



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

May 20, 2019

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Cumberland Valley National Bank and Trust Company  
Charter Number 10254

100 Main Street, London, Kentucky 40741

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, 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.

## Table of Contents

<b>Overall CRA Rating.....</b>	<b>1</b>
<b>Description of Institution.....</b>	<b>2</b>
<b>Scope of the Evaluation.....</b>	<b>3</b>
<b>Discriminatory or Other Illegal Credit Practices Review.....</b>	<b>3</b>
<b>State Rating.....</b>	<b>4</b>
State of Kentucky.....	4
<b>Appendix A: Scope of Examination.....</b>	<b>A-1</b>
<b>Appendix B: Summary of MMSA and State Ratings.....</b>	<b>B-1</b>
<b>Appendix C: Definitions and Common Abbreviations.....</b>	<b>C-1</b>
<b>Appendix D: Tables of Performance Data.....</b>	<b>D-1</b>

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated Outstanding.

**The lending test is rated: Outstanding.**

**The community development test is rated: Outstanding.**

Cumberland Valley National Bank and Trust company (CVNB or Bank) has an outstanding record of meeting the credit needs of its community. The major factors that support this rating include:

- CVNB's loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of CVNB's loan are originated within its designated assessment areas (AA).
- CVNB's distribution of loans to small businesses is excellent.
- The geographic distribution of business loans in low- and moderate-income census tracts (CTs) is excellent.
- CVNB's performance under the Community Development (CD) Test is outstanding.

### Loan-to-Deposit Ratio

Considering the Bank's size, financial condition, and credit needs of the AAs, the Bank's LTD ratio is reasonable.

CVNB's LTD ratio averaged 73.5 percent over the past 16 quarters, with a quarterly high of 79 percent and a quarterly low of 61.3 percent. We compared this performance to 12 banks in the combined AAs with similar asset size and product types. These similarly situated banks had an average LTD of 79.3 percent, with a quarterly high of 101.1 percent and a quarterly low of 57.4 percent.

## Lending in Assessment Area

Based on a random sample of small business loans, CVNB's primary loan product, a substantial majority of the Bank's loans are inside its AAs.

The Bank originated and purchased ninety percent of its total loans inside the Bank's AAs during the evaluation period. This analysis is performed at the Bank, rather than the AA, level.

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		
	#	%	#	%		\$	%	\$	%	
Business Loans	18	90.0	2	10.0	20	2,129	57.1	1,601	42.9	3,730

*Source: A random sample of small business loans originated or purchased over the assessment period.*

## Description of Institution

CVNB is an intrastate financial institution headquartered in London, Kentucky, in Laurel County. The Bank is wholly owned by Cumberland Valley Financial Corporation, a \$499 million, one-bank holding company headquartered in London, Kentucky. The Bank serves its community through 14 locations within six counties in southeastern Kentucky. Six of these locations are in Laurel County. Two are in moderate-income census tracts. All branches are full-service with drive-through facilities and ATMs.

As of March 31, 2019, the Bank reported \$508 million in total assets, \$455 million in deposits, \$344 million in total loans, and \$52 million in tier 1 capital. Net loans represented 68.5 percent of average assets. The primary lending focus over the assessment period was business-related loans. This is illustrated in CVNB's loan portfolio mix. The Bank's March 31, 2019 loan portfolio consists of commercial real estate, 47.2 percent; one-to-four family residential real estate, 24.1 percent; commercial loans, 11.2 percent; construction and development, 8.0 percent; farmland, 2.4 percent; consumer loans, 2.6 percent; and all other loans, 4.5 percent.

The Bank is a full-service lender offering traditional banking products and services. CVNB offers commercial real estate, construction, development, equipment, and agriculture loans as well as working capital lines of credit and a full range of consumer loans. The Bank participates with Kentucky Highlands Investment Company (promotes employment, economic, and small business development), and HOPE (consortium of Banks to pool funds for affordable housing projects). Various deposit products for commercial and consumer purposes are offered, as well as wealth management and mobile banking services.

