



PUBLIC DISCLOSURE

March 18, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Lincoln National Bank of Hodgenville
Charter Number: 13479

41 Public Square
Hodgenville, Kentucky 42748

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.

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Overall CRA Rating

Institution's CRA Rating: Satisfactory

The lending test rating: Satisfactory

The major factors that support these ratings include:

- The loan-to-deposit (LTD) ratio is more than reasonable given The Lincoln National Bank of Hodgenville's (LNB or bank) size, financial condition, and credit needs of its assessment areas (AA).
- A majority of LNB's loans are inside its AAs.
- LNB exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- The bank exhibits a reasonable geographic distribution of loans in Kentucky.
- There were no CRA-related complaints received during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is more than reasonable. LNB's LTD ratio averaged 79.7 percent over the eight-quarter evaluation period, with a quarterly high of 87.0 percent and a quarterly low of 75.9 percent. The bank's LTD was reasonable compared to four similarly situated banks with an average LTD of 67.0 percent.

Lending in Assessment Areas

A majority of the bank's loans are inside its AAs. The bank originated and purchased 61.9 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. The following table illustrates the number and dollar volume of loans originated and purchased inside and outside the bank's AAs during the evaluation period.

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	350	61.9	215	38.1	565	47,455	52.3	43,265	47.7	90,721

Source: HMDA data January 1, 2020 to December 31, 2021.

Description of the Institution

LNB is a nationally-chartered, intrastate bank headquartered in Hodgenville, Kentucky. LNB is a wholly owned subsidiary of Hambac, Inc., a single bank holding company, also located in Hodgenville. The bank operated five locations, including its main office, each equipped with deposit-taking automated teller machines (ATM).

LNB is a full-service lender offering traditional banking products and services. The board and management's business strategy focuses on business, consumer, and farm loans. Retail deposit products

offered include personal checking and savings, health savings accounts, second chance checking, money market, individual retirement accounts, and certificate of deposits. LNB's retail lending products include residential purchase, refinance, and construction loans; deposit secured loans; vehicle loans; and unsecured personal loans. Similar deposit products are offered to business customers. The business lending products include commercial real estate loans, small business loans, commercial and industrial loans, agriculture and farm loans, equipment loans, and commercial lines of credit. The bank also offers free internet, mobile, and telephone banking; online bill pay; and safe deposit boxes.

According to LNB's December 31, 2021, call report data, LNB's net loans represented 64.9 percent of average assets. The composition of loans included one- to four-family residential real estate (59.1 percent), farmland (11.3 percent), loans to individuals (6.5 percent), commercial and industrial loans (5.7 percent), and agricultural loans (2.0 percent).

There were no legal or financial circumstances that impacted LNB's ability to meet the credit needs of its communities. However, the COVID-19 pandemic, beginning in 2020, impacted the local economy, including unemployment. The United States (U.S.) Small Business Administration (SBA) Paycheck Protection Program (PPP) provided loans to help businesses keep their workforce employed during the pandemic. LNB participated in this program and originated 754 loans, or \$16.5 million, to businesses and farms in and around the AAs to support community needs. The Office of the Comptroller of the Currency (OCC) last performed a CRA evaluation on January 4, 2021. The bank received a Satisfactory rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The OCC assessed LNB's CRA performance under the OCC's Small Bank procedures encompassing a lending test. The lending test evaluated the bank's record of meeting the credit needs of its AAs through its lending activities from January 1, 2020, through December 31, 2021.

Examiners used call report data as of December 31, 2021, to determine LNB's quarterly LTD ratio since the previous evaluation. Based on an analysis of lending activity during the evaluation period, home mortgage loans were selected as the primary loan product. Conclusions regarding the bank's lending performance were based on Home Mortgage Disclosure Act (HMDA) Loan Application Registers data during the evaluation period.

For analysis purposes, examiners compared the bank's 2020 and 2021 lending performance with demographic data from the 2015 U.S. Census Bureau's American Community Survey and aggregate peer lending data.

Selection of Areas for Full-Scope Review

The bank's two AAs received a full-scope review. Refer to *Appendix A: Scope of the Examination* for a list of products reviewed within the AAs.

