

# **PUBLIC DISCLOSURE**

May 29, 2007

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Whitaker Bank  
RSSD # 1445943

2001 Pleasant Ridge Drive  
Lexington, KY 40509

Federal Reserve Bank of Cleveland  
P.O. Box 6387  
Cleveland, OH 44101-1387

**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.

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**INSTITUTION'S CRA RATING: Satisfactory**

The following table indicates the performance level of Whitaker Bank with respect to the lending, investment, and service tests.

<b>PERFORMANCE LEVELS</b>	<b><u>Whitaker Bank</u></b>		
	<b>PERFORMANCE TESTS</b>		
	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

**\* Note:** The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Major factors supporting the institution's rating include:

- Lending reflects a good responsiveness to the credit needs of the assessment area;
- A majority of loans are made in the assessment area;
- The geographic distribution of loans reflects good penetration throughout the assessment area;
- Given the product lines offered, the distribution borrowers reflects a good penetration of among borrowers of different income levels and businesses and farms of different revenue sizes;
- The bank makes an adequate level of community development loans;
- The bank makes an adequate level of qualified investments, rarely in a leadership position;
- Delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in its assessment area;
- The bank has not opened or closed branches since the previous evaluation, and therefore branches have generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals;
- Services and business hours do not vary in a way that inconveniences its assessment areas, particularly low- and moderate-income geographies and low- and moderate-income individuals; and,
- The bank provides an adequate level of community development services.

## **DESCRIPTION OF INSTITUTION**

Whitaker Bank ("Whitaker") is a subsidiary of Whitaker Bancorp, headquartered in Lexington, Kentucky. As of December 31, 2006, Whitaker had total assets of \$1.2 billion, representing approximately 75% of the holding company's assets. Whitaker Bancorp also has another state member bank, Peoples Bank and Trust of Madison County ("Peoples"), which had total assets of \$348 million during the same time period.

Whitaker operates 37 offices in 30 counties throughout the central and eastern portions of the Commonwealth of Kentucky. Additionally, they operate 58 full-service ATMs and 29 cash-only ATMs throughout the assessment area. Since the previous evaluation, Whitaker has not opened any new branch offices or ATMs. In addition, Whitaker expanded their assessment area from 139 census tracts within 13 counties to 226 census tracts within 30 counties. The bank's footprint encompasses the entirety of the Lexington-Fayette MSA, as well as 13 additional contiguous counties within the eastern Kentucky non-metropolitan area.

Whitaker provides a full range of personal and business deposit and loan products, Internet banking, and telephone banking services. As of June 30, 2006, Whitaker ranked fourth in deposit share within the assessment area, with 6.84% of the market share of deposits (FDIC/OTS Summary of Deposits website: [www.fdic.gov](http://www.fdic.gov)). Market share for lending varies depending on location and product type and will be discussed within the respective assessment areas. As of December 31, 2006, total deposits represented 82% and loans represented 72% of the bank's assets. Loans were comprised of commercial and agricultural loans (40%), residential real estate loans (35%), consumer loans (9%), and home equity loans (2%). Major competitors include JPMorgan Chase Bank, Fifth Third Bank, Central Bank & Trust Company, and Community Trust Bank, Inc., as well as several other regional and local community banks

Demographic information and key financial information regarding the institution are illustrated in the following tables. Additional information regarding the respective assessment areas are discussed in those areas of the report.

<b>Key Financial Data</b> <b>As of December 31, 2006 (\$000)</b>	
Average Assets	\$1,169,175
Average Total Loans & Leases	\$862,785
Total Assets	\$1,200,208
Total Deposits	\$977,364
Net Loans & Leases	\$857,439
Loans Secured by Real Estate	\$704,270
Consumer Loans	\$73,914
Commercial and Industrial Loans	\$88,760
Investments	\$254,182
Agricultural Loans	\$5,600

<b>Key Financial Ratios</b> <b>As of December 31, 2006</b>	
Return of Average Assets	1.08
Net Loans & Leases to Average Assets	72.39%
Investments to Average Assets	19.94%
Total Deposits to Average Assets	81.57%
Net Loans & Leases to Total Deposits	87.73%
1-4 Family Residential Loans to Average Gross Loans	34.78%
Consumer Loans to Average Gross Loans	8.99%
Commercial Loans to Gross Average Loans (includes loans secured by RE)	34.30%
Agricultural Loans to Average Loans (includes loans secured by farm land)	5.45%

### Combined Demographics Report

Whitaker Bank

Analysis Year: 2005 & 2006

Assessment Group(s): Overall

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	4.9	5,589	2.2	1,891	33.8	60,478	23.6
Moderate-income	73	32.3	72,033	28.1	17,375	24.1	44,240	17.3
Middle-income	95	42.0	115,090	45.0	15,496	13.5	50,555	19.7
Upper-income	46	20.4	63,324	24.7	3,771	6.0	100,763	39.4
Unknown-income	1	0.4	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>226</b>	<b>100.0</b>	<b>256,036</b>	<b>100.0</b>	<b>38,533</b>	<b>15.0</b>	<b>256,036</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	14,333	3,585	1.4	25.0	9,020	62.9	1,728	12.1
Moderate-income	114,054	69,572	27.7	61.0	32,962	28.9	11,520	10.1
Middle-income	185,398	113,936	45.4	61.5	55,564	30.0	15,898	8.6
Upper-income	95,119	63,851	25.4	67.1	25,172	26.5	6,096	6.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>408,904</b>	<b>250,944</b>	<b>100.0</b>	<b>61.4</b>	<b>122,718</b>	<b>30.0</b>	<b>35,242</b>	<b>8.6</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	1,910	6.0	1,625	5.8	249	9.3	36	4.3
Moderate-income	6,635	20.9	5,868	20.8	555	20.7	212	25.0
Middle-income	13,932	43.9	12,450	44.1	1,121	41.7	361	42.6
Upper-income	9,238	29.1	8,250	29.2	750	27.9	238	28.1
Unknown-income	38	0.1	27	0.1	11	0.4	0	0.0
<b>Total Assessment Area</b>	<b>31,753</b>	<b>100.0</b>	<b>28,220</b>	<b>100.0</b>	<b>2,686</b>	<b>100.0</b>	<b>847</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>88.9</b>		<b>8.5</b>		<b>2.7</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	13	0.8	13	0.8	0	0.0	0	0.0
Moderate-income	297	17.9	295	18.2	2	6.7	0	0.0
Middle-income	772	46.6	752	46.4	18	60.0	2	28.6
Upper-income	575	34.7	560	34.6	10	33.3	5	71.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,657</b>	<b>100.0</b>	<b>1,620</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.8</b>		<b>1.8</b>		<b>0.4</b>

The 30 counties in which Whitaker operates were divided into the following three assessment areas for the purposes of this evaluation:

- Lexington-Fayette Kentucky Metropolitan Area - Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford counties
- Eastern Kentucky Non-metropolitan Area - Bath, Breathitt, Clay, Estill, Fleming, Garrard, Jackson, Knott, Knox, Laurel, Leslie, Letcher, Madison, Menifee, Montgomery, Nicholas, Owsley, Perry, Powell, Rockcastle, Rowan, Whitley, and Wolfe counties
- Western Kentucky Non-metropolitan Area - Franklin County

There are a total of 226 tracts in the bank's assessment area, which is comprised of 11 low-income tracts, 73 moderate-income tracts, 95 middle-income tracts, and 46 upper-income tracts and 1 unknown-income tract. Fifty-nine percent of the tracts in the Eastern Kentucky non-metropolitan area have been designated as either distressed and/or underserved areas in 2005/2006. More information is provided within that area's detailed review.

Whitaker has no financial or regulatory impediments that would impact this CRA performance evaluation.

Whitaker was previously rated "Satisfactory" at the May 16, 2005 CRA performance evaluation with the lending test rated "High Satisfactory" and both the investment and service tests rated "Low Satisfactory."

## SCOPE OF EXAMINATION

This performance evaluation considered loan data from January 1, 2005 through December 31, 2006. The Lexington-Fayette Kentucky metropolitan area ("Lexington MSA") and the Eastern Kentucky non-metropolitan area were weighted most heavily, given that lending in these assessment areas represented 15% and 80% of lending, respectively. The Western Kentucky non-metropolitan area represented only 5% of lending and therefore received a limited-scope review. A detailed description of each assessment area is presented in subsequent sections of this performance evaluation and assessment maps may be found in Appendix E.

The evaluation included home purchase, refinance, and home improvement loans reported under the Home Mortgage Act ("HMDA") and small business and small farm loans reported under the Community Reinvestment Act ("CRA"). The loans were evaluated to determine the lending activity inside and outside the bank's assessment area. In addition, these loans were evaluated on the geographic and borrower-income distribution of the various assessment areas. In particular, the bank's lending patterns within the low-, moderate-, and distressed/underserved middle-income geographies are weighted most heavily in this analysis. Also, the poverty level factored into the borrower distribution analysis within the respective assessment areas, as many individuals at or below the poverty level have difficulty qualifying for traditional HMDA-product type loans. Therefore, the bank's lending pattern to low- and moderate-income families is weighted most heavily in this analysis.

The evaluation did not consider other commercial or consumer loan products offered by the

bank, which are not reported under HMDA or CRA.

As part of the overall lending test, the bank's geographic distribution of loans was evaluated using census tract data on the basis of 2005 OMB classifications of the 2000 U.S. Census data. In addition, the HMDA loans were assessed by comparing the percentage of loans made in each geography type (low-, moderate-, middle-, and upper-income) to the percentage of owner-occupied unites in each geography type. Small business and small farm loans were compared to the percentage of businesses and farms within each geographic income category, regardless of revenue size of the business.

The borrower distribution of loans to borrowers of different income levels is based on 2005 adjusted median family income data, made available by HUD. The bank's HMDA loans were assessed by comparing the percentage of loans made to borrowers in each income category (low-, moderate-, middle-, and upper-income) to the percentage of families in each income category. The bank's lending pattern to low- and moderate-income families, in particular, is weighted most heavily in this analysis.

In addition, the bank's borrower income distribution with respect to small business loans was assessed by comparing the percentage of loans made to businesses in each revenue category (less than or equal to \$1 million or greater) to the percentage of total businesses in each revenue category. The bank's lending pattern to businesses with \$1 million or less in revenue is weighted the most heavily in this analysis, as it shows particular responsiveness to the needs of small businesses in the area.

The bank's borrower income distribution with respect to small farm loans was assessed by comparing the percentage of loans made to farms in each revenue category (less than or equal to \$1 million or greater) to the percentage of total farms in each revenue category. The bank's lending pattern to farms with \$1 million or less in revenue is weighted the most heavily in this analysis, as it shows particular responsiveness to the needs of small farms in the area.

This performance evaluation also considered community development lending, investment, and service activities from May 17, 2005 through May 29, 2007. Community development lending is reviewed in order to determine the responsiveness to credit and community development needs. Investment performance is evaluated in order to determine if qualified investments benefit the assessment area or a broader statewide or regional area that includes the assessment area. Community development services are evaluated in order to determine the extent, the innovativeness, and the responsiveness of the services provided. Lastly, interviews were conducted with community contacts by this Reserve Bank to ascertain the credit needs of the community.

Further, the bank's combined lending performance in 2005 and 2006 was compared to the aggregate of all lenders performance required to report HMDA and CRA data within the respective assessment areas. The aggregate of all lenders is the number of loans originated and purchased by percentage by all reporting lenders minus the number of loans originated or purchased by this institution. The bank's market share of lending is also discussed to give the reader a better understanding of how Whitaker ranks with the respective areas. As of the time of this evaluation, 2006 peer and market data were not publicly available and therefore not included within this analysis.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### Lending Test

The institution's lending test is considered "High Satisfactory," based on a good responsiveness to the credit needs of the bank's communities, a high percentage of loans being made within its assessment areas, a good distribution of loans among geographies and borrowers of different income levels and businesses of different revenue sizes, and an adequate level of community development lending.

### *Lending Activity*

Considering the bank's size, resources, and competitive factors, Whitaker's lending activity reflects a good responsiveness to assessment area credit needs.

### *Assessment Area Concentration*

Whitaker originates a high percentage of its loans within its assessment areas. The following tables indicate that 94.2% of the loans for during the evaluation period were originated within the bank's overall market.