CVNB has delineated three AAs for CRA purposes. The first AA consists of four counties (Knox, Laurel, Pulaski, and Whitley) in Kentucky; the second AA consists of Madison County, Kentucky; and the third AA consists of Fayette County, Kentucky, which is part of the Lexington-Fayette MSA. The AA delineation is in conformance with the regulatory requirements and does not arbitrarily exclude low-to moderate-income (LMI) areas. For this evaluation, we combined the two non-metropolitan statistical area AAs into one rating area, with the Lexington-Fayette MSA location comprising the second rating area.

Competition in the AAs is strong. There are 56 financial institutions in the AAs with 229 branches, including offices of large national banks.

There are no legal or financial impediments affecting CVNB's ability to meet the credit needs of its AAs. The last CRA evaluation was performed by the Office of the Comptroller of the Currency (OCC) on December 14, 2015. The Bank received a Satisfactory Rating.

## **Scope of the Evaluation**

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

CVNB was evaluated under the Intermediate Small Bank Examination Procedures. These procedures evaluate a bank's performance based upon a Lending Test and a Community Development Test. The evaluation period for the Lending Test is January 1, 2016 through December 31, 2018. The evaluation period for the CD test is from December 15, 2015, the date of the last CRA evaluation, through December 31, 2018. Conclusions regarding the Bank's lending performance were based on a random sample of primary loan product originations during this period. Based on both the number and dollar volume of loan origination data supplied by the Bank, the primary loan product was business loans. Business loans represented 78 percent of the dollar volume and 37 percent of the number of loan originations.

### **Selection of Areas for Full-Scope Review**

In each state where the Bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to *Appendix A: Scope of Examination*, for a list of full- and limited-scope AAs.

### **Ratings**

The Bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. More weight was given to the results of the non-MSA AA, as 13 of the Bank's 14 locations are located in this AA.

The state rating is based on performance in all Bank AAs. Refer to the "Scope" section under each state rating section for details regarding how the areas were weighted in arriving at the respective ratings.

## **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 Kentucky:** Outstanding

**The Lending Test is rated:** Outstanding

**The Community Development Test is rated:** Outstanding

The major factors that support this rating include:

- CVNB's LTD ratio is reasonable.
- A substantial majority of CVNB's loan are originated within its designated AAs.
- CVNB's distribution of loans to small businesses is excellent.
- The geographic distribution of loans in LMI census tracts is excellent.
- CVNB's performance under the Community Development Test is outstanding.

### Description of Institution's Operations in Kentucky

As indicated earlier, CVNB's AAs are all in the State of Kentucky. A description of the CVNBs operations in the State can be found under *Description of Institution* and *Scope of Evaluation* on pages 2 and 3.

Based on two community contacts from Laurel and Pulaski Counties, quality employment, affordable housing, home improvement loans, public transportation, and before/after childcare are AA needs. Contacts expressed the willingness of local banks to both lend and donate to community projects.

## Lexington-Fayette MSA

<b>Demographic Information of the MSA Assessment Area</b>						
<b>Assessment Area: Lexington-Fayette MSA – 2015 ACS U.S. Census</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of</b>
Geographies (Census Tracts)	82	12.2	22.0	34.1	31.7	0.0
Population by Geography	308,306	11.6	22.4	33.3	32.7	0.0
Housing Units by Geography	137,885	11.7	23.8	33.8	30.7	0.0
Owner-Occupied Units by Geography	68,194	6.3	16.2	35.2	42.3	0.0
Occupied Rental Units by Geography	57,558	17.0	32.2	32.0	18.7	0.0
Vacant Units by Geography	12,133	16.7	26.3	3.4.5	22.6	0.0
Businesses by Geography	23,815	7.7	16.2	41.3	34.8	0.0
Farms by Geography	860	5.8	10.7	43.3	40.2	0.0
Family Distribution by Income Level	72,466	23.3	15.7	18.3	42.6	0.0
Household Distribution by Income Level	125,752	26.9	15.4	15.7	42.1	0.0
Median Family Income MSA – Lexington-Fayette, KY MSA		\$66,800	Median Housing Value			\$180,124
			Median Gross Rent			\$781
			Families Below Poverty Level			12.1%

*Source: 2015 ACS U.S. 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.

