the county in which it is located, most of

which are small businesses. Currently the bank has seven bank officers serving as members of these organizations. One of the bank officers is serving as the 2005 Director of the Corbin County Chamber of Commerce and one bank officer is serving as the 2006 President of the Richmond Chamber of Commerce.

2. Laurel County Industrial Authority: The main purpose of this foundation is to recruit business and industry to Laurel County. These businesses would employ mostly low- and moderate-income individuals. A senior bank officer has been appointed as a member of this organization for 2005-2006.
3. Tri-County Industrial Authority: The main purpose of this foundation is to recruit business and industry to Laurel County. These businesses would employ mostly low- and moderate-income individuals. A senior bank officer has been appointed as a member of this organization for 2005-2006.
4. Habitat for Humanity: This is a nonprofit, housing committee that is dedicated to eliminating homelessness and improving the conditions of low- and moderate-income housing for families in need by using volunteer labor and donations of money and materials. One of the bank's officers has served as a member of this organization since 2002.

Other organizations bank officers either serve as Board members or provide financial expertise to include: United Way Heart of Kentucky (local chapter) and various tourist commissions, relief and repair centers, and downtown revitalization committees for the individual counties.

Fair Lending or Other Illegal Credit Practices Review

We performed a comparative file analysis of residential mortgage loans, in connection with the evaluation of CVNB's CRA performance, to determine compliance with fair lending laws. The comparative file analysis consisted of comparing approved female residential loans to approved male residential loans and covered the current year from January 1, 2006 to July 31, 2006. Underwriting decisions were evaluated to determine whether female customers received similarly equal rates and terms to male customers. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.

Appendix A: Market Profiles for Full-Scope Areas

AA 1: Non-Metropolitan AA of Knox, Laurel, Pulaski, and Whitley Counties

Demographic Information for Full-Scope Area: Non-metropolitan AA in Southeast KY							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts)	37	0.00%	29.73%	64.86%	5.41%	0.00%	
Population by Geography	176,592	0.00%	23.51%	69.07%	7.42%	0.00%	
Owner-Occupied Housing by Geography	78,785	0.00%	23.43%	69.16%	7.41%	0.00%	
Businesses by Geography	10,158	0.00%	12.61%	75.58%	11.81%	0.00%	
Farms by Geography	341	0.00%	8.21%	86.51%	5.28%	0.00%	
Family Distribution by Income Level	50,674	0.00%	23.50%	69.22%	7.28%	0.00%	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	22,370	0.00%	29.93%	65.26%	4.81%	0.00%	
Median Family Income HUD Adjusted Median Family Income for 2006 Households Below the Poverty Level	= \$30,219 = \$39,300 = 25.00%					Median Housing Value = \$58,567 Unemployment Rate (average for AA counties) = 6.20%	

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

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

Note: These numbers were obtained directly from the 2000 U.S. Census and may or may not equal exactly 100 percent for each category.

CVNB's non-metropolitan AA 1 consists of all of Knox, Laurel, Pulaski, and Whitley counties. For AA 1, CVNB has sixteen branches with fifteen branches located in middle-income CTs and one branch located in an upper-income CT. In addition, CVNB has twenty-seven ATMs located in AA 1 with fourteen located at branch offices and another thirteen stand-alone cash dispensing only ATMs. As of June 30, 2005, 93.25 percent of CVNB's deposits were derived from AA 1.

CVNB's deposits in AA 1 total approximately \$348 million. Based on Federal Deposit Insurance Corporation ("FDIC") market share data as of June 30, 2005, this equates to a 16 percent deposit market share that ranks CVNB as the largest deposit taking institution in AA 1.

This four county area is located in southeast Kentucky. The local economy is considered to be stable with the Laurel County area considered to be growing. The local economy is well respected for retail trade, manufacturing, and services. Major employers for each county include the following:

- Knox County: The largest employer is Datatrac Information Services and it employees approximately 325 people. A large number of Knox County residents (approximately 36 percent) commute outside the county for employment.
- Laurel County: The four largest employers are Wal-Mart (distribution center), Aisin Automotive Casting LLC (aluminum die cast), ACS Shared Services Inc. (data processing), and Laurel Cookie Factory. Together, these four organizations employee approximately 2,500 individuals.
- Pulaski County: The four largest employers are Super Service (a freight carrier), Toyotetsu America Inc. (automotive components), Eagle Hardwoods Inc., and Armstrong Wood Products. Together, these four organizations employee approximately 2,300 individuals.
- Williamsburg County: The largest employer is Firestone Industrial Products and it employees approximately 300 people. The majority of Williamsburg County residents (approximately 71 percent) work outside the county for employment.

As of June 2006, the unemployment rate for AA 1 ranged from 5.6 percent in Laurel County to 7 percent in Knox County, as compared to 6.1 percent for the state of Kentucky.

In this non-metropolitan assessment area, 25 percent of the households live below the poverty level. Consequently, it is especially difficult for this segment of the population to afford and maintain a home.