EXHIBIT 1								
Lending Inside and Outside the Assessment Area								
January 1, 2005 – December 31, 2006								
	Inside				Outside			
	#	%	\$('000s)	%	#	%	\$('000s)	%
HMDA home purchase	1,093	91.1	93,633	84.3	105	8.9	17,133	15.7
HMDA refinance	1,237	93.7	83,867	91.6	83	6.3	7,698	8.4
HMDA home improvement	1,147	97.2	19,404	96.5	33	2.8	702	3.5
<b>Total HMDA-related</b>	<b>3,477</b>	<b>94.0</b>	<b>196,904</b>	<b>88.5</b>	<b>221</b>	<b>6.0</b>	<b>25,533</b>	<b>11.5</b>
<b>Total small business</b>	<b>2,375</b>	<b>94.9</b>	<b>126,357</b>	<b>92.8</b>	<b>127</b>	<b>5.1</b>	<b>9,858</b>	<b>7.2</b>
<b>Total small farm</b>	<b>1,458</b>	<b>93.2</b>	<b>44,668</b>	<b>92.1</b>	<b>106</b>	<b>6.8</b>	<b>3,808</b>	<b>7.9</b>
<b>TOTAL LOANS</b>	<b>7,310</b>	<b>94.2</b>	<b>367,929</b>	<b>90.4</b>	<b>454</b>	<b>5.8</b>	<b>39,199</b>	<b>9.6</b>

### ***Geographic and Borrower Distribution***

The geographic distribution of loans reflects a good penetration throughout the bank's assessment area. However, the geographic distribution of different loan products within each assessment areas ranged from adequate to excellent (see evaluations for each assessment area for further details). There were no significant gaps noted in the distribution of loans throughout the bank's assessment area. The analysis reflects a reasonable penetration throughout the assessment area.

The distribution of borrowers reflects, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes.

### ***Community Development Lending***

Overall, Whitaker has made an adequate level of community development loans within its assessment areas.

Whitaker originated \$1.6 million in qualified community development loans, which represents 0.14% of the bank's total assets.

Whitaker participates in Federal Home Loan Bank of Cincinnati's Welcome Home (funds reasonable down payments and closing costs) and the American Dream Homeownership Challenge (grant funding to increase homeownership for minorities, persons with special needs, and households displaced by disaster) programs.

### **Investment Test**

Whitaker's performance under the investment test is considered "Low Satisfactory." The bank provides an adequate level of support to local organizations throughout its assessment areas that promote affordable housing and community services through donations and grants.

Qualified community development investments totaled \$865,987, including \$20,000 made outside the bank's assessment areas to the Salvation Army for Katrina Relief efforts. This represents 0.07% of the bank's total assets. These investments were primarily in the form of grants and donations.

The following table breaks out the number and dollar amount of investments by community development purpose for the bank's entire footprint:

<b>Qualified Investments by Community Development Purpose</b>		
<b>Community Development Activity</b>	<b># of Organizations</b>	<b>\$ Amount</b>
Affordable housing for LMI individuals	12	\$799,187
Services for LMI individuals	6	\$37,800
Revitalization and/or stabilization for LMI areas (Katrina Relief)	1	\$20,000
Economic Development activities that provide financing for small businesses and farms	2	\$9,000
<b>Total</b>	<b>21</b>	<b>\$865,987</b>

### **Service Test**

Whitaker’s performance under the service test is considered “Low Satisfactory.” The retail banking services are reasonably accessible to all portions of the bank’s assessment area. Services, products, and hours are consistent across all branches and provide reasonable access to all in the assessment area. The bank provides an adequate level of community development services. Bank employees are involved in community development activities within the Lexington-Fayette MSA and the Eastern Kentucky non-metropolitan area. Specific details of community services are discussed in the respective assessment area sections of this report.

Whitaker offers a variety of consumer and business banking products and services, including, but not limited to:

- Deposit accounts, such as checking accounts, savings accounts, certificates of deposit, money market accounts, and Individual Retirement Accounts
- ATM and debit cards
- Consumer loans for vehicles, home improvement, debt consolidation, vacations, and other major purchases
- Mortgage loans for purchase, refinance and construction
- Home equity lines of credit
- Credit cards and gift cards
- Business loans for construction, commercial real estate, revolving lines of credit, accounts receivable financing, SBA guaranteed loans and letters of credit
- Business checking, savings, certificates of deposit, account analysis, merchant accounts, business bill pay, e-statements, and pay taxes online

These products and services are available through a branch banking network, which includes lobby, drive-thru, and ATM services. The branch distribution makes these products and services accessible to geographies and individuals of different income levels throughout the assessment areas.

The hours at each branch vary, with lobbies generally opening between 8:30am – 9:30am and closing between 4:30pm – 6:00pm on Monday through Friday. Many branches have drive-thru services with extended hours and some branches offer Saturday morning banking. Products and services available through the branches and hours of operation do not vary in a way that inconveniences the bank's assessment areas, particularly low- and moderate-income geographies and individuals.

Many products and services are also accessible through 24-hour Internet banking and telephone banking. Internet banking allows customers to transfer funds, pay bills, and view account statements and transactions. Telephone banking allows customers to initiate fund transfers and access account information, such as balances, recent transactions and loan payoffs.

### **COMPLIANCE WITH ANTIDISCRIMINATION LAWS**

No evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs was identified. The bank continues the use of fair lending policies and procedures, and has an effective fair lending training program to address fair lending issues.

## **LEXINGTON-FAYETTE KENTUCKY METROPOLITAN AREA**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN LEXINGTON-FAYETTE METROPOLITAN AREA, COMMONWEALTH OF KENTUCKY**

The assessment area has nine (9.5%) low-income tracts, 21 (22.1%) moderate-income tracts, 41 (43.2%) middle-income tracts, 23 (24.2%) upper-income tracts, and one census tract had no reported income for a total distribution of 95 income tracts.

As of June 30, 2006, Whitaker ranked eighth in deposit share within the assessment area, with 3.54% of the market share of deposits (FDIC/OTS Summary of Deposits website: [www.fdic.gov](http://www.fdic.gov)).

Major competitors include JPMorgan Chase Bank, Fifth Third Bank, Central Bank & Trust Company, National City Bank, BB&T, as well as several other regional and local community banks.

#### **Population**

The Lexington-Fayette MSA is comprised of Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford counties. Whitaker's assessment area includes the entire MSA, which has a total population of 408,326.

The population is comprised of approximately 84% not-Hispanic white and has a significant total minority population slightly over 16%, which exceeds the Commonwealth of Kentucky's total minority population of about 11%. Slightly over half of the MSA's total population (53.9%) is in the 25-64 age range, which is comparable to the Commonwealth's total population in that same range. A little over 10% of the assessment area's population is age 65 and over versus 12.5% state's total population in that same range.

The median family income for the assessment area was \$51,365, which was significantly higher than for the Commonwealth of Kentucky at \$40,939. The assessment area poverty rate of 8.19% is significantly lower than both the Commonwealth of Kentucky poverty rate of 12.7% and the nation's poverty rate of 12.6%.

#### **Housing**

There were 175,262 housing units in the assessment area as of the 2000 Census. 76.76% of these units housed 1-4 families, 19.29% housed five families or more, 3.91% were mobile homes, and the remaining 0.05% were other types of units. The majority of the units (55.96%) in the assessment area were owner-occupied. The median of the housing stock was 26 years, which was comparable to the Commonwealth of Kentucky's median of 27 years.

#### **Labor, Employment and Economic Characteristics**

According to Workforce Kentucky labor market information ([www.workforcekentucky.ky.gov](http://www.workforcekentucky.ky.gov)), the annual unadjusted unemployment rates in 2006 for the counties in this assessment area were as follows: Bourbon – 4.9%, Clark – 5.5%, Fayette – 4.3%, Jessamine – 4.7%, Scott – 4.8%, and Woodford – 4.2%, all of which fell below the 2006 Kentucky unadjusted unemployment figure of 5.7%. Four out of six counties' unadjusted unemployment rates were above the 2006 national unadjusted unemployment rate of 4.6%.

The main employers in this assessment area are the University of Kentucky, Lexmark International, Toyota Motor Manufacturing, IBM, Lexington Medical Center and other healthcare facilities, and the local government.

### **Community Contacts**

One community contact from an economic development organization was conducted in conjunction with this examination. Needs identified by the individuals contacted included programs to help low- and moderate-income borrowers to finance housing and the Newtown Pike extension project, which will be an expressway from Main Street in downtown to the University of Kentucky.

### Combined Demographics Report

Whitaker Bank

Analysis Year: 2005 & 2006

Assessment Area(s): Lexington MSA 30460

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	9	9.5	4,516	4.3	1,472	32.6	21,702	20.6
Moderate-income	21	22.1	23,644	22.5	3,186	13.5	18,666	17.8
Middle-income	41	43.2	45,205	43.0	2,950	6.5	22,738	21.6
Upper-income	23	24.2	31,788	30.2	1,002	3.2	42,047	40.0
Unknown-income	1	1.1	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>95</b>	<b>100.0</b>	<b>105,153</b>	<b>100.0</b>	<b>8,610</b>	<b>8.2</b>	<b>105,153</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	12,673	2,680	2.7	21.1	8,440	66.6	1,553	12.3
Moderate-income	40,349	19,506	19.9	48.3	17,707	43.9	3,136	7.8
Middle-income	76,549	43,092	43.9	56.3	29,134	38.1	4,323	5.6
Upper-income	45,691	32,798	33.4	71.8	10,497	23.0	2,396	5.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>175,262</b>	<b>98,076</b>	<b>100.0</b>	<b>56.0</b>	<b>65,778</b>	<b>37.5</b>	<b>11,408</b>	<b>6.5</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	1,865	11.5	1,584	11.1	246	15.7	35	10.7
Moderate-income	2,999	18.5	2,635	18.4	299	19.1	65	19.9
Middle-income	6,366	39.3	5,677	39.7	550	35.1	139	42.5
Upper-income	4,914	30.4	4,366	30.6	460	29.4	88	26.9
Unknown-income	38	0.2	27	0.2	11	0.7	0	0.0
<b>Total Assessment Area</b>	<b>16,182</b>	<b>100.0</b>	<b>14,289</b>	<b>100.0</b>	<b>1,566</b>	<b>100.0</b>	<b>327</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>88.3</b>		<b>9.7</b>		<b>2.0</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	12	1.4	12	1.4	0	0.0	0	0.0
Moderate-income	124	14.3	122	14.5	2	8.7	0	0.0
Middle-income	376	43.3	363	43.2	13	56.5	0	0.0
Upper-income	357	41.1	344	40.9	8	34.8	5	100.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>869</b>	<b>100.0</b>	<b>841</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>96.8</b>		<b>2.6</b>		<b>0.6</b>

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LEXINGTON- FAYETTE KENTUCKY METROPOLITAN AREA

### **Lending Test**

The assessment area's lending test is considered good. Generally, the bank's performance for both geographic and borrower distributions was either comparable or exceeded the aggregate of all lenders and comparable for the most part to the proxies within this assessment area.

Because there were enough loans to make a meaningful analysis, this evaluation includes an analysis on each individual product type. Home refinance loans were given the greatest weight due to largest dollar and loan volume, followed closely by home purchase loans, and home improvement loans were given the least weight.

### ***Lending Activity***

Whitaker's lending activity reflects a good responsiveness to assessment area credit needs.

Lending in this assessment area represented 15% of total lending for the examination period, which is significantly less than the approximately 27% of deposits generated in this assessment area.

In 2005, Whitaker ranked 14<sup>th</sup> out of 423 representing 1.4% of the market share of HMDA loans originated in this assessment area and ranked 15<sup>th</sup> out of 66 representing 2.1% of the market share of small business and small farm loans originated in this assessment area.

Whitaker had one home purchase loan in Lexington that qualified to receive funds from the Federal Home Loan Bank of Cincinnati's Welcome Home program.

### ***Geographic Distribution***

The geographic distribution of loans reflects excellent penetration throughout this assessment area. The bank's lending performance was comparable or exceeded the owner-occupied housing proxy and aggregate of all lenders.

### ***Home Purchase Loans***

Whitaker originated 13 loans (5.1%) in low-income tracts, which is higher than aggregate of all lenders of 2.1% and owner-occupied housing units of 2.7%. This reflects an excellent penetration of loans within low-income tracts.

Whitaker originated 51 loans (20.0%) in moderate-income tracts, which is higher than aggregate of all lenders of 16.9% and comparable to the 19.9% of owner-occupied housing units located in moderate-income tracts. This reflects an excellent penetration of loans within moderate-income tracts.

Loans originated in middle-income tracts represented 34.1% of total loans, which was slightly

less than aggregate of all lenders of 37.2% and significantly less than owner-occupied housing units of 43.9%. Loans originated in upper-income tracts represented 40.8% of total loans, which was slightly less than aggregate of all lenders of 43.7% and substantially higher than owner-occupied housing units of 33.4%.

### *Refinance Loans*

Whitaker originated 4 loans (1.4%) in low-income tracts, which is slightly lower than aggregate of all lenders of 2.9% and owner-occupied housing units of 2.7%. This reflects an adequate penetration of loans within low-income tracts.