Ratings

The bank's overall rating is based on its state of Kentucky rating. The state rating is based on the full-scope review of LNB's two AAs. In assessing performance, examiners placed more weight on the distribution of home mortgage loans by borrower income level than by the income level of the geography. This weighting was due to the fact there were no low-income census tracts (CT), and both AAs have only one moderate-income CT.

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: Satisfactory

The lending test rating: Satisfactory

The major factors that support these ratings include:

- LNB exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- The bank exhibits reasonable geographic distribution of loans in Kentucky.
- LNB did not receive any CRA-related complains during the evaluation period.

Description of Institution's Operations in Kentucky

LNB designated two AAs in the state of Kentucky. They include a portion in the Elizabethtown-Fort Knox metropolitan statistical area (MSA), which is LaRue County; and Nelson County, which is a non-MSA county in Kentucky. These two AAs did not arbitrarily exclude any low- or moderate-income areas. Refer to appendix A for more details.

A community contact providing services to both the AAs identified general funding for homebuyers, rental assistance, utility assistance, and financial education and counseling as the primary needs of the AAs. This organization partners with local banks to provide low-cost mortgages to buyers who would not otherwise qualify. Opportunities for bank participation include low-income housing tax credit programs, multifamily affordable housing projects, and investing in state tax-exempt mortgage revenue bonds.

LaRue County

During the evaluation period, the AA consisted of four CTs with zero low-income tracts, one moderate-income tract, three middle-income tracts, and zero upper-income tracts.

The following tables provide a summary of the demographics, including housing and business information for LaRue County.

Table A – Demographic Information of the Assessment Area						
Assessment Area: LaRue County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	25.0	75.0	0.0	0.0
Population by Geography	14,149	0.0	42.8	57.2	0.0	0.0
Housing Units by Geography	6,249	0.0	43.8	56.2	0.0	0.0
Owner-Occupied Units by Geography	3,895	0.0	39.8	60.2	0.0	0.0
Occupied Rental Units by Geography	1,433	0.0	56.2	43.8	0.0	0.0
Vacant Units by Geography	921	0.0	41.7	58.3	0.0	0.0
Businesses by Geography	931	0.0	53.6	46.4	0.0	0.0
Farms by Geography	135	0.0	28.1	71.9	0.0	0.0
Family Distribution by Income Level	3,744	27.8	22.4	21.1	28.7	0.0
Household Distribution by Income Level	5,328	29.7	21.4	18.8	30.1	0.0
Median Family Income MSA - 21060 Elizabethtown-Fort Knox, KY MSA		\$59,273	Median Housing Value			\$110,786
			Median Gross Rent			\$653
			Families Below Poverty Level			13.8%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Economic conditions for the AA prior to the COVID-19 pandemic were consistent with the state of Kentucky, with 4.7 percent unemployment. At the peak of the pandemic in April 2020, the unemployment rate in LaRue County was 19.8 percent, which was more than the state of Kentucky at 16.2 percent. The annual average unemployment rate for 2020 improved significantly for the AA and the state. On average, the unemployment rates for the AA were consistent with the state of Kentucky's unemployment rates for the evaluation period.

The major industries in the AA included office and administrative support, production workers, and sales while much of the county is rural farmland. The largest employers included Nationwide Uniform, LaRue County Board of Education, NSU Corporation, and Konsei USA, Inc. Many residents commute to Elizabethtown and Louisville, Kentucky for employment.

In the performance context, examiners evaluated the disparity between the median income of families within the AA and the cost of housing. Based on the Federal Financial Institution Examination Council (FFIEC) adjusted median family income ranges, low-income families earned less than \$32,350, and moderate-income families earned less than \$51,760. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payments of no more than 30 percent of the applicant's income based on assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses. Using these assumptions, a low-income borrower could afford a maximum mortgage payment of \$809 per month, and a moderate-income borrower could afford a maximum payment of \$1,294 per month. According to Realtor.com, in 2021, the median home value would result in a monthly payment of \$1,366. This illustrates both low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA.