We performed one and reviewed two recently completed community contacts to ascertain the community and credit needs in the assessment area. The community contacts indicated a need for all loan types especially affordable housing loans for low- and moderate-income families and for industrial and small business loans to continue recruiting industry to the area to help reduce unemployment.

Based on the demographics of AA 1 and discussions with bank management, there is an identified need for mortgages and business loans. A limited level of community resources exists to facilitate activities to address the unmet credit and community development needs of AA 1. Consequently, there are moderate opportunities for community development services due to the existing unmet credit and community development needs in AA 1. In addition, opportunities for community development loans and qualified investments in AA 1 are moderate. However, opportunities are limited because competition for CD loans, qualified investments, and services is moderate to strong and consists of a few, larger regional banks within the area.

AA 2: Non-Metropolitan AA of Madison County

Demographic Information for Full-Scope Area: Madison County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	7.14%	7.14%	28.58%	57.14%	0.00%
Population by Geography	70,872	6.09%	2.76%	28.40%	62.75%	0.00%
Owner-Occupied Housing by Geography	29,595	0.14%	1.28%	26.97%	71.61%	0.00%
Businesses by Geography	10,158	0.00%	12.61%	75.58%	11.81%	0.00%
Farms by Geography	341	0.00%	8.21%	86.51%	5.28%	0.00%
Family Distribution by Income Level	18,303	0.95%	2.09%	29.83%	67.13%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,450	1.91%	4.02%	36.55%	57.52%	0.00%
Median Family Income	= \$41,552	Median Housing Value		= \$86,668		
HUD Adjusted Median Family Income for 2006	= \$39,300	Unemployment Rate		= 4.5%		
Households Below the Poverty Level	= 18.00%					

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

CVNB's deposits in AA 2 total approximately \$25 million. Based on FDIC market share data as of June 30, 2005, this equates to a 3 percent deposit market share that ranks CVNB as the eighth largest deposit taking institution in AA 2.

CVNB's AA 2 consists of Madison County. CVNB has three branches with one branch located in a middle-income CT and two branches located in upper-income CTs. CVNB has four ATMs located in AA 2 with two located at branch offices and the other two stand-alone cash dispensing only ATMs. As of June 30, 2005, 6.75 percent of CVNB's deposits were derived from AA 2.

AA 2 is located in Central Kentucky. The local economy is well respected for retail trade, manufacturing, and services. Major employers in Madison County include NACCO Materials Handling Group (lift trucks), Tokico (USA) Inc (automobile parts), EnerSys Inc (industrial batteries), and Guildhouse (candle manufacturing). These four companies employ approximately 2,800 people. Thirty percent of Madison County residents commute outside the county for employment.

As of June 2006, the unemployment rate for Madison County was 6.2 percent, as compared to 6.1 percent for the State of Kentucky.

Based on the demographics of AA 2 and discussions with bank management, there is an identified need for mortgages and business loans. Consequently, there are moderate opportunities for community development services due to the existing unmet credit and community development needs in AA 2. In addition, opportunities for community development loans and qualified investments in AA 2 are moderate. However, opportunities are limited because competition for CD loans, qualified investments, and services is strong and consists of several, larger regional banks within the area.

Appendix B: Tables of Performance Data

See the following pages for details regarding our analysis and findings for CRA.

Table 1. Lending Volume

Lending Volume	Geography: AA 1 AND AA 2				Evaluation Period: JANUARY 1, 2004 TO JULY 24, 2006				% of Rated Area Deposits in MA/AA***			
	% of Rated Area Loans (#) in MA/AA*	Home Mortgages		Business Loans		Small Loans to Farms		Community Development Loans**				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#		\$ (000's)		
MA/Assessment Area:												
Full Review:												
AA 1: Knox, Laurel, Pulaski, and Whitley Counties	50.00	20	1,062	20	1,127	N/A	N/A	9	1,643	49	3,832	N/A
AA 2: Madison County	50.00	20	2,258	20	1,926	N/A	N/A	3	2,700	43	6,884	N/A

* Loan Data for Table 1 as of July 24, 2006. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from March 6, 2002 to July 24, 2006.

*** Deposit Data was not available for this review. Rated Area refers to either the state, multi-state MA, or institution, as appropriate

Table 2. Geographic Distribution of Home Mortgage Loans

Geographic Distribution: HOME MORTGAGE LOANS		Geography: AA 1 AND AA 2										Evaluation Period: JANUARY 1, 2004 TO JULY 24, 2006						
MA/Assessment Area:	Total Home Mortgage Loans		Low-Income Geographies			Moderate-Income Geographies			Middle-Income Geographies			Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Owner Occupied Units***	% BANK Loans	% of Owner Occupied Units***	% of Owner Occupied Units***	% BANK Loans	% of Owner Occupied Units***	% of Owner Occupied Units***	% BANK Loans	% of Owner Occupied Units***	% of Owner Occupied Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:																		
AA 1: Knox, Laurel, Pulaski, and Whitley Counties	20	100.00	0.00	0.00	23.43	20.00	69.46	80.00	7.11	0.00	NA	NA	NA	NA	NA	NA	NA	NA
AA 2: Madison County	20	100.00	0.14	0.00	1.28	0.00	26.97	25.00	71.61	75.00	NA	NA	NA	NA	NA	NA	NA	NA

* Based on 2005 Peer Mortgage Data: Not available for this review.