Whitaker originated 70 loans (24.8%) in moderate-income tracts, which is significantly higher than aggregate of all lenders of 19.8% and the 19.9% of owner-occupied housing units located in moderate-income tracts. This reflects an excellent penetration of loans within moderate-income tracts.

Loans originated in middle-income tracts represented 44.0% of total loans, which exceeded aggregate of all lenders of 39.5% and slightly exceeded the owner-occupied housing units of 43.9%. Loans originated in upper-income tracts represented 29.8% of total loans, which was both lower than aggregate of all lenders of 37.8% and owner-occupied housing units of 33.4%.

### *Home Improvement Loans*

Whitaker originated 2 loans (4.9%) in low-income tracts, which is higher than aggregate of all lenders of 2.5% and owner-occupied housing units of 2.7%. This reflects an excellent penetration of loans within low-income tracts.

Whitaker originated 11 loans (26.8%) in moderate-income tracts, which is higher than aggregate of all lenders of 20.6% and the 19.9% of owner-occupied housing units located in moderate-income tracts. This reflects an excellent penetration of loans within moderate-income tracts.

Loans originated in middle-income tracts represented 31.7% of total loans, which was substantially lower than aggregate of all lenders of 41.8% and owner-occupied housing units of 43.9%. Loans originated in upper-income tracts represented 36.6% of total loans, which was only slightly higher than aggregate of all lenders of 35.0% and higher than owner-occupied housing units of 33.4%.

### *Small Business Loans*

Whitaker originated 4 loans (1.4%) in low-income tracts, which is significantly less than aggregate of all lenders of 8.5% and the percentage of businesses located in low-income tracts of 11.5%. This reflects a poor penetration of loans within the low-income tracts.

The bank originated 83 loans (29.0%) in moderate-income tracts, which was significantly higher than both aggregate of all lenders of 16.9% and the 18.5% of businesses located in the moderate-

income tracts. This reflects an excellent penetration of loans within moderate-income tracts.

Loans originated in middle-income tracts represented 42.7% of total loans, which was higher than aggregate of all lenders of 36.8%, and the 39.3% of businesses located in middle-income tracts. Whitaker originated 26.9% of total loans in upper-income tracts, which was less than aggregate of all lenders of 35.4% and the 30.4% of businesses located in upper-income tracts.

### *Small Farm Loans*

Whitaker did not originate any loans in low-income tracts compared to aggregate of all lenders of 2.3% and the 1.4% of farms located in low-income tracts.

The bank originated 19 loans (8.3%) in moderate-income tracts, which was less than both the aggregate of all lenders of 12.7% and the 14.3% of farms located in the moderate-income tracts. This reflects an adequate penetration of loans within the moderate-income tracts.

Loans originated in middle-income tracts represented 65.1% of total loans, which was significantly higher than aggregate of all lenders of 47.1% and the 43.3% of farms located in middle-income tracts. Whitaker originated 26.6% of total loans in upper-income tracts, which was less than aggregate of all lenders of 37.4% and significantly less than the 41.1% of farms located in upper-income tracts.

### *Distribution by Borrower Income and Revenue Size of Business*

The distribution of borrowers reflects an adequate penetration among customers of different income levels and businesses of different revenue sizes given that 8.19% of families in the assessment area are below the poverty level. The bank's performance was comparable or slightly below the family income proxies.

### *Home Purchase Loans*

Whitaker originated 9 loans (3.5%) to low-income borrowers, which is lower than aggregate of all lenders of 6.81% and substantially lower than 20.6% of low-income families located in the assessment area. This reflects a very poor penetration among low-income borrowers.

Whitaker originated 39 loans (15.3%) to moderate-income borrowers, which is lower than aggregate of all lenders of 20.5% and slightly lower than the 17.8% of moderate-income families located in the assessment area. This reflects a good penetration among moderate-income borrowers.

Loans originated to middle-income borrowers represented 18.4% of total loans, which was less than aggregate of all lenders of 22.7% and 21.6% of middle-income families located in the assessment area. Loans originated to upper-income borrowers represented 47.8% of total loans,

which was substantially higher than aggregate of all lenders of 29.9% and exceeded the 40.0% of upper-income families located in the assessment area.

Income figures were unknown for 38 loans (14.9%) of home purchase loans as compared to unknown aggregate of all lenders performance of 20.2%.

### *Refinance Loans*

Whitaker originated 31 loans (11.0%) to low-income borrowers, which is higher than aggregate of all lenders of 8.1% but substantially lower than 20.6% of low-income families located in the assessment area. This reflects an adequate penetration among low-income borrowers.

Whitaker originated 57 loans (20.2%) to moderate-income borrowers, which is higher than either aggregate of all lenders of 18.0% or 17.8% of moderate-income families located in the assessment area. This reflects an excellent penetration among moderate-income borrowers.

Loans originated to middle-income borrowers represented 18.4% of total loans, which was less than either aggregate of all lenders of 21.9% or 21.6% of middle-income families located in the assessment area. Loans originated to upper-income borrowers represented 39.0% of total loans, which was substantially higher than aggregate of all lenders of 31.8% and comparable to the 40.0% of upper-income families located in the assessment area.

Income figures were unknown for 32 loans (11.3%) of refinance loans as compared to unknown aggregate of all lenders performance of 20.3%.

### *Home Improvement Loans*

Whitaker originated 4 loans (9.8%) to low-income borrowers, which is slightly lower than aggregate of all lenders of 11.5% and substantially lower than 20.6% of low-income families located in the assessment area. This reflects a poor penetration among low-income borrowers.

Whitaker originated 7 loans (17.1%) to moderate-income borrowers, which is lower than aggregate of all lenders of 22.0% and comparable to the 17.8% of moderate-income families located in the assessment area. This reflects a good penetration among moderate-income borrowers.

Loans originated to middle-income borrowers represented 24.4% of total loans, which was slightly less than aggregate of all lenders of 25.7% and exceeded the 21.6% of middle-income families located in the assessment area. Loans originated to upper-income borrowers represented 39.0% of total loans, which was substantially higher than aggregate of all lenders of 35.5% and was comparable to the 40.0% of upper-income families located in the assessment area.

Income figures were unknown for 4 loans (9.8%) of home purchase loans as compared to unknown aggregate of all lenders performance of 5.2%.

### *Small Business Loans*

The bank has an excellent distribution of small business loans to businesses of different revenue sizes in this assessment area.

Whitaker originated 249 loans (87.1%) to businesses with revenue of \$1million or less, which is significantly higher than aggregate of all lenders of 44.2%, and slightly less than the 88.3% of business with revenues of \$1 million or less in this assessment area. 82.5% of loans originated regardless of business size were for \$100,000 or less.

### *Small Farm Loans*

The bank has a good distribution of small farm loans to farms of different revenue sizes in this assessment area.

Whitaker originated 207 loans (90.4%) to farms with revenue of \$1million or less, which is significantly higher than aggregate of all lenders of 72.6%, but less than the 96.8% of farms with revenues of \$1 million or less in this assessment area. 92.6% of loans originated regardless of farm size were for \$100,000 or less.

### *Community Development Lending*

The bank made no community development loans in this assessment area.

### **Investment Test**

The bank's investment in this assessment area is considered adequate. Qualified community development investments totaled \$112,200 in this assessment area, which represents 13% of total qualified community development investments. The bank's investments were primarily in the forms of grants and donations to the following community development organizations in Lexington-Fayette MSA:

- Carwood Ledford Scholarship Fund – Provide scholarship opportunity for University of Kentucky athletes who did not complete their degrees during their athletic term – serves LMI students
- Community Ventures Corporation – Kentucky Affordable Housing Conference provide information on affordable housing initiatives, and educational opportunities
- Goodwill – Continuing role in the economic development of Kentucky – creating jobs across the state for those with disabilities and LMI individuals
- Howe Charities – Earmarked funds for the Bluegrass Aspendale, Gardening and The Arts, Tools of Social Change Project (empowerment center) – community service targeted at LMI individuals
- Habitat for Humanity (for Lexington-Fayette and Scott Counties) – Provides affordable

housing for low- and moderate-income individuals

- Lexington Hearing and Speech – Provides diagnostic, therapeutic and educational services for hearing, speech and language impaired children, individuals, and their families – contributions assist LMI individuals and families with subsidize their tuition
- One Team...One Vision – Lexington’s campaign for economic development, minority business and workforce development efforts
- REACH – Resources Education Assistance for Community Housing – Provides affordable housing for Central Kentucky’s LMI individuals and families

The following table breaks out the number and dollar amount of investments in the Lexington-Fayette MSA:

<b>Qualified Investments by Community Development Purpose</b>		
<b>Community Development Activity</b>	<b># of Organizations</b>	<b>\$ Amount</b>
Affordable housing for LMI individuals	6	\$71,100
Services for LMI individuals	3	\$32,100
Programs that provide financing for small businesses and farms	2	\$9,000
<b>Total</b>	<b>11</b>	<b>\$112,200</b>

### **Service Test**

The service test is considered adequate primarily based upon the retail distribution of branches. While the bank is involved in providing community development services, the level of involvement are fairly low in this assessment area and does not impact the rating.

### ***Retail Services***

Whitaker operates 12 branches in this assessment area, which represents 32.4% of the bank’s 37 branches. In addition, the bank operates 18 full-service and 8 cash-only ATMs, which represents 30% of the bank’s total ATMs. The distribution of those branches by census tract income level is compared to the percentage of the population living within each census tract income classification.

There are no branches and no full-service ATMs and 3 cash-only ATMs located in the low-income census tracts, which is less than the 7.18% of the population that lives in the 9 low-income census tracts within the assessment area. There are 3 branches (25%) and 5 full-service ATMs and one cash-only ATM in the moderate-income census tracts, which is greater than the 22.78% of the population that lives in the 21 moderate-income census tracts within the assessment area. There are 6 branches (50%) and 7 full-service and 4 cash-only ATMs in the middle-income census tracts, which is greater than the 41.98% of the population that lives in the middle-income census tracts. There are 3 branches (25%) and 6 full-service ATMs in the upper-income census tracts, which is comparable to the 27.95% of the population that lives in the upper-income census tracts. The branch distribution makes these products and services accessible to geographies and individuals of different income levels throughout the assessment area.

### *Community Development Services*

While Whitaker provides an adequate level of community development services in this assessment area, bank personnel do utilize their financial expertise to provide technical assistance to the following community service organizations regarding fund raising activities, to promote economic development, and to provide education regarding individual credit counseling:

- REACH – Resources Education Assistance for Community Housing - Bank officer serves on Board of Directors. Serves on budget and personnel committees, provides counseling to LMI individuals in order to assist them in qualifying for home purchase, and also provides credit and debt counseling
- Chrysalis House - Bank employee provides financial planning services and serves on the Board of Trustees. Provides services for low- and moderate-income individuals

## NON-METROPOLITAN AREA 1

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN EASTERN KENTUCKY NON-METROPOLITAN AREA

The assessment area has two (1.7%) low-income tracts, 52 (43.0%) moderate-income tracts, 53 (43.8%) middle-income tracts, and 14 (11.6%) upper-income tracts for a total distribution of 121 income tracts.

This Eastern Kentucky non-metropolitan area is comprised of 23 counties, of which 13 (56.5%) counties [with 31 out of 53 middle-income tracts (59%)] are considered to be either distressed and/or underserved areas.

As of June 30, 2006, Whitaker ranked second in deposit share within the assessment area, with 10.97% of the market share of deposits (FDIC/OTS Summary of Deposits website: [www.fdic.gov](http://www.fdic.gov)).

Major competitors include Community Trust, National City Bank, Cumberland Valley National Bank & Trust, and Traditional Bank, as well as several other regional and local community banks.

Distressed areas as defined by the Community Development Financial Institutions ("CDFI") Fund have an unemployment rate of at least 150% greater than the national average, a poverty rate of 20% or more, population loss of 10% or more between decennial census years, and net migration loss of 5% or more over the five-year period prior to the most recent census.

Underserved Areas are defined by the United States Department of Agriculture Economic Research Service ("ERS") as those areas where the population is so small and distant from a population center that the communities have difficulty financing essential community needs. In many cases, these tracts are removed from basic amenities like hospitals or clinics and require water and sewer, health-care facilities, and other infrastructure.

For CRA purposes, middle-income geographies in non-metropolitan areas may be considered distressed and/or underserved geographies for up to one year after the geographies are removed from the list. The following table lists counties that met these definitions during this evaluation period.

Counties	Distressed	Underserved
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	2005	2006	2005	2006
Bath		X		
Breathitt	X	X	X	X
Estill	X	X		
Knott	X	X	X	X
Knox	X	X		
Letcher	X	X	X	X
Menifee	X	X		
Nicholas		X	X	X
Perry	X	X	X	X
Powell	X	X		
Rockcastle	X			
Rowan	X			
Whitley	X	X		

### **Population**

This assessment area has a total population of 492,766. The population is comprised of approximately 96% not-Hispanic white and has a total minority population slightly less than 4%, which falls below the Commonwealth of Kentucky’s total minority population of about 11%. Slightly over half of the non-metropolitan area’s total population (52.4%) is in the 25-64 age range, which is comparable to the Commonwealth’s total population in that same range. About 12% of the assessment area’s population is age 65 which is comparable to the state’s 12.5% of the population in that same range.