The Lexington-Fayette MSA AA is located in central Kentucky. The AA is divided into 82 CTs. As of January 1, 2016, the AA had 12 low-income, 18 moderate-income, 24 middle-income, and 28 upper-income CTs. As a result of the 2015 United States American Community Survey (ACS) census data, the income designation of some CTs changed in 2017. The 82 CTs were divided into 10 low-income, 18 moderate-income, 28 middle-income, and 26 upper-income tracts. The Bank's sole location in the AA is within a moderate-income CT.

The AA's annual unemployment rate for the years 2016-2018 was 3.8 percent, 3.7 percent, and 3.4 percent, respectively. This was well below the statewide unemployment rates of 5.1 percent, 4.9 percent, and 4.3 percent for the same time periods. Since the last evaluation, the AA population grew by 4.2 percent while businesses by geography declined by 3.9 percent.

Competition from other financial institutions is strong. CVNB's competitors included several local community banks and branches of large national and regional banks. As of June 30, 2018, these branches held a combined total of \$7.4 billion in deposits with CVNB holding just 0.2 percent deposit market share.



## Madison, Knox, Laurel, Pulaski, and Whitley Counties

<b>Demographic Information of the Non-MSA Assessment Area</b>						
<b>Assessment Area: Madison, Knox, Laurel, Pulaski, and Whitley Counties - 2015 ACS U.S. Census</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of</b>
Geographies (Census Tracts)	62	0.0	25.8	53.2	21.0	0.0
Population by Geography	276,827	0.0	22.4	57.3	20.3	0.0
Housing Units by Geography	121,998	0.0	23.1	57.9	19.3	0.0
Owner-Occupied Units by Geography	69,291	0.0	21.1	56.6	22.3	0.0
Occupied Rental Units by Geography	37,107	0.0	23.0	61.9	15.1	0.0
Vacant Units by Geography	15,600	0.0	32.1	54.6	13.3	0.0
Businesses by Geography	14,035	0.0	14.4	64.1	21.4	0.0
Farms by Geography	602	0.0	10.8	59.1	30.1	0.0
Family Distribution by Income Level	71,477	24.5	16.5	18.5	40.6	0.0
Household Distribution by Income Level	106,398	26.9	14.9	16.4	41.8	0.0
Median Family Income Non-MSAs – KY		\$45,920	Median Housing Value			\$108,916
			Median Gross Rent			\$605
			Families Below Poverty Level			19.1%

*Source: 2015 ACS U.S. 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.*

The combined non-MSA AA of Madison, Knox, Laurel, Pulaski, and Whitley Counties is located in southeastern Kentucky. The AA is divided into 62 CTs. As of January 1, 2016, the AA had 2 low-income, 11 moderate-income, 35 middle-income, and 14 upper-income CTs. As a result of the 2015 ACS census data, the income designation of some CTs changed in 2017. The 62 CTs were divided into 16 moderate-income, 33 middle-income, 13 upper-income tracts, with no low-income tracts. The Bank had two locations in moderate-income CTs.

With the exception of Madison County, the AA's annual unemployment rate for the years 2016-2018 exceeded the statewide rate. Knox, Laurel, Pulaski, and Whitley Counties were designated as distressed during the entire evaluation period. Madison County was designated as distressed in 2018. Over 19 percent of AA families live below the poverty level, exceeding the national average of 14 percent. The AA's 2018 median household income of \$37,053 was 40 percent lower than the national median household income of \$62,175.

<b>Average Annual Unemployment Rates</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Kentucky	5.1	4.9	4.3
Madison	4.2	4.3	3.9
Knox	8.0	7.6	6.2
Laurel	6.2	5.9	5.1
Pulaski	5.5	5.7	5.1
Whitley	6.6	5.8	5.0

Competition from other financial institutions is strong. CVNB's competitors included several local community banks and branches of large national and regional banks. As of June 30, 2018, these branches held a combined total of \$2.4 billion in deposits with CVNB holding an 11.8 percent market share of total deposits.