Approximately 13.8 percent of households in the AA lived below the poverty level. This was slightly above the national average of 12.0 percent. Additionally, 38.0 percent of households received social security benefits to supplement income. The median household income was \$59,273 for the AA, which was more than the state average of \$55,454 and below the national average of \$76,330.

Housing availability in the AA posed challenges to lending in low- and moderate-income geographies. Total rental units in the AA were 22.9 percent (56.3 percent in the moderate-income CT) of available units. An additional barrier to available units is the volume of vacant units of 14.7 percent (41.7 percent in the moderate-income CT) of housing units. The volume of rental units and vacant units resulted in the available lending opportunities on 62.3 percent (39.7 percent in moderate-income CT) of owner-occupied units in the AA.

LNB had moderate competition within the AA. As of June 30, 2021, there were three financial institutions operating eight offices in the AA, including LNB. Competitors included two local state-chartered banks, but no branches of regional or large banks. The June 30, 2021, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report showed LNB ranked second in market share in the AA at 28.8 percent. LNB's major competitors in the AA were The Magnolia Bank with three offices and 58.4 percent market share and Bank of Buffalo with two offices and 12.8 percent market share.

Nelson County

During the evaluation period, the AA consisted of nine CTs with zero low-income tracts, one moderate-income tract, four middle-income tracts, and four upper-income tracts.

The following tables provide a summary of the demographics, including housing and business information for Nelson County.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Nelson County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	11.1	44.4	44.4	0.0
Population by Geography	44,564	0.0	8.4	40.5	51.1	0.0
Housing Units by Geography	18,443	0.0	8.2	42.9	48.9	0.0
Owner-Occupied Units by Geography	12,796	0.0	5.9	38.2	55.9	0.0
Occupied Rental Units by Geography	4,021	0.0	15.3	48.6	36.1	0.0
Vacant Units by Geography	1,626	0.0	8.7	65.3	26.0	0.0
Businesses by Geography	3,692	0.0	11.4	32.1	56.5	0.0
Farms by Geography	238	0.0	2.9	41.2	55.9	0.0
Family Distribution by Income Level	12,610	15.6	13.7	16.9	53.8	0.0
Household Distribution by Income Level	16,817	16.3	12.1	16.0	55.7	0.0
Median Family Income Non-MSAs - KY		\$45,986	Median Housing Value			\$131,593
			Median Gross Rent			\$713
			Families Below Poverty Level			12.5%
<i>Source: 2015 ACS and 2021 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Economic conditions for the AA prior to the COVID-19 pandemic were consistent with the state of Kentucky, with 4.4 percent unemployment. At the peak of the pandemic in April 2020, the unemployment rate in Nelson County was 20.4 percent, which was more than the state of Kentucky at 16.2 percent. The annual average unemployment rate for 2020 improved significantly for the AA and the state. On average, the unemployment rates for the AA were consistent with the state of Kentucky's unemployment rates for the evaluation period.

The major industries in the AA included office and administrative support, sales, and production workers. The largest employers included Nelson County Board of Education, various distilleries, Tower International, and American Fuji Seal, Inc. Many residents commute to Elizabethtown and Louisville, Kentucky for employment.

In the performance context, examiners evaluated the disparity between the median income of families within the AA and the cost of housing. Based on the FFIEC adjusted median family income ranges, low-income families earned less than \$26,300, and moderate-income families earned less than \$42,080. One method to determine housing affordability assumes a maximum affordable monthly principal and interest payments of no more than 30 percent of the applicant's income based on assuming a 30-year mortgage with a 5 percent interest rate, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional monthly expenses. Using these assumptions, a low-income borrower could afford a maximum mortgage payment of \$658 per month, and a moderate-income borrower could afford a maximum payment of \$1,052 per month. According to Realtor.com, the 2021 median home value would result in a monthly payment of \$966. This illustrates low-income borrowers would be challenged to qualify for a mortgage loan in the AA.

Approximately 12.5 percent of households in the AA lived below the poverty level. This was slightly above the national average of 12.0 percent. Additionally, 33.1 percent of households received social security benefits to supplement income. The median household income was \$45,986 for the AA, which was less than the state average of \$55,454 and the national average of \$76,330.