The median family income for the assessment area was \$29,564, which falls well below the Commonwealth of Kentucky at \$40,939. The assessment area poverty rate of 21.03% is significantly higher than both the Commonwealth of Kentucky poverty rate of 12.7% and the nation’s poverty rate of 12.6%.

### **Housing**

There were 212,233 housing units in the assessment area as of the 2000 Census; 67.49% of these units housed 1-4 families, 5.48% housed five families or more, 26.87% were mobile homes, and the remaining 0.15% were other types of units. The majority of the units (65.95%) in the assessment area were owner-occupied. The median of the housing stock was 24 years, which was comparable to the Commonwealth of Kentucky’s median of 27 years.

## **Labor, Employment and Economic Characteristics**

According to Workforce Kentucky labor market information ([www.workforcekentucky.ky.gov](http://www.workforcekentucky.ky.gov)), the annual unadjusted unemployment rates in 2006 for a significant sample of the counties in this assessment area were as follows: Bath – 7.7%, Breathitt – 7.4%, Clay – 10.0%, Estill – 6.6%, Garrard – 5.9%, Knott – 7.0%, Knox – 6.9%, Leslie – 8.8%, Letcher – 7.6%, Perry – 6.9%, Rowan – 5.7%, and Wolfe – 9.6%, all of which exceeded the 2006 Kentucky unadjusted unemployment figure of 5.7% and substantially exceeded the 2006 national unadjusted unemployment rate of 4.6%.

Some of the main employers throughout this assessment area include, but are not limited to, the following: various local healthcare providers, local governments, and local school systems, in addition to CSX/GE Transportation, First Image, Wal-Mart, Childers Oil Company, UPS, Columbia Gas Transmission, Allison Abrasives, Feldman Lumber Co., Inc., Garrard Wood Products, Inc., Progressive Machine & Tool, Inc., Nestle, KDMK (a Japanese auto parts plant), Quality Cabinets, Lee-Lynn Machining, and various coal companies.

## **Community Contacts**

Two community contacts were conducted in conjunction with this evaluation - one from a small business development organization and one from a social service agency. The needs identified by the individuals contacted included a need for banks to be more flexible in granting loans in situations where the small business owner is close to meeting particular lending standards and for banks to have a better understanding of the guarantee loan programs that are available. Additionally, due to the high unemployment in poverty throughout many counties, there is a high need for more affordable housing and home improvement type grants and loans targeted at LMI individuals and families.

### Combined Demographics Report

Whitaker Bank

Analysis Year: 2005 & 2006

Assessment Area(s): Non-MSA 1

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	1.7	1,073	0.8	419	39.0	37,414	27.1
Moderate-income	52	43.0	48,389	35.1	14,189	29.3	24,257	17.6
Middle-income	53	43.8	69,173	50.1	12,391	17.9	25,883	18.7
Upper-income	14	11.6	19,417	14.1	2,033	10.5	50,498	36.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>121</b>	<b>100.0</b>	<b>138,052</b>	<b>100.0</b>	<b>29,032</b>	<b>21.0</b>	<b>138,052</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,660	905	0.6	54.5	580	34.9	175	10.5
Moderate-income	73,705	50,066	35.8	67.9	15,255	20.7	8,384	11.4
Middle-income	107,352	70,260	50.2	65.4	25,714	24.0	11,378	10.6
Upper-income	29,516	18,737	13.4	63.5	8,384	28.4	2,395	8.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>212,233</b>	<b>139,968</b>	<b>100.0</b>	<b>66.0</b>	<b>49,933</b>	<b>23.5</b>	<b>22,332</b>	<b>10.5</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	45	0.3	41	0.3	3	0.3	1	0.2
Moderate-income	3,636	26.4	3,233	26.2	256	25.9	147	34.5
Middle-income	7,480	54.3	6,700	54.2	564	57.1	216	50.7
Upper-income	2,614	19.0	2,388	19.3	164	16.6	62	14.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>13,775</b>	<b>100.0</b>	<b>12,362</b>	<b>100.0</b>	<b>987</b>	<b>100.0</b>	<b>426</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>89.7</b>		<b>7.2</b>		<b>3.1</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	173	23.4	173	23.6	0	0.0	0	0.0
Middle-income	396	53.5	389	53.1	5	83.3	2	100.0
Upper-income	170	23.0	169	23.1	1	16.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>740</b>	<b>100.0</b>	<b>732</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>98.9</b>		<b>0.8</b>		<b>0.3</b>	

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN EASTERN KENTUCKY NONMETROPOLITAN AREA

### **Lending Test**

This assessment area's lending test is considered to be good. Generally, the bank's performance for both geographic and borrower distributions was either comparable or exceeded the aggregate of all lenders institutions and the demographic comparators and was mostly comparable or slightly above the proxies within this assessment area.

Because there were enough loans to make a meaningful analysis, this evaluation includes an analysis on each individual product type. Home improvement loans were given the greatest weight due to largest dollar and loan volume, followed closely by both home refinance and home purchase loans.

### ***Lending Activity***

Whitaker's lending activity reflects good responsiveness to assessment area credit needs, especially considering the 21% poverty rate in this assessment area.

Lending in this assessment area represented 80% of total lending for the examination period, which is significantly more than the approximately 63% of deposits generated in this assessment area.

In 2005, Whitaker ranked first out of 325, representing 11.2% of the market share of HMDA loans originated in this assessment area and ranked first out of 48, representing 15.4% of the market share of small business and small farm loans originated in this assessment area.

Whitaker had one home purchase loan in Powell County that qualified to receive funds from the Federal Home Loan Bank of Cincinnati's Welcome Home program. The bank also had five home purchase loans in Garrard County that qualified for grant funding through the American Dream Homeownership Challenge.

### ***Geographic Distribution***

The geographic distribution of loans reflects a good penetration throughout this assessment area. Due to the fact that there are only two low-income tracts, which represents 1.7% of the geographies, and no loans were made in either tract, and the percentage of owner-occupancy was less than 1%, and the aggregate of all lenders also made less than 1% of its loans within the low-income tracts, the moderate-income geographies which comprise 43% of the geographies in this assessment area were given the greatest weight in the lending analysis. In addition, moderate-income geographies were given the next highest weight in lending analyses, because 59% of the tracts were either underserved, distressed or both. Generally, the bank's performance was comparable or exceeded the aggregate of all lenders institutions and the proxy of owner-occupied units in the area.

### ***Home Purchase Loans***

Whitaker originated 224 loans (27.4%) in moderate-income tracts, which is substantially higher than aggregate of all lenders of 16.6% and substantially lower than the 35.8% of owner-occupied housing units located in moderate-income tracts. This reflects a good penetration of loans within moderate-income tracts.

Whitaker originated 483 (59.1%) in middle-income tracts, which exceeded both the aggregate of all lenders of 50.0% and the owner-occupied housing units of 50.2%. This reflects an excellent penetration of loans within middle-income tracts.

Loans originated in upper-income tracts represented 13.5% of total loans, which was substantially lower than the aggregate of all lenders of 33.1% and comparable to the owner-occupied housing units of 13.4%.

#### *Refinance Loans*

Whitaker originated 228 loans (25.5%) in moderate-income tracts, which is higher than aggregate of all lenders of 18.0% and significantly higher than the 35.8% of owner-occupied housing units located in moderate-income tracts. This reflects an excellent penetration of loans within moderate-income tracts.

Whitaker originated 582 (65.2%) in middle-income tracts, which was significantly more than aggregate of all lenders of 53.6% and owner-occupied housing units of 50.2%. This reflects an excellent penetration of loans within middle-income tracts.

Loans originated in upper-income tracts represented 9.3% of total loans, which was significantly lower than aggregate of all lenders of 28.2% and lower than owner-occupied housing units of 13.4%.

#### *Home Improvement Loans*

Whitaker originated 251 loans (23.7%) in moderate-income tracts, which is substantially lower than aggregate of all lenders of 30.8% and the 35.8% of owner-occupied housing units located in moderate-income tracts. This reflects an adequate penetration of loans within moderate-income tracts.

Whitaker originated 716 loans (67.6%) in middle-income tracts, which significantly exceeded aggregate of all lenders of 52.0% and the owner-occupied housing units of 50.2%. This reflects an excellent penetration of loans within middle-income tracts.

Loans originated in upper-income tracts represented 8.7% of total loans, which was substantially lower than aggregate of all lenders of 17.1% and owner-occupied housing units of 13.4%.

#### *Small Business Loans*

Whitaker originated 344 loans (18.0%) in moderate-income tracts, which was comparable to aggregate of all lenders of 18.5%, but significantly lower than 26.4% of businesses located in the moderate-income tracts. This reflects a good penetration of loans within moderate-income tracts.

Whitaker originated 1,050 (55.0%) in middle-income tracts, which was higher than aggregate of all lenders of 50.1% and comparable to the 54.3% of businesses located in middle-income tracts.

Loans originated in upper-income tracts represented 27.0% of total loans, which was higher than aggregate of all lenders of 25.8% and substantially higher than the 19.0% of businesses located in upper-income tracts.

#### *Small Farm Loans*

Whitaker originated 183 loans (16.1%) in moderate-income tracts, which significantly exceeds the aggregate of all lenders of 9.4%, but is significantly lower than the 23.4% of farms located in the moderate-income tracts. This reflects a good penetration of loans within moderate-income tracts.

The bank originated 650 loans (57.3%) in middle-income tracts, which was higher than both aggregate of all lenders of 55.2% and the 53.5% of farms located in middle-income tracts.

Loans originated in upper-income tracts represented 26.5% of total loans, which was less than aggregate of all lenders of 34.6% and higher than the 23.0% of farms located in upper-income tracts.

#### *Distribution by Borrower Income and Revenue Size of Business*

The distribution of borrowers reflects a good penetration among customers of different income levels and businesses of different sizes, especially when considering that 21.03% of families in the assessment area are below poverty level. The bank's performance was generally comparable or slightly above the family income proxies.

#### *Home Purchase Loans*

Whitaker originated 63 loans (7.7%) to low-income borrowers, which is higher than aggregate of all lenders of 3.5% and substantially lower than 27.1% of low-income families living in the assessment area. This reflects a poor penetration among low-income borrowers.

Whitaker originated 116 loans (14.2%) to moderate-income borrowers, which is higher than aggregate of all lenders of 11.3% and lower than the 17.6% of moderate-income families residing in the assessment area. This reflects a good penetration among moderate-income borrowers.

Whitaker originated 169 (20.7%) to middle-income borrowers, which was comparable to

aggregate of all lenders of 21.7% and higher than the 18.7% of middle-income families living in the assessment area.

Loans originated to upper-income borrowers represented 49.8% of total loans, which was higher than aggregate of all lenders of 45.0% and significantly more than the 36.6% of upper-income families living in the assessment area.

Income figures were unknown for 62 loans (7.6%) of home purchase loans as compared to unknown aggregate of all lenders performance of 18.5%.

### *Refinance Loans*

Whitaker originated 98 loans (11.0%) to low-income borrowers, which exceeded aggregate of all lenders of 5.0%, but was substantially lower than 27.1% of low-income families living in the assessment area. This reflects an adequate penetration among low-income borrowers.

Whitaker originated 154 loans (17.2%) to moderate-income borrowers, which was higher than aggregate of all lenders of 11.9% and comparable to 17.6% of moderate-income families living in the assessment area. This reflects a good penetration among moderate-income borrowers.

The bank originated 155 loans (17.4%) to middle-income borrowers, which was less than aggregate of all lenders of 21.7% and about comparable to the 18.7% of middle-income families located in the assessment area.

Loans originated to upper-income borrowers represented 48.9% of total loans, which exceeded aggregate of all lenders of 46.9% and was substantially higher than the 36.6% of upper-income families located in the assessment area.

Income figures were unknown for 49 loans (5.5%) of refinance loans as compared to unknown aggregate of all lenders performance of 14.5%.

### *Home Improvement Loans*

Whitaker originated 197 loans (18.6%) to low-income borrowers, which exceeded aggregate of all lenders of 15.5%, but was lower than 27.1% of low-income families residing in the assessment area. This reflects an adequate penetration among low-income borrowers.

Whitaker originated 223 loans (21.1%) to moderate-income borrowers, which exceeded both aggregate of all lenders of 18.4% and 17.6% of moderate-income families living in the assessment area. This reflects an excellent penetration among moderate-income borrowers.