## **Scope of Evaluation in Kentucky**

The Bank's overall rating is based solely on the full-scope review. CVNB identified two non-metropolitan statistical area AAs. The first consists of the contiguous Kentucky counties of Knox, Laurel, Pulaski, and Whitley in Kentucky. The second AA consists of Madison County, Kentucky. Both AAs are located in southeastern Kentucky and do not arbitrarily exclude LMI geographies. We performed a full-scope review of the combined non-metropolitan statistical area AAs as well as the Lexington-Fayette MSA. More weight was given to the borrower distribution criterion than the geographic distribution, as there were no low-income census tracts in the combined non-metropolitan AAs in 2017-2018 and just two in 2016. Within the borrower distribution criterion, more weight was given to the non-MSA AA, as 13 of the bank's 14 locations are in this AA. Please refer to *Appendix A: Scope of Examination* for a description of the AAs.

## **Conclusions With Respect to Performance Tests in Kentucky**

### **Lending Test**

The Bank's performance under the Lending Test in Kentucky is rated Outstanding.

Based on a full-scope review, the Bank's lending performance in the state of Kentucky is excellent.

### **Distribution of Loans by Income Level of the Geography**

The Bank exhibits excellent geographic distribution of loans in the state.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Kentucky section of *Appendix D: Tables of Performance Data* for the facts and data used to evaluate the geographic distribution of the Bank's originations and purchases of small loans to businesses.

#### **MSA AA**

As noted above, less weight was given to the geographic distribution. The 2016 MSA AA sample showed the Bank originated 29.4 percent of loans to businesses in low-income tracts, significantly exceeding the demographic comparator of 9.7 percent. The Bank originated a comparable amount of loans to moderate-income CTs. The 2017-2018 MSA AA sample showed the Bank originated 12.5 percent of small loans to businesses in low-income tracts, exceeding the demographic comparator of 7.7 percent. The Bank originated 18.8 percent of loans in moderate-income tracts, exceeding the demographic comparator of 16.2 percent.

### Non-MSA AA

The 2016 non-MSA AA sample showed the Bank originated no loans in the two low-income CTs, comparable to the demographic comparator of 0.5 percent. The Bank originated 10.5 percent in moderate-income tracts, comparable to demographic business of 12.7 percent. In 2017-2018, there were no CTs designated as low-income. The Bank originated 22.2 percent of loans in moderate-income CTs, significantly exceeding the demographic comparator of 14.4 percent.

### **Distribution of Loans by Income Level of the Borrower**

The Bank exhibits excellent distribution of loans to businesses of different sizes, given the product lines offered by the Bank.

#### *Small Loans to Businesses*

Refer to Table R in the state of Kentucky section of *Appendix D: Tables of Performance Data* for the facts and data used to evaluate the borrower distribution of the Bank's originations and purchases of small loans to businesses.

### Non-MSA AA

As noted above, more weight was given to the results of the non-MSA AA. Results of our sample showed the Bank originated a significantly higher amount of loans to businesses with revenues less than \$1 million than the AA demographic and aggregate peer. The 2016 sample showed the Bank originated 95.5 percent of loans to small businesses compared to the demographic of 81.6 percent and aggregate peer small business lending of 45 percent. In 2017-2018, the Bank originated 90 percent of its loans to small businesses compared to the demographic of 80.7 percent and aggregate peer of 46.6 percent.

### MSA AA

Although less weight was given to the MSA AA, lending to small businesses in this AA was comparable to the demographic but greatly exceeded the aggregate peer. In 2016, the Bank originated 85 percent of loans to small businesses compared to the demographic of 81.6 percent and aggregate peer of 45.7 percent. In 2017-2018, the Bank originated 80 percent of loans to small businesses compared to the demographic of 82 percent and peer aggregate of 50.3 percent.

### **Responses to Complaints**

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

### **Community Development Test**

The Bank's performance under the Community Development Test in the state of Kentucky is rated Outstanding.

Based on a full-scope review, the Bank exhibits excellent responsiveness to community development needs in the AAs through community development loans, qualified investments, and community development services, as appropriate, considering the Bank's capacity and the need and availability of such opportunities for community development in the Bank's AAs.