Housing availability in the AA posed challenges to lending in low- and moderate-income geographies. Total rental units in the AA were 21.8 percent (15.3 percent in the moderate-income CT) of available units. An additional barrier to available units is the volume of vacant units of 8.8 percent (8.8 percent in the moderate-income CT) of housing units. The volume of rental units and vacant units resulted in the available lending opportunities on 69.4 percent (5.9 percent in moderate-income CT) of owner-occupied units in the AA.

LNB had moderate competition within the AA. As of June 30, 2021, there were six financial institutions operating 15 offices in the AA, including LNB. Competition included local state-chartered banks, with a few branches of regional and large banks. The June 30, 2021, FDIC Deposit Market Share Report showed LNB ranked third in market share in the AA at 18.9 percent. LNB's major competitors in the AA were Town & Country Bank and Trust Company with four offices and 33.7 percent market share and Wilson & Muir Bank & Trust Company with five offices and 29.8 percent market share.

Conclusions with Respect to Performance Tests in Kentucky

Lending Test

The bank's performance under the lending test in Kentucky is Satisfactory.

Distribution of Loans by Income Level of the Geography

The bank exhibits a reasonable geographic distribution of loans in Kentucky.

Home Mortgage Loans

Refer to Table O in *Appendix D: Tables of Performance Data* for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

LaRue County

Lending to geographies of different income levels in the AA reflected reasonable distribution. Management originated or purchased 40.1 percent of loans in moderate-income CTs, in line with the demographic and aggregate comparators. There were no low-income CTs in this AA.

Nelson County

Lending to geographies of different income levels in the AA reflected reasonable distribution. Management originated or purchased 3.7 percent of loans in moderate-income CTs, in line with the demographic and aggregate comparators. There were no low-income CTs in this AA.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in *Appendix D: Tables of Performance Data* for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

LaRue County

The bank's distribution of loans to borrowers of different income levels was reasonable. The distribution of loans to low-income borrowers was well below the demographic comparator but exceeded the aggregate lending performance. The distribution of loans to moderate-income borrowers exceeded both the demographic comparator and aggregate lending performance.

Nelson County

The bank's distribution of loans to borrowers of different income levels was reasonable. The distribution of loans to low-income borrowers was well below the demographic comparator but near to the aggregate lending performance. The distribution of loans to moderate-income borrowers was below both the demographic comparator and aggregate lending performance but within a reasonable range.

Responses to Complaints

LNB did not receive any CRA-related complaints 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:	January 1, 2020 to December 31, 2021	
Bank Products Reviewed:	Home mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>Not Applicable</i>		<i>Not Applicable</i>
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Kentucky		
Elizabethtown-Ft. Knox MSA #21060	Full-Scope	<i>LaRue County only</i>
Nelson County	Full-Scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS: The Lincoln National Bank of Hodgenville	
Overall Bank:	Lending Test Rating
The Lincoln National Bank of Hodgenville	Satisfactory
MMSA or 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 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

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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																	2020-21		
	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	% 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	
LaRue County	187	23,872	51.7	0.0	0.0	0.0	39.8	40.1	45.8	60.2	59.9	54.2	0.0	0.0	0.0	0.0	0.0	0.0	
Nelson County	163	23,583	48.3	0.0	0.0	0.0	5.9	3.7	3.9	38.2	47.2	37.2	55.9	49.1	59.0	0.0	0.0	0.0	
Total	350	47,455	100.0	0.0	0.0	0.0	13.8	23.1	11.7	43.4	54.1	40.3	42.8	22.8	48.0	0.0	0.0	0.0	

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 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																	2020-21		
	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	% of Families	% Bank Loans	Aggregate	
LaRue County	187	23,872	51.7	27.8	10.7	7.9	22.4	24.1	16.9	21.1	23.0	22.5	28.7	35.8	33.9	0.0	6.4	18.9	
Nelson County	163	23,583	48.3	15.6	1.8	2.2	13.7	8.6	11.9	16.9	21.5	20.7	53.8	55.8	45.1	0.0	12.3	20.0	
Total	350	47,455	100.0	18.4	6.6	3.3	15.7	16.5	12.9	17.8	22.8	21.0	48.1	45.0	43.0	0.0	9.1	19.8	

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.