The bank originated 231 loans (21.8%) to middle-income borrowers, which was slightly less than aggregate of all lenders of 24.1%, but exceeded the 18.7% of middle-income families located in the assessment area.

Loans originated to upper-income borrowers represented 36.3% of total loans, which was substantially less than aggregate of all lenders of 41.1%, but was comparable to the 36.6% of

upper-income families located in the assessment area.

Income figures were unknown for 24 loans (2.3%) of home purchase loans as compared to unknown aggregate of all lenders performance of 1.0%.

#### *Small Business Loans*

The bank has an excellent distribution of small business loans to businesses of different revenue sizes in this assessment area.

Whitaker originated 1,748 loans (91.5%) to businesses with revenue of \$1 million or less, which is significantly higher than aggregate of all lenders of 53.52%, and more than the 89.7% of business with revenues of \$1 million or less in this assessment area. 88.4% of loans originated regardless of business size were for \$100,000 or less.

#### *Small Farm Loans*

The bank has a good distribution of small farm loans to farms of different revenue sizes in this assessment area.

Whitaker originated 1,094 loans (96.5%) to farms with revenue of \$1 million or less, which is comparable to aggregate of all lenders of 96.3%, and slightly less than the 98.9% of farms with revenues of \$1 million or less in this assessment area. 94.0% of loans originated regardless of farm size were for \$100,000 or less.

#### *Community Development Lending*

The bank made an adequate level of community development loans during this evaluation period. Whitaker originated \$1.6 million qualified community development loans in this assessment area, which represents 100% of total qualified community development lending.

#### **Investment Test**

The bank's investment in the Eastern Kentucky non-metropolitan assessment area is considered adequate. Qualified community development investments totaled \$733,287 in this assessment area, which represents 85% of total qualified community development investments. The bank's investments were primarily in the forms of grants and donations to the following community development organizations within this non-metropolitan area:

- Habitat for Humanity (for Garrard and Rowan Counties) – Provides affordable housing for low- and moderate-income individuals

- Kentucky River Foothills Development Council – Provides a comprehensive range of services for low- and moderate-income individuals
- LKLP Community Action Council (Leslie, Knott, Letcher, and Perry Counties) - Operates over 21 human service-type programs targeted at low- and moderate-income individuals
- Powell County Affordable Housing – Provides affordable housing for low- and moderate-income individuals
- Frontier Housing – Provides affordable housing for low- and moderate-income individuals

The following table breaks out the number and dollar amount of investments in the Lexington MSA:

<b>Qualified Investments by Community Development Purpose</b>		
<b>Community Development Activity</b>	<b># of Organizations</b>	<b>\$ Amount</b>
Affordable housing for LMI individuals	6	\$728,087
Services for LMI individuals	2	\$5,200
<b>Total</b>	<b>8</b>	<b>\$733,287</b>

### **Service Test**

The service test is considered adequate primarily based upon the retail distribution of branches. While the bank is involved in providing community development services, the level of involvement are fairly low in this assessment area, it does not impact the rating.

### ***Retail Services***

Whitaker operates 21 branches in this assessment area, which represents 56.8% of the bank's 37 branches. In addition, the bank operates 34 full-service and 17 cash-only ATMs, which represents 58.6% of the bank's total ATMs. The distribution of those branches by census tract income level is compared to the percentage of the population living within each census tract income classification. There are no branches and no full-service ATMs or cash-only ATMs located in the low-income census tracts, which is less than the 1.51% of the population that lives in the 2 low-income census tracts within the assessment area. There are 5 branches (24%) and 8 full-service ATMs and one cash-only ATM in the moderate-income census tracts, which is less than the 34.6% of the population that lives in the 52 moderate-income census tracts within the assessment area. There are 13 branches (62%) and 22 full-service and 14 cash-only ATMs in the middle-income census tracts, which is greater than the 49.85% of the population that lives in the middle-income census tracts. There are 3 branches (14%) and 4 full-service ATMs and 2 cash-only ATMs in the upper-income census tracts, which is comparable to the 14% of the population that lives in the upper-income census tracts. The branch distribution makes these products and services accessible to geographies and individuals of different income levels throughout the assessment area.

### ***Community Development Services***

Whitaker provides an adequate level of community development services in this assessment area. Bank personnel utilize their financial expertise to provide technical assistance to community service organizations regarding fund raising activities for health services, to promote economic development/jobs, and to provide education on banking and finances, and grant writing.

- Board of Health (Nicholas County) – Bank officer provides financial expertise to board to obtain funds to provide LMI individuals healthcare services also serves on taxing authority committee
- Carlisle Lions Club – Bank employee provides financial expertise to club in order to assist LMI individuals meet their vision needs
- Community Action Council (Nicholas County) – Bank employee provides financial expertise on local advisory council in order to provide housing, utilities, and food assistance to LMI individuals
- Eastern Kentucky Employment Investment (Wolfe County) – Bank employee sits on board represents the role of banking in improving economic future for Eastern KY
- Emergency Food and Shelter Program (Nicholas County) – Bank employee provides financial expertise to obtain funds for providing food and housing assistance to families - also offers financial counseling to LMI
- Free Clinic (Rowan County) – Bank employee serves on the clinic’s financial board
- Habitat for Humanity (Garrard County) – Bank officer provides grant writing assistance and also serves as Habitat's mortgage payment manager. Also works with American Dream Homeownership Challenge Project
- Habitat for Humanity (Rowan County)- Bank officer provides grant writing assistance, and two other bank officers provide financial expertise on the board
- Knott County High School Site Committee – Bank employee serves on decision-making committee for high school providing financial expertise to raise funds
- Knott County Speech Boosters - Bank employee serves as treasurer
- Wolfe County Schools – Two bank employees teach finance awareness courses to graduating seniors and at Middle School and Lees College

## NONMETROPOLITAN AREA 2

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN WESTERN KENTUCKY NONMETROPOLITAN AREA

The assessment area has no low-income tracts, no moderate-income tracts, 1 (10.0%) middle-income tracts, and 9 (90.0%) upper-income tracts for a total distribution of 10 income tracts.

As of June 30, 2006, Whitaker ranked third in deposit share within the assessment area, with 10.08% of the market share of deposits (FDIC/OTS Summary of Deposits website: [www.fdic.gov](http://www.fdic.gov)).

Major competitors include Farmer Bank & Capital, American Founders, and First Federal Savings of Frankfort, as well as several other regional and local community banks.

#### **Population**

Non-metropolitan Area 2 is comprised only of Franklin County which has a total population of 47,687.

The population is comprised of approximately 87% not-Hispanic white and has a minority population of about 13%, which slightly exceeds the Commonwealth of Kentucky's total minority population of about 11%. Slightly over half of this non-metropolitan area's total population (55.41%) is in the 25-64 age range, which is slightly higher than the Commonwealth's total population in that same range. A little over 12% of the assessment area's population is age 65 and over, which is comparable to 12.5% of the state's total population in that same range.

The median family income for the assessment area was \$51,133, which was significantly higher than for the Commonwealth of Kentucky at \$40,939. The assessment area poverty rate of 6.94% is significantly lower than both the Commonwealth of Kentucky poverty rate of 12.7% and the nation's poverty rate of 12.6%.

#### **Housing**

There were 21,409 housing units in the assessment area as of the 2000 Census. 80.0% of these units housed 1-4 families, 13.13% housed five families or more, 6.75% were mobile homes, and the remaining 0.09% were other types of units. The majority of the units (60.26%) in the assessment area were owner-occupied. The median of the housing stock was 28 years, which was comparable to the Commonwealth of Kentucky's median of 27 years.

#### **Labor, Employment and Economic Characteristics**

According to Workforce Kentucky labor market information ([www.workforcekentucky.ky.gov](http://www.workforcekentucky.ky.gov)), the annual unadjusted unemployment rates in 2006 for Franklin County was 4.7%, which fell below the 2006 Kentucky figure of 5.7% and was comparable to the 2006 national unadjusted unemployment rate of 4.6%.

Facts and data reviewed, including performance and demographic information, can be found in the following table and the accompanying tables found in the appendices of this report.

## Combined Demographics Report

Whitaker Bank

Analysis Year: 2005 & 2006

Assessment Area(s): Non-MSA 2

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,362	10.6
Moderate-income	0	0.0	0	0.0	0	0.0	1,317	10.3
Middle-income	1	10.0	712	5.5	155	21.8	1,934	15.1
Upper-income	9	90.0	12,119	94.5	736	6.1	8,218	64.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>10</b>	<b>100.0</b>	<b>12,831</b>	<b>100.0</b>	<b>891</b>	<b>6.9</b>	<b>12,831</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	1,497	584	4.5	39.0	716	47.8	197	13.2
Upper-income	19,912	12,316	95.5	61.9	6,291	31.6	1,305	6.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>21,409</b>	<b>12,900</b>	<b>100.0</b>	<b>60.3</b>	<b>7,007</b>	<b>32.7</b>	<b>1,502</b>	<b>7.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	86	4.8	73	4.7	7	5.3	6	6.4
Upper-income	1,710	95.2	1,496	95.3	126	94.7	88	93.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,796</b>	<b>100.0</b>	<b>1,569</b>	<b>100.0</b>	<b>133</b>	<b>100.0</b>	<b>94</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>87.4</b>		<b>7.4</b>		<b>5.2</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	0	0.0	0	0.0	0	0.0	0	0.0
Upper-income	48	100.0	47	100.0	1	100.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>48</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>97.9</b>		<b>2.1</b>		<b>0.0</b>

### CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WESTERN KENTUCKY NONMETROPOLITAN AREA

The bank's lending performance in this assessment area is consistent with the institution's overall lending performance.

Whitaker had one qualified investment for \$500 made to the Mission Frankfort Clinic, which provides health and dental services to LMI individuals in Franklin County. This represents only 0.058% of total qualified community development investments which is below Whitaker's overall investment performance.

The retail banking services in this assessment area are consistent with the services Whitaker provides to the other assessment areas. Whitaker operates 4 branches in this assessment area, which represents 10.8% of the bank's 37 branches. In addition, the bank operates 6 full-service and 4 cash-only ATMs, which represents 11.5% of the bank's total ATMs. However, the bank did not provide any community development services in this assessment area and, as a result, is below what Whitaker provides to the other assessment areas. Therefore, the overall service test is below Whitaker's overall service performance.

Assessment Area	Lending Test	Investment Test	Service Test
Non-metropolitan Area 2	Consistent	Below	Below

**APPENDIX A**  
**SCOPE OF EXAMINATION**

<b>TIME PERIOD REVIEWED</b>	January 1, 2005 - December 31, 2006 (lending) May 17, 2005 – May 29, 2007 (CD lending, investments, services)		
<b>FINANCIAL INSTITUTION</b>  Whitaker Bank - Lexington, Kentucky			<b>PRODUCTS REVIEWED</b>  <ul style="list-style-type: none"> <li>• Home Mortgage</li> <li>• Small Business</li> <li>• Small Farm</li> </ul>
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None			
<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED<sup>1</sup></b>	<b>OTHER INFORMATION</b>
<b>KENTUCKY</b>			
MSA 30460 Lexington-Fayette	Full scope	None	
Non-metropolitan Area 1	Full scope	None	
Non-metropolitan Area 2	Limited scope	None	

<sup>1</sup>There is a statutory requirement that the written evaluation of a multi-state institution's performance must list the individual branches examined in each state.