## Number and Amount of Community Development Loans

During the evaluation period, the Bank originated 33 qualifying CD loans in the AAs totaling \$30 million, or 57.7 percent of tier 1 capital. Of these 33 loans, 23 (totaling \$22 million) were originated in AA counties designated as distressed during the evaluation period. Approximately 68 percent of CD loans (\$20 million) were for community services in these distressed communities. Affordable housing initiatives, an AA need identified by the community contacts, comprised 23 percent of CD loans (\$7 million), and economic development loans (\$3 million) were nine percent.

## Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
MSA	0	0	0	0	0	0	0	0	0	0
Non-MSA	3	634	1	660	4	3.5	1,294	1.9	0	0

\* Prior Period Investments means investments made in a previous evaluation 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.

During the evaluation period, the Bank purchased one school district bond totaling \$660,184. Prior period qualified AA investments were two water district and one school district bond with a current book value of \$634,252.83. There are nine prior period qualified investments totaling \$3.5 million that benefited the broader statewide region.

The Bank also made over \$500,000 in donations to AA CD organizations during the current evaluation period. Recipients of these donations included local schools, public libraries, housing, and health agencies.

## Extent to Which the Bank Provides Community Development Services

CVNB provided a significant number of community development services in its AAs. During the evaluation period, Bank employees served as members of over 40 different community development-related organizations. These organizations include chambers of commerce, economic development agencies, and local community colleges, among others. Additionally, CVNB employees held 20 financial literacy training sessions.

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

## Appendix A: Scope of Examination

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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 MSA(s) and non-MSA(s) 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”.

<b>Time Period Reviewed:</b>	Lending Test (excludes CD loans): (January 1, 2016 to December 31, 2018) Investment and Service Tests and CD Loans: (December 15, 2015 to December 31, 2018)	
<b>Bank Products Reviewed:</b>	small business, community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Kentucky</b>		
Lexington-Fayette MSA	Full-scope	
Madison, Knox, Laurel, Pulaski, And Whitley Counties	Full-scope	

## Appendix B: Summary of State Ratings

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<b>RATINGS Cumberland Valley National Bank and Trust Company</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating*</b>	<b>CD Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
CVNB	Outstanding	Outstanding	Outstanding
State:			
Kentucky	Outstanding	Outstanding	Outstanding

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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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:** 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

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### Content of Standardized Tables

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

**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.

<b>Table Q: Lexington-Fayette MSA Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>												<b>2016</b>	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available- Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
MSA	17	2,316	57.6	9.7	29.4	21.8	17.7	33.3	29.4	35.2	23.5	0.0	0.0

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0.*

<b>Table Q: Lexington-Fayette MSA Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>												<b>2017-18</b>	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available- Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
MSA	16	2,363	70.2	7.7	12.5	16.2	18.8	41.3	31.3	34.8	37.4	0.0	0.0

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

<b>Table Q: Non-MSA Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>												<b>2016</b>	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available- Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA	19	3,708	99.3	0.5	0.0	12.7	10.5	64.8	79.0	22.0	10.5	0.0	0.0

*Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0.*

<b>Table Q: Non-MSA Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>												<b>2017-18</b>	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available- Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA	18	2,125	71.6	0.0	0.0	14.4	22.2	64.1	61.1	21.5	16.7	0.0	0.0

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

<b>Table R: Lexington-Fayette MSA Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2016</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
MSA	17	2,316	57.6	6,551	81.6	85.0	45.7	6.4	15.0	12.0	0.0	
<i>Source: 2016 D&amp;B Data; 01/01/2016 - 12/31/2016 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0.</i>												

<b>Table R: Lexington-Fayette MSA Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2017-18</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
MSA	16	2,363	70.2	6,480	82.0	80	50.3	6.2	20	11.8	0.0	
<i>Source: 2018 D&amp;B Data; 01/01/2017 - 12/31/2018 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0.</i>												

<b>Table R: Non-MSA Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>										<b>2016</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA	19	3,708	99.3	2,838	81.6	95.5	45.0	5.2	5.0	13.2	0.0
<i>Source: 2016 D&amp;B Data; 01/01/2016 - 12/31/2016 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0.</i>											

<b>Table R: Non-MSA Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>										<b>2017-18</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Non-MSA	18	2,125	71.6	2,728	80.7	90.0	46.6	5.3	10.0	14.0	0.0
<i>Source: 2018 D&amp;B Data; 01/01/2017 - 12/31/2018 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0.</i>											