** Home mortgage loans originated and purchased in the MA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

*** Percentage of Owner-Occupied Units is the number of owner-occupied housing units in a particular geography divided by the number of owner-occupied housing units in the area based upon the 2000 census and the 2000 census information.

Table 3. Geographic Distribution of Business Loans

MA/Assessment Area:		Geography: AA 1 AND AA 2				Evaluation Period: JANUARY 1, 2004 TO JULY 24, 2006				Market Share (%) by Geography*					
		Total Business Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Overall	Low	Mod	Upp
#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***				
AA 1: Knox, Laurel, Putlaski, and Whitley Counties	20	100.00	0.00	0.00	12.61	15.00	75.58	75.00	11.81	10.00	NA	NA	NA	NA	NA
AA 2: Madison County	20	100.00	0.73	0.00	8.56	0.00	25.64	20.00	65.07	80.00	NA	NA	NA	NA	NA

Full Review:

* Based on 2003 Peer Small Business Data: US. Not available for this review.

** Sample of 40 Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data: Dun and Bradstreet (2003).

Table 4. Borrower Distribution of Home Mortgage Loans

MA/Assessment Area:		Geography: AA 1 AND AA 2				Evaluation Period: JANUARY 1, 2004 TO JULY 24, 2006										
		Borrower Distribution: HOME MORTGAGE LOANS		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
#	Total Home Mortgage Loans % of Total**	% Families***	% BANK Loans	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
AA 1: Knox, Laurel, Putaski, and Whitley Counties	20	100.00	25.68	15.00	18.47	30.00	20.64	20.00	35.21	35.00	NA	NA	NA	NA	NA	NA
AA 2: Madison County	20	100.00	15.57	15.00	14.20	0.00	18.06	15.00	52.17	70.00	NA	NA	NA	NA	NA	NA

Full Review:

* Based on Peer Mortgage Data: Not available for this review.
 ** As a percentage of loans with borrower income information available.
 *** Percentage of Families is based on the 2000 Census information.

Table 5. Borrower Distribution of Business Loans

Borrower Distribution: BUSINESS LOANS		Geography: AA 1 AND AA 2		Evaluation Period: JANUARY 1, 2004 TO JULY 24, 2006					
Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Market Share *			
#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less	
Full Review:									
AA 1: Knox, Laurel, Pulaski, and Whitley Counties	20	100.00	61.71	95.00	80.00	10.00	10.00	NA	NA
AA 2: Madison County	20	100.00	62.87	85.00	75.00	10.00	15.00	NA	NA

* Based on 2003 Peer Small Business Data: US.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of business loans sampled (i.e. sample size of 40 business loans).

Table 6. Community Development Investments

Qualified Investments		Geography: AA 1 AND AA 2		Evaluation Period: MARCH 6, 2002 TO JULY 24, 2006				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	
AA 1 AND AA 2	0	0	151	50	151	50	100.00	0
Full Review:								
AA 1 AND AA 2								
								0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.
 ** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 7-a. Distribution of Branch Delivery System and Branch Openings/Closings

Distribution of Branch Delivery System and Branch Openings/Closings										Geography: AA 1 AND AA 2			Evaluation Period: MARCH 6, 2002 TO JULY 24, 2006			
MA/Assessment Area:	Deposits			Branches			Branch Openings/Closings			Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			% of Population within Each Geography				
				Low	Mod	Upp			Low	Mod	Upp	Low	Mod	Upp		
AA 1: Knox, Laurel, Pulaski, and Whitley Counties	93.25	16	84.21	0.00	0.00	93.75	6.25	0	1	0	0	0	0.00	23.51	69.07	7.42
AA 2: Madison County	6.75	3	15.79	0.00	0.00	33.33	66.67	0	0	0	0	0	6.09	2.76	28.40	62.75
Full Review:																

Table 7-b: Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System										Geography: AA 1 AND AA 2			Evaluation Period: MARCH 6, 2002 TO JULY 24, 2006				
MA/Assessment Area:	Deposits			Branches			ATMs			Population							
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)			# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies			% of Population within Each Geography					
				Low	Mod	Upp			Low	Mod	Upp	Low	Mod	Upp			
AA 1: Knox, Laurel, Pulaski, and Whitley Counties	93.25	16	84.21	0.00	0.00	93.75	6.25	27	87.10	0.00	0.00	88.89	11.11	0.00	23.51	69.07	7.42
AA 2: Madison County	6.75	3	15.79	0.00	0.00	33.33	66.67	4	12.90	0.00	0.00	0.00	100.00	6.09	2.76	28.40	62.75
Full Review:																	

Note: The bank has a total of 33 ATMs. However, while 31 are located within the two designated AAs, two of the ATMs are located outside of the AA.