**APPENDIX B**

**Loan Distribution Table**

Assessment Area: Overall (2005 & 2006)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	13	1.2	1,433	1.5	72	6.6	1,983	2.1
Moderate	275	25.2	14,146	15.1	156	14.3	7,197	7.7
Middle	570	52.2	41,186	44.0	217	19.9	13,401	14.3
Upper	235	21.5	36,868	39.4	546	50.0	59,016	63.0
Unknown	0	0.0	0	0.0	102	9.3	12,036	12.9
<b>Total</b>	<b>1,093</b>	<b>100.0</b>	<b>93,633</b>	<b>100.0</b>	<b>1,093</b>	<b>100.0</b>	<b>93,633</b>	<b>100.0</b>
	<b>Refinance</b>							
Low	4	0.3	549	0.7	131	10.6	2,626	3.1
Moderate	298	24.1	15,520	18.5	215	17.4	8,309	9.9
Middle	710	57.4	44,778	53.4	217	17.5	11,090	13.2
Upper	225	18.2	23,020	27.4	590	47.7	48,787	58.2
Unknown	0	0.0	0	0.0	84	6.8	13,055	15.6
<b>Total</b>	<b>1,237</b>	<b>100.0</b>	<b>83,867</b>	<b>100.0</b>	<b>1,237</b>	<b>100.0</b>	<b>83,867</b>	<b>100.0</b>
	<b>Home Improvement</b>							
Low	2	0.2	56	0.3	207	18.0	1,147	5.9
Moderate	262	22.8	3,574	18.4	236	20.6	2,396	12.3
Middle	733	63.9	12,701	65.5	252	22.0	4,005	20.6
Upper	150	13.1	3,073	15.8	417	36.4	11,160	57.5
Unknown	0	0.0	0	0.0	35	3.1	696	3.6
<b>Total</b>	<b>1,147</b>	<b>100.0</b>	<b>19,404</b>	<b>100.0</b>	<b>1,147</b>	<b>100.0</b>	<b>19,404</b>	<b>100.0</b>
	<b>HMDA Totals</b>							
Low	19	0.5	2,038	1.0	410	11.8	5,756	2.9
Moderate	835	24.0	33,240	16.9	607	17.5	17,902	9.1
Middle	2,013	57.9	98,665	50.1	686	19.7	28,496	14.5
Upper	610	17.5	62,961	32.0	1,553	44.7	118,963	60.4
Unknown	0	0.0	0	0.0	221	6.4	25,787	13.1
<b>Total</b>	<b>3,477</b>	<b>100.0</b>	<b>196,904</b>	<b>100.0</b>	<b>3,477</b>	<b>100.0</b>	<b>196,904</b>	<b>100.0</b>
	<b>SMALL BUSINESS</b>				<b>SMALL FARM</b>			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>							
Low	4	0.2	747	0.6	0	0.0	0	0.0
Moderate	427	18.0	23,179	18.3	202	13.9	5,154	11.5
Middle	1,178	49.6	61,919	49.0	799	54.8	24,223	54.2
Upper	765	32.2	40,500	32.1	457	31.3	15,291	34.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>2,375</b>	<b>100.0</b>	<b>126,357</b>	<b>100.0</b>	<b>1,458</b>	<b>100.0</b>	<b>44,668</b>	<b>100.0</b>
	<b>By Revenue</b>							
\$1 Million or Less	2,136	89.9	87,012	68.9	1,389	95.3	42,283	94.7
Over \$1 Million	136	5.7	28,705	22.7	6	0.4	818	1.8
Not Known	103	4.3	10,640	8.4	63	4.3	1,567	3.5
<b>Total</b>	<b>2,375</b>	<b>100.0</b>	<b>126,357</b>	<b>100.0</b>	<b>1,458</b>	<b>100.0</b>	<b>44,668</b>	<b>100.0</b>
	<b>By Loan Size</b>							
\$100,000 or less	2,080	87.6	43,152	34.2	1,367	93.8	26,843	60.1
\$100,001 - \$250,000	173	7.3	28,206	22.3	68	4.7	10,422	23.3
\$250,001-\$1 Million-\$500,000	122	5.1	54,999	43.5	23	1.6	7,403	16.6
<b>Total</b>	<b>2,375</b>	<b>100.0</b>	<b>126,357</b>	<b>100.0</b>	<b>1,458</b>	<b>100.0</b>	<b>44,668</b>	<b>100.0</b>

Originations and Purchases

### Loan Distribution Table

Assessment Area: Lexington MSA 30460 (2005 & 2006)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	13	5.1	1,433	3.9	9	3.5	871	2.3
Moderate	51	20.0	4,849	13.1	39	15.3	3,360	9.0
Middle	87	34.1	9,317	25.1	47	18.4	5,592	15.1
Upper	104	40.8	21,556	58.0	122	47.8	22,369	60.2
Unknown	0	0.0	0	0.0	38	14.9	4,963	13.4
<i>Total</i>	255	100.0	37,155	100.0	255	100.0	37,155	100.0
	<b>Refinance</b>							
Low	4	1.4	549	2.2	31	11.0	902	3.6
Moderate	74	24.8	4,719	18.6	57	20.2	3,314	13.1
Middle	124	44.0	11,242	44.4	52	18.4	4,056	16.0
Upper	84	29.8	8,823	34.8	110	39.0	12,968	51.2
Unknown	0	0.0	0	0.0	32	11.3	4,093	16.2
<i>Total</i>	282	100.0	25,333	100.0	282	100.0	25,333	100.0
	<b>Home Improvement</b>							
Low	2	4.9	56	2.9	4	9.8	32	1.7
Moderate	11	26.8	176	9.2	7	17.1	125	6.5
Middle	13	31.7	513	26.9	10	24.4	299	15.7
Upper	15	36.6	1,164	61.0	16	39.0	1,310	68.6
Unknown	0	0.0	0	0.0	4	9.8	143	7.5
<i>Total</i>	41	100.0	1,909	100.0	41	100.0	1,909	100.0
	<b>HMDA Totals</b>							
Low	19	3.3	2,038	3.2	44	7.6	1,805	2.8
Moderate	132	22.8	9,744	15.1	103	17.8	6,799	10.6
Middle	224	38.8	21,072	32.7	109	18.9	9,947	15.4
Upper	203	35.1	31,543	49.0	248	42.9	36,647	56.9
Unknown	0	0.0	0	0.0	74	12.8	9,199	14.3
<i>Total</i>	578	100.0	64,397	100.0	578	100.0	64,397	100.0
	<b>SMALL BUSINESS</b>				<b>SMALL FARM</b>			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>							
Low	4	1.4	747	3.8	0	0.0	0	0.0
Moderate	83	29.0	6,231	31.8	19	8.3	915	10.8
Middle	122	42.7	5,378	27.5	149	65.1	3,883	45.8
Upper	77	26.9	7,223	36.9	61	26.6	3,685	43.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<i>Total</i>	286	100.0	19,579	100.0	229	100.0	8,483	100.0
	<b>By Revenue</b>							
\$1 Million or Less	249	87.1	14,914	76.2	207	90.4	7,918	93.3
Over \$1 Million	13	4.5	2,599	13.3	0	0.0	0	0.0
Not Known	24	8.4	2,066	10.6	22	9.6	565	6.7
<i>Total</i>	286	100.0	19,579	100.0	229	100.0	8,483	100.0
	<b>By Loan Size</b>							
\$100,000 or less	236	82.5	5,760	29.4	212	92.6	4,599	54.2
\$100,001 - \$250,000	25	8.7	4,022	20.5	9	3.9	1,338	15.8
\$250,001-\$1 Million-\$500,000	25	8.7	9,797	50.0	8	3.5	2,546	30.0
<i>Total</i>	286	100.0	19,579	100.0	229	100.0	8,483	100.0

Originations and Purchases

### Loan Distribution Table

Assessment Area: Non-MSA 1 (2005 & 2006)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0	0	0.0	63	7.7	1,112	2.1
Moderate	224	27.4	9,297	17.3	116	14.2	3,746	7.0
Middle	483	59.1	31,869	59.1	169	20.7	7,669	14.2
Upper	110	13.5	12,718	23.6	407	49.8	34,634	64.3
Unknown	0	0.0	0	0.0	62	7.6	6,723	12.5
<i>Total</i>	<i>817</i>	<i>100.0</i>	<i>53,884</i>	<i>100.0</i>	<i>817</i>	<i>100.0</i>	<i>53,884</i>	<i>100.0</i>
	<b>Refinance</b>							
Low	0	0.0	0	0.0	98	11.0	1,701	3.1
Moderate	228	25.5	10,801	20.0	154	17.2	4,802	8.9
Middle	582	65.2	33,401	61.8	155	17.4	6,523	12.1
Upper	83	9.3	9,839	18.2	437	48.9	32,249	59.7
Unknown	0	0.0	0	0.0	49	5.5	8,766	16.2
<i>Total</i>	<i>893</i>	<i>100.0</i>	<i>54,041</i>	<i>100.0</i>	<i>893</i>	<i>100.0</i>	<i>54,041</i>	<i>100.0</i>
	<b>Home Improvement</b>							
Low	0	0.0	0	0.0	197	18.6	1,100	6.5
Moderate	251	23.7	3,398	20.1	223	21.1	2,257	13.3
Middle	716	67.6	12,149	71.7	231	21.8	3,509	20.7
Upper	92	8.7	1,400	8.3	384	36.3	9,635	56.9
Unknown	0	0.0	0	0.0	24	2.3	446	2.6
<i>Total</i>	<i>1,059</i>	<i>100.0</i>	<i>16,947</i>	<i>100.0</i>	<i>1,059</i>	<i>100.0</i>	<i>16,947</i>	<i>100.0</i>
	<b>HMDA Totals</b>							
Low	0	0.0	0	0.0	358	12.9	3,913	3.1
Moderate	703	25.4	23,496	18.8	493	17.8	10,805	8.7
Middle	1,781	64.3	77,419	62.0	555	20.0	17,701	14.2
Upper	285	10.3	23,957	19.2	1,228	44.3	76,518	61.3
Unknown	0	0.0	0	0.0	135	4.9	15,935	12.8
<i>Total</i>	<i>2,769</i>	<i>100.0</i>	<i>124,872</i>	<i>100.0</i>	<i>2,769</i>	<i>100.0</i>	<i>124,872</i>	<i>100.0</i>
	<b>SMALL BUSINESS</b>				<b>SMALL FARM</b>			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	344	18.0	16,948	17.6	183	16.1	4,239	12.8
Middle	1,050	55.0	55,835	58.1	650	57.3	20,340	61.3
Upper	515	27.0	23,235	24.2	301	26.5	8,622	26.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<i>Total</i>	<i>1,910</i>	<i>100.0</i>	<i>96,030</i>	<i>100.0</i>	<i>1,134</i>	<i>100.0</i>	<i>33,201</i>	<i>100.0</i>
	<b>By Revenue</b>							
\$1 Million or Less	1,748	91.5	63,800	66.4	1,094	96.5	31,765	95.7
Over \$1 Million	106	5.5	24,175	25.2	6	0.5	818	2.5
Not Known	56	2.9	8,055	8.4	34	3.0	618	1.9
<i>Total</i>	<i>1,910</i>	<i>100.0</i>	<i>96,030</i>	<i>100.0</i>	<i>1,134</i>	<i>100.0</i>	<i>33,201</i>	<i>100.0</i>
	<b>By Loan Size</b>							
\$100,000 or less	1,689	88.4	33,468	34.9	1,066	94.0	20,387	61.4
\$100,001 - \$250,000	135	7.1	22,025	22.9	54	4.8	8,377	25.2
\$250,001-\$1 Million-\$500,000	86	4.5	40,537	42.2	14	1.2	4,437	13.4
<i>Total</i>	<i>1,910</i>	<i>100.0</i>	<i>96,030</i>	<i>100.0</i>	<i>1,134</i>	<i>100.0</i>	<i>33,201</i>	<i>100.0</i>

Originations and Purchases

### Loan Distribution Table

Assessment Area: Non-MSA 2 (2005 & 2006)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Home Purchase</b>							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	1	4.8	91	3.5
Middle	0	0.0	0	0.0	1	4.8	140	5.4
Upper	21	100.0	2,594	100.0	17	81.0	2,013	77.6
Unknown	0	0.0	0	0.0	2	9.5	350	13.5
<i>Total</i>	<i>21</i>	<i>100.0</i>	<i>2,594</i>	<i>100.0</i>	<i>21</i>	<i>100.0</i>	<i>2,594</i>	<i>100.0</i>
	<b>Refinance</b>							
Low	0	0.0	0	0.0	2	3.2	23	0.5
Moderate	0	0.0	0	0.0	4	6.5	193	4.3
Middle	4	6.5	135	3.0	10	16.1	511	11.4
Upper	58	93.5	4,358	97.0	43	69.4	3,570	79.5
Unknown	0	0.0	0	0.0	3	4.8	196	4.4
<i>Total</i>	<i>62</i>	<i>100.0</i>	<i>4,493</i>	<i>100.0</i>	<i>62</i>	<i>100.0</i>	<i>4,493</i>	<i>100.0</i>
	<b>Home Improvement</b>							
Low	0	0.0	0	0.0	6	12.8	15	2.7
Moderate	0	0.0	0	0.0	6	12.8	14	2.6
Middle	4	8.5	39	7.1	11	23.4	197	35.9
Upper	43	91.5	509	92.9	17	36.2	215	39.2
Unknown	0	0.0	0	0.0	7	14.9	107	19.5
<i>Total</i>	<i>47</i>	<i>100.0</i>	<i>548</i>	<i>100.0</i>	<i>47</i>	<i>100.0</i>	<i>548</i>	<i>100.0</i>
	<b>HMDA Totals</b>							
Low	0	0.0	0	0.0	8	6.2	38	0.5
Moderate	0	0.0	0	0.0	11	8.5	298	3.9
Middle	8	6.2	174	2.3	22	16.9	848	11.1
Upper	122	93.8	7,461	97.7	77	59.2	5,798	75.9
Unknown	0	0.0	0	0.0	12	9.2	653	8.6
<i>Total</i>	<i>130</i>	<i>100.0</i>	<i>7,635</i>	<i>100.0</i>	<i>130</i>	<i>100.0</i>	<i>7,635</i>	<i>100.0</i>
	<b>SMALL BUSINESS</b>				<b>SMALL FARM</b>			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>By Tract Income</b>							
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	6	3.4	706	6.6	0	0.0	0	0.0
Upper	173	96.6	10,042	93.4	95	100.0	2,984	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
<i>Total</i>	<i>179</i>	<i>100.0</i>	<i>10,748</i>	<i>100.0</i>	<i>95</i>	<i>100.0</i>	<i>2,984</i>	<i>100.0</i>
	<b>By Revenue</b>							
\$1 Million or Less	139	77.7	8,298	77.2	88	92.6	2,600	87.1
Over \$1 Million	17	9.5	1,931	18.0	0	0.0	0	0.0
Not Known	23	12.8	519	4.8	7	7.4	384	12.9
<i>Total</i>	<i>179</i>	<i>100.0</i>	<i>10,748</i>	<i>100.0</i>	<i>95</i>	<i>100.0</i>	<i>2,984</i>	<i>100.0</i>
	<b>By Loan Size</b>							
\$100,000 or less	155	86.6	3,924	36.5	89	93.7	1,857	62.2
\$100,001 - \$250,000	13	7.3	2,159	20.1	5	5.3	707	23.7
\$250,001-\$1 Million-\$500,000	11	6.1	4,665	43.4	1	1.1	420	14.1
<i>Total</i>	<i>179</i>	<i>100.0</i>	<i>10,748</i>	<i>100.0</i>	<i>95</i>	<i>100.0</i>	<i>2,984</i>	<i>100.0</i>

Originations and Purchases

APPENDIX C

PEER COMPARISON TABLES

Peer Comparison Loan Distribution Table

Loan Year - 2005  
Assessment Area: Overall

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Peer % \$(000s)	Bank %	Peer % \$(000s)	#	Bank %	Peer % \$(000s)	Bank %	Peer % \$(000s)
	<b>Home Purchase</b>									
Low	8	1.3	1.9	1.5	1.3	45	7.2	1.6	5.7	3.6
Moderate	161	25.8	14.2	16.3	13.1	88	14.1	8.0	17.5	13.1
Middle	319	51.1	43.4	39.8	35.0	123	19.7	14.0	22.3	20.0
Upper	136	21.8	40.4	42.4	51.9	313	50.2	63.3	35.0	44.3
Unknown	0	0.0	0.0	0.0	0.0	55	8.8	13.1	19.4	19.0
<b>Total</b>	<b>624</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>624</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Refinance</b>									
Low	3	0.4	0.3	1.8	1.6	66	9.9	3.0	6.7	3.7
Moderate	173	25.9	22.0	18.1	13.7	127	19.0	10.5	15.3	11.1
Middle	365	54.7	46.8	42.4	36.8	111	16.6	13.8	21.6	17.9
Upper	126	18.9	30.9	37.7	47.9	317	47.5	55.5	38.0	47.8
Unknown	0	0.0	0.0	0.0	0.0	46	6.9	17.2	18.3	19.5
<b>Total</b>	<b>667</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>667</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Home Improvement</b>									
Low	1	0.2	0.5	1.2	2.1	100	16.5	5.4	13.1	5.5
Moderate	145	23.9	19.5	24.9	17.5	122	20.1	10.7	19.8	12.9
Middle	391	64.5	68.2	45.5	37.9	136	22.4	24.8	25.0	21.7
Upper	69	11.4	11.8	28.3	42.4	226	37.3	55.1	39.1	53.2
Unknown	0	0.0	0.0	0.0	0.0	22	3.6	3.9	3.0	6.9
<b>Total</b>	<b>606</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>606</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>HMDA Totals</b>									
Low	12	0.6	1.1	1.7	1.5	211	11.1	2.5	6.5	3.6
Moderate	479	25.3	17.9	17.5	14.5	337	17.8	9.3	16.7	11.9
Middle	1,075	56.7	47.1	41.2	36.3	370	19.5	14.9	22.1	18.7
Upper	331	17.4	33.8	39.7	49.3	856	45.1	59.3	36.4	45.0
Unknown	0	0.0	0.0	0.0	0.0	123	6.5	14.0	18.2	20.8
<b>Total</b>	<b>1,897</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>1,897</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>SMALL BUSINESS</b>					<b>SMALL FARM</b>				
	<b>By Tract Income</b>									
Low	2	0.2	1.0	5.0	8.4	0	0.0	0.0	1.0	1.2
Moderate	241	19.5	19.6	16.7	13.4	116	15.6	14.5	10.8	8.4
Middle	589	47.6	46.8	40.3	37.0	388	52.2	48.4	51.3	46.6
Upper	406	32.8	32.6	34.5	40.1	240	32.3	37.1	36.2	43.7
Unknown	0	0.0	0.0	0.0	0.1	0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>1,238</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>744</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>By Revenue</b>									
\$1 Million or Less	1,106	89.3	68.7	47.6	52.6	709	95.3	94.1	85.7	70.5
	<b>By Loan Size</b>									
\$100,000 or less	1,071	86.5	32.3	92.2	29.9	693	93.1	58.3	80.9	26.6
\$100,001-\$250,000	104	8.4	24.7	4.1	19.0	38	5.1	24.3	11.0	28.4
\$250,001-\$1 Million-\$500k (Farm)	63	5.1	43.1	3.7	51.1	13	1.7	17.5	8.1	45.0
<b>Total</b>	<b>1,238</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>744</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Peer Comparison Loan Distribution Table**

Loan Year - 2005  
Assessment Area: Lexington MSA 30460

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Peer %	% \$(000s)	#	Bank %	% \$(000s)	Peer %	% \$(000s)
	<b>Home Purchase</b>									
Low	8	6.0	5.2	2.1	1.7	2	1.5	1.0	6.8	4.3
Moderate	26	19.4	11.4	16.9	14.0	25	18.7	10.4	20.5	15.1
Middle	47	35.1	24.0	37.2	33.1	20	14.9	12.5	22.7	20.7
Upper	53	39.6	59.4	43.7	53.0	70	52.2	64.8	29.9	39.9
Unknown	0	0.0	0.0	0.0	0.0	17	12.7	11.3	20.2	20.1
<b>Total</b>	<b>134</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>134</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Refinance</b>									
Low	3	1.9	1.1	2.9	2.4	18	11.7	4.1	8.1	4.5
Moderate	40	26.0	23.0	19.8	14.2	34	22.1	15.4	18.0	12.8
Middle	55	35.7	28.2	39.5	33.9	30	19.5	17.5	21.9	18.3
Upper	56	36.4	47.7	37.8	49.6	54	35.1	45.8	31.8	43.2
Unknown	0	0.0	0.0	0.0	0.0	18	11.7	17.2	20.3	21.2
<b>Total</b>	<b>154</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>154</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Home Improvement</b>									
Low	1	4.3	4.7	2.5	3.0	3	13.0	2.9	11.5	5.2
Moderate	7	30.4	12.0	20.6	15.3	4	17.4	9.4	22.0	13.9
Middle	9	39.1	45.5	41.8	33.0	6	26.1	25.8	25.7	21.7
Upper	6	26.1	37.7	35.0	48.5	9	39.1	61.6	35.5	50.0
Unknown	0	0.0	0.0	0.1	0.1	1	4.3	0.3	5.2	9.2
<b>Total</b>	<b>23</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>HMDA Totals</b>									
Low	12	3.9	3.6	2.5	2.1	23	7.4	2.2	7.5	4.2
Moderate	73	23.5	15.8	18.2	15.4	63	20.3	12.3	19.5	13.7
Middle	111	35.7	26.3	38.3	34.1	56	18.0	14.8	22.5	19.1
Upper	115	37.0	54.3	41.0	50.5	133	42.8	57.5	30.8	40.3
Unknown	0	0.0	0.0	0.0	0.0	36	11.6	13.2	19.8	22.6
<b>Total</b>	<b>311</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>311</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>SMALL BUSINESS</b>					<b>SMALL FARM</b>				
	<b>By Tract Income</b>									
Low	2	1.3	6.6	8.5	12.0	0	0.0	0.0	2.3	1.7
Moderate	47	31.1	28.7	16.9	14.6	17	13.4	18.7	12.7	9.4
Middle	59	39.1	24.0	36.8	33.4	74	58.3	35.6	47.1	47.9
Upper	43	28.5	40.7	35.4	39.2	36	28.3	45.6	37.4	41.0
Unknown	0	0.0	0.0	0.1	0.1	0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>151</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>By Revenue</b>									
\$1 Million or Less	128	84.8	73.9	44.2	47.8	117	92.1	96.3	72.6	61.1
	<b>By Loan Size</b>									
\$100,000 or less	122	80.8	28.6	90.5	26.2	117	92.1	51.3	65.3	16.6
\$100,001-\$250,000	17	11.3	26.1	4.8	19.1	5	3.9	14.1	19.0	30.7
\$250,001-\$1 Million-\$500k (Farm)	12	7.9	45.3	4.7	54.8	5	3.9	34.6	15.7	52.7
<b>Total</b>	<b>151</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Peer Comparison Loan Distribution Table**

Loan Year - 2005  
Assessment Area: Non-MSA 1

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Peer %	Bank % \$(000s)	Peer % \$(000s)	#	Bank %	Peer %	Bank % \$(000s)	Peer % \$(000s)
	<b>Home Purchase</b>									
Low	0	0.0	0.0	0.3	0.3	43	9.0	2.0	3.5	1.6
Moderate	135	28.2	16.4	16.6	12.3	62	12.9	6.6	11.3	7.3
Middle	272	56.8	57.1	50.0	45.8	102	21.3	15.1	21.7	18.3
Upper	72	15.0	26.5	33.1	41.9	235	49.1	62.1	45.0	56.1
Unknown	0	0.0	0.0	0.0	0.0	37	7.7	14.3	18.5	16.6
<b>Total</b>	<b>479</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>479</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Refinance</b>									
Low	0	0.0	0.0	0.2	0.2	47	9.7	2.8	5.0	2.4
Moderate	133	27.4	23.0	18.0	15.1	91	18.8	8.9	11.9	7.9
Middle	309	63.7	57.6	53.6	50.3	76	15.7	12.3	21.7	17.7
Upper	43	8.9	19.4	28.2	34.5	244	50.3	57.8	46.9	56.7
Unknown	0	0.0	0.0	0.0	0.0	27	5.6	18.2	14.5	15.3
<b>Total</b>	<b>485</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>485</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Home Improvement</b>									
Low	0	0.0	0.0	0.2	0.6	96	17.1	5.8	15.4	6.3
Moderate	138	24.6	20.8	30.8	23.3	116	20.7	11.0	18.4	11.5
Middle	380	67.7	72.0	52.0	50.1	123	21.9	24.8	24.1	22.2
Upper	43	7.7	7.1	17.1	26.0	209	37.3	54.3	41.1	56.7
Unknown	0	0.0	0.0	0.0	0.0	17	3.0	4.0	1.0	3.3
<b>Total</b>	<b>561</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>561</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>HMDA Totals</b>									
Low	0	0.0	0.0	0.2	0.2	186	12.2	2.8	5.2	2.1
Moderate	406	26.6	19.8	18.5	14.1	269	17.6	8.1	12.2	7.7
Middle	961	63.0	59.2	51.7	48.0	301	19.7	15.1	21.9	18.0
Upper	158	10.4	21.1	29.6	38.0	688	45.1	59.3	45.4	56.1
Unknown	0	0.0	0.0	0.0	0.0	81	5.3	14.7	15.3	16.1
<b>Total</b>	<b>1,525</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>1,525</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>SMALL BUSINESS</b>					<b>SMALL FARM</b>				
	<b>By Tract Income</b>									
Low	0	0.0	0.0	0.2	0.2	0	0.0	0.0	0.0	0.0
Moderate	194	19.5	19.8	18.5	11.8	99	17.6	14.7	9.4	5.5
Middle	527	53.1	55.8	50.1	50.2	314	55.7	56.5	55.2	43.4
Upper	272	27.4	24.4	25.8	36.1	151	26.8	28.7	34.6	51.0
Unknown	0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>993</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>564</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>By Revenue</b>									
\$1 Million or Less	905	91.1	66.2	53.5	65.1	542	96.1	94.2	96.3	96.6
	<b>By Loan Size</b>									
\$100,000 or less	866	87.2	32.5	94.6	39.5	526	93.3	60.4	92.9	54.0
\$100,001-\$250,000	80	8.1	24.6	3.2	19.7	31	5.5	27.6	4.9	22.0
\$250,001-\$1 Million-\$500k (Farm)	47	4.7	42.9	2.3	40.8	7	1.2	12.0	2.2	24.0
<b>Total</b>	<b>993</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>564</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Peer Comparison Loan Distribution Table**

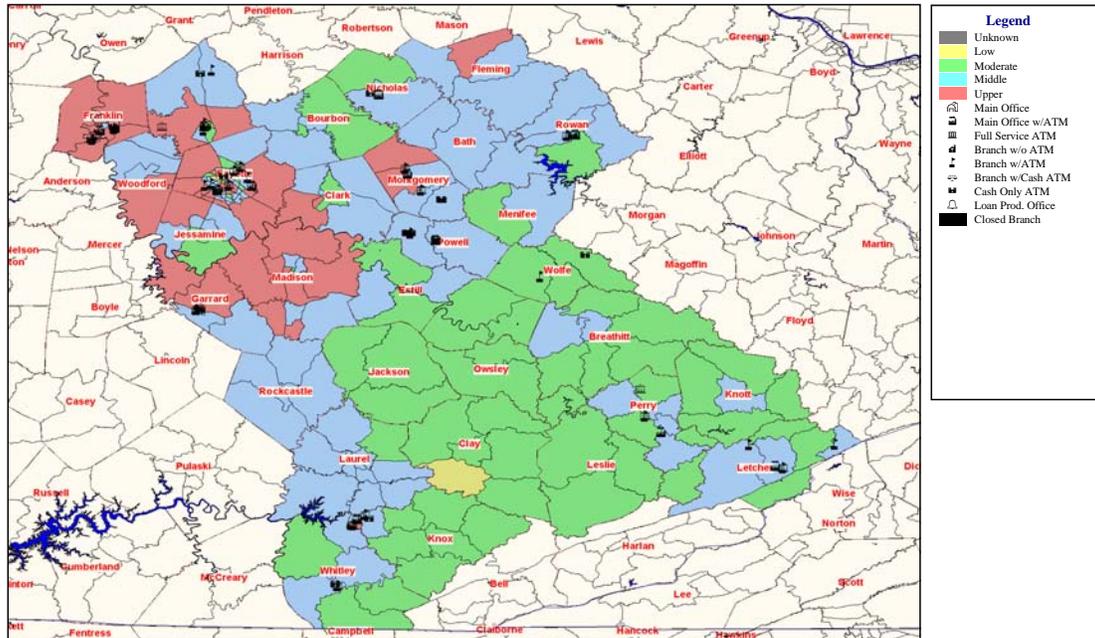
Loan Year - 2005  
Assessment Area: Non-MSA 2

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Peer %	Bank % \$(000s)	Peer % \$(000s)	#	Bank %	Peer %	Bank % \$(000s)	Peer % \$(000s)
	<b>Home Purchase</b>									
Low	0	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.5
Moderate	0	0.0	0.0	0.0	0.0	1	9.1	7.1	9.3	5.7
Middle	0	0.0	0.0	5.4	3.9	1	9.1	11.0	20.4	17.3
Upper	11	100.0	100.0	94.6	96.1	8	72.7	69.6	56.1	64.8
Unknown	0	0.0	0.0	0.0	0.0	1	9.1	12.3	13.2	11.7
<b>Total</b>	<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Refinance</b>									
Low	0	0.0	0.0	0.0	0.0	1	3.6	0.2	3.0	1.3
Moderate	0	0.0	0.0	0.0	0.0	2	7.1	3.9	7.0	4.8
Middle	1	3.6	1.5	4.3	2.5	5	17.9	11.8	17.4	13.8
Upper	27	96.4	98.5	95.7	97.5	19	67.9	83.2	52.2	60.2
Unknown	0	0.0	0.0	0.0	0.0	1	3.6	1.0	20.4	19.9
<b>Total</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Home Improvement</b>									
Low	0	0.0	0.0	0.0	0.0	1	4.5	1.6	3.1	1.5
Moderate	0	0.0	0.0	0.0	0.0	2	9.1	1.6	9.2	8.9
Middle	2	9.1	15.7	6.1	7.3	7	31.8	18.9	26.5	16.9
Upper	20	90.9	84.3	93.9	92.7	8	36.4	57.8	59.2	72.2
Unknown	0	0.0	0.0	0.0	0.0	4	18.2	20.0	2.0	0.5
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>HMDA Totals</b>									
Low	0	0.0	0.0	0.0	0.0	2	3.3	0.2	2.1	1.0
Moderate	0	0.0	0.0	0.0	0.0	5	8.2	5.0	8.1	5.2
Middle	3	4.9	1.7	4.8	3.2	13	21.3	11.9	19.1	15.3
Upper	58	95.1	98.3	95.2	96.8	35	57.4	76.7	54.1	62.1
Unknown	0	0.0	0.0	0.0	0.0	6	9.8	6.2	16.5	16.3
<b>Total</b>	<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>SMALL BUSINESS</b>					<b>SMALL FARM</b>				
	<b>By Tract Income</b>									
Low	0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0
Middle	3	3.2	5.4	3.5	3.5	0	0.0	0.0	0.0	0.0
Upper	91	96.8	94.6	93.8	94.4	53	100.0	100.0	100.0	100.0
Unknown	0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>94</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>By Revenue</b>									
\$1 Million or Less	73	77.7	82.1	43.1	50.5	50	94.3	87.1	62.5	77.3
	<b>By Loan Size</b>									
\$100,000 or less	83	88.3	37.4	95.1	29.6	50	94.3	55.4	100.0	100.0
\$100,001-\$250,000	7	7.4	22.6	1.8	12.6	2	3.8	19.4	0.0	0.0
\$250,001-\$1 Million-\$500k (Farm)	4	4.3	40.0	3.1	57.8	1	1.9	25.2	0.0	0.0
<b>Total</b>	<b>94</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

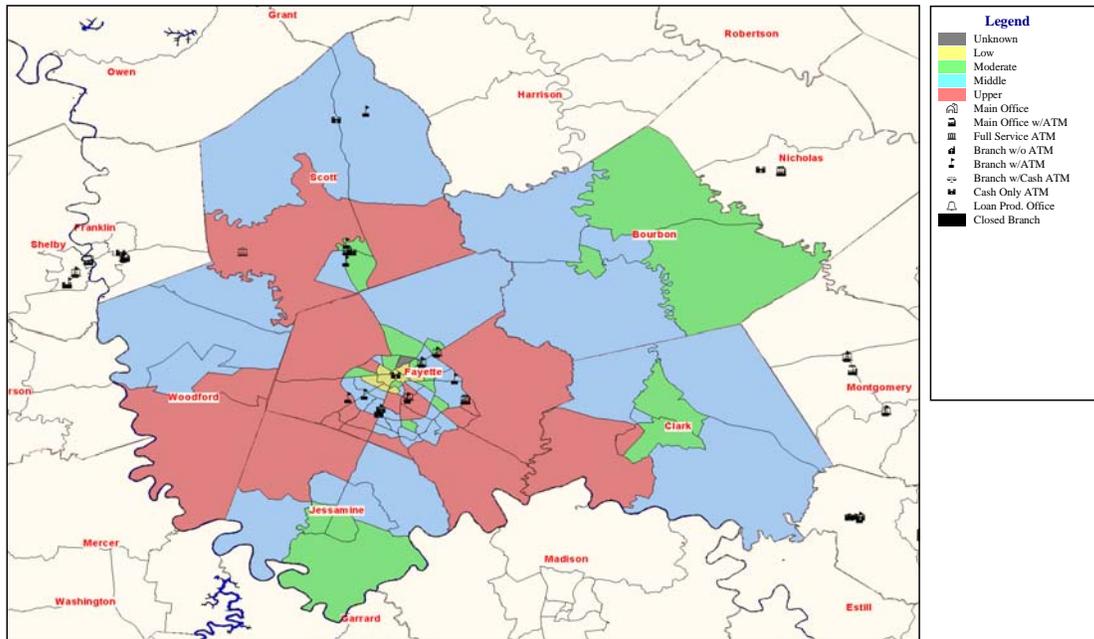
## APPENDIX D

### ASSESSMENT AREA MAPS

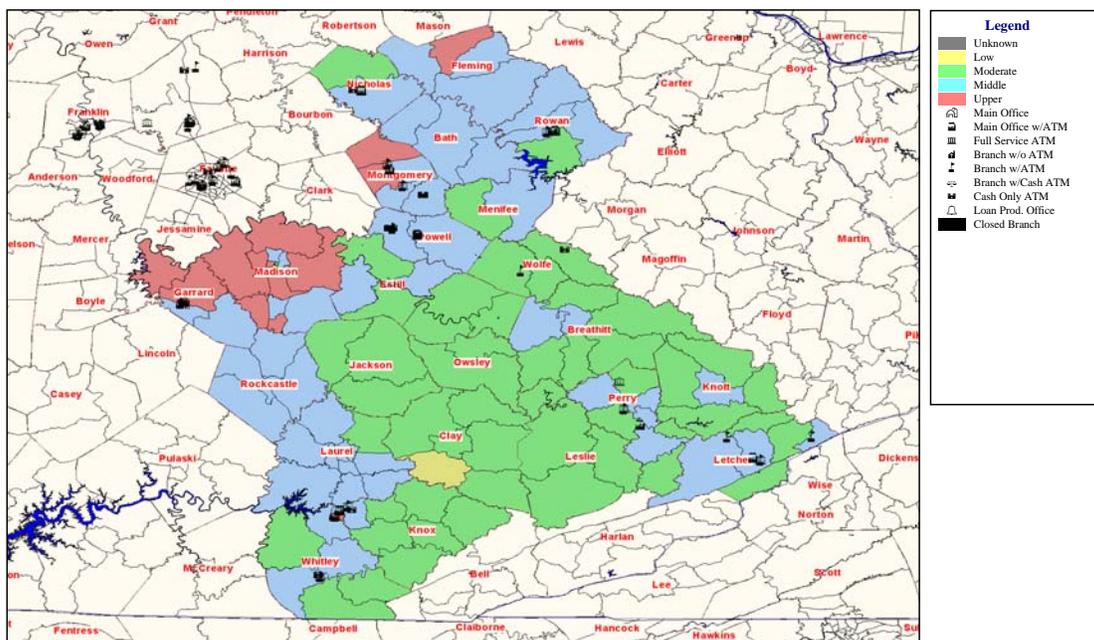
Whitaker Bank  
Overall



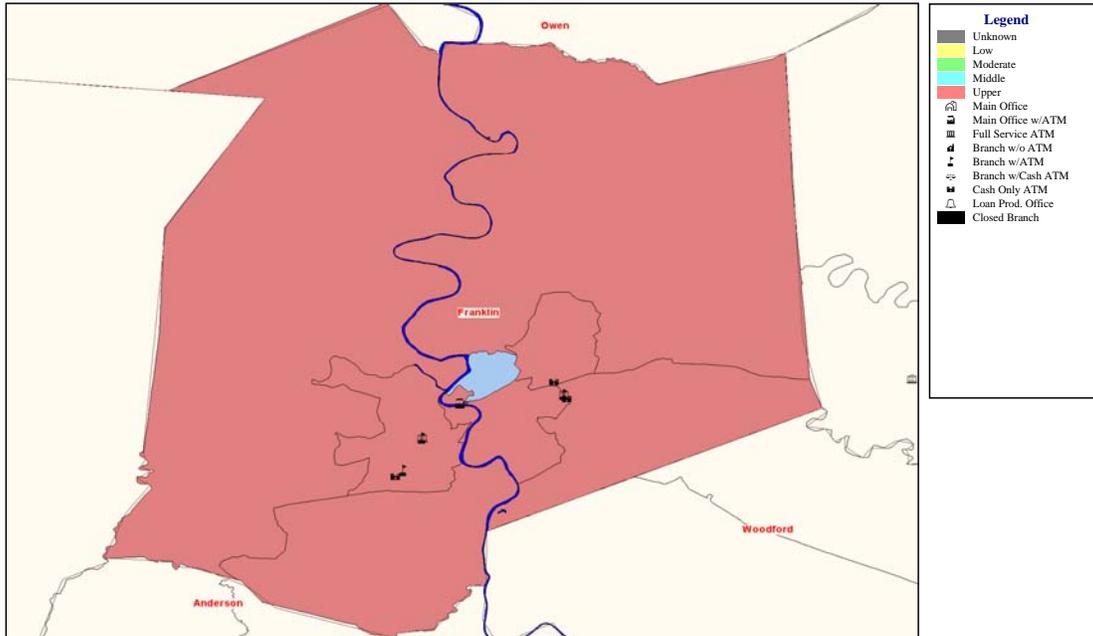
Whitaker Bank  
Lexington MSA 30460



Whitaker Bank  
Non-MSA 1



Whitaker Bank  
Non-MSA 2



## APPENDIX E

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate of all lenders number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved non-metropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**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, home equity 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**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 (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

**Metropolitan area (“MA”):** A metropolitan statistical area (“MSA”) or a metropolitan division

("MD") as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**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.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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") and the Thrift Financial Reporting ("TFR") 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.